

THE NEW AGE

INCORPORATING "CREDIT POWER"
A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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CONTENTS.

	PAGE		PAGE
OBITUARY. Death of A. E. Randall	121	CURRENT FINANCIAL POLICY.—I. By K. O. Glenn	127
NOTES OF THE WEEK	121	THE ARTS IN UTOPIA.—VII. By Haydn Mackey	128
Mr. Garvin on the coal crisis—inverted houses and inverted reason—the futility of international competition—cementing the Empire—the money difficulty—the "apples and oranges" illustration. The coal industry's accounts—need for re-analysis—a moratorium should be demanded. Mr. Cook's mistaken attack on royalty owners—also Mr. Tillett's and Commander Kenworthy's—wages in goods and financial policy.		NEW VERSE. By H. McD.	129
THE VEIL OF FINANCE.—II.	125	Susan Miles: N. D. Deuchar: M. Bryce.	
A. E. R. By "National Guildsman"	126	CLIO. By "Old and Crusted"	130
VERSE. Trees. By Iris Tree	127	REVIEWS.	131
		The Classical Investigation: Arabella in Africa: Story of Electricity.	
		QUESTION TIME. Free Banking	131
		LETTER TO THE EDITOR	132
		The Arts in Utopia. By "Artist."	

NOTES OF THE WEEK.

DEATH:

ALFRED E. RANDALL ("A. E. R."), on the 6th July, 1925, aged forty-three years.

It was not considered possible to deal adequately with the above announcement within the brevity of these notes. We have accordingly included in the present issue a longer, though still inadequate, notice to which readers are directed.

Mr. Garvin begins his article in this week's *Observer* with the declaration—"Never did a plainer choice between reason and folly lie before any nation." He is referring to the threat of "economic civil war" which hangs over the country. Yes, but what is "reason" and what is "folly"? Mr. Garvin does not define the words, nor, indeed, are they susceptible of definition in the present circumstances. If any ordinary man were to read through his article with the object of finding out how to be reasonable and how to avoid being foolish he would be as confused afterwards as before. The truth is that all thinking on fundamentals is inverted. Once you start by reasoning upside-down on prime causes, you may as well continue to reason upside-down on their effects. For instance, if a controller of housing policy were to decide that all houses ought to be built roof undermost and the cellar at the top, while the law of gravitation remained what it is, naturally there would be a lot of "folly" talked by ordinary people when he proceeded, quite "reasonably," to invert the rooms and staircases within the houses. They would argue that they could not fly forty feet up from the street to get in through the front door, and that, even if they could, how could they walk upside-down down the inverted stairs "up" to their bedrooms? and so on. Nevertheless the "folly" of such objections would be the merest common sense; they would amount to saying, "Nature made me to walk feet downwards." We

need not amplify the illustration; the moral is clear enough. What people are saying (though all but a very few are not conscious that they are saying it) at the present time is, "Nature has made me to eat, clothe and shelter myself, and generally to enjoy life." And what are they being told in reply? That their duty is to abstain from food, clothes and shelter as a condition of attainment to the enjoyment of life. In a word, they must first of all invert all their natural impulses, and then they will begin to feel at home in an inverted economic system. And this is not the whole tale. The four walls of this economic factory and storehouse are bulging out under the pressure of the goods within it. Yet what are people being warned is the only thing that will stop the walls from falling out completely? Why, that they must take fewer of the goods out than ever! Too absurd to be true, you may exclaim. But what else is the meaning of the present authoritative diagnosis of the industrial situation, which says that there are such a lot of products that cannot be sold that wages, salaries and dividends must be cut down! There is so much over-production that there must be less consumption! Three hundred coal pits are in desperation, seeking not coal, but orders for coal. *Therefore* let us cut wages, let us pay out on Friday fewer of those pieces of paper called money which would otherwise become *orders for coal* on the following Monday. Yes, yes; "let us" by all means: let us have no more wages, or salaries, or dividends distributed at all; let us destroy the home demand for coal entirely, and then at last we shall have solved the problem of the unsaleable surplus!

"Why are the miners thrown out of work in rapidly-growing masses?" asks Mr. Garvin. "Because the world's demand for their labour has been reduced and is diminishing." The cost of coal must be reduced before the demand for their labour can be revived. What has been reduced and is diminishing is therefore the world's purchasing power, not the world's desire to get coal. We dealt with the fallacy of cost-reduction last week and will not deal with it again now. We will only say that

in a case where a business requires a revenue of £100 a week to meet its total costs, and its customers have only £80 between them per week, it does not matter a scrap whether the price of the article is 20s. a ton or 1s. a ton; the £20 disparity cannot be bridged over, even if you could imagine that the sellers really liked giving twenty times as much for the same money. "In post-war circumstances of more intense competition abroad," continues Mr. Garvin, "every class of the nation will have to work harder in order to hold its own." Well, if it works harder, is there any prospect that it will hold its own? Every publicist is careful not to say so. But even if he were, and could prove it, does anyone believe that economic civil war in the country can be averted merely by stabilising the existing standard of life? Under the present financial system "holding one's own," if we give the phrase the wider meaning of improvement of trade, means holding somebody else's "own." It means balancing the books of the British industrial system by unbalancing those of other systems. We shall not be allowed to do it. We shall be opposed by economic means; and if these are unavailing, resort will be had to military means. Every inch we move to improve our competitive efficiency in the world, the world will move that inch to improve its counter-efficiency. It is the old tale all over again of the struggle between the makers of armour-piercing shells and those of shell-resisting armour. At no juncture can either expert sink into his arm chair and say, "At last I can hold my own." So long as war is a possibility so long will the struggle continue. And so long as nations believe they are bound to filch each other's financial credit to defray their costs, so long will they continue to impose privations on themselves in the forlorn hope of becoming slim enough to crawl through the defences of the "world market." The same thing holds in respect of Empire Development, which Mr. Garvin puts forward as the most important step to assure our commercial future. As our readers know, we are in agreement with the idea; but it must be remembered that the same principles of financing and cost-accounting are followed in the colonies and dependencies as in this and other countries; that is to say, that the problem of the money deficit persists there, and will give rise to the same kind of friction as soon as an attempt is made to devise plans for the intermarketing of goods within the Empire. Take India. In a recent issue of the *Chemical Age* there appears the following paragraph:—

British exporters of cement to India will watch with interest the scheme to pool the resources of all the cement manufacturing concerns in India with a view to stopping overseas imports. At present the total manufacturing capacity is about 600,000 tons, and the annual demand is only about 250,000 tons. Last year British cement imports were 98,000 tons.

This one instance is sufficient to indicate the nature of the practical difficulties. Producers in the colonies will fight just as hard to keep British competitors out as to keep the French or Germans out. A profit and loss account is no respecter of kinship; and the manufacturing and trading interests throughout the Empire will measure the merits of any development scheme solely by reference to their ledger balances. It is not, for instance, Portland that will cement the Empire in India. And so with other places. No doubt there could be political pacts giving the appearance of co-operation, but they would have no economic foundation. The fact may as well be faced at once, and it is this: that no peaceful and fruitful development of the Empire is possible unless Britain and each colony or dependency can recover all its financial costs in its home market. This does not involve the consequence, often raised as an objection, that the respective populations should live entirely on home-made products; but it does maintain that each of

