

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

No. 1748] NEW SERIES Vol. XXXVIII. No. 19. THURSDAY, MARCH 11, 1926. [Registered at the G.P.O. as a Newspaper.] **SIXPENCE**

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NOTES OF THE WEEK.

Last week, in the House, Mr. Runciman complained of the Government's nervous attitude on the question of allowing credit facilities for Russia under the Export Credits Act. In a following speech Sir Philip Pilditch, a member of the Advisory Committee concerned, stated that applications for these facilities would be considered and recommended irrespective of the country to which the proposed exports were going: whereupon, to the astonishment of the House, Mr. A. M. Samuel got up and said that if any recommendations for Russia were to reach him he would refuse to endorse them. This got him into hot water generally, so much so that Sir William Joynson-Hicks had to hasten in to give him support. The defence was that until Russia respected "private property" she ought to be discriminated against. To this, however, critics pointed out that the banks themselves were financing exports to Russia, and if the proposition was good enough for them it was safe enough for the Government. The reply was that whereas the banks were guaranteed their risk up to 100 per cent. (presumably took securities covering the whole risk—but do they?) the Government were guaranteed only 80 per cent., leaving an uncovered 20 per cent. risk which the poor taxpayer would have to disgorge in case of a default. This is a plausible enough case—until it is answered. The trouble is that no one in the House could answer it—or cared to.

What happens when a Russian importer defaults? On a narrow view, he gets goods out of a British exporter without paying for them, thus leaving the latter with a financial loss. But looking at the question internationally, the default means that Britain as a nation has parted with *goods* to Russia, and Russia is *not going to return goods* to Britain. The loss is in goods, not money. In confirmation of this Mr. McKenna can be called as a witness. He has definitely stated that the money of any country does not leave that country. The proof is easy, moreover, without his testimony. Take a Russian order for £100 to a British exporter. When the consignment is ready

the exporter draws a *bill* on the Russian, but gets the £100 from his banker. The shipment is then made. The Russian now owes the British exporter £100; but the *actual* £100 remains in Britain. Probably it is being used by the exporter to replenish stock, in which case it is affording employment, profit, and wages to some manufacturing concern in Britain. That is as it may be: the crucial fact is that in no case can Britain lose £100 of money through the default of a Russian purchaser. And conversely, on precisely the same reasoning, in no case can Britain gain £100 of money should this purchaser honour his debt. In that happy event the debt would actually be repaid in the form of Russian goods to the value of £100, for in no other way (apart from borrowing sterling) can Russia become credited with £100 sterling—and unless she be credited with credit in sterling she cannot cancel the sterling debit. It is *goods* all the time which must ultimately discharge international debts, commercial or official. In practice, of course, obstacles are continuously put across this path of settlement, for the sufficient reason that the discharge of debt means the discharge of work-people in the creditor country.

Mr. Samuel's and Sir William Joynson Hicks's fear of a Russian default is thus one that Britain may be cheated into exporting goods to a greater monetary value than those she imports. What? Fearing a "favourable balance of trade"? Where are we? What is the rationale of this precious system of ours which gets panic-stricken at a result, in the case of trade with Russia, which our whole manufacturing population is urged to attain as a continuous general principle? If our prosperity depends upon an excess of exports over imports, the very defaults of foreign buyers, which Sir William shudders at, must be a condition of our prosperity. If we live by our export trade, and, presumably, die by our import trade, defaults are good things for us, for they lighten the "burden" of imports.

Last week we referred to the Chamber of Commerce as a financial rather than a trade organisation.

Since that Mr. Walter Leaf, chairman of the Westminster Bank, and former president of the Institute of Bankers, has delivered an address in Paris before the Council of the International Chamber of Commerce, of which body, too, he is president. As was to be expected, he saw signs of improvement in Austria, Czecho-Slovakia, and Italy—countries which have placed themselves under "sound financial" tutelage. On the other hand, reports from Germany proved a nasty facer—or, at least, one would have thought so. For instance Mr. Leaf himself stated that bankruptcies in that country were 11,184 in 1925, as against 6,033 in 1924, and that unemployment rose from 364,000 in November to 637,000 in December, and to 1,760,000 by January 15. "If we add the trade union figures of partial unemployment, it would seem that some three millions of effective workmen are wholly or partially out of work." Did this rattle the equanimity of Mr. Leaf? Not a bit of it. The troubles of Germany, he said, were partly due to the impossibility of extending her export trade. He did not stop to quote Mr. McKenna's statement that Deflation is the chief cause of such impossibilities, but passed on unfalteringly to dwell on the "disastrous effects" which the English coal subsidy has had on the German coal industry. It does seem a pity that just when City investment balances are flowing strongly to Germany, these ill-considered attempts at home to give British miners a living occupation and wage should put a spoke in the international credit wheel. Cannot Mr. Cook realise that he is keeping German miners out of a job—not to speak of the unemployment in the coupon-cutters' trade union at home?

Not only workers, however, but their masters as well, fall under Mr. Leaf's condemnation. "The almost universal adoption of protectionist measures has intensified the adverse trade balance of Germany." He advocates the removal of European fiscal barriers to trade, asking in effect how Europe can hold her place in the world when she has to compete with a United States of America which is one single Free Trade area. That is a sound enough point so far, but not so important as the fact that the United States is at the same time one single credit area, which means that exchange riggers cannot interfere with inter-State commerce there. The real issue is quite clear. The financier says: "Orders must flow to the place where my loans are placed." The producing capitalist (and his employees, too, when they see the position clearly) says: "Orders must flow to where my works are placed." Free Trade assists the first policy; Protection the second. That is why the International Chamber of Commerce is a Free Trade concern. In due course the principle of Free Trade will be elevated to the same plane as that of Disarmament, as a guarantee of international Peace, and a Day of Fiscal Atonement will be appointed when everyone will be summoned to prayer in the Cathedral of the League of Nations at Geneva.

"The two great needs of Germany," says Mr. Leaf, "are for larger markets and more capital." Since the idea that these larger markets may be created within German territory is apparently beneath his notice, Germany must look for them within some other territory. She must therefore necessarily desire to impose a policy of "Down Tariffs" and "Down Subsidies" on her neighbours as far as she is able. But when we speak of "Germany" we are speaking of a huge and efficient production organisation held in pledge by New York and London financiers. Now we come to the Council of the League of Nations. The "admission of Germany" to a permanent seat there is simply a euphemism for the granting of an extra permanent vote to Anglo-American owners of German resources. It is a vote to

lighten German unemployment by the process of diffusing it over Europe, particularly into France, where the spectacle of full work side by side with unbalanced budgets and tax resistance is particularly distasteful to the preachers of the doctrine that economic safety lies only in financial soundness. In these circumstances the dramatic "defeat" of the French Government just reported as we write, will need no explaining. This time, to recall our analogy last week of the musical chairs, it is not simply the case of a Finance Minister squeezed out of a seat, but a case of some mischievous ragger knocking the chairs over and delaying the resumption of the game. So it was not for nothing that we heard that whispering and giggling going on. The French people are only too willing to bear taxation generally, but on condition that each one of them is willing to pay the chosen taxes! Having conceded the principle so handsomely, surely they should be left at leisure to discuss its practice. It is not as though they are neglecting their duty; have they not dismissed a Minister every month during the last half-year, because he has been so slow in discovering a tax that commands universal approval? What further evidence of a relentless intent to pay can anyone possibly require? There is no hope of making any impression on logic like this—so finance hammers the franc instead.

We referred some time ago to the foraging expedition of the Privy Council to the Channel Islands. The visiting committee has now issued a report recommending that Jersey should pay a minimum of £120,000, and Guernsey £75,000 per annum to the British Exchequer. This has revived the row on these islands which began at the beginning of the committee's inquiry. Deputy John Renouf, a Jersey statesman, says the committee's proposals are "impossible," and that if England persists in her demands "she must come over and fetch the money by force." This is a good strong line to take. But Mr. Renouf achieves somewhat of an anti-climax when he holds out the threat that "We shall, if necessary, appeal to the League of Nations to take us under their wing." Does he not know that the Council of the League has to be unanimous before it can do anything, and that England has a permanent seat there? "Jersey's reply will be not a penny," says Deputy Edward Boielle: "Jersey men of every class will fight against the contribution. In Cromwell's days we held out for the King; we are still as loyal, but we will not be coerced." The Jersey Labour Party have circularised the British Labour members of Parliament, saying that in the last resort they would take their case to the King in Council.

By a coincidence a copy of the *Golden Age*, dated February 24. (a Brooklyn, N.Y., magazine), which has been sent us by a reader, contains an article on the Channel Islands written by an inhabitant. In the course of it he says:—

"The islands are self-governed. Although nominally they belong to the King of England, yet they do not come under the authority of the British Parliament. The islands came under the control of William, Duke of Normandy, in 1061, before that gentleman conquered England. They own their allegiance to the British King only as William's successor.

