THE

NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1798] NEW SERIES Vol. XL. No. 17. THURSDAY, FEBRUARY 24, 1927. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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NOTES OF THE WEEK.

In the issue of the Fianna Fail *Bulletin* for February 8 is a most interesting reminder of the now almost forgotten Loan raised by Mr. de Valera in the United States. It appears that he collected the money for the "Republic" in his position as President, and gave explicit assurances that it would be used for that purpose and no other. The Certificates issued to subscribers "all show that the monies were contributed for the Republic—they would never have been contributed otherwise." The sum involved, yet unspent, is about £580,000, of which £80,000 is deposited in the National Land Bank and £500,000 in American banks. It is deposited in the joint names of Mr. de Valera, Most Rev. Michael Fogarty, and Stephen O'Mara, as trustees. Last Monday week "the Free State Courts appointed Mr. Norman, a solicitor, to 'act in the name and on behalf of Mr. de Valera' in transferring [the above] Dail Eireann funds to the Free State Minister of Finance." Mr. de Valera has refused to concur in this transference, and when Mr. Norman gives discharges to the Banks for the money he will be acting without Mr. de Valera's consent. This applies to the £80,000. As regards the £500,000, an action is pending in the United States Courts. The *Bulletin's* concluding comment is this:—

> "These funds represent the devotion and sacrifice of the Irish race, both here and in America, for the cause of Irish Independence, and to turn these funds over now to the usurping institution would be a reversal of the intention of the subscribers, and a betrayal of trust."

We may take it that the £80,000 will change hands all the same. But the £500,000 in America raises a pretty problem. If the American Courts confirm Mr. de Valera's title to dispose of the money it will throw grit into the machinery of the present Anglo-Free-State political compact, and to that extent assist the plans of American diplomacy. But in view of Mr. de Valera's declarations of policy, his possession of these funds could not be regarded favourably either by Wall Street or Lombard Street. Financiers, naturally, are not going to permit the subsidising of experiments in Ireland designed to short-circuit Irish production and consumption and to make that country self-sufficing in a financial sense. What is likely to happen is a prolongation of the struggle for the possession of the funds until one contestant or the other gives pledges as to the use of them. In the meantime the uncertainty in London as to who will ultimately get this £500,000 must necessarily tighten the grip of America over British policy in other directions. A revised Anglo-American compact about Chinese Customs control, for example, might conceivably be the consideration for which Wall Street would contrive the release of the £500,000 to the Irish political agents of the Bank of England—the Free State Government. Meanwhile it looks as if Fianna Fail will have to get on as it can in the coming elections without its war-chest.

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Lord Rosebery wants to know where the money in Mr. Lloyd George's fund came from. Its amount, according to a statement made to the *Daily News* by Mr. Vivian Phillipps, is understood to be about £2,000,000, and is computed by others at £2,500,000. In a letter to *The Times*, Lord Rosebery exclaims:—

> It surely cannot be the sale of honours. If that were so, there would be nothing in the worst times of Charles II. or Sir Robert Walpole to equal it. But what amazes me is this: no one seems to think that there would be anything unusual in such sale. If so, all the worse, for it would be the prostitution of the Royal Prerogative, and so the ruin of the British Constitution."

Quite so. But the "prostitution" of the Royal Prerogative is not the right point to make. Whether honours are conferred in return for money or not the prerogative of granting them is not for the King's private judgment. Whatever "prostitution" there is lies in this fact. The scandal arises from the delegation, not the subsequent misuse, of the prerogative.

In June, 1922, when Colonel Gretton, in the House of Commons asked Mr. Lloyd George, in respect of prevailing methods of submitting the names of persons for honours:—

> "Does the right hon. gentleman receive lists from the Patronage Secretary to the Treasury or the party whips?"

Mr. Lloyd George replied:—

> "Certainly. In that respect I follow the precedent set by every Prime Minister. I have never departed from precedent in that respect. Certainly recommendations came from the Patronage Secretary."

The Patronage Secretary *to the Treasury*, be it understood. This suggests that the "Royal" prerogative is now really a high-financial prerogative, and, indeed, Mr. Lloyd George seems to have pleaded the fact in rebuttal of the implied charge that it was a party prerogative. We do not doubt that he was right. The King acts by the advice of the bankers. Few readers of this journal will dissent from the speculation that whatever advantages in revenue to party funds have accrued as a by-product of the honours-traffic, there has been an equitable distribution of the money among the various war-chests. That would explain why, whatever agitations as to the principle of the sale of honours are worked up they always die out again, and nothing tangible in the way of evidence comes out. A conspiracy of collusion.

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In a prominent article on this subject in the *Daily News* of February 17, a "Special Correspondent" takes it as common knowledge that honours are sold, and the proceeds go to party funds; and proceeds to explain that these funds come as bank notes, or in some other form from which the contributor "cannot be traced"; that the fund is banked in the Whip's name; that there is no check upon the Whip—"if he liked to decamp with it to California there is nothing to stop him doing so"; and that, as regards the Lloyd George Fund, it is in the hands of this gentleman himself, and "if he died to-morrow it would go in the normal legal course to his family, so absolutely is it his own property." Finally, he remarks that probably little more than half the present amount represents the original fund—the rest being "the product of successful speculation." It is true enough that purchasers of honours cannot be traced, and that Whips cannot be checked, in the sense that the public cannot find anything out. But there is no detail that is not known, and no control that cannot be exercised, by the Elders of the Financial Government. You may conceal from your neighbours that you have drawn £10,000 to £50,000 in legal tender, and that it has gone into a Whip's banking account; but neither you nor he cannot conceal it from the persons who supply you, and receive from him the "untraceable" money. And with the episode of Mr. de Valera's fund and its sequestration in full view, no one need doubt that there are plenty of means of ensuring that Whips shall behave themselves in the dispensing of the money committed to their charge. Lord Rosebery is an old man, and his perspective is askew. Otherwise he would realise that the supersession of the King's prerogative in regard to patronage threatens the Constitution only to a negligible extent compared with proposed excision of the King's image from the Currency Note.

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There is a curious expression creeping into Press apologia for the position of Britain in China. It takes the form: "We only want to be left to trade peaceably in China." "We" do not, as it were, want to hit anybody on the jaw, so why should anybody want to hit us on the jaw? "We" only want to get our own way without any row; so why have any row? And the astute originators of this Uriah Heep sentiment get away with it every time. The man-in-the-street rushes to carry their bag for them. One simple word, "*Only*," hypnotizing a whole nation. Yet there are pacifists who propose to mobilise a Great Refusal to Fight if this nation again goes to war. Directly you begin to apply this form of implied justification to anything other than the Chinese trouble you realise its falsity. For instance: America "only" wants her debts paid; the miseries of deflation should have been borne without demur because the banks "only" wanted to safeguard their resources: the cat-burglar "only" wants to climb and collect in peace; the indigent rough in an East-End pub "only" wants to pick up somebody's glass and drink his beer; and "won't 'it 'im if 'e don't turn narsty." Of course, like most verbal swindles of this kind, there is an element of truth in the suggestion. It is beyond doubt that the European trading community in China have no other wish than to buy and sell in association with the natives on terms satisfactory to both; and if British relationships with China were confined exclusively to the production and exchange of economic wealth this mutual benefit could be achieved. But the cause of the trouble does not spring from these activities. "Capitalism" of this sort is not the enemy. It is the super-finance beyond and above this capitalism which is responsible for the outbreak of violence. We need not elaborate the argument in view of our commentary on China during the last few weeks. It can be indicated in one imaginary picture—the picture of the United States occupying the French Customs Houses and helping herself to full debt instalments irrespective of how France lived on the balance of revenue.

* * *

What would the newspapers do without the black magic of the coal-dealers? The *Star* pounces on an "admission" made by the Coal Distributors' Information Department. In reply to a question by a Press representative: "Would it be fair to say that you are trying to recover losses due to the stoppage?" the answer was:—

> "Yes. If you like to put it that way, we can't refute it. We are trying to recover what we can—just as the collieries are. You must remember we sat still for six months, and had very heavy losses indeed."

This is enough for the *Star*. It challenges the principle that dealers should recover from the consumer the profits they have hitherto failed to make.