those populations must have, at any given time, sufficient money to buy the whole of their current production, irrespective of whether it is being retained at home or exported abroad. To have sufficient money to buy a thing does not mean that you have to buy that thing; but it does mean that if that thing is exported you are able to buy whatever other thing of equal value is imported in return. If Britain produced nothing but apples, and Spain nothing but oranges, and if at the same time the British consumers had money enough to buy all the apples at book cost, and similarly the Spanish consumers the oranges, then clearly any international trade which took place between the two countries would be (what international trade always ought to have been) a voluntary exchange of fruit between those who had more of one kind than they wanted—not, mark closely, than they could pay for. That is to say, the motive of exportation in either case would not be the need of money, but the desire to get two kinds of fruit instead of one. Further, it would be immaterial to the producers in each country to what extent products which could be substituted for their own were imported; for what would be happening would be the same in principle as if the British consumers had actually bought all the apples, and the Spanish all the oranges, and that the exportation and importation as between Britain and Spain were carried on by the consumers themselves—the producers meanwhile having got all their costs back. But now imagine the same circumstances with the difference that the British and Spanish consumers had only money enough to defray two-thirds of the cost of the apples and oranges respectively. The British producer would have one-third of his apples on his hands, and the Spanish producer one-third of his oranges; while each would be insolvent to the extent of one-third of his costs. Each would seek to export the surplus in exchange for money, not in exchange for the other kind of fruit. Of course, the attempt would be seen immediately to be absurd in these simple circumstances. If the Spanish producer did allow apples to be dumped on his home market he would take good care that he would be allowed to dump oranges in Britain. But seeing that the surplus fruit would be of no use to the producers, and that the consumers had no money to buy it, one feels some difficulty in imagining either of the countries engaging in export trade at all. Nevertheless, this is the kind of thing going on all round us to-day. Its real futility is disguised from ordinary observation by the complexity of our commercial system, the wide variety of goods, and the large number of competing nations; but it is there all the same. In fact, the very idea contained in the assertion that this country needs to export more in order to become better off proves it. International trade is, in reality, international barter. And what does barter do? It simply enables you to change out certain of your own possessions for others which you like better. It causes a diversification of what you have already got; but it does not add thereto except within your soul—i.e., you are happier afterwards than before. Therefore, if you engage in barter with things which are not your own, because you cannot afford to buy them, and hope to be better off thereby, you are acting on a theory such as the following: "This apple is not mine; that orange is not yours. But if you take the apple and hand me the orange, both will become ours." Pure magic! But this is nothing to what our economic experts are trying to do. Here we have a surplus of coal in this country which the British people have not the money to buy. We must send it abroad—we must starve and pinch so as to get the price down low enough to get the foreigner to buy it. But we must not let goods come back in exchange, because that would cause a surplus of something else. We must ask for money. We dare not receive goods, so we must have a piece of paper

entitling us to receive goods. Then at last we shall be satisfied. ("This apple is not mine; that orange is not yours. But if you take my apple and give me an I.O.U. for an orange I shall be satisfied; for I owe my banker the cost of the apple, and if I hand him your I.O.U. for an orange he has kindly promised to tear it up and cancel my debt.") "We are convinced," says Mr. Garvin, "that this phase of unparalleled trouble will pass, and that Britain a few years hence will look back on the sick doubts of to-day like a healthy man awakened from a night-cast of Tschekov's "Cherry Orchard." He would find a kindred spirit in Mme. Ranevsky, who loved her estate so much that she could not conceive of the mortgagee foreclosing on it—something, she was sure, would happen if she thought of something in which case behold her neighbour Simeonof-Pishtchik, who wanted to borrow £20 to pay interest on a mortgage (all these spiritual loafers seemed to grow mortgages like bed-sores) and when refused, assured his friend most effusively that it did not matter—he believed his niece had got a ticket in a lottery. We may, however, be doing an injustice to Mr. Garvin; it is possible that he is aware of the Social Credit remedy for the trouble, and derives his confidence from the knowledge that its upholders are active propagandists and that its principles are being discussed more and more widely in official circles. If so, well and good; although we should still feel that he might direct the attention of his readers to the deep issues behind the prevailing unrest rather than to its visible forms.

The General Council of the Trade Union Congress has issued a manifesto appealing for support for the miners in their stand against lower wages or longer hours. Mr. Evan Williams, the president of the Mining Association, is reported by Mr. Bridgeman to have offered to withdraw the specific clauses of the proposed new agreement and to renew discussion with the miners where it was broken off, but to have declined to withdraw the notice to terminate the old agreement. Both these items of news represent political posturing which is natural enough in view of the possibility of a strike, when both sides would wish to curry favour with the public. However, there may be some use in continuing discussion, but only if, as we said last week, it takes the form of a re-analysis on new lines of the costing of coal production. The issue is clear enough. The miners want more money; the owners say that the industry cannot afford it. Hitherto, if proof of the latter statement has been tested at all in private by the miners' leaders, doubtless the method of the test has been to verify how much the final net profit of the industry has been. But this is just where the catch is. It is not a catch put in the miners' way by the way of both these parties by the financiers (if a villain must be brought into the piece) or rather by an automatic deception inherent in the financiers' approved system of credit and cost accountancy. At any rate, the effect of it is to make the coal industry look insolvent. Now the proper method of examining the books is to go through various classes of expenditure and to see which of them could be discontinued with the least immediate social friction supposing that there ultimately appeared no other way of tiding over the crisis. The various items could be numbered serially, category by category, in order of their necessity from this time point of view. We are quite aware that the consequences of suspending any of them, under the accepted rules of commercial procedure, would be to create a fresh problem outside the mining industry; so we desire it to be understood that what we are now saying is not put forward as a considered and final remedy for the

trouble. Our position is this. Here is a crisis in our most important basic industry. To surmount it safely more money must be found for the industry or else less money must be paid out by the industry. How it is to be found, or saved, is the logical "next step" to discover. So, quite experimentally—academically if you will—let the representative accountants of the Miners' Federation and the Mining Association start to analyse the Trading Account of their common undertaking. On the revenue side of this account appears the amount received for sales of coal. The revenue can be taken as read. Now comes the expenditure. The items shown in this account should be those which vary directly with the output—wages and power (and raw materials usually, but these do not come into question in the coal industry). The item wages can at once be given the highest mark for continuance. Likewise power. Production is immediately dependent upon both labour and power. Next there come groups of items in the Profit and Loss Account. First come Salaries, Commissions, and Travelling Expenses. These must rank with wages. Next are payments to other organisations for goods and services of which the supply is delivered more or less continuously—i.e., lighting, heating and cleaning, telephone, stationery, repairs, and so on. Such must also be passed. Next come catalogues, advertising. These are less immediate, but still necessary—so pass them as well. Then there come royalties, directors' fees, interest on debentures or mortgages—a class of expenditure of which the discontinuance would not essentially involve the cessation of supplies necessary for production, and which may therefore be assigned a second place on our table of values. Another category still would contain rates, taxes, and national insurance, none of which immediately affect the private incomes of any citizens. These items could take the third place. Finally there come items of "expenditure" which are not expenditure at all—depreciation of plant and machinery, amounts written off goodwill, leaseholds, transfers to reserve funds. These obviously fall into the fourth place. It will be noticed that we have arrived at "finally" without mentioning dividends! That is because very often there are not any; and when there are they are not a proper "item" but a mere makeweight to balance the account. However, for tactical reasons (one of which is trade union investments), as well as for others, they would come into place "1" along with wages and salaries.

