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NOTES OF THE WEEK.

Mr. Garvin discusses the position of Liberalism in last Sunday's *Observer*, with special reference to Mr. Lloyd George's "fatal cash-box."

> "Master of the official machine at last, and 'Paymaster of the Forces' as no single man has ever been before in relation to a party, Mr. Lloyd George has established himself in what seems at first sight a formidable position. Like other leaders of his stamp, he desires, naturally, to work through his own men and eliminate the Asquithian element from his staff."

Mr. Garvin points out that the three-party system cannot be permanent in this country, and argues that there can be no compact between Liberalism and Socialism unless Liberalism is to be "openly disrupted before the polls, and pulverised between the upper and nether millstones." He charges Mr. Lloyd George with "opportunist ambiguity," and calls on him to declare his principles apropos of "nationalisation." Does he stand for general nationalisation, or does he make exceptions? If so, where does he stop? Mr. Garvin urges that Mr. Lloyd George would be far stronger if his separate political fund had never existed.

> "No Labour Premier, whether the next one is Mr. Ramsay MacDonald or Mr. J. H. Thomas, could eat publicly out of Mr. Lloyd George's hand. These things simply are not done."

Not done publicly, of course.

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This attitude is sound enough. Sir Henry Campbell Bannerman, in his day, when Liberalism was disunited over the Boer War, pointed out that however Liberals split up into "Pro-Boer" Radicals and "Liberal Imperialists" in the country, *there were only two lobbies in the House*, and everyone would eventually have to vote either with or against the Conservative Government. In the end neither Radicals nor Imperialists eliminated their opponents. They went down together at the following election, leaving the Conservatives with a large majority under a national mandate to "clear up the War," which they proceeded to do by introducing Chinese labour into the Rand—thereby antagonising the whole Trade Union movement—and passing the Balfour Education Act, which turned the whole of Nonconformity into rebels. Out of the conflux of these turmoils came the dramatic fall of the Conservatives and the accession of Liberalism to power with an enormous majority, and, not least, the emergence of the "Welsh Wizard."

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At first sight it would seem that the position today is not analogous to the position then. But fundamentally it is. Liberalism and Socialism in accepting as they do the over-riding laws of finance, both stand for the perpetuation of all the obnoxious elements of capitalism. While separated by artificialities, they are allied by realities. From the "private enterprise" of Sixty-million-pound Combines to the "nationalisation" involved in State ownership is no step at all, unless and until the State control of plant is accompanied by the State control of credit—in which event, however, the State acquisition of the plant will at once be seen to have been unnecessary. The Socialist of to-day is the "Pro-Boer" Radical of 1900, while the Liberal corresponds to the old Liberal Imperialist. In a word they are one Party. It is true that each section controls a war-chest. How much there is in the Socialist war-chest is problematical; but discussion of this point would be academic, for the real war-chest is not composed of accumulated funds but consists in borrowing powers. Eventually that Party will come out on top which the financial system wishes to honour, war-chest or no war-chest. If, as Mr. Garvin suspects, Mr. Lloyd George has any hopes of a concordat with Socialism, one may take it that there are good grounds for them. We have often said that to the City the advent of a Government pledged to Nationalisation would be a matter of comparative indifference,

whatever the producer-capitalist and his shareholders thought about it. In fact, it is reasonable to suspect that after the rough handling that the latter have experienced in reorganisation schemes like Vickers', and now Armstrong's, they are beginning to question where the "security" inherent in "private enterprise" comes in. So it is by no means a foregone conclusion that an understanding between Liberals and Socialists on a programme of "sound nationalisation"—i.e., nationalisation by instalments within the general framework of the existing financial system—would destroy Liberalism. In any case, nothing can destroy the industrial and other interests which have hitherto ranged themselves behind Liberalism. They will continue to exercise their power in politics whether the number of Liberals in the House is six hundred or one. Nor must it be forgotten that among these interests is the banking system itself, which, as financier of foreign trade, is naturally Free Trade in outlook. Even should Liberalism apparently become extinguished in the next Election, that will only mark a short stage in the Liberalising of Socialism which is now going on every day.

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We print in this issue an analysis of the present position of the Liberal Party. The writer expects Mr. Lloyd George to emerge as leader of the whole Left, and discusses his qualifications for the position. With most of what he says there will not be disagreement, although we may hesitate over some of his emphases. Without a doubt, if anything needs doing, Mr. Lloyd George is the man to do it. At the same time, unless the hustling is in a fruitful direction, the more efficient the hustler the more quickly the deficiencies of his policy are exposed. We are less interested in whether Mr. Lloyd George will lead the Left Wing of politics than we are in where he thinks of leading it. No Statesman is past redemption until he is dead; so we may always indulge in the reflection that our rulers may make stepping-stones of their past mistakes. Mr. Lloyd George's chief claim to our sympathy is not mentioned by our contributor, namely his independent attitude during the General Strike when his Liberal colleagues had lost their political identity in something called the "Constitution." He, at least, was not afraid to protest against Mr. Churchill's suppression of the Archbishop of Canterbury's manifesto. And if that episode does not of itself afford any clear evidence of his future general policy, it at least promises better things than could be expected from the Asquith-Grey-Simon type of mind. If Mr. Lloyd George's faculty for hearing what the public want is unimpaired, he must realise that it is beyond everything else *economic security for the individual*, and that no Administration under any Party name, or led by any Premier, however efficient, will solve the industrial problem until it tackles it from that end.

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The *Investors' Guardian* of December 18 finds it "difficult to speak of the disaster that has befallen" Sir W. G. Armstrong, Whitworth and Co., Ltd. We are not surprised. Upholders of the existing lack of co-ordination between finance and industry have to look upon such disasters as acts of God. "The end of the war found the company with greatly increased productive capacity but very few orders." Of course, in the nature of the case, a business making armaments and warships had to expect a lean time when the war ended. The directors appear to have done all they could in the direction of converting their plant to peace production, but, as the *Investors' Guardian* points out, "it was found extremely difficult to adapt the plant to the manufacture of ordinary articles of commerce." Accordingly the directors did what they thought was the next best thing; they invested surplus funds in civil undertakings thereby at least ensuring, as they thought, a revenue from other people's activities which circumstances prevented their earning by their own. But the revenue has not materialised. What that means can be computed from the fact that the total of these outside investments amounts to no less than £10 millions—an amount "on which no return is being made or is likely to be made for some time." Nobody can blame the directors for what they did—least of all the financial publicists of 1918 and onwards who allowed it to be assumed, and in numerous cases explicitly declared, that the war-stricken world was going to buy like fury to replace four years' destruction and catch up four years of suspended civil purchases. Nothing of the sort happened. The very authorities whose profession it was, and is, to watch over the interests of British industry and guide it through its transition from war-service to peace-service, let it down completely. Worse than that: by their own deliberate act (Deflation) they prevented the fulfilment of their own prophecies. Having ceased to accredit war-consumption they decided not to accredit peace-consumption in its stead; and yet, all the time they were misleading industry into putting its war-gains into preparations for what they must have known to be a mythical demand for peace production. Messrs. Armstrong Whitworth's shareholders particularly have strong grounds for protest. This barren £10 millions of outside investments is stated in the above journal to be roughly equal to their Company's Ordinary and Preference share-capital. That is to say they could have wound up the company virtually without loss to themselves at the end of the war. They have indeed the forlorn consolation of reflecting that what has happened to them has happened to everybody else in their position. Not quite everybody, though; there were one or two proprietors of businesses who were also readers of THE NEW AGE; and these have pithy little yarns to tell of how they marked down stocks, sold out, and came in out of the rain in good time.

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However, there is this feature about the Armstrong reconstruction, namely, that the sacrifice asked of the shareholders—the waiving of dividends for five years—extends to the debenture holders as well as the shareholders. It has been amusing to notice the evidences of discomfiture in the City. When the Ordinary shareholder has lost his money nobody has turned a hair; but this last week the air round Lombard Street has been full of the swishing of raised eyebrows. The "grave precedent" established by this raid on mortgage-collectors is being nodded over. Anyhow, it had to come. The equities will be served—among the investing classes. The next problem will be how to generalise these re-constructions (there are many more due) without scaring off the investor. You cannot preach "thrift" amid an orgy of writing down savings. Long before these reconstructions began we heard business administrators saying about their invested profits: "Whyever didn't I give the money to my clerks? I should have been no worse off." One of them whom we have in mind actually gave his clerical staff a year's salary each as bonus at the end of the war—and even then subsequently kicked himself for not making it more—for he afterwards bought a site for a factory for the post-war boom, and it was only a stroke of luck in the shape of delays due to labour difficulties which preserved him from the tragedy of putting the factory up. (He believes in trade unionism and the right to strike now!)