> "Is not their past loss, which we agree has been heavy, a business loss which has followed many years of good profits, and ought it not to be borne by themselves? . . . . The coal merchant ought to cut his loss: instead he is trying to pass it on to the consumer."

Let us pass over the preliminary consideration that if the consumer has a grievance on this score it lies against industrial charges of all sorts and not alone against coal prices, for that involves a moral question, which, being moral, must be applied generally.

* * *

The point is not whether coal merchants ought to "cut their losses," but whether they are better able to afford to do so than other traders. They are secretive, like all other business organisations, about their affairs, and do not supply information upon which the public can come to a definite conclusion. But this secrecy is not even *prima facie* evidence of ability to make current money sacrifices. Rather the reverse, for, if our general diagnosis of potential industrial insolvency applies to coal dealing, these people, in giving away their secrets, would probably be risking a curtailment of their bank-credit. Moreover, the *Star* makes the question too easy. It is all very well to talk about "cutting losses" if they can be written out of accumulated profits. But what if the trader, having parted with his profits in investments, has no fund out of which to make good his losses, and that his losses have had to be covered by borrowing from his bank. How does he now "cut" them? By cutting his bank manager next time he meets him in the street? Would that it were so easy. The *Star*, like the rest of the Press, does not think out its economic theories. It might begin by deciding where profiteering begins. Is it at the point where the proprietor gets enough to keep himself at a certain standard of comfort? If so, what standard? As this is impossible to lay down specifically, would the *Star* advocate the following principle of such a standard—that a "capitalist's" profit should be as much as he was spending on maintaining a standard of consumption of his own choosing; and no more? To that the *Star* would have to demur, pointing out, in accordance with bank-propaganda, that industry depends on savings for its development and expansion, and that the capitalist must charge sufficient profit to foster his business as well as himself. If so, it would have to decide that profiteering began only after all charges for future expansion and future profit-making were collected from consumers. Having got there, it might proceed to consider the following moral question, namely: What is the difference between a trader's collecting profits to replace past losses and his collecting profits to ensure and increase future profits? If past losses should be cut restrospectively why should not future profits be cut prospectively? This would bring the *Star* to the fringe of the New Economic theory, in which the responsibility of raising and saving money for capital expansion is lifted from the capitalist, whose job is properly to make goods as fast and well as he can, and put upon a national Credit Authority, whose job is to see that he has as much money as he needs for the purpose. As Major Douglas has put it "The credit required to finance production shall be supplied not from savings [i.e., not from profits] but be new credits relating to new production." When that is done the *Star* will not be obliged to charge a penny instead of the pre-war halfpenny for its daily dose of wisdom.

* * *

Having made these criticisms let us turn round and congratulate the *Star* on the soundness of its observations on the legal aspect of Trade Unionism. It points out to Sir John Simon that if, as he says, the general strike is already illegal, there is no need for new legislation. It comments that "Sir John, as a lawyer, talks as though there were a remedy in the law for every wrong," but points out that the remedy fails very frequently "when we have to deal with human beings.

> "Take 'intimidation,' of which some coal districts experienced a great deal. Really these incidents were part of a campaign of social ostracism, and it is not possible for the law or anyone else to deal with them. How can it make people stay in chapel with blacklegs if they choose to rise and go out? It may be very hard on the minority who go to work, but it is as unavoidable as Lady Cardigan's account of the ladies and gentlemen who refused to speak to her on the lawn at Cowes."

This is good wholesome sense so far as it concerns the project of tinkering with Trade Union legislation. But the whole controversy is unreal. In our opinion the plan is to keep the threatened legislation simmering until the Elder Statesmen have decided whether for purposes of their own they want a Labour Administration again in office. If so they will boil it up into a first-class fighting programme for Labour, and hand it over for Labour to expound to the electorate. The Parties of capitalism trusted Mr. Ramsay MacDonald in office when they wanted him to hold the "Dawes" baby. They might even trust him in power with the "Chinese" baby.

* * *

Mr. Fayette R. Plumb has been discoursing in *Printers' Ink Monthly* (New York) on the proposition that "Hand-to-Mouth Buying Makes Increased Turnover Impossible." This kind of buying, he says, is resorted to under the stress of limited capital coupled with the fear of declining prices. The trader tries to turn over a small stock, say five times a year, instead of one double the volume two and a half times a year. If he can, he will make his money on half the capital, and need not, to that extent, borrow money. But there is a snag which Mr. Plumb proceeds to reveal. It is all very well for the trader to order from his jobber five small deliveries a year, but he overlooks "*the high cost of small orders.*" Small orders mean the subdivision of original standard packing. That means actual extra expense in the warehouse of the manufacturer. Then there is the heavier incidence of clerical costs. To illustrate this Mr. Plumb quotes from a manufacturer a list of the separate steps taken in his office to see an order through. There are ten altogether. But the consignment has next to go through the jobber. In his office the number of steps totals up to thirty-two. From these and other considerations he shows that the above plan for saving expense in financing is futile. He quotes from a report made by a prominent jobber:—

> "On account of the excessive cost of filling accommodation orders, where the merchandise amounts to $1 or less, it has become necessary to put into effect at once an extra handling charge of twenty-five cents."

He comments that this shows how small orders have helped to increase the jobber's cost of distribution 25 per cent. above the doubled cost of distribution since 1914, and the retailer's by something like 29 per cent.

* * *

Mr. Plumb could have made his point without all this trouble. It is antecedently incredible that manufacturers and jobbers will co-operate to enable retailers to make their money go further. The moral of his article will be lost on the retailers to whom he addresses himself, for if they are buying by hand-to-mouth methods it is because they have to and not because they choose to. And it is not hard to guess that the compulsion has arisen through the restriction of the credit once allowed by the manufacturer and jobber. But the article is a useful one to the student. It preaches the economy of the large order. And since the initiator of all orders is the consumer, its ultimate lesson is the economy of consumer-credits.

* * *

In the same journal Mr. John Poole, President of the Federal-American National Bank at Washington, heads an article "Are There Too Many Salesmen." Yes, there are, he answers. When you send an enquiry out, too many people call on you. When they call they can say nothing that could not equally well have been put in a letter. The organisation of selling must be tightened up in this respect; upon which, he affirms, there is no reason why a single salesman should not sell to a much higher percentage of "prospects" than he does now. As a consequence "there would be *fewer salesmen employed*," goods would be distributed at lower cost, and "we would *all be happier*" (our italics). Quite so. People with incomes would get things more cheaply; and, as for salesmen out of a job, they would have the spiritual joy of knowing that their destitution had been miraculously changed into a Discount. How these bankers love a crucifixion.

* * *

Mr. Arthur George Southgate was convicted at Manchester last week of having forged Treasury notes. He got seven years, and his brother, who helped him, three years, penal servitude. At the Kent Assizes in the same week, a man who was convicted of rape on a young hospital ward-maid got three years' penal servitude. A distinguishing fea-

ture of the first case was the perfection of the forgery. A great many of the notes were passed unsuspected by the banks. For this reason an Inland Revenue official said that the authorities regarded them as of a "most dangerous type." This is significant. A note clumsily forged may get past a shop assistant, but that does not make it "dangerous," presumably because his master has to bear the loss when, as is inevitable, the character of the note is detected. But a forged note, so good that the banks accept it unsuspectingly, is another pair of shoes altogether. This explains the heavy sentence. It also damns it. Considered as an offence against the public, the passing of such notes by the forger is nothing to the banks' customary refusal to honour them. It is the banks, not the forger, who inflict loss on the innocent recipients of false currency. So let us have done with the professional financial cant which portrays the forger as a danger to society. If the Treasury cannot supply the public with notes (which, by the way, the public did not ask for; they were content with gold until they were told they could not have it) so designed and made that it is impossible for unauthorised persons to duplicate them closely enough to deceive the ordinary person, let alone the expert, it ought at least to indemnify the public against loss occasioned by forgeries. It ought to pay out "good" for "bad" money pound for pound. The cost to them would be nothing. If a provision to that end were incorporated in the new Bank Charter Act under which the Bank of England proposes to snatch from the King the prerogative of issuing currency, both juridical and lay opinion would soon come to view the crime of forgery in its right perspective, namely, as something equivalent to infringement of copyright and no worse. The penalty would be a fine adjusted relatively to how much the delinquent had made out of his misdeed. No longer would the forger of money suffer under a worse condemnation than the ravisher of maidens.