"An interesting situation has arisen over Britain's war debt. Parliament claims that the islands should pay towards the same, but it has no constitutional power to impose taxes on us. Guernsey made a grant in 1919 of £100,000 towards this debt . . . raised by a tax of fourpence a basket on tomatoes. Many growers were summoned because of refusal to pay. Guernsey has since made an additional offer of £200,000 as a final payment. . . . This has been neither accepted nor rejected, but a committee of the King's Privy Council has been ap-

* London Agents at 34, Craven-terrace, Lancaster Gate, W.2. Price 5 cents.

pointed to inquire into the ability of the islands to pay a war tax.

"The islands had their own banking systems and currency until after the war. Now the currency has been changed to English money, and the shareholders of the island banks have been bought out by British bankers. . . . Now the erstwhile self-governed islands are under the control of the real rulers of Britain—the financiers, who will no doubt make interesting suggestions through the privy councillors concerning a war tax," etc.

The writer is evidently a student of real politics. From what he says it is clear that the independence of the islands, guaranteed constitutionally, is being lost all the same by the external exercise of financial power. It was inevitable, too, for the islands, with their low taxation (income tax 4d., wines, spirits, and tobacco lightly taxed—e.g. tobacco, a blend bearing 18s. tax in Britain bears 8s. there), constitute a leakage in the general taxing system. The writer refers to the suggestion that "many patriotic people have come to reside here from England because of the small income tax." Parliament cannot do anything about it; but the Masons of the Privy Council can.

In the same magazine a note says that the Catholic Church of Bavaria is borrowing something like £6,000,000 from the bankers of New York—also that Cardinal Hayes has also arranged for a large loan to the Vatican. Another note we reproduce verbatim:—

"At the moment it looks as though the Standard Oil interests, operating through France and Turkey, had failed to retain the oil region about Mosul. The Anglo-Persian Oil Company, operating through Great Britain and the League of Nations, has decided to award Mosul to Iraq, which means that the Dutch Shell Oil Company, and not the Standard Oil Company, gets Mosul. Turkey is making threats that she will fight to keep Mosul. We wait to see."

These notes are supplemented by a long article on money and usury, very simply written. The whole magazine is well worth reading. Its main preoccupation is with the prophetic scriptures (Judge Rutherford's addresses receiving a good deal of attention), but as a whole it presents an admirably balanced synthesis of sociological, economic and scientific facts and discussions. For instance, in an article, "Interesting Items about Light," we notice a reference to Flammarion's suggestion that the time will come when science will discover in light the principle of every movement, and the inner reason of things; together with the comment: "If science ever makes such a discovery it will discover the Creator, but it will be done by the eye of faith. 'God is light, and in Him is no darkness at all.'" That light is the one Absolute in a universe of Relativity is a concept which certain of our readers will remember hearing enunciated by Mr. D. Mitrinovic in one of his recent lectures.

The United Kingdom Provident Institution has presented its eighty-fifth annual report. It has had a record year. Revenue has exceeded expenditure by about £830,000—premiums and interest received during 1925 having been £1,991,325, and claims paid (including expenses of management) £1,161,398. The income from interest, dividends, etc., alone comes to £600,000. Deducting this figure from the £830,000 total surplus revenue, one sees that there would have still been a surplus of £230,000 on the Year's Revenue Account, even if the whole of the Institution's assets (mortgages, loans and investments) amounting to £15,000,000 had not yielded a penny of interest or dividend. In fact the existence of this huge mass of investments is seen not to be necessary for enabling the Institution to fulfil its current liabilities as they fall due. We have seen that it saved all its interest income in 1925 with £230,000 in addition. Of course, the business man's reply would be to point to the other side of the balance-sheet where

the liabilities are shown as £15,000,000. But these are not immediate liabilities, they are contingent. If (as the argument of the business man suggests) the extreme hypothesis be taken that some catastrophe might gather up the contingent risks of years and years to come, and precipitate them in the form of an instant demand for £15,000,000 in money, very well; but in that case how much money would the £15,000,000 worth of securities fetch? Practically nothing. These assets are only good assets so long as no catastrophe happens. Therefore, the assets themselves are a risk, and not a guarantee against risks. The very contingency that they are mobilised and equipped to guard against would disarm them. While the figure measuring liabilities remains unreal, the figure measuring the value of the assets is real. But should the figure measuring liabilities suddenly become real, the figure measuring assets would become unreal.

But Assurance liabilities do not represent anything real, any more than a bank's theoretical liability to pay out cash on demand is real. Then why accumulate securities? The answer is that the minding of risks by Assurance is a small side-function corresponding in triviality to the minding of deposits by Banking. The prime and designed function of Assurance is to apply continuously the financial policy of deflation. The banker issues credits for production: the assurer collects them and diverts them from consumption. Imagine a bank loaning £10,000 to a firm. The firm builds a factory for that sum. Then it "floats" the factory on a £10,000 share capital. Meanwhile an assurance concern has collected the actual £10,000 as premiums from the people employed to build the factory, and now uses the money to buy the shares of the new company. The company thereupon liquidates its original loan from the bank. The bank destroys the credit. Thus a credit of £10,000, which ought to have been used as effective public demand on consumable products of industry is nicely short-circuited back into nothingness without having accomplished its purpose. All there remains is an entry on the assets side of the assurance company's balance sheet—"Investments £10,000." This rough illustration, of course, is not given as describing the actual process (which is much more complex), but it truly isolates the principle at work. We may sum up the significance of Assurance assets by saying that they are a by-product of deflation. They are in the last analysis bankers' certificates that credit has been destroyed to such an amount. Their valuation and display in balance sheets to-day reassures the assured that their assurance is assured, and make good advertising.

Critics of finance are so engrossed with watching for the bankers' open methods of deflation that they do not notice the concealed methods of the insurance companies. Finance is ready to allow the workers, if necessary, any wages they ask for so long as they save their rises. For instance, the "unsound" consequences of the coal subsidy, for which the miners fought wildly, are now being substantially offset by the long previous decision to increase compulsory assurance for pensions and so on, against which the miners did not fight at all—nor any other body of organised labour. The credit controllers will give you a double-sized piece of cheese if you will let them put it in your mouth. And then they nip half off under your chin. You take your rise out in the double smell.

NOTICE.

Next week will commence a series of articles written by Mr. A. R. Orage, which we are permitted to reproduce from the "Commonweal" (U.S.A.). They are entitled "An Editor's Progress," and describe his experiences during his long and celebrated editorship of "The New Age." Will readers make this announcement known to those of their friends who are likely to be interested.

A Transatlantic Disraeli?

I.—HOUSE OR BARUCH?

There are people who study politics and are willing to take public responsibility for the conduct of affairs. These are politicians. There are others who study politicians and secretly direct their activities, accepting no more public responsibility than they choose subsequently to claim. Of the latter is Colonel House, whose part in American and international affairs is now described by Dr. Seymour.* The characteristic of the Colonel's "intimate papers" is that they reveal nothing of any importance about himself, but everything about the objects of his study. No connected account is given, for instance, on how he came to have such an influence on President Wilson and afterwards on the highest Ministers of the chief European nations on both sides during the war. One thing is certain, and it is that no man, of whatsoever personal qualifications, could have risen to such an exalted sphere of political power without the confident approval of the ultimate wielders of financial power. The picture of Colonel House as a "connoisseur of politics" (Dr. Seymour's phrase) is misleading. When and how Colonel House first came to be a plenipotentiary of High Finance will probably never be known unless, let us say, Sir Basil Zaharoff publishes any "intimate papers." That he was such his very reticences reveal—which his revelations do not. Although the narrative carries us up to April 2, 1917, when America entered the war, there is no mention at all, in the copious index of names provided, of Sir Basil Zaharoff nor of Mr. Montague Norman. To the name of Mr. Bernard M. Baruch there are three references, but they relate simply to that gentleman's suggestions about a trivial official appointment. It is difficult to believe that Mr. Norman and Colonel House never met while the latter was over here in obviously authoritative relations with minor constellations such as Asquith and Grey, or that when they met nothing was said worth recording.