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The Standard Motor Company has not had such a good year this year. The profit was sufficient, however, to have paid a dividend of 15 per cent. as previously, but the directors have recommended a reduction to 10 per cent. This absorbs £24,000 out of a profit of £46,681, leaving £22,681 to be carried forward—bringing the total carry forward to £83,692. The *Investors' Guardian* states that:—

> "Despite the existence of a general reserve of £100,000, a dividend equalisation reserve of £35,000 and a benevolent fund of £35,000, there is a bank overdraft for £69,514, secured by a debenture for £200,000 on all the assets of the company, present and future."

This is a pretty illustration of how the ordinary person may be misled by balance-sheet terminology. The entries showing the two "reserves" and the "fund" convey the impression that the sums shown against them are money saved up to be used when necessary. In this case the total so shown is £170,000. But since the Company has had to borrow from the bank, and pay interest on, a sum of nearly £70,000, the conclusion is that these "reserves" and "funds" are not money—they are only euphemisms for *debt*. This conclusion could of course be confirmed by reference to the Company's cash balance (not mentioned in the report).

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The Orient Steam Navigation Co., Ltd., has a very "strong" balance-sheet, according to the same journal. The "strength" lies in the fact that its general reserve account stands at £1,300,000, which exceeds the issued capital of £1,284,260. To show the process of accumulation at work—the total net profit of the Company is £368,552. Out of this the shareholders get £144,713. The rest goes to reserve. That difference of nearly £230,000 represents the Orient Steam Navigation Company's contribution towards accentuating the general economic problem—the gap between prices and consumer incomes. If the Company's total reserve has been ploughed into its own business (as is probably the case) you have the situation that the public are now being charged with profits on capital that they have supplied in terms of profit in years gone by. And considering that every successful business is doing much the same thing, is it any wonder that there is a shortage of consumer demand?

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The League of Nations has prepared a Memorandum on Production and Trade for presentation at the International Economic Conference to be held next year. Its findings are briefly as follows: if 100 be taken as representing conditions in 1913 in each case, the corresponding figures for 1925 are—world population, 105; world production, 107; world trade, 105. Commenting on these figures, the *Westminster Bank Review* points out that there are many difficulties in the way of getting them accurate. The population estimate is probably nearest. As to the "production" estimate the *Review* thinks it is too low. In the third category the data do not cover non-material services rendered between countries. In summing up, however, the writer notes that production has increased faster than population and then goes on to state, as though it were self-evident, that as a result the standard of life as a whole has been raised. Then he notes that world trade has not succeeded in keeping step with production. To get any reasonable sense out of this, one would have to believe that the "prosperity of the individual is a direct result of "production," and that "trade" in that production does not enter into the transaction. The assumption that a larger measure of production must necessarily involve a larger measure of consumption is only a variant of another false assumption that every addition to production automatically causes an addition to purchasing power. Moreover, it makes nonsense of the orthodox exhortation to the public to produce more *and consume less*.

The Report* of the Committee appointed to advise the Government on how to apply the Boxer Indemnity to "purposes beneficial to the mutual interests of His Majesty and of the Republic of China," has recently been presented to Parliament. It will be remembered that about a year or more ago the British Government graciously waived its right to receive the above reparations from the Chinese Government. But this did not let out the Chinese taxpayers. The amount of the indemnity must still be collected by the Chinese Government, and spent by it according to the discretion of its British advisers. The Committee went over there at the beginning of this year to size up openings for the investment. Their report contains the statment that much difficulty arose from the suspicion prevalent among the Chinese—official and otherwise—that the motives of Great Britain were not disinterested. This seems to have surprised the Committee, and to have made a strong impression on them—so much so that they now recommend that instead of the management of the fund being in the hands of the Advisory Committee, as first intended, it shall be vested in a local board consisting of five Chinese. Oh, and six British. In this way, it is considered, it will be possible best to fulfil the desire to administer the fund *according to Chinese ideas*. Presumably in the East a minority of shares gives balance of control. Under that rule the British will, we suppose, get their turn at control in 1945, when it is provided that Chinese members may replace British as vacancies occur. The original understanding was that the funds should be devoted to Education, but reference is now made to an "influential body of opinion" which urges that a considerable part of the money should be used for railways and public works—the idea being that the economic condition of the Chinaman should not be lost sight of. Possibly, too, the security value of a Chinese railway exceeds that of an educated China. However, a chair in Chinese is to be endowed in London, Oxford, and Cambridge. Elementary education in China is a "national duty," so the Committee do not think it expedient to assist it with a subsidy. They recommend a little being done in the direction of secondary education, particularly for girls. They mention that stress has been laid from time to time on the advantage in increased understanding which would accrue from the education of selected Chinese students in England. But they do not recommend it. We do not doubt their wisdom, for John Chinaman would probably take home an increased understanding of the wrong sort. How much better to teach British students Chinese. The most illuminating feature of the Report is that it provides for the carrying on of the work now to be initiated *after* 1945. That is to say, Britain excuses China from paying the indemnity for the next nineteen years, when it would have ended, on condition that she raises and spends the money on capital development during that period—and continues the process thereafter and for ever. Of course, there will be Bolshevik students in the East who will say there's a catch in this bargain. But even so, how do they suppose virtue can be encouraged in the West if it is left without concrete reward?

PRESS EXTRACTS.

"A new huge power plant capable of producing 240,000 kilowatts is nearing completion in Rummelsburg, in the east of this city. Only 200 workmen and fifty clerks will be needed to keep this plant going. Had it been equipped with less modern machines, such as are still in use in several other power plants of Berlin, not less than 3,000 workmen and 700 clerks would have to have been employed."—*Christian Science Monitor.*

* Report of the Advisory Committee, together with other Documents respecting the China Indemnity. (H.M. Stationery Office. Price 3s. 6d.)

Liberal Disunity.

By "Junius Brutus."

The ineffectuality to which Liberal-Conservatism has reduced the Liberal Party could scarcely have been given more ridiculous parade than that to which Lord Grey and his dinner table companions admitted it when Mr. Vivian Phillips was regaled with food and words, words, words, at the Hotel Cecil. The noble viscount, strictly in accordance with recent practice of the Conservative-Liberalism of which he proved so entertaining a spokesman, stirred the past and present resentments of both sides to most satisfactory effect, and ended on the note of pious hope that, having agreed to differ, Liberals throughout the country should thenceforth agree in difference and revive the ancient glories of the party's estate.

Lord Grey politely—or should one say, in view of his profession, diplomatically?—pretended that a democratic-political organisation needed no leader, and proceeded on this assumption with equal logic to cite the effectiveness of various leaders of the past, and the unsuitability of Mr. Lloyd George to follow in the steps of these, the praised of Fallodon. That the leadership of any political group involves a technique of organisation and administration and a just handling of factors social and economic which the political technique did not formerly require (even immediately before the war), and that only Mr. Lloyd George among Liberal statesmen successfully manipulated that technique, were other points of the political panorama upon which the telescope of Nelson was wisely turned by the quondam Foreign Minister.

When the speaker announced that there was no question of leadership before them at all, he spoke no less than the literal truth, though much more wisely than he was aware. For it is obvious to all who are not steeped in the intrigues of St. Stephen's, or the tortuous intricacies of the F.O., that if the Liberal Party is to survive it will be under the creative guidance of Mr. Lloyd George alone. Indeed, it seems clear that if ever an effective party system is to come into being during the next decade, so-called democratic elements, whether Liberal or Labour, must find a single capable generalissimo who can point to and invade the weak sectors of the Conservative-reactionary front.

Fortunately the Right have found their leader in Mr. Baldwin. The Premier has established himself in a unique position largely because of his intimate understanding of the English people and his intense sympathy with our folk-spirit—a sympthy which provokes its like even amongst his political adversaries.