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Then there is the politico-economic aspect of the case. Mr. Southgate has been putting fresh currency into circulation. In doing so he has anticipated the policy now being urged by Mr. McKenna on the Bank of England. If he had not been found out, or if the Bank had been obliged to honour his currency, he would have added to the cash basis of bank-credit. The sum he created and issued was said to be £2,000. His own profit on the transaction was thus £2,000 less the cost of his manufacturing plant, which was said to be very expensive. At a low computation this new currency would have enabled the banks to issue something like £15,000 of new credit for the stimulation of productive enterprise. So Mr. Southgate would have done the public a substantial service and not an injury. But the Treasury has stopped him and sent him to prison for attempting the job. The sentence is not an act of justice so much as a reprisal on a blackleg.

* * *

Seven years, in the above circumstances, is an outrageous sentence, and Mr. Oswald Mosley would be doing something useful for the public as well as congenial to himself if he were to make this penalty the occasion of a question, and, if possible, some remarks, in the House of Commons. Further, the general atmosphere on finance-politics is just about right for circumspect letters to the Press on the above lines to get published if any of our readers like to try to test the courage of the *Manchester Guardian*—and other newspapers anywhere for that matter.

THE NEW AGE *is on sale at Henderson's, 66, Charing Cross Road (close to Leicester Square Tube Station) and at the news stand on the corner of Holborn and Chancery Lane (opposite Chancery Lane Tube Station).*

Major Douglas's Address at "The New Age" Dinner.

II.

Now, it is sometimes said that one of the causes of the alleged decadence of Great Britain is that its fortunes are not controlled by its most capable men. In one sense this may be true, but I do not think it is the sense which is usually attached to the complaint. There is a very real sense in which it may be said that the greatest danger to Great Britain, at the present time, is that *it is* controlled by its most capable men. It is controlled almost completely by those who stand upon the third rung of the ladder to which we have just been referring, but who, nevertheless, are still too near to the conflict to view it as a whole. I might remark that the great value of an hereditary aristocracy, which we have lost without so far replacing it by something better, is that it provided this detachment.

These capable men are not interested themselves either in mere existence, nor even in economic security; both of these seem, at any rate, to be assured to them, but they are interested in using the industrial machine as a vehicle for their creative activity, and their use of it for this purpose, under present conditions, does not necessarily assure to the greater part of the population either comfortable existence or economic security. The remedy for this state of affairs is not to replace capable men by incapable men. It is to provide existence and security by other means than those dependent on their initiative.

I think that this matter is of special importance at the present time because it is clear enough that, whether by the efforts of those of us who are here in this room, or whether by the march of events the credit system, as operated by the British banks, and in particular by the Bank of England, is about to come under review. That is a considerable step; the mountain which appeared so unshakable is on the move.

But while this is a legitimate cause for gratification, and is indeed a matter of great importance, no one ought to assume that, in itself, or automatically the movement is necessarily in the right direction, although I do not say that it may not be. But I have noticed the prevalence, more particularly in connection with these questions of credit and currency, of a tendency to assume that any sort of a change from the existing financial system would necessarily be a change for the better. I do not think so at all. There have been a number of internal changes in our financial system, chiefly through the agency of taxation, during the last fifty years and, on balance, I should say most of them were bad, and have tended more to concentrate financial power in hands where, at present, it is most dangerous. At the moment, the controversy in England appears to be taking the form of suggesting that all we require is a change to the Federal Reserve system, at present operating in the United States. I know numbers of responsible Americans who are of the opinion that the Federal Reserve system is one of the most subtle and ingenious instruments for finally enslaving the population of the United States that the mind of man has ever conceived.

A friend of mine was present, not very long ago, at a dinner in New York, at which one of the Warburgs, who may be regarded as the international agent of the Rothschild family, explained how he went to America, took an office in Chicago in order to avoid becoming identified with Wall Street, and worked the American Press in favour of what is now the Federal Reserve banking system. *Timeo Danaos dona ferente.* It is always a sound policy to beware of the "Greeks bearing gifts," and we have our Warburgs in London, both literally and metaphorically.

Speaking from memory, it is about four years ago since, on a similar occasion to this, I made a very pessimistic speech on the immediate future of international relations as a result of the "Dollar Imperialism of the United States," and emphasised the importance in that situation which was likely to attach to South America and, in particular, what are known as the "A.B.C. nations." The situation seems to be developing very much along the lines that I then discussed, and, for my own part, I attach at least as much importance to South America and the part it may play in the Pacific as I do to the more obviously threatening situation in China. But however this may be, I have no doubt at all that, whether the time is very short indeed, or whether the space of a few years intervenes, the conflicting policies of the world, which are a direct result of a struggle for financial and economic control, must result in another world-wide conflagration. As I have also before indicated, I am a convinced believer in the essential soundness of British "kultur" (to use a German word, which is more exact than the English equivalent) as distinct from a super-imposed and very artificial Imperialism. I believe it is a matter of world-wide importance that this "kultur" should survive, and I see strong reasons for assuming that it will be in the greatest possible danger both from within and without, during the next few decades. The class war, in the materialistic sense which is usually ascribed to it, is mere nonsense, and does not correspond with facts, but there is a real class war, and it consists in the conflict between the ideas of those persons (and they are, in my opinion, as numerous in, for instance, the Labour Party, as in the so-called capitalist ranks) who, either consciously or unconsciously, wish to use large organisations of human beings as instruments for the gratification of their will-to-power, and those who, whether the basis of their views is ethical, religious or, as in my own case, pragmatic, realise that it is essential for the continuance of society and its further advancement that neither existence, security, nor the opportunity to exercise creative activity should be the attribute of any so-called virtue—"industry," for instance. In the critical times that I think are coming the only chance for the survival of the "kultur" to which I have referred is that this real conflict shall be composed. It will not be composed by any mere agreement between industrial leaders and so-called Labour leaders to compose their differences with the purpose of embarking on the exploitation of the public, neither, in my opinion, will it be composed by steady encroachment on the personal liberties of the subject, which is the first direction to which the State, as such, turns its attention in times of national crisis. There will arise, unless I am very much mistaken, a situation in which five, fifteen, or even twenty-five per cent. of national efficiency will not get us through our troubles, and I should not imagine that the first of these figures is very far from the present situation. In order to eliminate the enormous and growing friction, it will be necessary not only to say but to see that the interests of the individual and the interests of the community are, as they never have been up to the present time, one and the same thing. The basis of such a re-alignment is, I am absolutely convinced, financial and economic, and the general principles of such a re-alignment are familiar to most of you in this room, but I can put them in a phrase—the Company of Gentlemen Adventurers of Great Britain. I regard it as a duty of the first importance, which is laid upon any one who has any understanding of these matters, to see that their vision of the ends to be achieved is not obscured by the fact, however important it may turn out to be, that the situation seems to be a little more fluid than it was, let us say, a year ago. If that vision is kept clear and is protected from the national tendency to compromise, which, while it has been of the greatest value in the past, is in this connection a very serious danger, I have no doubt that eventually that vision will prevail.

Gentlemen and Gentlewomen Adventurers of Great Britain, I will conclude in the words of Pitt, recently quoted by Mr. Reckitt, "It is we who can save this country, and no-one else can."

Music.

Royal Choral Society, January 29.

The B minor Mass. A tolerably good performance, under the conductorship of Dr. E. C. Bairstow, spoiled by uncertainty of entry and uncleanness of attack. But only with great forces, adequately supported by an organ of the magnificent quality and power of the Albert Hall instrument, does all the sublime grandeur of this work come to expression.

The best of the soloists were Miss Brunskill and Mr. Arthur Cranmer, though neither of them, like so many modern singers, has the breath technique to open with Bach's divisions successfully.

B.B.C., February 3.