The main suggestion of the whole narrative is that Colonel House was the sole inspirer of President Wilson's policy. President Wilson appears as a vacillating idealist who depended on some other will than his own. Accepting that, one asks when the Colonel, pastmaster at sizing up an individual, first knew of this weakness. Obviously it must have been before he decided to work the election of Wilson for the Presidency. Now as far back as 1896 Col. House was, as he records, "ready to take part in national affairs," but the nomination of Bryan in 1896 and the free silver issue made him "feel the unwisdom of doing so." In each campaign thereafter overtures were made to give him a responsible share of its management, but he evaded them, insisting that "the Democrats must embrace the liberal creed, but it must be cleansed of the Bryan financial heresies." In 1908 Bryan went down in his third and last defeat and the way was open for Col. House to find the Democrats another president. His choice finally fell on Wilson. Wilson's recommendations were that he had no political record, no political enemies, was an ambitious reformer, seemed to be "an opponent of aristocratic privilege," and had an "obvious capacity for moral leadership." Add to these the certain inference that Wilson had no unorthodox views on money, and was without initiative, and what instrument could have been better fashioned for carrying out financial policy? The proof was soon to come in the shape of the passing of The Tariff Act and the Currency Act—"in one single sitting" as Ambassador William H. Page noted admiringly in writing to the Colonel. The

*"The Intimate Papers of Colonel House." By Dr. Charles Seymour, Professor of History at Yale University. Vols. 1 and 2. (Ernest Benn, Ltd. Price £2 2s. net the set.)

Colonel says that he interviewed every banker and economist in the Eastern States. Morgan, Schiff, Kahn, Warburg, and so on, all contributed their views to this ostensible connoisseur of sound currency reform. As soon as the Act was passed, the Colonel was again depended upon by Wilson to superintend the selection of the first Board of the Federal Reserve Bank set up under the Act.

Every sensitive theatre-goer knows the experience of trying to concentrate on what is going forward on the stage in front of a drop scene, yet being distracted by the muffled thumps of the scene-shifters behind. Dr. Seymour's history is a succession of such interludes. Every time something is going to happen to the setting of the main scenes House is sent on with Wilson to drown the preparations. House "advises" Wilson to have the next scene arranged so and so; and behold the next scene is so and so. But the explanation why it is so and so is not that Wilson changed it, but that it was being changed at the very time House was suggesting his changing it.

One of the invisible scene-shifters is Mr. Bernard Baruch. This man Baruch, as will be seen, had such influence with President Wilson that Colonel House's practical silence with regard to him (there is no account in the book that House ever saw or communicated with Baruch) can only be explained by the supposition that they had agreed not to know each other. Bernard Baruch was, as he is said to have called himself, "the Disraeli of America" during the war—a designation which House now seems to claim for himself. Yet the two men never met! Baruch stated (after the war) to a select committee of the Congress of the United States:

"I probably had more power than perhaps any other man did in the war."

And he did not know Colonel House, who also had "more power" . . . *et seq!* That Baruch's claim was no idle boast is clear from his further evidence before the committee. He was head and centre of a system of control which decreed what credit American industries should have during the war. Let us quote:—

Mr. JEFFERIS: "In other words, you determined what anybody could have?"

Mr. BARUCH: "Exactly; there is no question about that. I assumed that responsibility, sir, and the final determination rested with me."

Mr. JEFFERIS: "What?"

Mr. BARUCH: "The final determination, as the President said, rested with me; the determination of whether the Railroad Administration could have it, or the Allies, or whether General Allenby should have locomotives, or whether they should be used in France."

Mr. JEFFERIS: "You had considerable power?"

Mr. BARUCH: "Indeed, I did, sir."

This evidence was quoted by the *Dearborn Independent*, of November 27, 1920.

Let us now come to Europe. When the war was over a great swarm of international bankers settled on Brussels, where the great Conferences were to take place in connection with the Peace Treaty. The chairman of the commission that represented America in the Economic Conference was Mr. Bernard M. Baruch. This section brought in an elaborate report, which was afterwards made a part of the Peace Treaty, and of the "Articles of Association" of the League of Nations. These facts, and many others, are given in the first chapter of Mr. George W. Armstrong's "Truth"—a book to which reference has been made on several occasions in THE NEW AGE. In that chapter a considerable number of celebrated names are mentioned, including Wilson's—but that of Colonel House is not among them.

Mr. Baruch did not attain to visible power until America entered the war in 1917; and since Dr. Seymour's narrative closes at that time one might

find in this fact a reasonable explanation why Baruch does not figure in it. But there is earlier information about him. He had graduated at the College of the City of New York, one of the favourite institutions with the Jews, its president being Dr. S. E. Mezes, a brother-in-law of Colonel House. As regards Baruch's connection with President Wilson, he told the committee already referred to that he was personally acquainted with him prior to the outbreak of the war, and had indeed known him at the time of his first election.

Another important fact came out in the same evidence. As early as 1915, say eighteen months before Colonel House begins his task of making up Wilson's mind to enter the war, Mr. Baruch was financing General Wood in the Plattsburg encampment, and telling him "whatever he did, I would guarantee to stand behind that movement"—i.e., a movement to get America into the war. Later on the idea of the American Council of National Defence was adopted and the Secretary of War went to Mr. Baruch (whom he had never met before!) to know what he thought about it. Mr. Baruch's reply was, "I would like to have something different." And he got it. Instead of this Council being a council of representative Americans with control over war production, it became the merest side-show, entirely subordinated to the War Industries Board, which monopolised that control. And Mr. Bernard Baruch was the Board, as he himself admits. Between 1910 and 1917 it is evident that he must have been very frequently in consultation with President Wilson on matters of the highest State importance; and yet Colonel House knew nothing about it!!

We will leave Dr. Seymour to make the appropriate comment—"Unfortunately, if the materials of real history are absent, those of legend replace them. 'History,' said Voltaire, 'is a fable which men have agreed upon.'" ARTHUR BRENTON.

PRESS EXTRACTS.

(Selected by the Economic Research Council.)

"Under the headlines, 'We are governed by foreign bankers,' the Belgian Right Press violently criticises all those concerned in the Belgian loan negotiations with the United States for their action, which has just been revealed, in promising to effect a reduction of 150,000,000 francs in the Budget. It was former Foreign Minister Jaspar who . . . pressed for confirmation or denial of the report that American banks had demanded a reduction of expenditures by that amount. If it were so, said M. Jaspar, the only conclusion to be drawn was that Belgium was under the rule of American and English financiers who were able to dictate their conditions. 'What, then, is the use of the Belgian Parliament?' asked M. Jaspar. M. Vandervelde replied that the facts were substantially correct, although the figure was not as stated. The Government, he said, had to choose between obtaining the necessary loan or abandoning the idea of stabilising Belgian money. . . . It must submit to the demands of the foreign capitalists in order to obtain the stabilisation of the franc.

"L'Indépendance Belge, criticising this action, says: 'It seems to us that M. Janssen has somewhat forgotten the dignity of Belgium. We have not yet fallen so low as that, and we do not want to be treated in that fashion. We are our own masters, and we intend to remain so. No one outside our frontiers can be allowed to dictate to us on measures which we think fit to take for our security. If we are told that we must sacrifice our army for our financial rehabilitation, our reply is we would prefer to delay two or three years this redressment of the franc rather than accept a diminution of our sovereignty and a reduction of our military establishment below the necessities of national defence.'

"These outbursts probably are not to be taken more seriously than similar talk about the imperialistic policies of Wall Street and the Money Power in the U.S. The responsible Government of Belgium knows that the conditions which have been discussed in connection with the proposed loan are intended to place the finances of that country on a sound basis, protect the investors in Belgian securities and make the securities acceptable to foreign investors."—Bulletin of the National City Company, December, 1925.

The Essence of Democracy.

V.

The necessities of war were almost fatal to democracy. Equality of opportunity on most levels of society was abandoned even as an ideal. Selection by somebody of the best man available at the time nearly became the principle of advancement. In every instance in which the common purpose of society was appreciated, in which, in other words, the individual recognised his identity with the nation, equality of opportunity gave place to a higher value; from each according to his powers, and to each according to his needs. This passionate expression of a true community, rendered into another terminology, becomes privilege according to quality, and the maximum of service as duty. In a condition of affairs where any corporation capable of taking responsibility for some definite and necessary function, and insistent on doing so, could not be ignored, trade-unions might have become guilds, and Parliament permanent.

What prevented the re-creation of aristocracy where human service was already valued by aristocratic standards was, in addition to the general fear of responsibility, especially on the part of trade unions, that the anarchist outlook characteristic of the democratic social trend throughout its history prevailed in two sections of the nation. In the commercial and financial section open competition and equality of opportunity were still anti-socially asserted. Men would not surrender their right to make all they could for themselves, with the consequence that in one aspect the war was degraded as an additional form of enterprise; for the investors a gilt-edged industrial, and for the managers, technicians, and workers, a compulsory form of employment. The second section comprised a portion—and not a small portion—of feminine human kind. Granted that the individualist example set by man for some generations had acted as a provocation to woman to depose man, it still remains that woman instead of raising up racial standards, joined forces with the self-seekers. With the worst element in the community, that would not see beyond individualism even during the storm, women became spiritually in league when they asserted their right to equality of opportunity for careers. They took sides in a spiritual conflict when they ought to have used their influence to resolve it. Divinely appointed custodians of the race denied their nature for an office. Instead of rallying fallen man to remember his species without forsaking himself, women themselves forsook the species, and, while succeeding at all sorts of things, failed in themselves. To-day, as a result, the leaders of women are to be found re-iterating all the democratic antitheses of ambition and protection, and pretending almost in one voice that women must be independent, at the same time as they are protected by legislation from all that might happen to them if they were independent.