Turning to the Government over whom the First Minister of the Crown towers, it is impossible not to be impressed with his indubitable quality of leadership. How he was compelled to accept as his second-in-command the present Chancellor of the Exchequer is one of those miracles which only politics, Mr. Maskelyne, and faith-healing project into this mundane age. Repeatedly thrown out neck and crop, despite the frenzied support of a big and vociferous section of the Press, by the electorates of various constituencies, the tragi-comic machinator of Antwerp and Gallipoli—his resilience unimpaired by bouncing from side to side of the political arena—comes to uneasy rest upon the Treasury Bench, snorting defiance of the collective theory which he had formerly practised and praised. It is as anomalous as it is threatening to the existence of the present Government that such a freebooter should stable in the next box to cheery Squire Baldwin. Equally incongruous is the recent less important association of Sir Alfred Mond—incongruous alike as regards racial attitude, social ideals, and political necessity. "Jix," that jumping-jack in the Home Office—a minor Churchill as Bridgeman is a Baldwin *minimus*—has none of his chief's penetration or persuasiveness. These last are shared in a measure by Mr. Locker-Lampson, whose chief, Sir Austen Chamberlain, wears his father's mantle with the difference that security and a less fiery disposition confer. The rest may as well be silence.

Now that the party disturbances of the Great War and political-economic exigencies of the Small Peace are giving way to new alignments, it is becoming evident that the two-party system must return (*via* the coalescence of the Centre and Left into a consistent opposition to the Right). Otherwise the Conservative Party may dispense what legislation pleases it for a decade, if not for a generation. Labour, split into minute factions, each more determined on its own infinitesimal shibboleths than the next, has proved itself in very truth "incapable of governing." If the Liberalism of Mr. Vivian Phillips' festive hosts requires no leader, Labour shows no sign of possessing one. In a word, the moving finger of occasion points inevitably to the Rt. Hon. the Member for Carnarvon as the predestined leader of the emergent Left.

What are his qualifications or disqualifications for this position?

POLITICAL OPTIMISM.—A belief in the perfectibility of human institutions at the instance of democratic sanction. On this unswerving belief Mr. George's political theory and practice are founded, and it marks his fundamental divergence from the Reaction's governmental and electoral theory of the divine right of aristocracy, be it of cash or breed. This optimism, racial as well as temperamental and intellectual, is an attribute of

YOUTH.—An invaluable factor in a parliamentarian this, and one which immediately suggests odious comparisons with the intellectual senility of Mr. George's opponents in his own party. In terms of essential quickness of perception and conception, and in courage, he is one of the most youthful members of the House. His intuition and his speedy reaction thereto are unimpaired by the ardours of his many offices. His fearlessness of opposition on occasion has been repeatedly and dramatically evident. His readiness to face facts rather than theories is only modulated by his ability to apply theories to facts. This latter the Labour Party cannot, the former, the Conservative-Liberals, will not, do. This, moreover, is borne out by the ability which the Welsh Wizard has displayed in turning unpopular causes into reorganised social or administrative successes.

PERSONALITY.—This is, of course, the pre-eminent factor in the equipment of any leader of men, and the War Premier's high personality-index inevitably placed him at the head of the nation in time of crisis and still keeps him his unrivalled personal following among the people, who may be relied upon to respond to the calls which he will make upon their suffrage when the brawls of party give place to reason, or when some other crisis shall demand efficient chieftainship. Like all men of highly-developed personality, Mr. Lloyd George can sense and avail himself of the personality of others. Hence his ability to select colleagues and followers for potentiality and merit rather than upon proof or because they are "in the swim."

SUCCESS.—Land reform, epitomised in the "three acres and a cow" slogan, National Insurance, and various drastic Budget changes—all triumphantly executed in the teeth of almost hysterical opposition—were Mr. George's pre-war claim to the title of "the man who gets things done," which he proceeded during his retention of the Munitions Ministry to justify to universal satisfaction. Whatever doubts one may now indulge as to who really won the war, it is safe to say that this one man has as much claim to this egregious distinction as the whole of the Allied general staff with the whole of the American nation thrown in for bad luck.

He has the big outlook of British imperialism as a historical fact and contemporary necessity. Not his the sword-imperialism of the fox-hunting Nordic, nor of the soap-and-oil world-commercial, nor of the beaked money-baron. His conception of our national responsibility and mission is founded on the *status quo nunc*, not on some problematical *Weltpolitik* which scientific invention, transport developments, or social re-groupings may speedily consign to the scrap-heap along with other discarded academisms of the ritualists. His attitude in the Boer War, recently tallied by his speech on Chinese affairs, instance his anti-annexationist attitude, which, though overruled and out manœuvred by the more expert professional diplomacy of Versailles, he evidently desired to make actual in the Peace Treaty.

His chief disqualification is a too hasty judgment, outcome of over-reliance upon his own or others' counsels. This may lead him into errors, but never into fatality, since he has not the doggedness, degenerating in a Churchill or an Asquith into thick-headedness, to persevere with impossibility.

His optimism is responsible for another weakness—that of pledging himself too readily upon problematical results. "Homes for heroes" was a pledge made in the exuberance of belief that the returning troops would remain heroes in civilian life, when as a matter of fact they all too many of them proved "old soldiers," in the knowing terminology of the mean streets. His promises to his supporters often proved as illusory as those to the nation, though in extenuation it may be urged that the same excusing factors hold good there also. The failure of lesser men to give effect to what the leader foresaw as the heritage of endeavour was responsible for the smallness of attainment. Hedged with such promises, the fruits of the "Khaki Election" were Dead Sea fruit. With hands tied by ropes of his own weaving, the Wizard was thrown to his own property wolves.

How unique is his rivalry to the motley and overwhelming Tory hegemony, and how menacing despite his diminished party and Parliamentary support, may be gathered from the way the leonine *Times* hurled itself upon the remains left from Mr. Vivian Phillips' dinner. How real is his hold upon popular imagination is to be noted in the constituencies and by the crowds at St. Stephen's whenever L. G. is likely to be "up."

Lord Grey and the Asquithians may be content with their well-named "Shadow Cabinet," and, as the noble viscount said, to "go on making our Liberal speeches without reference to the differences in the party." This last will do no one any harm, least of all the Liberal cause. But this Grey shadow-show is a poor substitute for the realities of which Mr. George is capable. Moreover, his party opponents seem greedy to grasp at the "substance" which has been offered them as the price of decent loyalty, and to inflate their speeches from Mr. George's own chest.

Whatever the decisions of these disgruntled demi-semi-allies, the fact remains that for the revitalising of British Parliamentary government, Right and Left must function again in something of the old manner. When yesterday the Left had a function it was Mr. Lloyd George who gave it actuality. He and he only can do the like for the Left to-morrow.

Compound Interest.

Every now and again the formula for Compound Interest—or it may be Mr. Wells's use of it for "The Sleeper Wakes"—strikes someone aghast. A penny, so runs an agitated argument, invested at some small percentage in the days of Alexander the Great would have accumulated by the present time to a claim on several times the whole world's wealth; evils must arise where the mischievous principle operates for shorter periods; creditors, especially holders of State Bonds, obtain a wicked hold on society; interest is anti-social and immoral; something must be done about it.

It is nearly superfluous to remark that the formulae for the multiplication of wasps and rabbits are even more formidable. And in fact, nations occasionally suffer from plagues of wasps and rabbits, as they suffer from Compound Interest. Something then has to be done about it, but that does not mean either that wasps and rabbits are to be condemned on principle or that they are to be counted as major scourges of existence.

Society, in actual fact, could only be swamped by Compound Interest in conditions which could not develop. For the extraordinary dread of it assumes, what cannot be, that other things will remain favourable to it. To take an actual example of how "other things" do not "stay put." If a man had bought £1,000 Consols in 1896, the purchasing power of his capital could be put at 100. He would get $2\frac{3}{4}$ per cent. on £1,000 till 1904, and then $2\frac{1}{2}$ per cent. till 1914. Out of this he would have to pay taxes, which tended to increase, and if he died his capital would be raided by Death Duties. But let us assume that he paid no income taxes and his estate no Death Duties, that he spent none of the interest received, but invested it in more Consols. Then, with luck, in respect of the the prices he paid for them, he might have increased his estate by about £500 worth of Consols by 1914. It would stand after eighteen years at £1,500, which would actually make a net *loss*, for a 50 per cent. increase in nominal holding would not compensate for the decline in the purchasing power of the original capital invested from 100 to 48. Thereafter, the decline in purchasing power would be enormous, and the standard rate of taxation rose from $7\frac{1}{2}$ per cent. to 30 between 1914 and 1921.