The programme was principally noteworthy for the performance in its string orchestra form of the *Verklärte Nacht* sextet of Schönberg. A superb piece of music, splendidly played under a very gifted conductor, Hermann Scherchen. The transcendentalised emotion of this work was expressed with an almost too poignant beauty and intensity, and the cold yet passionate purity of the closing pages left an unforgettable impression. This dream of beauty was rudely broken into by the pianist M. Pouishnoff, with a performance of the Liszt E flat concerto. For pinchbeck glitter, vulgar flippancy, and offensive slickness this performance would have been hard to beat. One has known M. Pouishnoff hitherto as a pianist of cultured and fine musicianship. This decadence, therefore, is all the more deplorable. The Liszt concerto, although a much-abused work, is a fine one, but after the exalted emotion of the Schönberg work, one would have been in no sort of mood for the Liszt in any case. So to juxtapose it with *Verklärte Nacht* was an act of unforgivable tastelessness, even had the performance of it been perfect.

Solito de Solis, February 15.

An entire Brahms programme. Even more striking in this programme was the growth in intellectual power and mastery of this magnificent young pianist's playing. His capacity for seeing a work whole, his power of welding a work together with his superb taut rhythms, his remarkable sense of structure, found full scope in the Beethoven F minor Sonata and the Händel Variations. His playing of the latter was one of the finest performances I have ever heard. The way the whole work was led up irrevocably to its climax, the gradual massing of weight, the piling of block on block of the musical structure, with everything planned and thought out before, nothing left haphazard, made this one of the most exciting and interesting pieces of playing one could hear in many a long day. One sees and feels the works he plays taking form and shape—growing underneath his fingers. Again I repeat that there is no living pianist of his age who can approach him. His attitude to the music is so sane, so admirably lucid and clear-headed—alive with Latin quickness of intelligence, and a contained verve and intensity that are stimulating to a degree. He is a great artist already.

KAIKHOSRU SORABJI.

Views and Reviews.

"THE NEW WORD."

It is part of the profession of a critic of literature to unmask the pretensions of work that only poses as art or truth; to put what is merely elaboration of existing achievement into its place. In addition it is part of his duty to assist in the conquest of what is beyond understanding, to bring it within the empire of understanding. When he meets a work of outstanding merit it may be policy for him to refrain from giving such a summary or exposition as might excuse his readers from seeking direct acquaintance; to hold himself back from any inclination to point out faults or correct errors, to show where the purple is nearest to black, or to wonder if the colour here will fade, or if the threads there are a trifle worn. Under such conditions, it is his vocation to affirm genius.

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For every generation the truth must be stated afresh. In every generation the searchers, the teachers, are sacredly obliged to discover what works among the mountain of literature accumulated in the past have preciousness for the spirit in the needs of the present. "The New Word" is a book of the last generation. It is one of the few works of genius created by the last generation, one of the few distillations of hope that the last generation, among so much other wine—and medicine—laid down for the future. As its author wrote in it, nothing manifest is perfect; so much and no more for its own blemishes. If the book were as well-known as it ought to be this—and much other writing—would be superfluous.

* * *

To write "The New Word" in the last generation was almost inevitably to accept the fate of being a one-book-man. It seems the fate of those who write the books of truth to create only one, or, if more than one, they have written for a teacher who himself would write none. So many books there are about Jesus Christ, yet by Jesus Christ not a page. Although Plato wrote much, by Socrates there is nothing. While Cervantes was free enough with his words, of Cervantes one great book lives, with enough thought to release a reader from the thraldom of books. Shakespeare himself is almost a one-book-writer, paradox as it seems in his case, for he cut and polished the jewels of others for his plays, creating the poems and sonnets of himself. Rabelais and Montaigne, from whom Shakespeare borrowed so freely, are immortal for the sake of work which can be contained within the cover of a single volume. With something vital to say, Genius has over and over again refined it, drawn off the essence, and given the world the elixir in a compass that gave all men time to experience it, from the ancient poets, Mohammed, Plowman, and Bunyan, to the rare genius of our day. Often the work is done in obscurity, yet somebody finds it, holds it aloft, and saves it from the fire and flood with which Providence occasionally destroys libraries, so that when mankind comes to its senses it recognises the value of its possession. The stone thrown contemptuously on the mountain yesterday is set to-day in the crown of mankind.

* * *

Into "The New Word" Allen Upward threw prodigally the thought of his previous life, crammed it through years of work with such profusion of jewel and flower that his age misunderstood his generosity for misanthropy. The overflow, or, rather, the slow gathering in the well again, inspired part of "The Divine Mystery," and drops there were even later. But "The New Word" was drawn from the well of Mimir herself, a theft for which even gods must lose an eye. Upward in that well saw the Nordic vitality of our race which he feared was cramped by our Mediterranean institutions; he strove to set the life free to create its own form. Here is no spiritualism, no sentimentality, yet the reader makes friends with his ancestors and his offspring. He feels his responsibility, exults in his privilege, as the present manifestation of mankind; he feels the exaltation which wisdom and understanding and the way of God alone can give, and entirely without the pride that usually accompanies this state. The book is a poem; the title of each chapter is a talisman; the method of unfolding the chapter is magic; the reader stirs as to the fulfilment of oracles.

* * *

Emerson begged us to realise that every new word was once a poem; a triumph of the shaping spirit over the incoherent emptiness of the universe; a piece of sculpture whose maker had to tear the granite out of the chaos of the Unmanifest with his fingers. Every word was once a lonely word, lonely as a child when the mother-bond is Art, saying nothing because telling nothing. Upward used his words to make each one a poem within a poem; he restored power to mishandled words; he took them out of the mouths of parrots, and gave them back to men. His particular word was, when he took it, an empty word, a word men's lips have soiled; it was the word *idealist*, as used in the will of Nobel, maker of dynamite, who bestowed his fortune for the benefit of mankind, not "to crown distinguished men of letters at the close of their careers," but among other things, "for the best work of literature of an idealist tendency."

* * *

Upward, in a style that only the Child heart of a Man could have mastered, addresses himself to finding out what Nobel intended. He starts gently, and before the end has taught us much of gentleness, of love, and of hope. "The New Word" is an adventure among old words, a bridge built from Gothland to England of words, a bridge of reality and faith that will bear its burden of men's hearts. His treatise does not repudiate Science; science was the author's hope, but he gave Science a telescope to see behind and beyond itself. He did not repudiate materialism; he gave it a living blush. Upward was not under the illusion that Rome could be pulled down in a day. He did not fancy that he could either dynamite superstition, or rid the world of such tradition as merely imprisons man by blowing a trumpet. He applied himself to his task recognising it a long task.

* * *

A work of truth that is also literature, not hedonist, not cynical, not set down in malice, not decadent, is a rare enough creation of the modern European. "The New Word" is not a spectator's work but an agent's, a teacher's work, ennobling in content, jewelled and star-spread, where realities are penetrated, where the reader is regenerated and filled with joy. Here is a gift of what mankind mismanages so badly without, namely, wisdom. It has been my aim in this writing to send the reader to the work itself for the experience which the leisurely, engrossed, reading of it constitutes. For it is a book to be read slowly; a hundred best-sellers, new novels, magazines, newspapers, would be well burned to give time for this one work to be absorbed by senses, soul, and spirit. If I succeed in sending readers to the work I shall have done more for mental health in my time than if I had written a brilliant critical exposition.

R. M.

The Quest of Values.

By Janko Lavrin.

VI.—THE SEEKERS.

(Dostoevsky and Nietzsche.)

I.

The dilemma of Dostoevsky and Nietzsche is, in its essence, more religious than "moral." Each possessed one of the strongest religious temperaments of his time and was anxious to assert it as best he could. Dostoevsky clung to the inherited Christian religion the more, the more he was afraid of losing it, while Nietzsche sought all the time for a substitute—after having lost his religious convictions and given up Christianity as an institution for weaklings.

Both Nietzsche and Dostoevsky started with the same question: the question as to the absolute self-realisation of man. But the quest of man's highest self-realisation is inwardly connected with the problem of God. The rebel man either does not believe in God, and therefore proclaims his own divinity—which is the type of the daring atheist who follows his conclusions to the end—or, if he believes in God, he discards Him in the name of his own self-assertion: he proclaims man-God. This act of rebellion against God is prompted by the Promethean and Satanic impulses in man's consciousness.