If men and women wish ever to be free—as Nature and God, according to their common law of their essence urge—it would be folly for them to fix attention wholly on environment and allow tradition, descent, and character to be ignored. There is always a danger, since the possibility of redemption entails the risk of damnation, that man may become unworthy of a superior environment. That the social conflict between oligarchy and slavery, of which Mr. Belloc's nightmare of the servile state was the logical projection, reproduces the individual spiritual conflict between ambition and the corresponding longing for protection has been made evident in this series. It is clear that any conscious direction of

environment, if it were to precede the impulse to resolve the conflict of spirit, might result in an undesirable fixation, either on conscious ambition or on the protective repression, and produce at the best a mechanical society in which function, truly only part of the man, became the whole.

It would be an example of futility, of course, to attempt the revival of character values if they were not, like vegetation in winter, still nascent. There still occur, fortunately, expressions of an aristocratic spirit, although the bodies of men from whom advance might be expected are reluctant to shoulder the responsibility. Trade-unions, for example, are still prone to exert and exercise their power merely to their private, while denying communal, purposes. They are more ready to wrangle over their share of existing fruits than to demand as unions corporate charters to increase the fruits, or, as corporations within the community, to affirm their manhood as citizens with a view to influencing the sort and quality of the fruits to be cultivated. Yet the question of quality in everything appertaining to life from culture to food will persist when all questions of quantity have been settled.

Apart from the remnants of the gentry, a shade of the old aristocracy still walks the countryside. Men are judged there by who they are rather than by what they do, and the results are probably as good as those of the last behaviourist laboratories. A man is a Robinson, a Wood, or a Hulme, and his mother was a Haigh, or a Sutcliffe. He does not come, like men in cities, with neither antecedents nor religion, but as one episode of an eternal family. He is who he is, and what he is likely to do follows by simple wisdom. If he redeems his family everybody will rejoice, and if not, he merely goes to them. Simple as these people are, they are fertile, whereas cosmopolitans are not, so that the future is of necessity with them. A man with only talents and personal ends, owning no family, no parish, no race, and no kinship with mankind, for whom the city is also a grave, is bound to his species only by the compulsions of state regulation, and cannot be more than a passing phase of human society. The freedom of the city, if it entail the adoption of *unvalued* individualist opinion, spells the death of society by disintegration. The country, with all its faults, many of which are due to the blindness of the cities to its importance, except as picture, still harbours such vital reserves for character as the nation possesses. The fluidity of spirit bred by cosmopolitanism is as ready to take the devil's mould as Christ's, and, unless something is done to restore a shape in the city spirit, the country spirit will be endangered. It is already, in fact, gradually succumbing to metropolitan culture, whose main sign is the inability to resist a stimulus of any kind.

Occasionally, though for brief spasms only, the highest human values come to expression. The one religious purpose of the war was possibly that it called them into conscious expression and gave a direct prompting towards racial values. When miners are entombed, when a house catches fire, when a ship founders, all the cries of democracy are silenced. Individualism, open competition, the whole life attitude, including the granular distribution of power, is cast aside as unworthy. Twenty women and children, cry the folk on the ship, as though each were conscious that there lives the awakening race. Rules, systems, contracts, all that distinguish the democratic standpoint, have to make way for a revelation of the quality of man; when only Man matters and men are of no importance.

RICHARD MONTGOMERY.

Gertrude Stein.

By C. M. Grieve.

III.

"Thought is a process of syncretism whereby man has been transformed into a mere eponym of himself. Besides, all but an infinitesimal fraction of humanity don't and can't think in any real sense of the term; but their spurious substitute for thought, generally almost entirely mechanical and meaningless, is even more life-destroying than real thought, insidiously treacherous and delusive as that generally is in the minority capable of it. The minority become 'ists' of one kind or another or from systems of philosophy; the mass became robots, the opinions of the man in the street on everything—himself included—are beside the point (fortuitous, imitative, essentially futile and irrelevant). Thought is neither the chief end of man, nor revelatory—even self-revelatory—of him; it is largely, if not entirely, a waste product, or, at best, a subsidiary element of life, devised for ulterior ends which are at complete variance with its ostensible or generally assumed functions. It disguises rather than reveals as a rule—what it does appear to show seldom has the slightest foundation in fact, simply isn't there, while, so far as it is concerned, what is there might as well not be; it is prevented from transpiring. Writers who write about life in the way that almost all writers do and always have done—people who feel about themselves and others as all but an exceedingly small number do and always have done—simply abandon the substance and pursue the shadow through the labyrinths of a profitless imagination; they exchange the realities of life for vain imaginings—perversely persisting in regarding people as 'sane' and 'rational' beings instead of the far more diverting or damnable, certainly far different, objects they really are. When a man or a woman turns 'insane' or develops some organic disease we talk of them and think of them as if something terrible had happened to them—whereas they have only become what they have all along really, if indistinguishably, been; they are now sensorially perceptible in our midst—differentiated from the rest of us—simply because their own nature, that to which they have all along been predisposed, their natural destiny, is revealing itself and cannot be longer hidden under all the elaborate pretensions and disguises and self-deceptions under which the rest of us hide from ourselves and others our real dispositions."

It is with such ideas in my mind that I welcome Miss Stein's work—discerning in its undeluded presentation of the fact that human nature, difference in temperament, exists below and practically unrelated to all rationalities, and that it is presentable in all its vital distinctions through media that can dispense with the "dark glass" of any propaganda or purpose (and everything that "makes sense," every form of words that takes rational shape, is a form of propaganda)—a means of getting behind protective camouflage to the essence of individual entities. These are not obscured but the better revealed in Miss Stein's work because we do not see them through conventionalised forms of words which raise up all manner of alien and artificial associations of ideas—the movements of their minds are the better appreciable because no adventitious order is imposed upon them; they are not given an inhuman consistency, or consistency-in-inconsistency. Are not all previous forms of descriptive prose concerned solely with what Hulme calls "the crust of clean-cut psychic states separated one from the other, and which can be analysed and described" which cover the living self. "Every emotion is composed of a thousand different elements which dissolve into and permeate each other without any precise outline. In this lies the individuality of the emotion. As soon

as you begin to analyse and to attempt to describe it in words you take away from it all the individuality which the emotion possesses as occurring in a certain person." "The straightforward use of words always lets the individuality of things escape." Miss Stein's work is a commentary on the tyranny of the word—a vast exposure of some of the main assumptions of modern life—a getting-behind some of the most confirmed habits of mind to which humanity has succumbed. It is uproariously funny, too, as a revelation of what really exists behind most of what passes for thought and for self-expression; and it shows that intelligibility—literally—cerebration are *culs-de-sac*, for, as Edwin Muir reminds us in a brilliant essay, "In the end Lachelier, the most profound mind which France produced in the last century, exclaimed triumphantly—why triumphantly?—after spanning and plumbing the whole universe of existence, thought discovers—only thought." Mr. Muir goes on to say: "It is more to the purpose to inquire why every philosopher who asks what life is should always reply to himself by saying what thought is. It is because by doing so he can attain peace of mind. He can give an answer with certainty—certainty at least by definition—to the question, 'What is thought?' but he can give no certain answer to the question 'What is life?' Therefore, he answers the former, and pretends, or even perhaps believes, that he has answered the latter. The deception here is so naïve, and yet so profound, it is on such a great—such a ridiculous—scale, that one is surprised that no novelist has ever taken it for a theme."—But that is precisely Miss Stein's theme, and the explanation of her work.

And she expounds it with searching satire. The average conversation between well educated people even is unreportably, almost incredibly, banal. Joyce succeeded in putting one or two such conversations almost perfectly on paper. Miss Stein concerns herself with the mentality (or absence of mentality) behind such typical conversations, denuded of that interplay of external and internal circumstances which mitigates or obscures them in actual life, and her work consequently abounds in humour of the same type, if of a much subtler kind, as that which characterises this passage from F. C. Burnand's "Happy Thoughts," which might indeed serve as a prefatory quotation to a gross caricature of Miss Stein's work:—

"Nor, my dear sir, must you as a new acquaintance expect to find any *Pensées* among these pages; assuredly you will be disappointed. I do not put them down as Deep Thoughts; nor Light Thoughts. They are just such thoughts as would happily occur upon the impulse of the moment. For instance, suppose Jones and Robinson go over a gate into a field, when they suddenly come upon a mad bull, also suddenly coming upon them. They escape. Let us examine their separate jottings in their mind's notebooks: don't you think they would run thus?"