It could be replied that if Smith's family had bought Consols in 1815, their capital would have greatly appreciated by 1896, but my point is that Compound Interest by itself means absolutely nothing.

Firstly, it is like Simple Interest—payment for certain sorts of contract; unlike Simple Interest it implies continued and renewed contracts. Contracts are arrived at by two parties, lender and borrower. In the absence of the latter they cannot be made. In general people borrow in modern industrial countries because they hope to get a net advantage out of it.

Secondly, changes in price levels may or may not cancel part of the value of the Interest payments. If the latter stand at an intolerable height, either depreciation of the buying power of money or repudiation is a likely event, as the history of Europe shows.

Thirdly, interest can only be paid by cash or credit, and the amount of these is not determined by the receivers of interest.

Fourthly, interest is subject to taxation of various sorts.

Fifthly, if borrowers cannot pay it, they repudiate or go bankrupt.

Sixthly, most people receiving interest spend all or part of it.

Seventhly, people complain about interest when trade is bad; and are willing to pay high rates when it is brisk.

HILDERIC COUSENS.

Views and Reviews.

METROPOLITAN CIVILISATION.

V.

The inversion of values between the existing city and even the ideal countryside has become part of the national unconscious. Unless it can be re-verted it will cause the death of the British nation in England in painful fashion. Recent imperial events betoken less the elasticity of the English imperial scheme than the gradual abandonment of England to her own resources; her saddling with the responsibility of filling a functional rather than a power rôle in world civilisation. The function which it fulfilled in discovering the way to quantitative manufacture no longer justifies a position of privilege for her. America and Germany can do as well in this direction if not better. The power rôle is filtering rapidly to America, and the probability is, if Russia alone furnishes a new world idea, that England, without a true and enduring function, may become an insignificant island between two competing continents.

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For these reasons English values must be redrawn from reality. Our present ideal type, the city man, has broken from his sources of vitality, not to attain a new adaptation, like the animals in "Alps and Sanctuaries," but to fail in world adaptation. Deliberation, foresight, awareness, these are the pre-requisites of human growth, which nobody would pretend to be conspicuous in the community of London to-day. Æ once reminded the young Irishman who advocated a more violent artistic expression that besides an energy of growth there is an energy of decay, which latter is superficially the more operative; the energy of the city type is the energy of decay, and promises no seed because of separation from the land.

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It is not paradoxical that the city man is more ignorant than the rural man. The countryman may be deficient consciously, but his unconscious is potentially natural and healthy, in contrast with the painful consciousness of the city man whose instincts and unconscious are exhausted, and so externalised that possibly nothing less than a life-threatening shock can bring him to his senses. His wits are inside-out. His mentality is a machine, his memory a gramophone record, which some of his educators mistake for ideal mentality. He cannot digest and transmute his learning, but becomes in some department or another a certified encyclopaedia —of commerce, history, or literature. Under the very quantity of stimuli his reflexes become less purposively organic, and more automatic, unconscious, and externally controllable, from centralised forces like an electrical machine. That a city mentality can see a play, read a newspaper or even a book, and at the end of the activity be barren of recollection apart from the feeling of having liked or disliked, is only part of his ignorance; that he feels that something has been taken from him by a newspaper or a show rather than given to him is only part of his inorganic-ness. To by far the greater proportion of his environment he is insensible. Observe a metropolitan showing his country-cousin round London; the metropolitan is obviously without zest. The country-cousin, all mind and eyes, rejoices for a time at the multiplicity of novel sensations; the metropolitan gazes aimlessly round waiting for his "provincial"—and therefore interested—companions vacantly even in the National Gallery. He has nothing left to respond with.

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There are metropolitans who have not in their lives seen a horse. They may have seen the now almost superannuated beast of burden docilely dragging a dray over the polished and slippery London streets. Perhaps they may, on occasions of adventure, have seen the nervous creatures of the racecourse, but these are contemplated by city mentality not as horses so much as gold-bugs. What neither city man nor city child has seen often enough is the full-blooded entire whose majesty has thrilled every country-child as the tiger thrilled Blake. Lacking only the articulateness of the city critic—too often a glib and repetitive articulateness—the country-child, before being broken to the earth, has greater artistic possibilities and commonsense than the majority of proud adult metropolitans. City dwellers regard a horse as a tame animal, a cow as a wild animal, and a sheep as still life for landscape decoration, connected only by remote logic with wool and mutton.

* * *

The city man withdrawing himself to the country discovers only a pretty landscape or a site for a park, which re-creates pictures. Left to his own thinking he would sooner dream about the oil or coal thousands of feet below than about the green wealth a few inches below. When he meets a labourer he tries to mask his metropolitan snobbery under patronising questions, all justified by the assumption that a head whose inside is identical with a comptometer is superior, by the forced judgment of God, to a head whose inside reflects the universe. On the other hand the city man sentimentalises the country; idealises it, is reminded of a line by Tennyson or Wordsworth, and shudders himself back to city sanity by recollecting winter. Throughout he feels a root conviction that these people are not his people, neither kith nor kin. Their fortunes are neither made nor lost in a day. They are not the helpless mirrors of a vogue that cannot last more than a generation.

* * *

Without exposure of the falsity of metropolitan values the countryman can neither obtain the attention nor the capital which his robbed industry must have. He occupies the extreme limit of the monstrous system set up by expedient as a substitute for a designed method of distribution. Except during the war period—from which England refuses to learn anything, the quantitative industrial system has been accompanied by a progressive abandonment of production for market-finding. The market-finder, because a market has a scarcity value, is the most highly remunerated agent of modern production. During the last year or two the number of persons employed in distributive trades has considerably increased, while many producing trades employ proportionately fewer persons. It is the irony of present-day production that it can create a market, in a hopelessly inefficient and ineffective manner, only by issuing buying power to producers displaced by increased productive power as a reward for finding—which amounts to becoming—the market.

* * *

Why a competent writer of advertisements should hold himself full height, pompously able to impart authoritative opinion on the world's wants and ideals, a big man wherever he goes, passes comprehension. The art of arts in present-day civilisation is the mystery of selling, while those engaged in production, especially of food, are shamed out of their degrading toil into adding themselves to the selling agency. No more bitter indictment of metropolitan civilisation could be demanded than that its newest and most prominent colleges are raised to the art of market seeking, while food production is the most despised occupation of all. The entire cosmopolitan standard is in favour of attaching spiritual worth only to agenting and accounting, and of utterly denying worth and satisfaction to making and growing.

R. M.

Individual Psychology.

By Dr. Alfred Adler.

[Translated from an Introduction to the New Psychology; edited by Emil Saupe.]

II.

In this whole system of relations there are no factors that can be grasped mathematically. It is not the facts of physical or mental material, not hereditary talent, that take effect in later life, but their application within the mode of living acquired in the first three years. Thus, e.g., an "acoustic gift," if indeed we can assume such a thing, may very easily remain undeveloped through too much or too little care. Or through the right training and suitable encouragement it may be aroused, indeed produced. Of Charlemagne, his biographer relates that for lack of native talent he could not, in spite of all efforts, learn to read* and write. To-day we no longer take account of such talents, since from Pestalozzi and others we have learned the methods of training. And the silent reverence for the achievements of genius is superseded by something approaching an understanding of how they come about, through individual psychological views, the preliminary schooling, the indispensable courageous struggle with difficulties, and the early beginning of the corresponding training.

Just in the same way we must leave out of account the casual importance of the child's situation, environment, and experiences. Their importance and activity develop only in the *intermediate mental assimilation*, so to speak. They are assimilated by the early-acquired mode of living of the child. Thus it may happen that in a thoroughly moral family a criminal grows up, or a worthy human being may spring from a debauched race. The same experience never acts on two persons in exactly the same way, and "experience teaches" only so far as the mode of living permits. To draw the absolutely right inference and to act on it is apparently not possible for man. That there is a causality in the wide realm of the possibilities of error is improbable. On this account, and because of the vast multiplicity of the competing motives, it is scarcely more than a pious aspiration that we can ever gain more than a casual view of the mental life.