The two remaining ways of self-realisation take the opposite direction: not against God, but with God. "If God exists, all is His will, and from His will I cannot escape! If not, it is all my will, and I am bound to show self-will," says Dostoevsky's *Kirillov*. But supposing one's conception of God leaves no room for man's will "because all is God's will"; then he must arrive at complete pre-destination which is a kind of deified Fate. Man becomes God's passive tool, without inner freedom. His highest task in life consists in slave-like submission to God's will. At best he can dissolve his personal self in God as in Nirvana. On the other hand, he can adopt the conception given by Christ. Man can consider himself inwardly free, and for this very reason subject his own will to the will of God, not as His slave, but as His son and cosmic helper. Here, and here only, the highest self-realisation of man can be achieved through a free mystical union with God: a union without individual dissolution. Its ideal is God-man or Christ (as distinct from man-God).

II.

In Nietzsche we see a curious confusion of the first two and in Dostoevsky an equally curious confusion—at times—of the last two paths. Yet in their ultimate deductions both of them adopted the most opposed ideals: Nietzsche the ideal of the magical man-God embodied in his Zarathustra; and Dostoevsky that of the mystical God-man embodied in Christ.

Their quest is of great psychological interest in so far as it shows in each of them a double, and in essence a contradictory inner process; Nietzsche is sub-consciously a Christian, and disapproving of Christian valuations he fights with Christianity in order to crush his own inherited Christian instincts. Dostoevsky again is by some of his "subterranean" tendencies both a sceptic and a destructive Satanist, and he clings the more to Christ the more he wishes to overcome the danger of his latent unbelief, as well as the evil impulses within his own soul.

Dostoevsky's "belief" in God reminds one, in a way, of that reasoning which goes back to Anselm of Canterbury, and has found its supporters in Hegel, Fichte, and Lotze: "We have the *idea* of God—consequently God exists." Yet the more he was aware of the weakness of this abstract statement the more he forced himself to embrace the concrete divinity of Christ in order to save his soul from unbelief and the threatening cosmic void. For he himself gave ample "psychological" proofs that without God ultimate acceptance of life is impossible because our universe would then be utterly devoid of meaning, and eventually humanity would be destroyed by its own "relativity" of all values, that is, by its hopeless confusion of good and evil. The proud man-God is, according to Dostoevsky, an illusion, because sooner or later he must become aware of the fact that all his self-assertive freedom *in his own name* cannot protect him from the cosmic void of a Stavrogin, Svidrigailov, or Ivan Karamazov. At the same time Dostoevsky himself finds no certainty that God really exists, or that Christ, too, is not an illusion.

Nietzsche, on the other hand, takes the fact that "God has been killed" for granted, and proclaims it with all the vehemence of a religious temperament, and makes, moreover, all those logical conclusions and "transvaluations of values" which are bound to follow such an attitude towards the world. The cosmic despair of which Dostoevsky was so afraid Nietzsche transmuted into the most heroic means of self-discipline and of endurance on the part of man in a Godless Universe. The suicidal passivity of Schopenhauer's Europeanised Nirvana he thus transformed into the "will to power," and into the gospel of the creative man-God or Superman. In order to save himself from Schopenhauer's nihilism he insisted all the time that man should be strong and proud enough to bear the cosmic void with dignity, and even to impose the highest meaning—that is, his *own* highest meaning—upon a meaningless world. Yet his impetuous call to the divinity of man became the louder the more he wished to drown in it his own hidden despair and his spite of the actual human beings.

III.

While Dostoevsky's conception of Christianity—as expressed in *Brothers Karamazov*—was, on the whole, an heroic one, Nietzsche saw in it the most nihilistic and cowardly religion imaginable. The reason was that the plane on which he took Christianity was different from the plane of Dostoevsky's. Dostoevsky saw in Christ's truth, above all, a transcendental over individual reality, while Nietzsche's official attitude towards it was chiefly biological, or—if you prefer—eugenic. He saw in Christianity only its distorted historical side, its "revolt of the slaves" against all aristocratic values, its exaltation of quantity over the quality of man.

Seeing a continuation of this purely quantitative, that is, plebeian, tendency in the whole of modern pseudo-democratic movement, he wanted to make the conception of his own Superman the basic stone of an aristocracy to come. He denied all Christian love of one's neighbour, denied it in the name of his own creative love for the "farthest ones." He equally denied all utilitarian values, for his ideal was the perfection and not the snug comfort of man on earth. Thus, perhaps without knowing it, he based his ruthless biological individualism upon the over-individual (i.e., Christian) impulse of perfection.

Nietzsche was such a fierce enemy of Christianity because he was aware that some of his own inherited instincts and impulses were those of the purest latent Christian. Hence he disciplined himself upon his consciously adopted anti-Christian attitude, as well as upon all those elements and values which could foster such an attitude. These elements he found, above all, in the Renaissance and in ancient Greece, with their emphasis of the individual culture at the expense of masses. Yet Nietzsche's conception of Renaissance and particularly of Ancient Greece was subjective, and in essence,

romantic. He wanted to find in both of them a kind of ally on the one hand, and a refuge on the other. He found an ally in their aristocratic individualism and a refuge—in what he calls the Dionysian spirit of the Greeks.

Nietzsche's conception of the Dionysian element has certain affinities with the Subconscious, also with Bergson's *elan vital*. Yet the impulse which drove him to it is analogous to that impulse which drove Rousseau "back to nature." In Dionysian ecstasies Nietzsche could forget for a while his own exaggerated individualism, as well as the pain and tiredness of existence. He also found in them a disguised outlet for his suppressed religious instincts. Later on he even tried to combine the pre-individual plans of Dionysos with his individualistic doctrine of the super-man. Having escaped the dangers of Schopenhauer's pessimism and of Wagner's narcotic music (his first two shelters), he devised an active conception of the Dionysian spirit. He linked the latter to the "will to power," which is perhaps the second best thing when the real power is absent.

IV.

A careful study of Nietzsche and Dostoevsky provides a good illustration that the principle of individualism on the present plane of human consciousness leads to ruthless self-assertion, and not to a complete (i.e., cosmic) self-realisation, which can be achieved only on a higher plane. In Dostoevsky's *Crime and Punishment*, *The Possessed*, and *Brothers Karamazov*, we find repeated proofs that the individual can really grow only in the name of over-individual values.

But while Dostoevsky saw his God-man upon a right plane he never could accept him to the end with his sceptical reason. Nietzsche again managed to impose his man-God upon his will and his reason, but he devised him on an entirely wrong, i.e., upon a biological plane. Egotism and higher individualism thus became mixed up in him. A confusion of planes was fatal to all the four seekers under discussion.

Short Story.

AN ASSIGNATION.

By John Sommerfield.

Framed in the window, against a background of rushing black tunnel, against a stencil that announced in dirty white characters the mystic remark GNIKOMS, was the pale oval of his face. He smiled, and it smiled back, ever so charmingly. It was a shame that he had such a serious expression; he was so much more pleasing when he smiled.

They were at Baker Street, a badly-hung gallery of advertisements. Hideous advertisements, tastelessly placed in hideous propinquity. Again, the rushing black tunnel, with his face hanging in a void of dim reflections. There was always the temptation to make grimaces so that one's false face—underground face, it might be called—could mimic them, but somehow one never did. It was not that one cared what people thought, but there was something . . . . probably herd instinct.

Such a boring carriage. All it contained was three men who were, he was certain, commercial travellers, and the dullest of posters. A train like this, practically empty, always impressed him as pathetic. Though, why should one be concerned with the earnings of a limited company? If one had shares in it, that would be different. . . . It must be ever so comforting to be a shareholder in the line, and have to travel up and down daily with the business rush. No one minds being hustled and compressed and trodden on by potential dividends.

It would be charming if the commercial travellers were travelling commercially in the tobacco that demanded, demanded ever so convincingly and cunningly, to be smoked between the gin that was pure and the building society that gave 5 per cent., tax free.