"Jones's Note.—Saw mad bull. *Happy thought.* Get back over the gate again. *Robinson's Note.*—Saw mad bull. *Happy thought.* Get back over gate again. *Jones's Note.*—*Happy thought.* Get over before Robinson. *Robinson's Note.*—*Happy thought.* Get over before Jones.

"This may not be heroic, but I fancy its true for a that!"

Burnand on Jones and Robinson amuses us, of course; the trouble with Miss Stein is that she has applied a similar process to us—with similar results. And, like Queen Victoria, we are not amused!

Mark Twain once threatened to "blow the gaff" on mankind; Miss Stein has certainly "blown the gaff" on human intelligence.

The Great Sea-Serpent.

By Filioque.

Underlying all imagination there is an image of the sea. It is the sea in which all life was born, in which all beings were evolved till they were mammals, the sea which cradled every one of us till the maturity of birth. Coleridge caught a glimpse of it in "Kubla Khan," and called it the "sunlit sea," in a cry of yearning for its blissful waters. It draws our souls towards itself continually, with a mysterious and implacable magnetism, if not with the lure of its peaceful gleaming, then with the ravaging of hungry waves in storm and darkness.

There is another power of the imagination which may be called a serpent. It is he who thrashes the sea into storm and whose touch electrifies us into activity. All our imaginations—all—in the abyss of their origin, are either dreams of the sea or stirrings of the serpent.

Does this seem mystagogical?

Well, look for yourself. If you look long enough, and quietly enough into the mirror of your mind, while it reflects the chattering world of men and your own chattering self among them, all moving together in the same impartial clearness, you come to see how all the drama is controlled by these two Powers.

For instance: when one talks of Socialism and of freedom, when he fills surrounding space with images of perfect order, universal peace, of plenty and brotherhood and equality for ever—then the depths of his eyes, the tone of his voice, and the cadence of his phrases may betray his inspiration. Both he who speaks, and we who hear, are captivated by the same enchantress, our souls are merged in one by the same enchantress, our souls are merged in one by the same enchantress, the spell to which we happily surrender is but a novel image of that shining rhythmic sea.

And if another should speak of imperial power, note how the music changes! While he evokes the ideas of aristocracy and authority, of privilege and the domination of the world, it is as if we were rising upon a rattle of drums to some climax of glorious conquest and death. It is the raising of an oriflamme in the cause of some new self-willed creation. What are we then worshipping, with willing oblations of imaginary blood? It is not so hard to know. Arrayed as he is in all the glitter of the latest notions, the same old serpent is upreared again, the wizard whose eyes are stars of fascination, and whose tongue is double since the beginning of time.

The words and ideas may be changed. The sea can shape its dreams of conquest, the serpent can preach its communism, too. We are no longer deceived. We see all works of philosophy, of science and art, below a certain stage of excellence, as ravings of the powers of the abyss; their authors as merely the unconscious instruments.

Now do you know them? They are the rival powers that strive perpetually to master man's imagination and rule it with strange rhythms of alternation. Few know them. Nearly all go on their way through dream and talk and action, through quarrels and associations, quite ignorant that all they do is done by powers beyond them. Men are marionettes, who think themselves free actors at least, if not authors of the play, while in truth they move subservient every second to the magic of the serpent or the charming of the sea!

But a few are born wise in every age of the world. Others grow wise by watching. They are the fortunate ones; for the surging and the writhing of these abysmal powers are pacified in the light of their wakefulness. And then comes the miracle! For what most men have only felt but fitfully, in lurid gleams of dream or superstition, is now revealed to the awakened ones in brilliance on the very heights of thought—a glorious Goddess and a mighty God!

And then they worship the Divine Isis. Not Aphrodite, for she was born by the sea itself as it surged up into the foam and light of consciousness. This is a greater Goddess, revered by many names. She is the gracious Sarasvati, and the supporting Shakti, and many have known her aid who knew no name by which to praise her.

We can discern her votaries, for they assume a radiance of her grace and power at will. They can dismiss the wrathful with a smile. They meet the turbulence of inferior minds with unexpected, tranquillizing wit, or flashing speed of friendly understanding. We know them in the few whose wisdom makes a harmony of diverse notions, whose speech or action builds a bridge of silver to unite divided sects.

But they are not one-sided. While trusting in the Goddess they remember the God. Enthroned with Isis, they have also seen the glorious Osiris, the Lord of Knowledge. Together with Shakti they saw the shattering Shiva who sunders, in every second, right from wrong. So very often, in the false harmonies of hypocrisy, they rage with astounding suddenness like lions. The real and unreal, the true and the false, scatter apart like grain and chaff when they speak with the breath which they have inspired in worship of the God!

These are wise ones indeed, and yet there are wiser and greater than they.

For some one or two in a generation of them, rapt in ecstatic vision of the heavenly pair, behold at last a third in which they are one. And what they see is the very source of Wisdom, a Being visible who is like Mankind. His blood streams through the living world and quickens every creature with its pulse. And then there enters into these unique ones the serene fury of having seen what is ineffable. Thenceforth, absolved from worship of any God or Goddess, they go forth in the strength of their own souls. It is they, or the Being who has made them His, who do the deeds and speak the words which recreate man's thought and change his state. And even they, the heralds of new ages, mysterious and utterly contrary to expectation as they are—even they may be known by one strange thing about them:—

Never, whatever, do they speak a thing which many men believe; and never do they speak the opposite thing which all the others hold. They crown each controversy with a reason not yet heard of—and always a reason for action.

And—to say one thing more of these blissful ones: for them there is no more sea: and the serpent is chained in the depths of a bottomless pit.

SHALL I YET SING?

By D. R. Guttery.

Shall I yet sing of justice, when
With every dawn the hate of men
Is born again?
How sickening sweet the song when hand
Of man his dearest friend shall brand
At greed's command!

Shall I no song of woman make
While, comely still, for envy's sake
A friend she'll break?
And beauty, guiling to deceive,
Will courage kill and killing leave
No one to grieve?

Yet still may song in hearts that hark
Flame gender from a tiny spark
To whelm the dark;
And beauty, when that song is heard,
To beautifying zeal be stirred
In thought and word.

Pavements and Pastures.

By "Old and Crusted."

Sua cuique voluptas.

"Our conversation turned upon living in the country, which Johnson, whose melancholy mind required the dissipation of quick, successive variety, had habituated himself to consider as a kind of mental imprisonment. 'Yet, Sir, (said I), there are many people who are content to live in the country.' JOHNSON: 'Sir, it is in the intellectual world as in the physical world; we are told by natural philosophers that a body is at rest in the place that is fit for it; they who are content to live in the country, are fit for the country.'"

—I saw a crowd,
A host, of golden daffodils;
Beside the lake, beneath the trees,
Fluttering and dancing in the breeze.
 . . . oft, when on my couch I lie
In vacant or in pensive mood,
They flash upon that inward eye
Which is the bliss of solitude;
And then my heart with pleasure fills,
And dances with the daffodils. —W., 1804.

I turned my back on London with a sigh of relief, mingled with regret. Relief, that next morning's first vision would not be a mustard-coloured empty mansion yawning bleary-eyed across a dreary West End street, but a stretch of green turf, fit carpet for a mighty elm lording it over hedge and willow, and beyond all, across the beck, half a score of red roofs peeping through the damson trees. Regret, that farewell had been said, for months to come, to the "quick successive variety" of friends old and new who had filled the last week with stimulating, joyous companionship.

It may be that the time of the year had something to do with this unseemly haste to get away from bricks and mortar. Even old blood stirs a little when the orchard is all a-tinkle with snowdrops and the aconite gleams golden under the box hedge; moreover the primroses are already showing in sheltered corners, there is a faint scent of violets in the air, and before long the daffodils will be fluttering and dancing in the breeze." Well, every man to his taste and to each his own particular form of "voluptas." Some love the roar of Fleet-street and the Strand; they even rejoice in the flash and glitter of inane transparencies—and who would quarrel with them? Not I for one! Even the great Doctor, he of the melancholy mind, would count himself of their company and pity us poor souls imprisoned in the country. But there are others, the author of "Dreamthorp," for example, one Alexander Smith—a gentle essayist unduly neglected these days—who says,

"Most men seek solitude from wounded vanity, from disappointed ambition, from a miscarriage in the passions; but some others from native instinct, as a duckling seeks water."

Now the first three causes may make a misanthrope of a man and drive him out of the society of his fellows, but not into "the bliss of solitude"; that is reserved for those who follow "native instinct"—and there are degrees even here. There is the solitude spent in field and garden which brings as its reward a certain peace of mind, largely physical in origin, and just a trifle bovine. Probably these are they whom Dr. Johnson had in mind. To that nobler solitude lived in high communion with nature, such as Wordsworth knew, groundlings of commoner clay cannot aspire; but even for them the veil is lifted now and again.