Therefore there runs through the whole life and all its forms of expression that uniform line of action which lies at the base of individuality. Every mental phenomenon means more than common sense sees in it. Only in connection with its whole circle of relationships can it be determined whether a lie is a boast or an excuse, whether a gift shows compassion or ostentation, whether compassion indicates sympathy or vanity. With Richard Wagner and with Liszt the same tones express different things. All mental phenomena are ranged round the struggle for superiority. But all bear the individual nuances of this struggle, and the magnitude of the *community feeling* that binds the individual to others.

This last, native to man, requires constant development from earliest childhood onward. Without its development, the individual encounters difficulties in adapting himself to human society. It is not, as the short-sighted maintain, only social considerations which force us to this conclusion. We can by no means boast of any originality in this struggle. All religious, legal, State, and social arrangements have been essentially attempts to give the living together of human beings an easier and more favourable form, to prescribe the special modes of living by which the preservation of the human race seems to be ensured. To these efforts individual-psychology is allied; more than the others, however, it indicates the hindrances which stand in the way, and seeks better methods.

There are no other values in life than those accredited by the community feeling. Can anyone mention a single valuable achievement valuable for any other reason than use to the community? Accordingly a child's feeling of inferiority, conditioned by its weakness, increases as soon as it becomes conscious of its lack of value to the community.

Everyone will realise that each increase in the struggle for personal power interrupts the development of the community feeling. A deficiency in this respect is especially significant for the mental development, for the mode of living of the child. For the most important mental functions and the way they thrive are intimately connected with the community-feeling. Languages, intelligence, morals, æsthetics, need for their exercise and development link with the fellow-man. Association with and knowledge of human beings are indispensable for successful social activity, and cannot be mastered theoretically. Since true happiness is inseparably linked with the feeling of giving, it is clear that the fellow-man stands much nearer to happiness than the isolated man striving for superiority. Individual-psychology has quite definitely insisted that all mentally unhappy persons, all who have fallen a prey to neurosis or neglect, come from the ranks of those to whom it was not granted in their early years to develop their community feeling, and with it also the courage, the optimism, the self-confidence which spring immediately from the feeling of being attached to the community. This attachment when it exists is a fact which cannot be disputed; but it can be acquired only by playing, working and living with others: only through being useful to others arises a lasting, real feeling of one's worth. There are three great life problems the solution of which tests the degree of fellowship with one's kind: the relation of the I to the thou; the productive activity; love. How one approaches these questions, at what distance he keeps from them, how he ensures their solution—in all this one best recognises the style of the man, especially when he is confronted with the need for an urgent decision. It is easy to see that a man with a sure basis in the community, and therefore a man prepared beforehand, will keep his courage here, and will quickly arrive at a good solution.

It is otherwise with the other type, the stranger, the aloof man who has to approach humanity and its problems. All too much taken up with himself and his personal power, and yet dependent on the opinion of others (who seem ill-disposed to him, and indeed for the most part are reckoned as enemies) his fears of defeat are yet stronger than his hope of victory, a hope clouded with uncertainty and discouragement; and he finds that his ambition is so full of fears of failure that it plants itself in his way, and blocks his forward path. It will not surprise us to find among the vast number of these men those whose feeling of inferiority has grown ever greater. For nothing so much hinders the development of the community-feeling as a strong inferiority feeling.

* According to Chambers's Biographical Dictionary, Charlemagne could read Greek! (Trans.)

Industrial and Military Organisation.

"And just as the goal and mentality are different, so are the organisations. The army is an aristocratic socialism. It is socialistic in the sense that it is non-capitalistic; it is aristocratic, not only because its leaders are mainly recruited from one class, but because the lives of its members are governed by status rather than contract. The soldier is throughout every hour of his service subject to military rule, and during that same period the State is responsible for his welfare. An industrialist is not answerable if large numbers of his workers contract venereal disease in their leisure hours, but this is the case with a battalion commander."—Lieut.-Colonel A. A. Hanbury-Sparrow, D.S.O., M.C., in *Discovery*.

A Vagabond in Denmark.

By Leopold Spero.

XXII.

DRAGON TAILS.

"I will leave my old boots here. . . ."

—*Polyglott Kuntze.*

Copenhagen has such an assured air of size and settlement and superiority that there could never have been a time when Sweden seriously challenged her little neighbour with any suggestion of competitive claims on the part of Stockholm. We may leave Oslo out of our reckoning, for even when he was a lady and called himself Christiania, Oslo counted for no more than a sprawling village set among delicate mountains at the head of a charming loch. Stockholm always had the metropolitan air. And now, with her new and towering Town Hall, that shakes its fist over the Stream and across the Gulf of Bothnia at pert Finland and the grim Soviet, she regards herself more than ever as the champion of a free and enlightened, if not unduly united, Scandinavia. But she does not set herself against the stout and prosperous rotundity of the Danish capital. Stockholm is ladylike and elegant among her pine-clad islands and furry hilltops. But she knows that Copenhagen will always be twice her size, and hopes against hope that the world does not realise the obvious truth that Copenhagen has always been of twice her importance.

Yet there is something about Copenhagen so profoundly disappointing that it is strange to find the causes of our disappointment so hard to define. A certain bareness, characteristic of all Scandinavia, town and country alike, informs even this city of three-quarters of a million of intelligent and friendly people. The infinite variety and inexhaustible deep richness of London, the charm and fresh bright colours of Paris, the youthful grace and vigour of New York, the sober elegance of Amsterdam and the Hague, the warmth and romance of Munich and Nurnberg, the stately confidence of Dresden and Leipzig in their own renown, even the cocksure blatancy of Berlin, all these are qualities of power and magnetism—and Copenhagen has nothing but her place, like the plainest of plain cooks or the least particular of generals. There she is, and therefore she is. Her wide squares are provincial, her wide streets trickle away from the sight like sand from an emptying hour glass. North and South and West they run, to suburbs where beer is brewed and films are made, chemicals compounded, hides tanned, and sugar squeezed from the reluctant beet, and good-looking young women fashion birds and beasts and fishes in glazed porcelain. But nowhere does one get the vivid impression of that fighting history which is the most picturesque feature of the Danish landscape, save here and there, when Bishop Absalon rides out suddenly on his charger in the middle of High Bridge Square, waving his huge battle-axe in true priestly fashion, or Nils Juel gazes proudly from among the museums over to the Sound where he lured his Swedish foes to their destruction. This is not unfair to Copenhagen. We shall find, by looking hard and long, matters to engage our interest and please us with those definite pictures which the daily movement of vigorous nationhood must create to pleasure the enquiring eye of the stranger. But one has been held in such expectation of Copenhagen's glory by every word and gesture of her champions throughout the rest of Denmark, that the realisation comes with a shock that you do not have to be an American to "do" this city in a single day.

That is the trouble. The sights of Copenhagen are so easily exhausted. No traveller with any sense would care a tinker's curse for the fact if the city were not flourished at him so consistently, if he were not told how much there is for him to see. True, when he suddenly comes to the old Exchange, with its long row of pointed gables roofed with green copper, and its great green dragon's-tails twisting into a spire and wagging up at a shocked and incredulous sky, that pleases him. And he will be glad when he wanders round from St. Anna's Square into Amaliegade, wide and solemn and shuttered, full of the dignity which every little Court in Europe borrowed from the *Roi Soleil*. Here let him stand in the grey, classic square of the Amalienborg, waiting with the rest of Copenhagen for the noon hour to strike and the drums to beat and the guardsmen to line up in their black bearskins and blue tail-coats and white pipe-clay, saluting the old, satin-fringed Dannebrog with obsolete rifles, while Frederick V. beats time with his sceptre from the eminence of his fat rococo horse. Very grave and quiet is Amaliegade, with its seventeenth-century palaces, where diplomats rub shoulders with the kings of merchant-shipping, and young clerks hop out of narrow doorways and on to their bicycles, and away to eat sandwiches in the parks, or to stretch their pink bodies on the boards of some swimming club on the Sound. But there is little enough left in Copenhagen even of the French rococo. And all that was most rugged and antique in the twelfth-century fortress-city of muscular Bishop Absalon, was swept away by fire long before Christian the Builder flung down the old walls, and spread himself and his notions all over Amager Island and the moats of Slotsholm.