At Paddington there entered a man who in some mysterious manner looked like a furniture dealer. It was impossible to say what a furniture dealer looked like, but this man was just like a furniture dealer. The man wore a revolting light blue tie that was not puffed up properly, and left an unæsthetic gap of shirt above it. There was something redolent of the lower middle classes in the partly worn brass of his stud. It would be lovely to lean forward and say, "Excuse my glove," give the tie a sudden hitch.

* * *

Curious how this furious impatience to see Daphne grew greater as the time to meet her approached. That morning he had felt mildly excited at the prospect of seeing her; now his eagerness caused him to contract his muscles, and push hard with his feet on the ground. He looked down to see if his shoes appeared any different under the strain. They seemed just the same. Funny, pitted, pinkish stuff the floor was made of; he wondered what it really was; probably some sort of compressed fibre.

God, how the train crawled. It was only at Bayswater. He looked at his watch; he still had twenty minutes. Glancing at the map on the ceiling, he saw that there were Notting Hill Gate and High Street and Gloucester Road, and then South Kensington. Allowing three minutes a station, it came to twelve minutes, so he would have about ten minutes to spare; but reason seemed to have no hand in these matters; he was as impatient with the train as ever. The Inner Circle map was a most amusing thing; it was just like a crab. He would never forget his disappointment when, at the age of ten, he discovered that that did not represent the true shape of the railway.

The way one's mind works is most puzzling. When he was busy or listening to music or engaged in anything that required his full attention, he could not banish Daphne from his consciousness; he felt that everything that he was doing was subject to her scrutiny. Yet, in boring and impatient moments like this, when one would give anything to have a subject to occupy one's mind, it was so difficult to summon up her image.

Here was Kensington High Street—a delightful place, so light and airy after those horrid dingy stations in his part of the Circle. They were waiting; probably to connect with something on the District line. He was very hazy as to how they worked the timing on these lines. Beneath him throbbed a dynamo, throbbed and pulsed like the heart of the train. Suddenly it stopped, and an embarrassed silence fell with such unexpected suddenness that it seemed to splash. The commercial travellers conversed in throaty undertones, and the furniture dealer shifted his Adam's Apple with a slight gulping sound. These unprepared-for silences are always slightly uncanny, he thought; there was always the atmosphere of expectance of some entirely fantastic occurrence. . . . the very fact that such a thing never happened seemed but to confirm the probability.

The normal noises returned and the train was off. The thought came into his head that every revolution of the wheels was bringing him nearer to Daphne. What a charmingly Victorian fancy—it was so romantic, and reminiscent of swoons and young men in mutton chop whiskers. Clanketty, clanketty, clank . . . clanketty, clanketty, clank . . . every turn is bringing me nearer . . . every turn is bringing me nearer. . . . every turn is bringing me nearer. . . . Hell! I must stop this . . . . must stop this must stop this, must stop this . . . . Blast! Blast, ter, tum, blast, ter, tum, blast, ter, tum, blast . . . . —— —— ——!!! But anyhow, it wasn't in the least true. She also was coming by train, very probably every turn was taking him further away.

Gloucester Road. It was just the same kind of station as High Street and South Kensington. A sort of Holy Trinity of stations. That sounded rather good; one might make a joke out of it. . . . Faint wisps of possible jokes, probable jokes, jokes prurient and empurpled, floated in his mind. . . The furniture dealer got out, and there entered two sailors and a clerk-looking sort of person.

He didn't expect that Daphne would come home to dinner with him, but he could ask her; there was no harm in having a stab at it. She very often did the things that one did not expect her to do. He could send to that little Italian place down the road for the food. He had often thought of trying it, and here was an excellent opportunity. She liked spaghetti; he would get some of that; they cooked it so well, and it was awfully cheap, too.

The train was taking an eternity to reach South Kensington. He had better get up and stand by the door. He rose and walked rather unsteadily to the vestibule, and there stood swaying gently to the rhythm of the train. He adjusted his tie by the reflection in the glass of the door. She had never seen him in that suit before, he remembered. The double-breasted waistcoat gave him such a manly and important air. Was the train never going to arrive? Besides, one looked such a fool standing there waiting. But, really, one shouldn't worry about the opinions of three commercial travellers, two sailors, and a miserable adding machine.

At last they had arrived. He slid open the door and nimbly alighted from the moving train, alighted with an air of grace that pleased him. He flew up the steps, taking them three at a time, and had the satisfaction of passing the ticket collector first.

It was two minutes short of half-past. He looked around, but there was no sign of her. He felt suddenly downcast, which was stupid, as it could not possibly be expected that she would arrive before about seven minutes. There was nothing of the least interest in the station except the pleasing subway that led to the Museums and the Albert Hall. He had always intended to walk the length of it, but he had never summoned up enough energy to go alone, and all his friends refused to accompany him, for they said they were afraid of suddenly emerging from the bowels of the earth and coming face to face with the Albert Memorial. It would be gratifying in the extreme if the Memorial was placed on ton of the Hall, so making an immense wedding cake commemorating the nuptials of the Good Queen. A train rumbled in, and he went close to the ticket inspector to watch the people. A miserable few drifted up the stairs and straggled away out of the station. They all seemed old and ugly. The only compensation they could find in living, he thought, was that they are unaware of their joylessness.

Two more trains entered and vomited their depressing loads, and then a third. Down on the platform he spied a hat that must be hers. His heart began to pound furiously, and he grew hot all over. A most commendable display of emotion! Then he saw it was not her at all, but a most uninteresting looking girl wearing Russian boots.

Three more trains, and then she came. Treading delicately on lizard-skin shoes and the neatest of silk legs. He wasn't getting a bit of thrill this time; it was a shame. She looked up, and as she caught sight of him waved and smiled. The sun came out in a manner most cheeringly symbolic as he stepped forward to greet her. . . . . .

An Analysis of Price.

By A. W. Coleman.

It is becoming increasingly evident to-day that the major problem of industry is not the production of goods and services, but the distribution of them when produced. This problem is becoming more acute as the productive capacity of industry increases.

The methods of restricting output employed to-day are methods of evading the problem, not of solving it. For any solution of the distribution problem we must go straight to the point where the individual consumer—as consumer—makes contact with the industrial productive system, and the key to this position is given in one word—*Price.*

How should the price of any article or any service be calculated?

It is generally regarded as axiomatic that the price of anything must be its financial cost plus a fair and reasonable profit for those engaged in its production. Is this axiom of the present-day financial system correct?

Let us first investigate the *real* (i.e., physical) cost of production. Production is the conversion of one thing into another by the expenditure of energy upon it; and this is true not only of manufacturing processes but of agriculture. When we produce we convert or combine various materials into other forms, and dissipate a certain amount of energy. The source of that energy may be either fuels or waterfalls, or the muscles of animals or of human beings; but the only part of the energy expended which concerns us here is the human energy, for we are dealing with the cost to human beings only. If extra-human sources of energy, such as fuels, are used, the cost to human beings is the human energy expended in providing the fuels and manufacturing and tending the necessary machinery.

During productive operations food, clothing, shelter, etc., are consumed in order to maintain this human energy; plant, tools, etc., of every description are depreciated or worn out; and there is a certain inevitable waste of energy and materials—the whole of which can be regarded as consumption. In return for this consumption things are produced in excess of the consumption. This consumption is the physical "cost" to the community of the ensuing physical production.

If, then, this production is to be distributed, its monetary price to the community should be the financial equivalent of the corresponding consumption—no more and no less.

In brief, the nominal* financial cost of the *consumption* is the true financial cost of the whole of the production. So we say that:—

$$\left.\begin{array}{c}\text{The true financial cost}\\ \text{of all production.}\end{array}\right\} = \left\{\begin{array}{l}\text{The proportionate nominal}\\ \text{financial cost of that part of}\\ \text{it which is consumed.}\end{array}\right.$$

or, over a sufficiently considerable period:—

$$\left.\begin{array}{c}\text{The true financial cost}\\ \text{of all production.}\end{array}\right\} = \left\{\begin{array}{l}\text{The nominal financial cost}\\ \text{of total consumption.}\end{array}\right. \quad \text{(A)}$$

The nominal financial cost of production has at some time or other been distributed as money, in one form of income or another. Therefore:—

$$\left.\begin{array}{c}\text{The total money issued}\\ \text{to the community.}\end{array}\right\} = \left\{\begin{array}{l}\text{The nominal financial cost}\\ \text{of total production.}\end{array}\right. \quad \text{(B)}$$

Putting these two equations, A and B, in the form of ratios, we get:—

$$\frac{\text{True financial cost of all production.}}{\text{Total money issued to the community.}} = \frac{\text{Nominal financial cost of total consumption.}}{\text{Nominal financial cost of total production.}}$$

$$= \frac{C}{P} \text{ for abbreviation.}$$

* *Nominal* financial cost means cost as now recorded in the books of the industrial system.