Having thus gone through the Trading Account and Profit and Loss Account, the next, and much more important task is to call for a return showing what outstanding loans are owing to the banks, what arrears of rates and taxes are owing to the Government and Local Authorities, and, as we mentioned last week, what amounts of undivided profits during, say, the last twelve years have been capitalised in the form of bonus shares. Lastly there could be a return showing the total capital (including bonus shares) now entitled to receive dividends. Having got all the figures tabulated, the accountants could turn to the other aspect of the general question, and compute how much extra money would be required above that now available, supposing that the wages, salaries, and dividends afforded by the coal industry were brought to a tolerable level. What level that would be it is not our business to suggest. When that was done, there would be sufficient data (we hope we have not forgotten anything of importance) on which the administrators and the employees of the industry could make recommendations to the Government. What form they take is again a matter to be decided at the round table, but we have no hesitation in saying that in principle they should constitute a public demand for a moratorium for the coal industry based

on the precedent of the banks' moratorium in 1914. The essence of the accompanying argument should be that whereas in 1914 the banks, who had contracted with the public to pay out a commodity called Gold on demand to their depositors, and then offered something made of paper instead, which they said was "just as good," so in 1925 the coal industry, having contracted to pay out money to its creditors, now offers a commodity called Coal, which is also "just as good." No matter what storms begin to blow up outside the coal industry, and no matter how impracticable the demand for preferential treatment for one industry may appear, the duty of the miners and administrators is to think of their own industry first, second, third, and all the time. So long as the victims of trade stagnation in every direction limit their demands for relief to what they think other manufacturers and traders will tolerate when they first hear of it, so long will the controllers of our credit system, who could relieve them all together, leave them to seek relief at each other's expense. No amount of exposition of economic truth by ourselves or others will have its full force until some important industrial undertaking or group publicly takes action amounting to a declaration of default—such declaration to be signed by the masters, and countersigned by the men. Notice two provisos. The default would be monetary. It would not be a default in goods production. Further, the default would not be declared in the spirit of "letting the other industries bear the loss when I go," but in that of offering them an example to follow. Any person with vision can see clearly that as soon as a sufficient number of industries default together they will all immediately become solvent. They will compel what they are at present praying for—a re-creation of the missing financial credit which was the cause of their default.

Whatever may be said against the above suggested first step, it will be agreed as a principle that any step on which the coal owners and miners are agreed is better than one on which they are divided. We see that Mr. A. J. Cook, in his speech at Sunderland last Saturday, said:—

My charge and challenge is this, that so long as a penny is going to these people for royalties, then we are not budging in our demand on behalf of our men, who are seeking their rights.

But why drag in the recipients of royalties? How much each would the miners get if they divided up all the royalties? And is it good tactics to suggest by implication that you are only claiming "rights," because other people are exercising other "rights" which you object to? Is this not equivalent to saying that you will abandon your rights if these others will abandon theirs? To resolve a revenge complex will not fill hungry stomachs. "Justice" is all very well, but it will not raise the miners' standard of life—unless Mr. Cook knows how to feed 5,000 of them on five loaves and two fishes. If the miners are "receiving a wage that is a disgrace to civilisation," then do not confuse royalty owners with civilisation. Take your stand on the fact that the wages are a disgrace to civilisation, and put in your claim accordingly. Mr. Cook's business is to secure adequate pay for his clients. It is not his business to create antagonisms by naming the classes who should contribute towards it, especially as there is no necessity for any person whatsoever to suffer sacrifice on that account. Mr. Cook is not the only delinquent. We have Mr. Ben-Tillett at Southport leading a crusade against "middlemen's profits, subordinate agents' commissions" and so on as well as royalties. Also Lieut.-Commander Kenworthy at Hull doing the same thing. Notice what these leaders of opinion are thus doing; they are in every case concentrating

on items of personal income and seeking to abolish them; they are looking to the consumer to put the coal industry on its feet. Yet all the time it is precisely the impoverishment of the consumer which has laid the coal industry on its back. Upton Sinclair once charged some people with trying to lift themselves up by tugging at their own boot-tags, and such an indictment would just as truly lie against these trade union leaders. If they have no time to analyse the existing economic system, let them simply state what they want, and organise to exact it so far as they have the power, but let them refrain from spreading the false idea that the only way of improving one's condition is to stand on somebody else's face.

* * *

Look at the realities of the situation. Suppose that the wage-earners in every industry were willing to take their wages in the form of the products made by those industries. It would be manifest, even in the conditions of to-day, that a substantial increase in the nation's wages would be immediately possible. (In fact this very principle that Industry should pay its way in goods is involved in our above suggestion regarding the moratorium.) The difficulty of adopting this remedy is, of course, that while some products can be consumed others cannot, and the wage-earners would have to barter with each other. And they could not engage in direct barter; they would have to use the financial system. But would the financial system let them use it? Here is the crux of the problem. If the trade unions of the country, combined in one concern to market their "wages," they would find that whereas they might possess any amount of wages in goods form as a concern, yet these goods—or a large proportion of them—would remain immobile and undistributable among themselves as individuals unless the banking system chose to accommodate them with financial credit for the purpose. And since that purpose would be Consumption, we can promise in advance that the controllers of credit would not help them. The whole trouble to-day is that while employers are always able and willing to pay wages in goods, they are unable to pay in money. "Wage increases? Yes, as much as you like, in goods." "Wage increases in money? Nonsense; we have no money." (Let the Miners' Federation ask for a wage advance in coal, and see how effusively their request will be granted.) Now see the meaning of all this. Why is it that the trade unions would not think of taking wages in goods? It is because they would be unable to market them. It is because they would be unable to distribute them to their members. And why is it that producers, who all have a surplus of goods, kick against paying out any more money? It is for exactly the same reason; they also are unable to get any financial credit corresponding with these goods. Is it not clear that the problem is a pure Money problem, and has to do with the policy of the credit controllers? And if so, is it not equally clear that relief must be sought outside the industrial system; that employers and employees alike should combine in a single demand that financial restrictions on home consumption should be withdrawn?

NOTICE.

It is proposed to reinstate and extend in "The New Age" the list of names and addresses of adherents of the Social Credit Movement who are willing to act as local correspondents (not necessarily as secretaries of groups as previously). Will those who formerly allowed their names to appear, and new volunteers, be so kind as to communicate with Mr. W. A. Willox at 70, High Holborn, W.C.1.

The Veil of Finance.

II.

Everybody will agree that there is no inherent necessity for a money system to obscure truth about the physical processes of production and consumption which take place under it. For instance, it would not occasion any credit reformer the least trouble to devise such a system for application to the conditions we have imagined to exist upon the island, and to show that it could operate for and not against the interests of the islanders as consumers; in fact, the difficulty would be the other way round, namely, that one can hardly conceive of a money system which defeated their objective deceiving the islanders into believing that it was assisting it.

Take the case where the ten men were producing 100 bushels of corn. They could borrow £100, use it for production purposes, pay themselves £10 each, spend the money on the corn, consume it all, and finally repay the £100.

Or take the case where they produced both corn and implements. They could go through the same process of finance with a similar satisfactory result, the difference being that they would produce and consume (say) 50 bushels of corn each, and would produce and not consume (say) one plough each. In this case one can easily imagine their repeating the operation indefinitely, bringing into use at every successive stage the ploughs accumulated during preceding stages, until they found themselves getting (say) 75 bushels of corn each, while still continuing to make a new plough each—and all without necessarily increasing the amount of money (£100) used for the purpose. Of course, it is a little difficult to imagine their using money at all in these primitive circumstances, but the point is that supposing they did use money, the fact of their doing so need not put them in any worse position than if they had done without it.

Nevertheless it would be possible for them to get in a worse position (or relatively so), and that would be if they continued to make ploughs beyond the point at which they could usefully employ them all. But if they so continued let it be noted that the error would lie in their economic policy and not in their financial mechanism; that is to say, once assume that they would like to make more ploughs than they could use to increase the corn supply, the question of whether their financial mechanism was perfect or imperfect, or whether they employed a financial mechanism at all, would not affect the result—waste of time and energy. The moral of this is vital; it is that if any people misconceive the true purpose of their economic system, not even an absolutely perfect financial system will save them from the consequences of their error of judgment. The true purpose of an economic system is to achieve the highest rate of consumption by the least expenditure of personal energy, compatibly with the assurance of the continuity of the process. To illustrate: if the total possible production of corn on the island under any conditions were (say) 100 bushels, and the number of ploughs necessary to produce that quantity were (say) twenty, a truly conceived economic policy would aim at maintaining the number of ploughs at twenty; it would not encourage the making and accumulation of ploughs beyond that number (except perhaps for a small margin against accidents). The general principle involved here can be stated thus: that an expansion of capital equipment is not good economics while the existing equipment is not fully used. The time for such expansion is when factories cannot overtake their orders, not when they are unable to get orders.