Drama.

The Whiteheaded Boy: Criterion.

If this revival of the "Whiteheaded Boy" did no more than keep the Irish Players in London while giving them more or less relaxation from the extreme demands of "The Plough and the Stars" and "Juno," it would be worth while. These players are a leaven of sanity that London cannot dispense with. Their speech, though strongly coloured with a variety of Irish brogues, is articulated so enviably that every word is audible and intelligible throughout the theatre; every syllable drops pleasantly on the ears. It is their natural speech, suited to the conditions of the characters they play. No dainty affectation of demure ladylikeness corrupts them into immobilising their lips and widening their mouths for a speech to please nobody but the high-school mistress in charge of a class. They speak with the energy of passion, of faith in what they are saying; and although they make tragedy a laughing matter, one comes away from them convinced of the reality of their play, unable to avoid saying over their lines in an attempt to imitate their brogue.

Most of the audience had probably seen the "Whiteheaded Boy" before. They were a hardened lot. There were little things in the play—the false pronunciation of the dress-magazine's name, Vogue, for example—that one of them would have been glad to be spared; yet facial wrinkles smoothed out, and the atmosphere was given a hill-side touch by healthy laughter. The play concerns the obstacle presented by the widowed mother's favourite son to any chance in life for a big Irish family of the shopkeeper class. For the favourite's education at Trinity the whole family has to exist without prospects. Even rebellion does not get rid of government, and this family cannot wash its hands of the Whiteheaded Boy. All the failings and virtues of Ireland conspire together against it; and the necessity for preserving the family name from scandal over-rubs self-interest.

The Irish Players did not learn about family life from the "People's Friend" or from professors of sociology. They did not find how the lower and the almost lower classes live from going round with the district visitor. Their representation of this Irish family conquers imagination so that the experience of years is distilled into the laughter of an hour or two. Before seeing the play this time I looked forward with joy to seeing Sydney Morgan give that display of temper in the first act at the futility of his sacrifice for his whiteheaded brother. All the restraint, submission, and self-deceit of years is avenged in that realistic outburst. The Irish Players do not despise their parts. Whatever the character may be, rogue, hero, liar, or simpleton, these actors play it as though they understood and forgave it, and commended the person represented to the world. Such acting is inspired by the joy of art, and by acceptance of the universal worth of whatever sort of characters—morally considered—are required for the complete play. It is only the law of drama that matters here, although it includes god-like love. Because of this, Fred Donovan, as the child of finer clay, is a great improvement. Good as the previous actor is in all his parts, I cannot except him in saying that no English actor could play more than half of this spoilt child, namely, the spoilt half. The ultimate cleverness by which Denis Geoghegan kept his white head would be unnatural in the hands of an English actor, whereas in those of Fred Donovan it was pre-destined.

The Irish Players are so much a team that one hesitates about mentioning individuals. This reluctance is general, which is why the names of five of them are not household words. In every team some do more work than others, of course, and their positions produce varying degrees of effect. There are not two opinions as to whether Arthur Sinclair is a comic genius. To ask whether he could play the Comte de Luxembourg or Lord Fitzumberland is like asking whether the centre-forward can keep goal. Nowhere have we a gathering of players so much a team, even to swopping the clothes round a bit. The quartette of Arthur Sinclair, Sydney Morgan, Maire O'Neill and Sara Allgood have done more in the past twelve months towards the redemption of the English theatre for art than any other four actors in London. We should be selfish to keep them here, and fools if we don't.

The Widowing of Mrs. Holroyd: Kingsway.

If one wishes to learn what sort of plays uncommercialised theatres would produce, an answer can be found in the plays by native dramatists produced by the Incorporated Stage Society. Here is a society entitled to honour for its concern for the drama. Consequently the generality of critics who came home from the "Widowing of Mrs. Holroyd" with no idea except that it was gloomy, had no right to be there. Since when could drama be divided into art and not art by cheerful and gloomy? That the attempt can be made is a black outlook for criticism.

When the Stage Society produces a play, it is the play that matters. If the idea were to provide a cheerful alternative to the gloominess of sermons and hymns, it were better dropped. The production on this occasion was exceptionally good, although I confess that I have given much fruitless trouble to trying to get a copy of the play to separate the production from the author's work. Mr. Esmé Percy is a repertoire producer—and a repertoire actor—who is used to working conscientiously for less than eternity. To the play, then; Mr. D. H. Lawrence has portrayed a miner's cottage—a family consisting of a coarse husband, two children, and a wife reflecting the incredible patience of the working-classes. Blackmore, an electrician at the mine, does what he can for the neglected family. He goes so far as to propose clearing off to Spain with the wife and children, and leaving the husband to fend for himself. There is no need. After family scenes, a fight between Blackmore and Holroyd, and a gathering of the riff-raff of Nottingham skilfully brought about through Holroyd's return from the public-house, this drunken beast is killed in the mine. Suspicion that he did not try to escape vanishes at the sight of his broken fingers. The curtain falls on the sorrowing grandmother, mother of Holroyd, and the wife washing the corpse. Mr. Lawrence, in his dialogue, and the producer in his interpretation, encompassed the restraint that only the working-classes exercise over their grief. These folk are not separate enough to need to *display* grief.

Mr. Lawrence has generated the atmosphere of a working-class cottage in Nottinghamshire. He has had courage to put the working-class into a play, and as a consequence into the national consciousness, thus defying the snobbish feudal tradition that we cherish as a legacy from Shakespeare, whose lower-classes present the tomfoolery in the intervals of serious business. Mr. Lawrence's working-classes are the serious business. Yet he does not seem to love them, and creation, even re-creation, on the stage exacts love. Mrs. Holroyd, who expresses the fidelity of motherhood, is not purely working-class, but rather constrained there by her marriage with Holroyd, and she is taunted by her neighbours with having aspirations.

Mr. Lawrence has no humour in his play—unless one reckon as humour the naivetes of the two children, whose failure to be working-class, by the way, can be justified only by the claimed superior education of Mrs. Holroyd. Mr. Lawrence's picture is as damnably accurate as only an experience like his could make it. But I am nevertheless certain that he cannot mould the working-class into art by projecting their mentality on the entirely middle-class complication of the other man. When Mr. Lawrence throws away the middle-class maps that literature has furnished him with, and goes back to the common-people for ideas as well as atmosphere, he will write fuller plays, and his obvious spiritual dissatisfaction will be less in his way. May he lead the working classes to that self-consciousness on the stage of which our drama, as a complete national expression, is still deprived; and may he not resent having a mission.

PAUL BANKS.

Flowers and Flagstones.

"Your name?" they asked.
"Pierre Séguier."
"Why are you called Spirit?"
"Because the Spirit of the Lord is with me."
"Your domicile?"
"Lately in the desert, and soon in heaven."
"Have you no remorse for your crimes?"
"I have committed none. *My soul is like a garden full of shelter and of fountains.*"

—R. L. S., *Travels with a Donkey.*

"I am one, you must know, who am looked upon as an humourist in gardening. I have several acres about my house, which I call my garden, and which a skilful gardener would not know what to call."

—*The Spectator*, No. 477, September 6, 1712.

It is rapidly becoming clear to me that if I am to retain peace of mind, an unimpaired appetite, and the ability to do my duty by the brewers, it will be necessary to revert to orthodox economics. This confounded Social Credit plays the very devil with one. As a clove of garlic in a mess of pottage, it flavours everything; there is no getting away from it. It makes the reading of the *Morning Post* and the *Spectator* a nerve-racking ordeal instead of the gentle mental emollient it used to be. Nay, it even spoils the enjoyment of books that have, on the face of them, no connection whatever with the subject, such as "Gardens for Town and Suburb," by V. N. Solly,* a gracious volume which promised hours of happy browsing if the 39 charming plates and 15 illustrations in the text were to be trusted. This is a work to be recommended to all who are contemplating the conversion of an urban cat-walk or a strip of

*"Gardens for Town and Suburb." By V. N. Solly. (Ernest Benn, Ltd. 15s. net.)

macerated suburban turf strewn with builders' detritus into the garden of their dreams. Although the more ambitious schemes described by Mr. Solly are practicable only for the fortunate few who enter bank parlours without heart flutterings and are received with smiles, there are certain hints embodied therein which even the impecunious may follow with advantage—such as:—

> The great merit of a well-designed small garden should lie in the fact that its form is so intrinsically good that it gives pleasure to the beholder even without the added beauty of flowers.