Therefore:—

$$\text{True financial cost of total production} = \frac{C}{P} \times \text{Total money issued to the community.}$$

The price charged to a community for their production should represent the true financial cost. Therefore:—

$$\text{Price of total production} = \frac{C}{P} \times \text{Total money issued.}$$

Therefore:—

$$\text{Price of any item of production} = \frac{C}{P} \times \left\{ \text{Total money issued in respect of that item of production.} \right.$$

But since the total money issued in respect of any item of production is its nominal financial cost, we get, in general terms:—

$$\text{Price} = \frac{C}{P} \times \text{Nominal financial cost.}$$

We have next to investigate the fraction $\frac{C}{P}$, or, fully:—

$$\frac{\text{Nominal financial cost of total consumption.}}{\text{Nominal financial cost of total production.}}$$

As regards the measurement of these totals, it must be remembered that a community produces not only ultimate commodities and services, but the means whereby commodities and services may be produced; i.e., capital goods—plant of every description, including cultivated lands as well as machines, factories, ships, railroads, etc.

So, Total Production over any given period includes production of ultimate commodities and services, plus capital appreciation, plus imports (for imports are goods produced, so far as the importing community is concerned).

Similarly, Total Consumption includes the consumption or use of ultimate goods and services, plus capital depreciation, plus exports (for exports are goods consumed, so far as the exporting community is concerned).

So the fraction $\frac{C}{P}$, when expanded, becomes

$$\frac{\text{Nominal financial cost of} \left\{ \text{Goods and services consumed + Capital depreciation + Exports.} \right.}{\text{Nominal financial cost of} \left\{ \text{Goods and services produced + Capital appreciation + Imports.} \right.}$$

These factors are all susceptible of measurement, or at least approximate measurement, over any sufficient period, and various estimates of this fraction $\frac{C}{P}$, or "price-factor," have been made. As a result it may be stated that under normal industrial conditions the fraction is little, if any, more than $\frac{1}{4}$, which means that ultimate commodities and services could be sold to consumers at that fraction of nominal financial cost.

This fraction, or, as it may be called, this price-factor, may be either a proper or an improper fraction depending upon whether the economic behaviour of a community is proper or improper. So long as total physical production continues to exceed total physical consumption, prices can be less than nominal financial costs. If it should become less, prices would have to exceed nominal financial costs. But this latter supposition can be ruled out as impossible in the absence of a civil war, an earthquake, or some other catastrophic event. Normally the price factor will represent a discount—and a progressively increasing discount—from nominal financial cost.

This discounting principle cannot be applied under the accountancy procedure of the existing financial system, but Major Douglas's Credit Proposals provide a technique for its application and show how the accounting system can be modified to allow of its adoption.

Drama.

One More River: The Stage Society.

Comedy, it hath been said of old time, ends with marriage, where tragedy begins. Mr. Ashley Dukes, carrying the affair a step farther in his very modern play "One More River," has found that divorce is the beginning of farce. Although he describes the play as a comedy, it broke loose at the beginning of the second act, and set up as farce on its own account. The actors pursued one another round the stage as though after Charley's Aunt. Nobody could justly call the play a solid meal, yet nobody could deny that it is a tableful of meringues. Margery mocked the house of her friend Lavinia as a doll's house, because Lavinia, running away from her husband at breakfast, banged the door. It was this house, the house in which the play took place, that was a doll's house, more doll-like in its decoration and outlook as well as in its inconsequential inhabitants than that sombre misanthropist Ibsen could have imagined.

The Cloisters, Milton Courtney, was a home of rest for ladies and gentlemen in that difficult interval "between the nisi and the absolute." It had the conveniences of a boarding-house, and the comfort of a home while as free from the boredom of the one as from the burdens of the other. The one room of this sequestered establishment that we were privileged to see into furnished a further argument for easy divorce. It looked out upon a sky that signified heavenly approval of the interval of chastity prescribed by law for people who have had enough of one marriage. Mr. Aubrey Hammond has my congratulations on that sky, on its distance, and its peaceful suggestion of the zephyr. It completely banished the winter outside from mind.

The proprietress of the establishment, a divorcée herself, with one more river before the absolute, passing herself off as a widow, forces her friend the runaway to exchange identity with her in the time-honoured farcical way. She would thus the better deal with her husband, who has telegraphed that he is on his way as "an eligible guest." "His telegrams," the lady remembers with pleasure, "were always neatly turned." With the husband of the runaway turning up as well, "tweed-clad, vociferous, rampant," threatening to pull the house about its occupants' ears, as though his missing lady might be hidden in a mouse-hole; and with the proprietress's husband making love to her in repartee, getting thrown out in mistake for an agent of the King's Proctor, and all the other misunderstandings that exchange of names brings about at the stage, it became farce proper; if not proper, at any rate delicate. "To the dramatists of the drawing-room," says Mr. Dukes, "this trifle is dedicated with a bow," which is as it should be. It is just aery nothingness ending happily and conventionally.

The play, which is published by Messrs. Benn in their series of contemporary drama, reads far better than it played. On the stage it has too much dialogue, too much Mary going out for Mabel to come in. Not all the players had sufficiently mastered the rhythm and spacing conditions of the verse medium. The producer seems to have been afraid to take the author at his trifler's word. So that an insufficiency of control, a falling short of discipline, allowed the performance to become hasty, and to threaten a fall into rough-and-tumble. One performance in particular was truly nectarine. With every fold of her Medici collar, with the very line of her back as she sat, Jeanne de Casalis trilled the verse as the author must have expected from his image of the

proprietress as he wrote the part. Her performance is the unforgettable feature of the play. The husband of Lavinia had no right to make it up with her. First, they had been perfectly compatible, too compatible, before divorce, which shows that the erred was merely getting its vision back when he gave her up; second, to live with her again was to spoil his own perspective for ever afterwards.

Athene Seyler as her friend was kept too matronly. True, she was only a runaway and not a full-fledged divorcée, but to convert Margery into an advertisement for a Victorian furniture shop was to hide Athene Seyler's talents under a bushel. The future runaway, according to Mr. Dukes, will speak and think freely though she leave her love safely at home. Three players besides Jeanne de Casalis kept in tune with the mood of the play; Ernest Thesiger as secretary to the proprietress, Richard Goolden, amusing as the professor, and Angela Baddeley as her maid. The love-making between the secretary and the maid —Ambrose kissed Jane as relaxation from his grand passion for the proprietress—was reminiscent of ballet. Ernest Thesiger, with a difficult part, took his lines with leisured rhythm that enhanced the reality of Ambrose and proved his mastery of the medium. This actor is secure from the temptation to make his man cleverer than the author intended, with the result that he takes the character straight to the audience's heart. Ernest Thesiger knew that the play had no more ballast than a soap-bubble, and he handled it accordingly.

The Apache: Palladium.

The first act of "The Apache" in "Ye Low Doorknob Saloon" was such a beautiful stage picture that it confirmed my opinion that the one service rendered to the theatre by musical comedy is its kaleidoscopic disposition of the chorus on the picturesque stage-background. Its service to music is as negative as its service to comedy. The music of the Apache is on the usual lines, with a little relief in one number, "Piano, pianissimo." Carl Brisson's Apache Dance with Sister Tully, the special sensation of the show, grips; it is emotionally stirring to the degree that one feels at the end that one has been violently handled. As an exhibition of suppleness, Constance Evans must take priority over everybody I have seen. Kicking the back of the head with both feet at once, and without effort would make water-snakes kick themselves, if they could, with envy.