Now another consideration arises. Let us imagine our islanders have brought the number of ploughs up to the desired number of twenty, and that (let us say) two of the islanders have been hitherto devoting

their time to the making of ploughs. As soon as the limit is reached the work of these two men is no longer required. Also (by hypothesis) they are not wanted for corn growing, because the maximum quantity is already being produced by the work of the other eight. The island is suddenly confronted by the entirely new phenomenon of two unemployed!! Does not this blow sky high our concept of the true economic system? Well, it depends upon whether these men are still going to be permitted to eat corn or not. Suppose that they have hitherto eaten 10 bushels each, and now they are to eat no more. Happy thought; let them commit suicide. Now there is an output of 100 bushels and only eight men to eat them. Assuming that the eight men can eat the extra 20 bushels bequeathed by their departed neighbours, then things proceed smoothly. But one must look a little more deeply into the question than this. One must ask oneself first what policy would underlie the rule that those two men should cease eating as soon as they ceased working. In the first place, it would not be a purely economic policy; for to the pure economist the only essentials would be that the maximum output of corn was produced and consumed. The question of how many people participated in the consumption he would leave to sociologists and moralists. (It is true that numbers of consumers have a direct bearing upon total consumption because individual capacity for consumption has a definite limit; but let us leave that on one side for our immediate purpose.) The point we wish to make is that the policy which forbade those two men to eat would be based on the concept that eating was a handicap to production, that it was a form of waste which was only tolerable up to the point at which it kept men in a condition of efficiency for work. So, as the efficiency of these men could not be put to any use, they must forgo their share of corn. Corn may only be supplied as a reward for work. But now observe; there is a corollary to this outlook. If consumption is a handicap to production, any policy based on that idea would not only deprive unemployed men of their corn, but would see that employed men did not have more than was "necessary." This involves a revision of our hasty supposition just now that the 20 bushels of corn would be distributed among the other eight men. On the contrary, the very concept which forbade the two to eat at all would equally forbid the other eight to eat more. What then? This, that the total consumption of corn on the island would be reduced thenceforth to 80 bushels. Two consequences would follow. One would be that 20 ploughs would now be too many, and the other would be that fewer than eight men's work would be required. More unemployment! More suicides! Less production and consumption.

Now there have been presented above two diametrically opposed concepts. The first regarded consumption on the highest scale as the true objective of production. The other regarded consumption as a handicap on production. Combine the two, and you arrive at the theory that the economic objective is an economic handicap. Now is it possible to conceive of a people accepting such a theory? Quite certainly. The British people, the French people, in fact, all peoples. They are not fools, however. What is conceived and what is planned is debated and decreed over their heads. They are quite unconscious of the conflict in which they are involved, the conflict between Finance and Scientific Industry. The pity of it is that this unconsciousness extends up into the highest reaches of the industrial system itself. Not simply wage-earners, but the most celebrated business administrators, are unaware of the issue. It is hidden behind the veil of deceptive financial figures.

(To be continued.)

A. E. R.

Readers of THE NEW AGE, especially those who have been readers for many years, will learn with sorrow of the death of Alfred E. Randall, known to them for so long as "A. E. R." Tuberculosis, that he had defied for over thirteen years, has overcome him at length; in his forty-fourth year, at about four o'clock on the morning of July 6, 1925, he passed away while he slept. Those of us who were aware of his illness during the last few months did not realise how serious his condition was, and, indeed, when the danger was known, hoped that he would cheat death once again. This time, however, spirit had too little matter to work with. In the cemetery at Hendon repose the remains of a free-spirit.

For stern logic and naked common sense, applied regardless of person or reputation, "A. E. R." was without a rival in the journalism of his generation. It is true that he was not widely quoted in this country, if one except the group of lonely souls who, longing for a better civilisation than that of their time, sought solace in the company of THE NEW AGE. But the seeds of THE NEW AGE were blown far; and as far as Australia in one direction and America in the other, reviews, sprung from those seeds, freely and liberally quoted, with acknowledgment, his "Views and Reviews." Being ignored is by no means being unknown. The judgment he delivered in his weekly reviews—which were often worthy the description of essays—were time and again in the columns of THE NEW AGE fiercely challenged. In the controversies which followed he proved himself a master; one might justly say that he revelled in them, and ill-supported opinions or hastily adopted attitudes were whipped ignominiously out of court by his ruthless reasoning and amazing command of facts. What is more, ideas commonly taken for granted had to justify themselves on their merits, with the consequence that they had repeatedly to receive equally summary treatment. It would be difficult to mention another writer of the last two decades who had to fight so hard for the right to uninterrupted public expression. On the other hand, there is no doubt that those who earned his favourable review esteemed it highly, whether they mentioned it in their subsequent advertisements or not. They valued it as the sincere judgment of a reviewer qualified to deliver one, and able to express it.

His knowledge of facts almost renders the qualification "encyclopaedic" permissible. Although apparent in no small measure to his readers, it was manifest to the full, however, only when argument developed across the fireside or the board. There seemed no standard work on any subject within his wide but controversial range that he was not familiar with. Statistics from Blue Books came as readily to his memory as the multiplication table. The accuracy of his references, the literal accuracy of his quotations, whatever their length, struck many of his intimates as almost uncanny, something in need of a rational explanation. Once he had entered into a dispute he could not and would not drop it until he had explored and surveyed every acre, every nook and cranny. He would not leave the false prophet a single wisp for hiding-place.

In more than one specialist province his comment was respected by the natives. For a person with his initial opportunities this would have been sufficiently remarkable had it applied to one field alone. Yet a list of the branches of study in which he worked with such energy would read like a catalogue. It is impossible, in fact, to avoid the realisation that this frail body, which sometimes looked all head and eyes, was being used up too quickly. The smouldering fire burns long, and may burn a hole through a hill. This man blazed, and hills were removed by the heat. When the body had wasted almost to no-

thing, there were still the same head and the same light; the same personality existed as long as there was a puff of breath to maintain it.

For one who knew him, it is not easy to write of him without rendering a large number of his readers more acutely conscious of their loss. Speaking of "A. E. R." is overlooking half the man. Although Randall himself contributed little to its keeping, one of the closest kept secrets of THE NEW AGE—the authorship of whose features was at one period a maze of speculation—was the identity of the dramatic critic John Francis Hope. The initiate, whether he knew "A. E. R." directly or indirectly through his writings, invariably betrayed surprise on first learning that "A. E. R." and John Francis Hope were one flesh. The apparently unfeeling yet passionate intellectual who chose facts for weapons and reason for technique rarely came to the mind of any reader trying to guess the identity of John Francis Hope. He did not seem a possible candidate, having obviously enough to do already. Yet the great majority of those brief and concentrated reviews which ended the pageant of the paper were also his. It may be mentioned here, perhaps, that his first contributions to THE NEW AGE were sonnets.

The amiable yet mysterious John Francis, whose identity was almost as much a mystery in many theatres for a long time as it was among his readers, was more than once actually accused of inventing his quotations, so readily did they flow, and so well turn themselves to the theme in hand. Perhaps he sometimes did give another credit for what the other doubtless would have said had he not been saying something else. As John Francis is not unlikely to have said at some time, he had to give a show in "Drama" to make up for its absence in the theatre. Yet I suspect that Randall could, if he had cared to, have given volume and page for every quotation John Francis used. In "Drama," while his criticism was equally as responsible as in "Views and Reviews," he seemed to enjoy a freedom that was possibly derived from the less conventional atmosphere of the theatre as compared with the professional world. If the identity of the two had been generally known, it is likely that the battalions of indignant readers who stormed the citadel of "A. E. R.," would have borne with him for John Francis' sake, and permitted the expression of his many intellectual heresies with fewer challenges. But I remember that John Francis was called upon to defend his views on several occasions. Once or twice affairs in the play-world nearly caused "A. E. R." to send John Francis packing, to write "Drama" himself for a week or two.