Also:—

> The space actually allotted to flowers may be relatively small, with greater effect. Colour can be concentrated with advantage in small masses as accentuating points in the design. For this purpose strong or single colours are often the best, especially in gardens seen principally from the house windows.

These are words of wisdom, and should be weighed by the enthusiastic novice embarking on the adventure of building beauty from chaos; for, by attention to them, and to their application to local conditions, a modest success may be achieved. But—and this is where the Social Credit virus gets to work—a glance at the plates in this book reveals that the urban garden, as the author conceives it, depends for much of its charm on a liberal use of stone, marble, bronze, old lead cisterns, and wrought iron of fine design.

There is no lack of stone in England; in Scotland and Wales there is quite a lot; even in the lush and loamy Midlands we have some very respectable dumps. There are blacksmiths within hail of most garden lovers, who, given time and material, could adorn our pleasaunces with wrought-iron grilles, gates, and railings—but it is the old, old story, and needs no elaboration here. Paved walks and stately terraces must, perforce, slumber in the unquarried hills; the smith rest content with the daily routine of minor repairs and the shoeing of horses, or the occasional hammering and fitting of an iron tyre. Still, there is progress of sorts. The Coketowns have had their day; albeit there are still not a few abortions of "unnatural red and black, like the painted face of a savage," Cities of Dreadful Night,

> . . . . perchance of Death,
> But certainly of Night; for never there
> Can come the lucid morning's fragrant breath
> After the dewy dawning's cold grey air.

Happily we are well on the way to scotch those "interminable serpents of smoke" which "trailed themselves for ever and ever and never got uncoiled" over the pride and glory of Messrs. Gradgrind and Bounderby. When that clear day dawns—and maybe the great lock-out has hastened its coming—many fair things will flourish which now droop in a smoke-poisoned atmosphere. Pending that consummation, the town garden, though it has its limits and may not woo us with the infinite variety of its country cousin, can at least attain to two of the essentials of the perfect pleasaunce—shade and the music of running water. Given a public spirited municipality, marble and bronze may be enjoyed by all, and there are other trees than the plane which will flourish in urban surroundings. Apropos of trees, plate 36 of this book offers a view of the Garden Court at the Bank of England whose central feature is a fine lime, which will have to be sacrificed when the garden is swept away in the course of rebuilding. It is comforting that there is to be a new garden on a different site, and if the lime tree is to have a suitable successor, why not a Upas Tree, or even a Cercis siliquastrum, which has a pleasant legend attached to it?

* * *

As for the suburban garden, just a word of advice, based on thirty years of trial and error, especially directed to those who have room wherein to give their fancy play, and all their blunders yet to make. Do not draw too rigid a line between flowers and vegetables. Addison's humorist describes his domain as "a confusion of kitchen and parterre, orchard and flower-garden"; he says:—

> I love to see everything in its perfection; and am more pleased to survey my rows of coleworts and cabbages, with a thousand nameless potherbs, springing up in their full fragrancy and verdure, than to see the tender plants of foreign countries kept alive by artificial heats, or withering in an air and soil that are not adapted to them.

Well 1712 can teach 1926 something. The decorative value of the cabbage is vastly underrated, and where will you find a more vivid emerald than a bed of well-grown parsley! As for perfume, remember broad beans will thrive where mignonette is often a disappointment—so plant them generously, for, in addition to its scent, the bean, as R. L. S. will tell you:

> . . . . gathered innocent and green,
> Outsavours the belauded pea.

If your domain include an orchard let it be filled with daffodils; they need not be choice bulbs at 2s. 6d. each, for this is one of the rare cases where quantity has the advantage over quality. Plant them in clumps, and if the time of their full-blooming synchronise with a full moon and a cloudless sky—why any lingering doubt you may have as to the existence of fairies will vanish when you tread that enchanted ground. Happen you may hear the silver voice of Titania a-calling to you to

> . . . . sit thee down upon this flowery bed,
> While I thy amiable cheeks do coy,
> And stick musk-roses in thy sleek smooth head,
> And kiss thy fair large ears, my gentle joy.

But that is another kind of gardening, and as good Mr. Spectator says,

> "I think there are as many kinds of gardening as of poetry; your makers of parterres and flower-gardens are epigrammatists and sonneteers in this art; contrivers of bowers and grottos, treillages and cascades, are romance writers."

Judging from what one sees up and down the land there are also some who are writers of very indifferent prose.

J. S. K.

Verse.

THE ANNUNCIATION.

When in our midnight ecstasy we lay
Drowned in each other, suddenly there shone
A far-drawn lantern. Its beams danced upon
The interweaving waters, making play
Of broken light, that darted every way
Between the waves' confusion. I alone
Saw it. Ere I could whisper, it was gone.
Nor did I speak of it at break of day.

But now you rest your head upon my shoulder,
And hushed with joy, tell of that inward sign,
That concourse of the stars toward the womb,
Summoned by will of the Eternal Moulder;
I see again that lamp, and wonder Whom
It guided to our presence, yours and mine.

RICHARD CHURCH.

MICROCOSM.

When through the portals of the grave we pass
What shall we find?

Nothing that's new, I gage, nothing that's new:
The Gentile and the Jew;
Him; her; and me; and you;
But nothing new.

The universe is here and there,
And there and here;
All things doth it comprise—
Love, life, and death; but no surprise.

All things abide in God;
And when we go
Through that strait gate men call our journey's end
You may depend
There nothing is that Heaven or Hell can show
Of pain or pleasure, weal or woe,
That mankind does not know.

BAYARD SIMMONS.

THE OUTCAST.

I.

One night there came from Sussex downs
A ragged man with curious eyes,
Desiring nought save bread and cheese,
But he was wise.

II.

For now he spake of government . . .
And now philosophy . . .
And now he stayed all dumb because
A bird sang in a tree.

III.

And at the dawning he had gone
In tatters on, and I dare say
A dandelion in his coat
For a gold button, on his way.

LIONEL GRANT.

Solitaria.

By V. Rosanov.

(Translated from the Russian by S. S. Koteliansky.)

XIII.

Lines like these two of Nekrasov's:

> "Driving at night through the dark streets,
> Oh, my lonely friend! . . ."

have not yet been surpassed in the whole of Russian literature. Tolstoy, who said of him that "he was not at all a poet," manifested not only little "Christian humility," but did not even manifest the impartiality of a mere magistrate. Verses like

> "Uncle James's house is not a little cart"

smack more of the people than all the books Tolstoy has written. And altogether Nekrasov has quite ten pages of verse more truly national than any of our poets and prose writers have ever succeeded in producing.

These approximately two-tenths of his poems are an *eternal deposit* on our literature, and they *will never die.*

Certainly his importance was extremely exaggerated ("above Pushkin"). But in his case too a *nota-bene* should be added: he was the "moulder of thought" for a generation extraordinarily active, energetic, and pure-hearted. Not the worst of Russian generations—and this is a historical fact, which no malice can sweep away and no blindness can ignore. "Catalina may be bad or good, but mentioned he shall be," and every Ilovaisky [a compiler of historical text-books for schools] will mention him, while Ilovaisky will not be mentioned by anyone. That is one thing. But then there are the two-tenths of his poems: they are of the people, genuine, natural, powerful. "The Muse of Vengeance and Sorrow"* is strong after all; and where there is strength, passion—there also is poetry. No madman could deny the poetry of his *Vlas.* His *Gardener, Driver, Forgotten Village* are charming, wonderful, and were quite new *in tone* in Russian literature. Nekrasov generally has created a *new tone* of verse, a *new tone of feeling,* a new tone and timbre of *speech.* And there is a surprising amount of the Great-Russian, even of the Yaroslavian, in him: such a speech, somewhat cunning and impudent, blinking and elusive, is certainly not spoken either in the Penza or the Ryazan province, but only in the Volga harbours and bazaars. And this local trait he has introduced into literature, into prosody, having made in this, too, a tremendous and bold new departure, for a time, *for one generation* having fascinated and carried away everyone.