"The Apache" has one important variation from the usual musical comedy, a variation that celebrates the victory of the weaker sex. Its plot is the same as that of all musical comedies, namely, that breed will out; but its romantic hero is not a receptacle for the yearnings of the adolescent boy; he is a phantasy lover for the adolescent girl. The beautiful blonde beast, were he realised, would not be a cultured superman, he would be a monopolist in women. Here on the centre of the stage is a man, handsome as no real man ought to be, looking exactly twenty-five, and shaming the Greek cast room. Apache, rogue, wife-stealer, it is all no matter, for he has dimples in his chin and love in his eyes. Samuel Butler proved that a woman wrote Homer. I will believe that a woman conceived Don Juan without proof. The audience at this theatre proved that it is the women who want him.

The wit of this musical comedy offers a lot of scope for improvement. Topical allusion—going back to pre-war days—is not enough. More epigrams are required than one from Max O'Rell, one from La Rochefoucauld, and one from the common stock of mankind. The best thing in the performance, to my taste, was Shaun Glenville's gloriously comic drunken man.

PAUL BANKS.

Reviews.

Isabel's Eleven: A Comedy in Four Acts, H. F. Rubinstein. (Ernest Benn, Ltd. 3s. 6d. and 5s.)

Mr. Rubinstein's comedy of eleven characters and the voice of Isabel Clissold brings the war of the generations up to date. Here are two families, the parents in the one being old-fashioned and authoritarian, and in the other modern and humanitarian. The children of the tyrants rebel against the self-love of their parents in the old way. The children of the libertarians rebel because they have nothing to rebel for. Libertarianism is like giving a creature teeth and nothing but slops to eat. How the two families, divided only by a garden wall, get to know each other, to the subsequent chaos of their affairs makes laughable comedy, which the author keeps clear of farce by the penetration of his epigrams. Played in deadly earnest after the Shaw manner the play should make a good show, and give opportunities, through having so many good children's parts —five out of the eleven are under 21—to younger actors and actresses. That fact is, of course, against its chances of production. The characters of the Evans parents—the old-fashioned ones—are the weakness of the play. The more strongly to achieve the necessary contrast, Mr. Rubinstein has made these not only bourgeois and respectable, dignified and easily offended, he has made them unnecessarily ignorant and stupid.

Political Myths and Economic Realities. By Francis Delaisi. (Noel Douglas. 16s.)

This book may be regarded as a contribution to the current disputed question of the relation of economics to industrial and social problems. It is, therefore, opportune. The author was led to write it by the conviction, formed in the course of historical researches into the subject, that government at all times must depend upon two things: the support of the governed and an efficient system. He brings forward a mass of evidence in the development of governments from the time of ancient Greece to present-day society, and argues that the support of systems has only been assured by the people's belief in a myth, and concludes that the reality of the myth must accord with the system for it to operate successfully. The central theme of the book is that to-day we have nationalism as the myth in every country, while the economic structure becomes more and more international in character. That and from the refusal of statesmen to recognise these facts comes the failure of government. The remedy for these evils, in Mr. Delaisi's view, is that men should begin to subordinate the political myth to the economic realities of the times. The amount of ground covered in the book is wide, but the treatment is not exhaustive. There is more material brought together than is to be found within the covers of any other single volume, but the discussion of the problems remains suggestive rather than final. Students will find much of which they must take account; but in no country are they likely to find the special conditions and difficulties of their own local problems adequately treated.

The Spanish Art Collection of the Conde de las Almenas, Madrid: and the Collection of Alphonse Kann; Part I. Objects of Art; and Part II. Paintings and Drawings.

It is indeed an excellent thing to find that while cloak-and-suit manufacturers and boot-legging, high-jacking, thimble-rigging Wall Street walkers of both sexes have stolen the name of Art and brought their pretty changeling up as a fit exponent of their own heavily-financed harlotries, there are still a few people, even in New York, who have time and cash to spend upon the graces of the Old World. The American Art Association Inc.—after all, you can pronounce it much more easily than Ltd.—is to be congratulated on the production of these two admirably illustrated catalogues, for such things form the library of antique dealers, who are not by instinct, training or tradition literary gents. In fact, so many of them are so utterly lost to any understanding of spiritual values that it is the world's eighth wonder how they come to know even the monetary value of their own stock.

LETTERS TO THE EDITOR.

THE SHOP ASSISTANTS' AND POLITICAL FUNDS.

Sir,—I note that you are harking back to the Shop Assistants' Union's alleged application of general funds to a political object. All the Union did was to pay its T.U.C. affiliation-fees out of general funds. We did not regard the T.U.C. as a political body; our antagonists say it is one, because it runs the "Daily Herald." That's all!

May I also remind NEW AGE readers that there is a movement in the House of Commons to allow the annually renewable Shop Closing regulations to lapse. The existing

law is laxer than the general practice; but the move to abolish it is meaningless unless we suppose a real intention to return to longer hours, and Sir Frank Meyer's concern for the consuming public looks hardly sincere. The miners and the shop assistants are the only two bodies of workers in Britain whose hours are regulated by law; so, now that the miners have been licked, we must be hit next, presumably to content them.

H. B. S. L.

[Our comments had nothing to do with the facts set out in the first paragraph. Our point was that, although the Court held that the law had been broken, it was governed by an unwritten law that had not been broken. In case we may have misled anyone as to the gravity of the infraction we are glad to publish this explanation.—ED.]

"NEWS OF THE DEVIL."

Sir,—The error in printing the name of Bishop Blougram in the article on Humbert Wolfe's "News of the Devil" last week would embarrass no reader. But the prose form of the quotations from the poem would certainly do so. I shall esteem it a courtesy if you will allow the quotations to re-appear as in Mr. Wolfe's work:—

> Sunday papers whose most striking feature
> was the blunt sermon of a fearless preacher
> who demonstrated how the Lord could be
> improved by adequate publicity.
>
> And there would be no danger of a new Gethsemane
> where the hidden hand of Satan dashed the cup
> from lips that would no doubt have drunk it up
> if the Drinker had been properly supported
> by the public, and the incident reported.

A. N.

ANSWERS TO CORRESPONDENTS.

Canadian Correspondent.—So far as we can understand your recent letters, you want to combine credit reformers of all descriptions into one movement. And because we do not agree with this plan you regard us as an obstacle to monetary reform. We reply that our "stubborn, narrow, and egotistical outlook" is deliberate. We are not open to compromise. Against this you advocate a yielding, wide, and altruistic attitude which, though it looks very pretty, will produce nothing but endless chatter. What is the good of the American "movement," to which you refer, in which every member is "free to support any plan he deems best"? It is not a movement at all, but a thousand movements in a thousand directions. If we were rich financiers we would heavily subsidise such a "movement": it would suit our plans exactly.

Social Credit will, with us, remain an "end in itself" until it is adopted; and we are glad that you can see clearly where we stand. We wish you had the ability to make your position as intelligible. You appear not to know where you want to go, and seem to hope that if you get into association with a lot of other people in a similar state, you will all, somehow, find an objective. You may—in a hundred years' time! In the meantime nobody must concentrate on any particular plan, *in case* there *might* be a better one forthcoming! How you manage to square this attitude with your favourite principle of RESPONSIBILITY passes comprehension. You say that you have to fight our influence all the time, on behalf of the "whole movement." We do not wonder at your irritation; for you are vainly trying to protect something which is not whole, does not move, and is waiting like Mr. Micawber for a plan to turn up.

You cannot *do* anything on the "open mind" principle. To bring about *action* there must come a time when you close your mind and make the best use you can of what you have previously learned. Progress at best is a matter of "trial and error," and people who wait to be certain there can be no error, never reach the stage of trying anything. We are not of those. The Douglas Proposals are the most efficient we know; they clear up more difficulties than any scheme previously or since announced. So we stand for them "stubbornly," and leave others to improve on them if they can. We are getting on with our job while they are looking for one. Nothing in this world is perfect; and there may conceivably be an improvement on the Douglas Scheme waiting to be discovered. But if so the discovery is more likely to be made by the Social Credit Movement than by the "get together" crowd outside, who suffer from a chronic inability to put anything together.

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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.

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

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.