"A bolt is shot back somewhere in our breast,
And a lost pulse of feeling stirs again,
The eye sinks inward, and the heart lies plain,
And what we mean, we say, and what we would, we know."

There be simple souls also whose sight being cleansed in the chaste light of pastoral dawns are permitted to gaze into the Holy of Holies, what time the Gates of the Temple are opened, when the dew is on the grass, and all the earth "a solemn stillness holds." If it happen that the day of their vision be the morning of their Communion, what better preparation for participation in those unblemished Christian worship than the solitude of those unblemished hours between the lifting of the grey mists and the first stroke of the bell calling the faithful to the House of God?

If those deluded dabblers in the occult could only experience the ineffable peace that descends on the shriven soul in an ancient church after the pleading of the Great Sacrifice in the early moments of a spring morning there would be more sacramentalists and fewer "psychoanalysts." They also might attain

—that blessed mood,
In which the burthen of the mystery,
In which the heavy and the weary weight

Of all this unintelligible world,
Is lightened"
when,
"with an eye made quiet by the power
Of harmony, and the deep power of joy,
We see into the life of things."

And what is at the back of all this rodomontade? Why, just this.

Every day the conviction grows on me that Social Credit and the Christian Faith are interchangeable terms, and that those who live in close touch with nature in the peace of the countryside arrive more naturally at this conclusion than town-dwellers. There are those who protest that nothing short of a miracle could bring about the realisation of the new ideals, but those who watch in close intimacy the unfolding of Spring, day by day and week by week, are inclined to believe in miracles—and they easily become sacramentalists.

Music.

Sir Thomas Beecham.

Sir Thomas Beecham, in the *Sunday Times* of January 24, made one of his very rare and typically tart, pungent, public utterances upon the question of the establishment of permanent opera in English. He pointed out what no one has yet thought of doing, that in order to hear opera—singers are necessary, and asked the very crucial question, "Where in England, if he wanted to produce 'Don Giovanni,' could he find a baritone for the title-part?" That Sir Thomas—enemy of cant that he is—has no exaggerated ideas upon his countrymen's powers as singers was shown by his remarks some years ago, "that he would have the greatest difficulty to get together a fifth-rate opera company in England." The remark was received with indulgent laughter by the self-satisfaction and mutual admiration merchants—our musical world as one of Sir Thomas's little whimsies—when anyone not deaf and blind could see it was meant for what it actually was—a literal, plain statement of fact.

This same superb musician conducted the second L.S.O. concert on February 1. It would not seem that much could nowadays be done to give fresh interest to Smetana's "Bartered Bride" Overture until one heard Beecham do it. Through him it re-acquired a youthful vitality and sparkle that one imagined it had lost forever. There followed a wonderful reading of Delius' "Paris"—sub-titled a "Nocturne"—and, indeed, here, if anywhere, the Nocturne attains its apotheosis, its transfiguration. The work is conceived and carried out in a Shelley-like intensity of emotion and imagination; the opening pages containing the "Sunrise" section are among the most wonderful in music—the light gradually increases until the radiance becomes almost too much to be borne, and the last, that rising opening string chord expanding finally over the whole orchestra, through which a trumpet sings out, nostalgic, a lovely fragment of one of the principal themes of the work—like a shaft of dying sunlight—these are things that haunt and obsess one. "Heldenleben," great and wonderful work that it is, suffered from comparison with "Paris," its crudities and coarseness of idea and expression seemed cruelly in evidence in the light of the white fire of inspiration of which "Paris" is the product. Both works were played as only Beecham can play them, although too scanty rehearsal was often unpleasantly in evidence. Unable to endure the flatulent platitudes of a Goldmark violin concerto, I took refuge in the corridor. Violinists wail forever over the dearth of fine modern concertos for their instrument, and ignore the three specimens of the first order—the Reger, the Elgar, and the Szymanowski.

There has come no new music of the slightest importance (nor have I seen any being published, with the exception of a few new songs by Bernard van Dieren, which I do not yet know) except one or two interesting miniature scores, and those not of actually new music—but of music which is now first made available in this form. These are the Reger "rooth Psalm" and a beautiful little "Requiem"—incomparably the finest thing more or less directly inspired by the war—by the same master; also the Pastoral Symphony of Vaughan Williams, one of the best, sincerest, and most deeply-felt pieces of music that have come from a British composer in recent years. From Hindsmiths and Kreueks dribble continuously a succession of works, each more imbecile and idiotic than the ones before it. It is a matter for inexhaustible astonishment that countries whose tradition of great music has been splendidly carried on by such recent men as Reger and Mahler should be taken in by the impudent grimacings of mentally deficient apes, who, having once seen a Stravinsky, have been trying ever since to see how like a face to his they can pull. KAIKHOSRU SORABJI.

Reviews.

Mrs. Dalloway. By Virginia Woolf. (Hogarth Press, London, 1925. 7s. 6d.)

To presume to understand human nature one must have wide imagination. This Mrs. Woolf has, and makes interesting a group of very "ordinary" people. The big things of life depend on those small things that flash through our feeling selves leaving behind love, bitterness, perhaps hope. Thus Mrs. Dalloway makes much out of an evening party; to her it is life—or the outer shell which means so much to many. "She heard the click of the typewriter. It was her life, and, bending her head over the hall table, she bowed beneath the influence . . ."

Mrs. Woolf has made us feel the secret longing of Mrs. Dalloway to cast off this life, to replace it by one of which she dreams. Great understanding shows itself here, for Mrs. Dalloway remains where she is. Her tragedy is within.

Rezia has a tragedy outside, sharing her days with that tragic being, Septimus, to whom she clings with the insanity of the sane. Rezia wants help, strength to go on, so she turns to the doctor, Sir William Bradshaw, struggling to show him her very soul that he may heal Septimus for her. Sir William has no time for understanding in his haste to turn each moment into gold . . . and as for his income it was quite twelve thousand a year. But to us, they protested, life has given no such bounty. He acquiesced. They lacked a sense of proportion."

Mrs. Woolf realises the strange restlessness that is the demon of so many women. We feel Mrs. Dalloway straining for some excitement, watch her turn towards an old lover who wanders through the story, the action of which takes place in one day, bringing the characters into relation.

We shut the book with regret, with a touch of bitterness. How little one human being cares for the sorrow of another.

"16-21." By Robin Douglas. (Philpot. 7s. 6d. net.)

As time passes we get reconciled to the fact that Fate is often cruel and pitiless; but in our youth one act of injustice may leave a mark that the years ahead never fully wipe out. Mr. Douglas, though cast adrift, is perhaps one of the few people who suffer many wrongs without becoming intolerably bitter. As we read of those five poignant years of his life, we feel that at no time did he bear an unfair malice towards mankind. That he was treated well by those least expected to help is a tribute to that inborn sense of sympathy, that kindness of nature, hidden from many. The strangeness of his adventures seem incredible—China town, with its filth and sordidness, the mysterious Easterner, perhaps unfairly treated, makes us sometimes suspect Mr. Douglas of "writing down" to please that public which has an insatiable thirst for terrors. There is, however, the description of the Wardour Club, written with sympathy, understanding and sincerity; and that of an orgy, where a sworn protection to Mariana is not without a touch of humour, which serves to lighten a book of tragedy. "16-21" is full of action, life, and youth. It would have remained longer in our memory if Mr. Douglas could have acquired a quieter, deeper note, but it is to the adding years, which take away youth, that he must look for this.

Laughter and Tears. By Hon. Mrs. Lionel Guest. (Bodley Head. 6s.)

If it is the writer's ambition to amuse us in these stories with that glittering surface smartness which so often passes for wit amongst certain society women, then we fail to appreciate it. It is not difficult for us to overhear in bus confidences that someone "was so kittenish she positively mewed" or that "she oozed optimism and perfume," but it is never clever, and when it is used in a book not as reported conversation, but to describe a character, then it is dull. The choice of simile does not help us very much either; "Henderson whitening around his thin nostrils from which a few long red hairs flourished like an abnormal ant." What is an abnormal ant? Must we take it in these psychological days as a complex sign in Henderson? If we ignore the style of most of these tales and take no notice of the classical quotations, which very often spoil a good theme, then some of them might have a chance to live. There is a humorous distinction drawn between two maiden aunts from the American provinces and their millionaire relations in "The Salon"; there is swift excitement in "The Practical Joke"; a vivid picture of Dutch life in "South Africa"; and in the two short sketches "Ten Mem-bers" and "A Song in the Heart," a simple and poetic prose, which is very refreshing after the style of the earlier tales.

Modern Political Theory. By C. E. M. Joad. (Oxford, 2s. 6d.)