From my recollection of those battles in "correspondence" I should say that John Francis Hope was far better understood than "A. E. R.": perhaps, appearing more obviously human, he received more sympathy. Much of the hot water that "A. E. R." found himself in was heated by readers interpreting his philosophical expressions popularly, or as they had been corrupted by "movements." On the vital human concern of religion he was, I think, most misunderstood of all. If he was an agnostic it was because he would brook no trifling with the term "knowledge." If he seemed at times an unbeliever it was because he hated thoroughly the least hint of superstition, and because pretension, even to belief, was outside his generation. From childhood he had aimed at living truthfully, and those who had opportunity for observing how deep was his passion for truthfulness sometimes experienced also, given sufficient self-knowledge, the humiliation that comparison forces on anything less courageous.

Randall had his weaknesses; none of us is exempt. He may have been at times too optimistic; optimism

kept the life in him. He may have been, where he fancied truth in question, too violent; he had a heavy adverse balance to redress. He had faced early in life the fact that the way of the truthful is hard, and nothing stimulated him like opposition. To resent an insult he may have been too ready, and too rigid in his pride; but what else could happen to an aristocrat for truth's sake born a proletarian—in more than one sense? In his attitude to religion he was far more deeply involved in castigating facile creeds than in disrespect for religion as such. His knowledge of religious literature was as firm as his knowledge of economic history, and to hear him declaim psalms or passages from the Gospels and prayer-book enforced the conclusion that behind the hatred of stupidity lived a love of man and a devout and wondering spirit. He was able to see how beyond comprehension the eternal miracle is, and could not tolerate its puerile handling in the name of faith or any other name.

It would be presumption to attempt to deal adequately in this note with a man who wrote more than two pages of THE NEW AGE for over twelve years continuously. Let this abrupt conclusion suffice: he never forsook his principles of criticism, and never lowered his standard.

NATIONAL GUILDSMAN.

TREES.

By Iris Tree.

Trees are as the mind,
Seasons they tell, and perishing and birth,
There's the long waiting and the dark abiding,
Wisdom hiding of the earth and of the wind.

Light-seeking seed and deep-divining root,
The curious spiking leaf, the wide outspreading
Hug of great spaces in a night of storm,
And the warm, gracious shedding of the fruit.

Battle, the golden armour in green waves,
Torn flags and bloody tatters, whirl-wind sparks,
The sullen smoking columns, patched and barred,
Charred forests, dismal parks and giants' graves.

Recoiling shy as a rare memory
With delicate regret, with ancient will,
The sad pine darkens, and the silver larches
The arches of their pillars fill with purple silence and clear melody.

Willow by the river trailing,
Women's hair, forsaken women's hands,
Thin whispers rippled on the waning breeze,
Trees shuddering in lonely lands where the waters are wailing.

The praying limbs,
The humped and goblin dark,
And mouthing mists and wetness dripping sighs,
Oh, upward frozen eyes and bones so stark and fierce
recessional hymns.

The kindling, burning, withering, renaissance,
The blood, the flower out of the skeleton breaking,
Mind knows itself in these as in reflexion
Knows the perfection and the soft forsaking and the patience.

Old tree of wise men! Tree of youth!
Of silence and of multitudinous singing,
Draped by all moods of Heaven—you are one
Into the sun out of the darkness springing, you are truth!

The mind has seasons, changing with changing air,
Thoughts budding and decaying,
But everlasting is the soul of mind
As a seed in the wind obeying its own prayer.

Everlasting the brief blossom grows
That wakens singers to their songs in Heaven
When the blue eye of the soul shines on its tree;
Eternity is given in a rose.

Current Financial Policy.

By K. O. Glenn.

I.

Gold has set the standard of economic discussion for some considerable time, and the Press "claque" which accompanied the Chancellor's Budget speech seemed directed towards proving something which did not exist. Its subsequent subsidence leaves the ground clear for a consideration of the situation.

It is fitting that the Budget should have been accompanied by a statement on monetary policy, for both proceed from the same source. In the midst of a confusing situation the safest course for the plain man is to go to the beginning and inquire, "What is a gold standard?" The clue to the answer will be found in the employment of the term "gold basis." The difference between a "gold standard" and a "gold basis" may be said briefly to be the difference between gold coin in circulation and bullion in the Bank of England vaults. The pre-war gold standard, or, as the Cunliffe Committee describes it, the effective gold standard, demands: (1) The free coinage of gold by the mint. (2) Gold coin given freely in exchange for notes at par value. (3) No obstacles to the import and export of gold. A "gold basis" currency does not require these things; all that is necessary is that gold should be available for shipment abroad should a foreign demand arise. The Gold Standard Act, 1925, specifically abrogating (1) and (2), and (3) is qualified by the permission to export gold "only in the form of bars containing approximately 400 oz. troy of fine gold." Thus for the time being our internal currency is not directly shackled to international gold, and the Chancellor of the Exchequer informed the House that they might dismiss from their minds the prospect of gold in circulation "being reached in the lifetime of the present House." So far as it goes, and for what it may be worth, this is satisfactory. The value of the point will perhaps be better realised by remembering that the technical financial view regards gold in circulation as constituting an additional "reserve." The consequences of a call upon this "reserve" are familiar and forbidding, and such is precisely the modus operandi of the international gold standard.

The Cunliffe Committee recommended 150 millions as the minimum central gold reserve necessary, and until that minimum is seriously threatened no general restrictive measures are likely to be contemplated. Even then, with the dollar rate "pegged" by a Wall Street credit, any encroachment could be checked by bringing the credit into operation, but, at the same time, the use of this credit would tend to defeat its own object by increasing our American indebtedness, and, hence, the necessity of subsequent repayment would increase the pressure on the exchange rate from this side. So long, then, as the central gold reserve remains above 150 millions our internal currency is not immediately controlled by gold, and within these limits a foreign drain of gold need not, as hitherto under a gold standard, inevitably result in restriction.

It is worth while glancing at the raising of the Bank Rate to 5 per cent last March. So far as our internal financial situation was then concerned, there was no technical justification for the Bank's action. The rise could not be attributed to domestic demands for money, as trade was not sufficiently active. The measure, then, was one of expediency. For what purpose? All the City editors said it was to protect the London Money Market against withdrawals of American balances. It is a new phase in world finance for London to be dependent upon American

money, and if the prevention of such withdrawals was important then, it is more so now, since the balances can be taken in gold. It would seem quite logical, therefore, to infer that if withdrawals became threatening the Bank Rate would be raised still further. Whatever may be the intention of the authorities, the autumn may bring cause to test the situation unless, in the meantime, we receive an influx of gold which precludes for the time being the raising of the rate. In fact, such an influx might be our salvation, and even make possible a lowering of the rate. The first line of defence is the gold reserve surplus to 150 millions. Whether the Bank Rate, or the New York credit, or both, will then be used will probably be dictated by the circumstances of the moment; that is to say, whether the New York bank rate is moved or not. On the other hand, if the withdrawal of American balances becomes a question of policy rather than of profit, raising the Bank Rate will not keep them here. If our financial dictators had been faithful we should not have been committed to the present course unless Mr. Norman had been able to obtain from New York some indication as to the direction events would take; however, a necessitous borrower is not usually the recipient of a quid pro quo. The circumstances point to the possibility of the latter half of the year seeing some expansion, but it should be remembered that any American "money" coming over here is likely to make itself felt on the Stock Exchange rather than in Industry.

It may appropriately be noted that what is described as the "unofficial embargo" upon foreign loans on the London Money Market may have a very direct connection with our borrowing in New York, as part of the bargain struck by Mr. Norman for a parity quotation for sterling. If foreign lending is to be an integral part of the economic system under which we are compelled to exist, some very effective reason for its surrender should be forthcoming, and certainly a definite indication of the duration of this embargo upon the full and free use of our own credit resources. The *New York Financial Chronicle* regards London as having definitely foregone its premier position.