(*Examining my coins.*)

* * * * * *

Certainly not to make use of such a boiling energy, as Chernyshevsky's, for the good of the State was a crime bordering on murder. To Chernyshevsky I always applied different criteria: he was not a *thinker,* a *writer* . . . nor even a *politician.* In all these he stands for nothing *particular,* and at times he even stands for something ridiculous and pretentious. But the point is not that, but this: that never since Peter the Great have we come across such a figure, whose every hour is *breathing,* whose every minute *is alive,* and whose every step is tinged with "solicitude for his country." All his "foreign books" were nonsense; his reform and correction of J. S. Mill's *Political Economy* is the bungling of a seminarist. All this bunkum might have been and should have been forgiven him; and use should have been made not of his *head,* but of his *wings* and *legs,* which were perfectly wonderful, beyond comparison with anyone else's; or, to be more exact, only the boiling, non-stop Peter the Great possessed such *legs.* It is inconceivable, how our flabby, lifeless State-mechanism, which knows not *where* to find the *energies* and *workers,* did not avail itself of that "steam-engine," or rather that "electric motor." What are all the Aksakovs, Samarin, Khomyakov, or the "famous" Mordvinov, compared with him as a *worker,* i.e., as a potential worker, who was buried in the snows of Viliyusk? But now we must upbraid him too: why did not he—feeling such a store of energy in his breast —for the purpose of *breaking through to work,* kiss the hands of the generals, and for the matter of that "kiss everyone on the shoulder," provided they let him help the people, let him come close to the people, gave him a "department." Ignoring completely his Communist and Socialist ideas, permitting him *personally* to live with three scores of student girls, and even to choke himself with Mme. Zebrikov; yet as a *character* and as an energy I would place him not only at the head of a Ministry, but at the head of a Cabinet of Ministers, allowing him the rôle of Speransky and granting him the "immunity" of Arakcheyev. . . . Such characters are born one in an age—and to throw him into the snow and wilderness, into the marshes and forests . . . damn it . . . it is the devil knows what. Reading his *style* (I read his Lessing; his beginning) you just feel: this man will never get tired, he will never stop still; of ideas there is only a handful, but of promise there is a whole sheaf of lightnings. Indeed, there are Peruns, gods of thunder, in his soul. Now (after the publication of his correspondence with his wife and learning his relations to Dobrolyubov) it is all explained: he was an intellectual, spiritual "S." Well, such eagles don't droop their wings, but go on flying until killed, until death or victory. I do not know his experiences, but that is of no importance. Eventually, as a State worker (a social and State worker), he is above Speransky, above anyone of "Katherine's eagles," above the braggart Pestel, and the absurd Bakunin, and the ambitious Hertzen. He was indeed a man *solo.* The absurd situation of complete practical impotence threw him into literature, journalism, philosophy, even into fiction—where, having *no vocation whatsoever* (quietude, contemplation), he smashed all the chairs, knocked down all the tables, soiled all the habitable comfortable rooms, and generally committed "Nihilism"—and could achieve nothing else. . . . He's a Disraeli who was not allowed to go further than being a "novelist"; or a Bismarck who, for his duels with students, was condemned to spend all his life "fighting duels with swords," and "forbidden to do any other work." Damn it: it's destiny, fate, and not so much *his,* as *Russia's.*

But he too: why could not he have given up his nihilism and seminarism? For the sake of the people. For the sake of the peasants, the horseless, cowless peasants . . .

It is astonishing: indeed, it is the straight road to Tsusima. More astonishing still: had he entered into practical life, we should not have had *theoretical nihilism.* In this indeed remarkable life-story we reached the Tree of Life; but we just cut it down. We cut it down in order "to make clogs" for the good-for-nothing Oblomov. . . .

(*Examining my coins.*)

* This is how Nekrasov's talent is generally described.

LETTER TO THE EDITOR.

THE EDITOR'S DELINQUENCIES.

Sir,—I am obliged to you for publishing my letter—although with some omission, alteration, and an additional "any."

In your reference to railway "income" of £28,000,000 I suppose you mean "profits." Naturally, those of the banks are not equal to the aggregate trade profits; if they were, they neither could nor would be tolerated, but they are at least grossly excessive in relation to the capital and number of employees, and are some indication of the imposition of the banks upon industry.

Money does accumulate as long as it can at compound interest; this is one of its "attributes" which puts goods at such a disadvantage. The physical impossibility, however, of coping with this so-called "law" interferes through repudiation or revolution to prevent the extortion of progressive increment over any long period.

The "trade" balance is a money one; exports are credit, and imports debit; loans are made and interests paid in money, and, therefore, go on the debit side of the sheet and *figure as* imports to the country granting them. This, of course, does not mean, as you try to make me out to say, that they *are* imports! During the war American loans had the effect of exports from Europe, and enabled goods to be imported from America without affecting the exchange. By the "issue of foreign loans" Lord Hunsdon means borrowing, not—as I think you believe—the export of surplus goods.

It is a mistake to use the word "create" in connection with any concrete phenomena—like loans. Banks may make fictitious loans, but they do not create credit; that is the creation of their borrowers and ultimately of the public. All the banks do is to make this real credit liquid, by transmuting it into a circulating medium. To admit that the banks are creators is to allow them the privileges pertaining to such; these they already exercise, and should be deprived of, but if they are told that they create credit, then how can the community claim to own it?

GEOFFREY BIDDULPH.

[(1.) The only excision from Mr. Biddulph's last letter was a remark of his suggesting that he did not read THE NEW AGE regularly.

(2.) He wanders from the point. The point was the burden of bank interest as a whole on industry as a whole.

The ratio of bank earnings to bank capital is another question altogether. We said in effect that industry sustains only a flesh wound at the hands of the banks. Mr. Biddulph's reply amounts to a discussion as to whether they do it with a penny catapult or a seven-guinea revolver.

(3.) He now admits that something "prevents" compound interest from doing in practice what it is supposed to do in theory. That was our original argument.

(4.) On the question of foreign trade we took Mr. Biddulph's words as he wrote them. The rest of this paragraph is too obscure for us to attempt to deal with it in a short reply.

(5.) If Mr. Biddulph prefers to consider borrowers as creating the credit they borrow—which is Dr. Leap's argument—it makes no difference: in that case the banks license those particular borrowers to create it. We do not follow the logic of his concluding point. A forger of £1 notes creates credit; but that does not vitiate the community's right of ownership.

(Authentic Story.) It was at a children's Christmas party—musical chairs, hunt-the-thimble, winding of clockwork engines, blowing of trumpets, bleating of dolls, and what-not and so on. The hostess, passing occasionally to and from the kitchen, saw a lonely little figure outside in the hall. At last she spoke to him. "Why, Tommy, what are you staying here for: why don't you go inside?" But Tommy did not want to go inside. "But that's silly. Come along, I'll find you some little friends to play with." But Tommy didn't want to play any games. "Why; you're not shy, are you?" No, Tommy was not shy. "Feel sick?" No; he was quite well. "Then is it that you'd like to go home?" No; Tommy would sooner stay. "But, gracious, child, you can't enjoy yourself out here by yourself." But Tommy was enjoying himself. "But how—what have you been doing? Tell me?" At first Tommy hesitated, but at last was understood to say that now and again a little boy would come out to "leave the room." . . . "Yes, but—I don't understand. Come on; whisper it to me." . . . Lifting two glowing eyes and a rosy face to his hostess's attentive ear, he whispered: "*I've had four fights.*"

—ED.]

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present unsaleable output, and would, therefore, eliminate the dangerous struggle for foreign markets. Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

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

NOTICE TO CONTRIBUTORS.

Contributors are asked to take note that a column of large type in THE NEW AGE contains about 700 words, and a column of small type 975 words. Their contributions should therefore be of 700 or 1,400 words in the first case, or 975 or 1,950 words in the second. Articles slightly exceeding the one column, or the two columns, are liable to be cut. Except in special circumstances articles should not run on to three columns. Normally a writer should be able to explain his thesis adequately in one or in two columns. If not he should divide it with the above measurements in view.

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