Mr. Joad is an excellent summariser. He writes clearly and coherently, and his only bias is on the side of individual liberty: "the State exists for individuals, individuals do not exist for the State . . . it is difficult to escape the conclusion that the attribution of a 'real' will to the individual, which is necessarily and always in accord with the general will in which it is merged, is only a device for giving an appearance of justice and democracy to what must otherwise appear purely arbitrary and tyrannical acts." Thus Dr. Bosanquet, Hegel, and the Absolutist State are disposed of, but when it is claimed that there is no reason why the State's will should be paramount to those of its various groups, the answer that the whole is greater than its part is sound, for the argument incorrectly used against individuals, who are not in the same category as the impersonal State, holds good against their groups which are. In the chapters on "Collectivism, Syndicalism, and Communism" Mr. Joad refers to industrial production and economic power, but not to the circulation of money or credit power, without which a complex society is helpless; again, in "Modern Individualism" there are references to "the unchecked operations of supply and demand," and "the evils of unrestricted competition," which betray complete lack of knowledge of the monetary history of the early nineteenth century. The concluding chapters on "Anarchism and Problems of Socialist Theory" are very good, but to the bibliography should be added: *Political Parties*, Michel; *Function and Authority*, R. de Maetz; *Industrial Justice*, H. Meulen; *Incentives to the New Order*, J. A. Hobson; *Social Credit*, C. H. Douglas.

LETTERS TO THE EDITOR.

HEAD OF THE CIVIL SERVICE.

Sir,—I would particularly commend to readers of THE NEW AGE a perusal of the letter of Sir Henry Craik, M.P., under the above heading, which was published in *The Times* of March 3.

Sir Henry Craik remarks "Recently a new phrase has crept into Parliamentary language by which the Permanent Secretary to the Treasury is styled the 'Head of the Civil Service.'" He goes on to state that on each occasion the new phrase was used he questioned its authenticity, and that on February 18, in reply to such question, the Prime Minister informed the House of Commons that the title was introduced in 1867, and "that the post has since carried with it the official headship of the Service."

Sir Henry Craik again raised the question on February 24 by asking what was the nature of the instrument of 1867 by which that change was brought about. The Prime Minister then informed the House that all the papers relating to the matter had been missing for more than fifty years.

It will be remembered that the Controller of Finance at the Treasury is Sir Otto Niemeyer. I know nothing personally of this gentleman, although I think that he bears an unfortunate name for the occupant of so vital a post in the British Civil Service. But so far as the policy of the Treasury can be judged, it is indistinguishable from that of the Bank of England, and as such is primarily responsible for the condition of affairs in this country to-day.

C. H. DOUGLAS.

SOCIAL CREDIT AND WAR.

Sir,—Pacifists who are also Credit Reformers will welcome your statement that war is the necessary outcome of the present financial system. This means that the system cannot continue beyond a certain date without war. What that date is no one knows. But whatever the date, let us suppose the day to be reached with the system still in power and war imminent. Then a widespread refusal to fight postpones the war indefinitely. Will not the system forthwith collapse?

This is by no means a mere academic question. It raises the very practical question: May not the quickest way to Credit Reform be through Peace, instead of vice versa? For, after all, what a very modest fraction of the population need be immovably pacifist in order to make war impossible!

ARNOLD EILOART.

[When we say that war is the necessary outcome of the present system, we are saying that *nothing* can prevent war while that system persists. If it be conceded that a body of pacifists can "postpone war indefinitely" before the system is changed, then war is not a necessary outcome of the present system. The question turns on what is meant by the "system." We mean by the term not only existing financial policy, but the bellicose psychology which it ulti-

mately induces. If ten starving men need a loaf apiece to sustain them, and six loaves are thrown down for them to scramble after, they may at first go for the loaves, but sooner or later they will go for each other. The first phase represents the economic struggle, which we call "Peace"; the second, the military struggle, which we call "War." For any one of these men to renounce war is equivalent to his renouncing his last chance of any bread at all. If pacifists are at present unable to prevent the economic struggle, much less will they be able to intervene at the point where it reaches such a pitch of intensity as manifests itself in the military struggle. The time to do this is to-day, while war is not yet imminent and free speech is permitted. When war is imminent it will be too late. In fact, the next war, if it comes, is never likely to be "imminent"; it will come as a thief in the night. Plans to avert it must not only be conceived now, but carried out now. The power of conceiving is ours, but the power of carrying out is that of our rulers. It may seem hopeless prophesying in their hearing, but that is all we can do. Nevertheless it is a great deal. Let all earnest pacifists come out of the pulpit. Let them become satirists and praise the blessings of war. Let them call attention to the mysterious ways of Providence, through which the missing four loaves appear as soon as men begin to kill each other. Let them announce the discovery that when fewer people produce, more is produced; that when Mars whets his knife everybody sits down to a meal.—ED.]

METAPHYSICS AND ART.

Dear Sir,—I would like to congratulate THE NEW AGE on an article by C. M. Grieve on Gertrude Stein in the issue of February 18. Here is the "authentic voice" again on a question of Art.

Your paper undoubtedly has this authentic voice on the economic question. I would never willingly miss "Notes of the Week," or, in fact, any article on Credit. But for the rest (I exclude "Old and Crusted" and a good deal of the verse), they are nondescript. I do not want to appear rude, but it is hard otherwise to describe them. That part of the paper died, and seems never properly to have come alive.

I have somehow grown to like metaphysical economics, and am inclined to believe that it is THE NEW AGE discovery, or reiteration, of the fact of the connection between political economy and religion that is almost the greatest of its achievements.

But don't drag symbolism and metaphysics into criticism of Art. Art is a very austere affair beside NEW AGE economics; to criticise it properly requires wit and cynicism and the proper classical attitude—impersonal. C. M. Grieve's article has all this; but, oh, it is a quality all too rare!

NORMAN F. WEBB.

UNIVERSITY SPORTS.

Sir,—Your note on Oxford and Cambridge strikes me as perverse. Several of the most reputed of the colleges (e.g., King's) have for many years insisted on an intellectual standard and performance much higher than is likely to be demanded in the general run of colleges, but I have yet to hear that they have suffered thereby. Nor have I heard that the sons of artisans, shopkeepers, etc., who have been entering these universities in greater numbers of late years have set up decay in those institutions. I doubt whether you could distinguish from a crowd of third-year men those who came from any particular stock or class of society. What, no doubt, you could distinguish would be that class of men, formerly called "rowing men," who, being mediocre or worse than mediocre in sport as in other respects, with no claim to attention except the money in their parents' pockets, merely occupied space and time better devoted to others. These are the people, I imagine, against whom University authorities have made a very mild move. This country lives on brains, not sports records.

WAR WEALTH AND CULTURE.

Sir,—I have no wish to pose as a rigid and doctrinaire egalitarian, but the line of argument pursued in the last of the "Notes of the Week" in your current issue is so remarkable for a journal purporting to set before itself the goal of economic democracy, that one of your readers at least feels bound to sound the note of protest and alarm. That "Note" contains an inconsistency, which is perhaps a minor matter; but it contains also what is alleged to be "a tremendous cultural argument for the Social Credit principle," which is in reality a monstrous fallacy, and demands to be stigmatised as such. If it is to pass unchallenged the complaint of one of your correspondents that you

"appear to sponsor a middle-class policy" would seem to be altogether too mild. For in the act of pretending to rebuke plutocracy you swallow one of the most nauseous and hypocritical of its apologies whole.

If any who read this think my protest too strongly worded I hope they will re-read your "Note." You make the valuable point that war tends to redistribute incomes by enriching those who have learnt to worship money at the expense of those whose long familiarity with it has bred in them a contempt for it as a standard of worth. It is not war alone, of course, which does this; in our long-plutocratic society the process is going on all the time. You then advance your "tremendous cultural argument for the Social Credit principle" in these remarkable words:—

" . . . [it] would yet advance each family in its own degree. [Your italics.] He that has nothing, let him have something; for so are the humanities observed. But also: He that has much, let him have more still; for so are the aesthetic qualities of civilisation kept untainted." [My italics.]

There is so much to be said about this extraordinary deliverance that I hardly know where to begin. Perhaps I had best begin with the inconsistency to which I have referred. The purport of your "Note" is the social disaster which follows on the subordination of the traditionally cultured and leisured to the acquisitive and materialist-minded. Yet those who have already achieved their subordination and "have much" in consequence are to be "advanced in their degree" so as to keep untainted those "aesthetic qualities which their triumph has in itself imperilled!"

But more important than the logical flaw is the social fallacy. Do you really believe that class distinctions must be stabilised by economic inequalities in the interests of "the aesthetic qualities of civilisation"? Such a belief is not only an error of astonishing superficiality, but it is incidentally an insult to any respectable ideal of aristocratic values. I am actuated by no "revenge complex." I have no desire to embark on any policy so superfluous or so futile as the stripping of the wealthy of their accumulations. But that any true social policy involves a movement in the direction of levelling up I am convinced. So were the exponents of Social Credit a few short years ago. The "Mining Scheme"—which you have recently reprinted—involved it, as the new capital to be put into the industry would have meant a steady increase in the proportion held by the miners. It was a dynamic proposal involving a gradual, but not slow, transformation of power? Are we to exchange it for a caste system based on a pronounced and permanent economic inequality? If so, Social Credit has no future—and deserves none.