Sir Arthur Salter, Director of the Financial Section of the League of Nations, remarked some time ago that "In nothing is a country more tenacious of its rights than in its economic policy." It becomes appropriate, therefore, to consider what precisely is the objective of the policy pursued by the Bank of England. The immediate concern of the Bank is undoubtedly the recovery by London of the pre-war position as the world's financial centre. It is interesting and ominous to observe *The Times* and the *New York Financial Chronicle* both, on the same day, claiming their respective cities as the occupants of this position. The claim of London is not compatible with the embargo upon foreign loans. The considerations which weigh most heavily are the conditions under which London's attempt to regain its position can proceed. These conditions are laid down in New York, for any attempt to regain the pre-war position demands as an essential preliminary a fixed, that is to say, unassailable, exchange position. The first move, then, is to cover the source of attack; hence, the borrowing in New York. This looks like an arrangement whereby you put your hand in the lion's mouth in the attempt to draw a tooth. The possibility of the boomerang effect of such a course was noticed by the Cunliffe Committee. However, no other course seemed possible. The position was such that a fund of dollars in New York where-with to oppose sales of sterling became a necessity, and since we could not accumulate dollars by means of a trade surplus with America, the only other way was to borrow them.

(To be continued.)

The Arts in Utopia.

By Haydn Mackey.

VII.

A little longer must be spent in an elementary considering of the "Imitative," "Abstract," and "Formalised" viewpoints of that anamorphosis, Art, before proceeding to regard that "mentality" of our times which has been hinted at by some haphazard questions and hasty reminders.

An "Imitative" art is formed of a set of symbols which imitate certain visible aspects of physical Nature. Such an art has been used in all ages in didactic ways: Emotionally religiously, scientifically. If any part of the artist's business is the extension of consciousness amongst his fellows, imitative art has, altogether apart from any other aspect, achieved some success.

Back in the dim prehistoric past of his beginnings Man found himself confronted by physical nature; but at first he saw very little more of it than we may suppose does a cow in its field. Through his efforts in and experience of imitative art the domain of consciousness has been extended in certain directions. Even the last fifteen hundred years show an increasing apprehension of mere natural appearance. A chronological knowledge of painting from, say, Giotto to Raphael; from the gold background of the Byzantines to the Renaissance landscape; or from Claude to the French Impressionists, shows how the *conscious* sight of man has been slowly and laboriously developed by the efforts of "imitative" painters.

The advent of photography had a depraved effect on an art already sickly (from the prevalence of the Rationalist spirit), by upsetting the remaining remnants of the traditional ideas regarding the relative essentials necessary to any expressive finite selection from the Infinite. Its boundless detail and monochromatic suggestion gave an equality of effect to the insignificant and the significant, and lowered the sense of colour. As some "set-off" to this, the scientific spirit abroad had doubtless much to do with the early Impressionists and their "luminarist" theories, and through them to some colour appreciation. The present point is that now the average person would not see the *blueness* or *mauve-ness* of some shadow thrown across a path golden in sunlight, if the Impressionists had not so emphatically thrust it before them; would not see the *blue* pillar-box at the street corner, if it were not for the past efforts of some imitative artists. As Clausen has said, Whistler extended human vision in the realm of twilight, as Turner extended it in that of sunlight. Our world, as now we see it, is but largely the pattern made by generations of artists, and is one inherited or learnt by the attention their efforts have drawn from us and our ancestors.

But strict imitation, being quite obviously impossible, has never wholly occupied the artist, and moderns tend to further and further shed much of the trivially imitative technique acquired during the last few centuries. It is but another effort at a return to origins.

The lady who declared she had never seen a sunset such as Turner had painted, received from him, according to the old story, the reply: "Don't you wish you could?" It was only the artist's arrogant but true claim to be beforehand, creating a world as yet invisible to his fellows; but which their world of nature must always and inevitably follow. It is an exclamation and explanation of the paradox: Nature copies Art!

There are certain relationships to be found in the ordering of forms, lines, colours, which produce certain states of feeling and types of ideas in a spectator; and this is the basis of the "abstract" in art. A very elementary, crude, but easily appreciated

example (such as may frequently be seen used by our ordinary hack artists in cartoons) is found in a definite direction or sweep. They give an expression of such an "abstract" as motion in such-and-such a direction. Flat horizontals may give a certain calm static quality, or perpendiculars may be used to give an expression of height or support. Every child understands such in the illustrations to be found in the "Tiny Tots Corner" of our papers. (The "Futurists" attempted a development of such "force lines," amongst other things!) Certain "abstractions" of a more profound nature are also adherent to the ordering and proportioning of lines, planes, forms, and colours in either two or three dimensions, though not attributable to obliquity or perpendicularity or horizontality, but resident in an entirely self-contained relationship of part to part, expressing rhythm or absolute form and, in fact, upside up or upside down, is of no very great moment. The search for an explanation, definition, science, or grammar of such a language, or the isolation of its principia, has occupied many artists and thinkers in many ages. The difference between the expounders of, say, Hogarth's "line of beauty" and Mr. Clive Bell's "significant form," is mainly one of periods, and the greater politeness to one's contemporaries affected nowadays.

"Abstract" art has been used in decorative design in all ages, and probably came before "Imitative." Some of the best of it seems to belong to barbarism. It has been suggested that a form of emotional mathematics or a soundless music may be achieved. That the expressive *ornemaniste* may develop certain unconscious facultural expressions of the eye (some such as have been referred to as occurring in Greek building) is possible, but if that is to be all of the art, it will be as complete a break with the pictorial arts as is literature. *Some expression can be only expressible in a technique of imitative symbols.* Already an "abstract" method of expression has been formed from the pictorial: the method of using the written signs known as the letters of the alphabet. But there is no widespread tendency amongst us to frame our poems, notwithstanding our "free" versifiers or the Futurists' use of typography. Yet, if searched for—we can still trace a faint family likeness in the letters of our alphabet to their pictorial beginnings: Our modern "a" through its Roman, Greek, Phœnician and Hieratic variations to the Hieroglyphic eagle of its origin; or our "M" to the owl.

The pictorial arts, as we here and now understand them, cannot be purely "abstract." To be so, they would not be these arts any more than is literature. There is no evidence of the disappearing in the future of imitative expression amongst men.

Between the "imitative" and the "abstract" lies what seems to be the real root of the matter, in the art of all the ages, and which has been loosely referred to here as the "Formal."

With whatever queer conscious motives Man first traced lines or forms in Paleolithic times—whether as a propitiation or a sigil, a spell, a religious rite; whether the product of a curiosity or an escape from boredom in such a dark, dark age!—it obviously was, very early, one of imitation, representation, for Man is by nature and circumstance an imitative creature. But his tools and materials, primitive thought, and finite mind made necessary the simplifications of the child; and a *simplification of infinite nature is the first, last, and intermediate requirement in the production of art.* For without a simplification there is no selection; can be no *design* of any sort, in fact, can be no art. But the simplification of the artist means the ignoring of the inessentials that the essentials of his choice may be isolated and shown.

This inevitably leads to an emphasis which may be called "distortion," or "caricature," or "formalisation," or an essay in the "abstract." It is an epigram and not an inventory.

Simplification and its inevitable corollary of emphasis allows expression of not only the directing consciousness, but also of unconscious impulses—intuitions, at the back of the conscious effort—through some of the actual physical circumstances of the production of the work. To take, for example, of the production of the work. To take, for example, some well-known work, say, Michael Angelo's "Slave" before referred to. Whilst it is possible to analyse from it a series of "super-imposed truncated cones," it is also possible that the "Slave" was analysed from them—that, in fact, an originating intuitive impulse from some suggestion of abstract forms gave "abstract" forms expression in the conscious effort. But without the *conscious* effort to form the "Slave," they would have remained unconscious; and without the comprehensible "Slave," incomprehensible.

The artist is one who succeeds in developing a technique and method which enables him, whilst fulfilling a conscious purpose, to lay bare, express and make evident his unconscious intelligence, his irrational intuition, the Man-old ideas and experience which appear unrelated and unforeseen as a dream; as a spontaneous creation from Infinity. The artist is frequently as surprised at the unforeseen results appearing in his work at every stage as are his public.

When the *simplification* of visible nature is lost through a wealth of conscious sophisticated "photography," or the relationship to visible nature entirely lost in an "abstract," it ceases to be the art we are considering, and the work of an artist only comprehensible to himself do not concern us here. The "abstract" must assist, not obscure, the representational expression, which is, and always must be, largely a matter of human tradition.

Thus creative art controls men's minds and conscious vision, so that to them nature is but a follower of human art, which is only another statement of the artist's extension of consciousness before referred to, in the paradox: "Nature copies Art!"

New Verse.*

By far the best of these small volumes of verse is "Susan Miles'" (Mrs. Roberts). Both her matter and her manner are invariably interesting and, not infrequently, a good deal more than interesting. She uses *vers libre* with greater individuality and surer and subtler effect than perhaps any other English practitioner, justifying her use of it every now and again in the only way in which the use of it can ultimately be justified, i.e., by achieving poetic effects which could not have been otherwise secured. Whether the effects that can be so obtained will ever be comparable to the highest order of effects encompassed by other techniques of expression is another question. It is certain that Mrs. Roberts herself secures some of her finest results without recourse to them. Whether she employs "regular" or "irregular" forms, however, her vehicle is never quite adequate to her content, which is often tremendous. Poems, like people, are known to some extent by the company they keep; these poems have appeared in such papers as the *New Leader*, the *Challenge*, the *New Witness*—not to mention our own columns. That is to say, they are unconventional, propagandist, intransigent. They are signs of the times manifested by an acute, restless, experimental and very sincere mind. Whether the debate has yet been finally settled or not so far as she is concerned, she confines herself in this particular volume to "regular" forms. Has

* "The Hares and Other Poems," by Susan Miles (Elkin Matthews, 2s. 6d. net); "Wembley, Letchworth, and Other Modern Verses," by N. D. Deuchar (Letchworth Printers, Ltd., 6d.); "Forbidden Fruit," by M. Bryce (221, Rue St. Honoré, Paris).

she, too, recanted at least one "heresy"? The history of *vers libre* in English literature is like to become a history of a more or less transient divergence to which a proportion of our poets have committed themselves with such results as to leave one regretful that none of them pursued it beyond a certain very moderate distance. However that may be, as I have already indicated, Mrs. Roberts' average level here is distinctly higher than in her rhymeless rhythms. The little collection ends with some excellent epigrams: as for example:—

DILEMMA.

If he's whored too, why should he be so preachy?
And if he's not, what does he know of lechery?

If Mrs. Roberts' book is the most interesting, Miss Deuchar's is easily the most amusing; and the introduction is a gem of unconscious humour. It concerns the very issue I have just been discussing. Let my readers judge for themselves:—

"Will verse and prose ever unite indistinguishably, or have they already so blended?" she asks. "Are the days of the extremes, 'verse' and 'prose,' about to pass away, like the days of extreme riches and poverty in our social system, and like other violent distinctions of former times? May we expect a dead level of semi-prose or demi-verse in most works of imaginative literature in the near future?—to be followed, perhaps, by a reaction to jingling old forms; to the metrical delicacy of Herrick, or even the delicious detail of Dobson, the melodious preoccupation of Swinburne, or the pointed couplets of Pope? I do not offer to answer these questions; but some of the more serious unrhymed, unmetrical jottings in this book may contribute to form opinion among its readers." "Art," she goes on to say, "consists of limits, of course, but what are the limits? Or (to use a slang phrase some years old), is this itself 'the limit'?"

I am afraid that most of its readers will find this book bafflingly oracular if they go to it with any of Miss Deuchar's questions save the last: but to that its answer will, I think, be sufficiently clear. "One decides," she continues, "that it is best for all rebels against the older forms to show that these older forms are not beyond their power, only contrary to their taste or theory." She therefore includes "a number of verses proving some interest and practice in rhyme and metre." These, however, are worthless in every respect. Her *vers libre*, however, while it has certainly no relation whatever to poetry—is a kaleidoscopic notation true enough to life in its way, and predominantly, if not exclusively, trivial. Miss Deuchar's concern is with life, not with art: it is her misfortune that the life with which she deals is so destitute of genuine liveliness. The book has one real interest, however. It consists of sixty largely excellently-printed pages in stout blue paper covers, and the selling price is 6d. Miss Deuchar will confer a real favour upon thousands of her kind—who have to pay for publication—if she will explain how it is done. If it is an economic proposition at that figure, she is to be congratulated on a discovery of the first moment to contemporary letters.

Miss Bryce's "Forbidden Fruit" unfortunately aren't. All but a few of these forty-seven short essays in *vers libre* are simply sawdust. Of the remainder one or two which have a savour of Dead Sea apples are certainly the best. Typical—and, at the same time, curiously illustrative of the unconscionable spirit underlying all her work—is the following:—

THE POET.

What encourages most my poetic ardour
Is to read the verses of the amateur
Which in spite of their pose
Is uglier than prose:
For you must be a poet to give your poetry
Tones of musical beauty.

That, in its context, will, I am sure, take some beating. If anything were incredible it would be that the same person who wrote the bulk of this booklet could now and again rise to such comparative heights as:—

"Love makes time pass,
But time makes love die."

or "Age":—

"If I had met you before!
But now nothing fascinates any more.
Alas, all I regret
Is that we have nothing to forget!"

But when did monkey nuts become forbidden fruit?

H. MCD.

Clio.

By "Old and Crusted."

How is it, and by what, and whom, that Greatness is achieved? Is Merit—is Madness the patron? Is it Frolic or Fortune? Is it Fate that awards successes and defeats? Is it the Just Cause that ever wins? How did the French gain Canada from the savage, and we from the French, and after which of the conquests was the right time to sing Te Deum?

(The Virginians.)

It is true the English Legislature, like the English People, is of slow temper; essentially conservative. In our wildest periods of reform, in the Long Parliament itself, you notice always the invincible instinct to hold fast by the Old; to admit the minimum of New; to expand, if it be possible, some old habit or method, already found fruitful, into new growth for the new need. It is an instinct worthy of all honour; akin to all strength and all wisdom. But truly it is beautiful to see the brutish empire of Mammon cracking everywhere; giving sure promise of dying, or of being changed.

(Past and Present.)

Is Clio coming into her own at long last? History written like a market report by a conscientious but hopelessly prosaic City Editor is being found to be but poor stuff after all. It is like smoking in the dark. The 'baccy is there and eke the aroma, but somehow or other the taste is not right. Man's senses work in unison, and to attain the full joy of a perfect smoke the eyes must play their part. 'Tis the same with history. There must be a glimmer of

"The light that never was, on sea or land,
The consecration and the Poet's dream,"

a quality denied alike to all City Editors and most historians. It is no fun for a Muse with a sense of humour and a natural desire to look well, to be smothered in Cambridge Modern Histories over a yard long—that being the approximate length of shelf occupied by the twelve volumes of text plus two more of index and maps, staring me in the face as I write—and the Germans treat her even worse.

Now, having spent, and perchance wasted, hours and days wading through "standard works," enlivened by occasional flirtations with the Muse's less serious sisters, the more intimate biographies and scandalous memoirs, what does it all amount to? Just this, that the only form of historical writing that leaves a lasting impression on this "discreet praiser of Mediæval England" is the historical novel as handled by our great masters, and especially by William Makepeace Thackeray, for, in spite of a penchant for cloisters, stained glass, illuminated missals, carved oak and good living, the period of English history that fascinates me most is compressed between 1660 and 1790—or thereabout;—beginning with Mr. Pepys and closing with Dr. Johnson, the contemporaries of the Esmonds and Warringtons. The history of those much abused years has been told time and again, and by none better than by Lecky, and as far as the eighteenth century is concerned, and as far as the earlier period, who can ever forget the first reading of Macaulay's entrancing chapter on "The State of England in 1685"? Not I, for one. There are signs in recent publications that this spirit is not dead, and that we are about to witness a great revival of style in the writing of history. Perhaps we may even get rid of some of the old clichés and catchwords, such as "spacious days" and "Early Victorian"; and have some other standard for our great characters than that of Little Bethel. Will justice ever be done to Mary Queen of Scots for example?—And that is a question which always starts me guessing, and making the wildest conjectures.