I should like you, Sir, to come with me to one or two of the more expensive dance clubs and hotels and watch those who now have much keeping the aesthetic qualities of civilisation untainted. And I should like, too, as a sign that your trust in the social value of those people is justified, an answer to the question, "How many super-taxpayers are included among the subscribers to THE NEW AGE?"

MAURICE B. RECKITT.

March 5.

Dear Sir,—The ground which the "Notes of the Week" writer has to cover forces him to take long strides. He must, at times, express a religion in a paragraph, from which misunderstanding is occasionally inevitable. The ideas touched in the final paragraph last week were too big for their accommodation. That peace secured by converting nations into Robots, unaware of their servitude, herded by a League unaware of its own motives, would be a degrading peace might, I suggest, be expanded; the other idea, that wealth carries responsibilities to culture, for which the mere power, under existing circumstances, to get wealth, does not of necessity fit a person, was certainly too much for the same paragraph.

RICHARD MONTGOMERY.

THE ESSENCE OF DEMOCRACY.

Sir,—I understand from a careful reading of Mr. Montgomery's articles that his central idea is indicated by his own sentence, "The aristocratic value, in short, is concerned with the quality of the man, the democratic with efficiency, and, above all, with the efficiency which he without in the least excusing the absurdities which he criticises, or attacking the excellences he supports, I wish to challenge the ideas that aristocracy has anything 'ideal' about it, or democracy is essentially concerned with systems. I suggest that they are both in essence concerned with policy, whether, on the one hand, a limited number of people, a class, or caste, shall have a vested right to appropriate a large part of the surplus income of the community

and to debar others from its use, or whether, on the other hand, this right shall be open to the majority or the whole population. In "surplus income" I include education, access to culture, to the benefits of religion, to administrative powers, to business opportunities, and to the vaguer advantages of dignity and prestige. But as a monopoly of advantages may be claimed and secured by people who are never classed as aristocrats, some formula of differentiation must be found, and this, I believe, is a matter of history. Until recently aristocratic families have nearly always been holders of land, often of a different racial origin from the rest of the community, and nearly always endowed with the right to wear the sword or exhibit armorial bearings or the equivalent. Very often they claim descent from god or hero, and, in any case, a pedigree of some generations is an asset. As aristocracy has become vaguer, we find it becoming a matter of social distinction simply. I hazard a definition of an aristocrat in such countries as England and France as one whose family has enjoyed considerable wealth and security for three or more generations, while maintaining what it had for more than three generations, while maintaining affiliations with the still unimpaired. In Germany, I think, aristocrats are any who can use "von" in their names otherwise than on their own initiative. The only aristocratic quality I can think of is the English notion of "gentlemanliness," and, as that has applied to very few aristocrats in history and to not a few other folk, it is not much in point.

Now as fast as groups of people have developed who commanded wealth, they have nearly always attacked aristocratic regimes. In their own interests they protested against the exclusiveness and ridiculed the traditions. Then at intervals and very commonly in these latter centuries masses of people without wealth, but with ideas or aspirations of sorts have joined in the fray, until we get the democratic dogma of the right of the adult citizen, including nowadays the women, to share in the surplus income of society, and be free of irrational restrictions. The devices for succeeding in this policy are many and various, some good, many foolish and misconceived. But to consider these devices and the reliance on them as essentially democratic is erroneous.

Systems are common to every social order, and are necessary for the carrying out of any policy affecting large numbers or large forces. Armies have not been and are never likely to be democratic, though they may serve a democratic policy, but they involve systems, often extremely complicated; Empire expired in a welter of systems. On the other hand, aristocracies have done enormous damage and collapsed because they refused to systematise, even in their own interests. Tradition and exclusiveness have brought Russia several times, and Poland, and France, not to mention that societies, to desolation and ruin. It is to be noted that Privilege and Responsibility were more characteristic of Feudalism than of any order, but the ablest monarchs, such as William I. and Henry VII. of England and Louis XI. of France, and such people as Richelieu knew that in practice they didn't work, and took measures to circumscribe their aristocracies, such as they were. To-day's pressing problem is to discover how to realise the policy of democracy, a problem with which democrats have been struggling since Pericles.

HILDERIC COUSENS.

Richard Montgomery replies: If the question were wholly the monopoly of surplus national income, the most aristocratic society in history would be our own, in which after a century of accelerating democracy, the surplus over subsistence is in greater degree monopolised by a few than ever before. Mr. Cousens perceives this anomaly, and then distinguishes aristocracy from democracy in such a way as almost to say aristocrat does not live as his belief in heroic or man styled aristocrat does not accept complete spiritual divine descent dictates, and does not accept complete spiritual responsibility for his family traditions and honour, as regards both past and future, he is self-judged and self-condemned. The man styled democrat does not invite any such weighing by spiritual values. If he becomes corrupt, utilising his office for his interests, he is not regarded as a failure. He may even be regarded as a success; at the worst, "anyone else would have done the same in the same circumstances," and "we cannot blame him." The denial of responsibility compels reliance on systems in the manner I have described; systems intended not to facilitate the realisation of responsible people's legitimate aims, but to hinder irresponsible people's private aims. The policy hinted at in Mr. Cousens's last sentence is hardly yet "the policy of democracy." There is, however, another pressing problem: the vitalisation of men to long for the full stature of manhood before they become automatized by external discipline.

FORTHCOMING MEETING.

Thursday, March 18, at 70, High Holborn. Mr. W. A. Willox, on "The Utilization of Productive Capacity." Time, 7 p.m. Open meeting.

Credit Research Library.

The following books, issued by the Pollak Foundation for Economic Research in America, are being added to the stock of this Library.

They have not been written with the intention of supporting the Douglas Credit Theorem, but they bring into most lucid review facts and figures which will be invaluable to those who desire to see that Theorem related in detail to existing business motivation and practice.

The books are complementary to the literature sponsored by the Social Credit Movement, because of the fact that, whereas Douglas has isolated and synthesized the fundamental principles of Accrediting and Accounting production and distribution, these writers have assembled and presented just the kind of statistical information and practical every-day argument that will impel business men to seek for a constructive economic policy such as Major Douglas has propounded.

MONEY. By W. T. Foster and W. Catchings. Price, 15s. Postage, 8d. Mr. Foster, formerly President of the Reed College, is now Director of the Pollak Foundation for Economic Research. Mr. Catchings, formerly President of the Central Foundry Company and of the Sloss Sheffield Steel and Iron Company, is now a member of Goldman, Sachs and Company, and a director of numerous industrial corporations. This book attempts to show the fundamental difference between a barter economy and a money economy; to show how business depressions and unemployment arise out of that difference. It traces the circuit flow of money from consumer back to consumer, and the obstruction in the flow. It is a foundation for the work entitled "Profits," next quoted.

PROFITS. By W. T. Foster and W. Catchings. Price 17s. Postage, 9d. This book, in the authors' words, "is the only considerable attempt to present the statistical proof that industry does not disburse to consumers enough money to buy the goods that are produced." The following is a summary of their conclusions:—
"Progress toward greater production is retarded because consumer buying does not keep pace with production. Consumer buying lags for two reasons: first, because industry does not disburse to consumers enough money to buy the goods produced; second, because consumers, under the necessity of saving, cannot spend even as much money as they receive. There is not an even flow of money from producer to consumer, and from consumer back to producer. The expansion of the volume of money does not fully make up the deficit, for money is expanded mainly to facilitate the production of goods, and the goods must be sold to consumers for more money than the expansion has provided. Furthermore, the savings of corporations and individuals are not used to purchase the goods already in the markets, but to bring about the production of more goods. Under the established system, therefore, we make progress only while we are filling the shelves with goods which must either remain on the shelves as stock in trade or be sold at a loss, and while we are building more industrial equipment than we can use. Inadequacy of consumer income is therefore, the main reason why we do not long continue to produce the wealth which natural resources, capital facilities, and employees would otherwise enable us to produce. Chiefly because of shortage of consumer demand, both capital and labour restrict output, and nations engage in those struggles for outside markets and spheres of commercial influence which are the chief causes of war."
The Pollak Foundation offers a prize of five thousand dollars for the best adverse criticism of this book.

THE CREDIT RESEARCH LIBRARY, 70, HIGH HOLBORN, LONDON, W.C.1. Telephone: Chancery 8470.

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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.

Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn London, W.C.1, and printed for him by THE ARGUS PRESS, LIMITED, Temple Avenue and Tudor Street, London E.C. 4.

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