Supposing Gloriana had had her head bobbed instead of Lady Jane Grey, and in place of a shrewish spinster addicted to international and domestic amours, the throne had been occupied for fifty years by the lovely cultured wife of Guildford Dudley, would it have made much difference? Probably very

little. There would still have been too much Cranmer in our national complex. On the other hand had Scotland annexed England half-a-century earlier, and Mary been Queen of England, France, Scotland, Ireland, and all the other little bits, with the Catholic gentry at her feet, then "the Dissidence of Dissent" and the "Protestantism of the Protestant Religion" would have had a very thin time of it! An idle speculation; yet the decision whether England should be Catholic or Protestant was a much nearer thing than some of us are willing to admit. There is always that love of the old-established, the reverence for use and custom to be reckoned with in estimating the course of events in this country; a fact full of promise for the future of Social Credit, whose bitterest opponents will ever be those by-products of Calvinism the lords of "big business," the protagonists of FINANCE and PROGRESS, the robber barons of the MUDDLE AGES. The Conservative spirit, on which Carlyle lays such stress—Toryism, I would prefer to call it—has never liked these gentry, and would eagerly seize the opportunity of side-tracking them into the House of Lords, and then—who knows?—introduce the public control of credit in a money bill they could not touch! A nice constitutional way of getting over a difficulty!

And pray what has all this to do with Clio? Why everything. If the English are in search of a precedent for dealing with combines and money trusts, let them consult Clio, and I warrant you she will unearth some very pleasant, efficacious methods; mostly mediæval. Personally, I am inclined to favour King John's painless dentistry.

She might also suggest to that futile ineptitude, the League of Nations, that Europe was once a spiritual democracy (pace Mr. Couzens!) and that an Englishman named Nicholas Breakspear was at the head of it from 1154 to 1159; and also drop a hint that the way to disarmament and peace lay through Rome—not Geneva.

Reviews.

The Classical Investigation. Conducted by the Advisory Committee of the American Classical League. (Princeton University Press. Gratis on application from the Oxford University Press.)

After studying this elaborate account of the position of the Classics—which means Latin—in the system of education for adolescents in America and Western Europe, those who believe in Latin will believe in it, and those who don't won't. Large claims are made for the virtues of Latin. Section I., in a sesquipedalian jargon, argues that it is good for one's style. The study of Roman character will help solve the social problems of to-day. It appears that Roman character is revealed by the fables of Livy. The section that deals with England grotesquely understates the arguments against the compulsory study of Latin. "For the study and mastery of English, Latin is all but indispensable." Shades of John Bunyan and Bernard Shaw!

Arabella in Africa. By Sir Frank Swettenham. (The Bodley Head. 8s. 6d. net.)

If any reader of THE NEW AGE is contemplating a trip to North Africa, and does not wish to be completely disillusioned before setting out, let him or her (there is much concerning "her" in this book) carefully avoid Sir Frank Swettenham's "Arabella in Africa." Any faint subconscious desire to visit that historic coast lingering in the reviewer's complex died of sheer boredom long before the last pages of this dreary compilation had been reached. There must be a public to buy this kind of rubbish, otherwise it would not get printed; but outside the circle of intimate friends to whom this banal record of a motor trip from one bad lunch to another may appeal, it is difficult to imagine anyone else reading it—let alone spending 8s. 6d. on it. The only anecdote that raises a smile has to be rounded off in French, lest it should offend. Here it is. It is Arabella speaking:

"I have arranged with the woman about the rooms, and I hope everything will be right, but I was rather nervous about going into details because a woman who

had just returned from a tour with friends told me that, when she was discussing the price of rooms with the patron of an Algerian hotel he said: 'Vingt-cinq francs la chambre; mais si Madame couche avec Monsieur ça sera dix francs de plus.'"

At the present rate of exchange, the "surcharge" is not unreasonable. Would it appear on the bill as "bougies," or luxury tax?

The Story of Electricity. By W. F. F. Shearcroft, B.Sc., etc. (Ernest Benn, Ltd. 2s. 6d. limp, 3s. 6d. stiff cloth.)

This book on Electricity has been written for a public with only a rudimentary knowledge of its subject. It is well and clearly written, and highly interesting. It deals with the most suggestive electrical phenomena, and the theories put forward to correlate them under generalised conceptions. Concluding chapters touch on Relativity and the Quantum Theory. One regrets that there are no suggestions for further reading. The layman, interested so far, should be enabled to feel less unprepared for the yet more striking conceptions that physicists seem to expect in the near future.

Question Time.

FREE BANKING.

Sir,—I originally chose a single operation as an example simply because my Douglas friends appeared to think that every fresh issue of credit must raise prices permanently. I wished to show that a single issue of fresh credit would cause only a temporary rise. Your proposals involve a similar difficulty; for if you advance fresh credit, and simultaneously prevent prices from rising, you will have an excessive demand for goods, and queues outside shops.

1. We maintain (a) that every fresh credit created and loaned to producers adds to the sum total of factory costs recorded in the books of industry as a whole; (b) that this total sum can only be diminished by the amounts paid to industry by consumers for goods taken right out of the industrial system—i.e., consumable goods (and services); (c) that consumers never get more than a proportion of the new loan credits; that therefore the sum total of factory costs cannot be wholly recovered by industry, and that the deficit has to be met either by writing it off (writing down capital—bankruptcy, etc.) or by the process of fresh borrowing, which sets up the above vicious sequence all over again.

2. If fresh credits are issued, and prices prevented from rising, and the quantity of goods on the market not increased, no doubt there would be queues. But why assume that all these conditions would co-exist?

If we now dismiss the single operation example, and consider continuous production in an ordinary community, the question of accounting credits into prices does not arise. I think that the coincidence of the repayment of loans (tending to depress prices below their original level) and the issue of fresh loans, will tend to keep prices fairly stable. You do not meet this point. It is possible that the Douglas plan, if it is at all workable, will operate similarly over an extended period; but I ask you to weigh in the balance the manifest difficulties of price fixing and selling under cost.

Mr. Meulen believes that the fact that credits were being repaid to the banks at the same rate as new credits were issued would tend to keep prices fairly stable. But the stability of price is not the problem; the problem is: Will the revenue of producers cover their costs? To answer that question it is necessary to examine how credits are accounted into prices. Mr. Meulen says that it does not matter how that accounting is done.

You think that under free banking producers will continue to sell their goods at as high prices as possible. I agree. But those prices will be reduced under competition from all that ability that is at present denied access to credit and capital. I have no objection to producers devoting their profits to whatever end they think fit. Their bankers will charge interest, and will see that it is paid. If any producer puts more of his initial expenses into his prices than is justified by current interest charges, his competitors will gently lead him to a clearer vision by the simple expedient of selling cheaper.

As for combinations, I can only say that every combination involves either a minimum price or a maximum supply. Now, when markets are lively, an energetic man is constantly considering ways and means to capture that market. Since neither you nor we are Socialists, we approve of his efforts. Obviously a richer Eldorado looms before him when he is free either to reduce his prices as he pleases, or sell as much as he pleases. All he asks is a market of good

demand. I think that freedom of credit, by creating that demand, and by placing capital more readily at the disposal of ability, will encourage such men; and that even if our erstwhile energetic man attempts the lazier course of combination, it only needs a free credit system to raise up a constant stream of fresh competitors against the combination. But perhaps we judge our fellow-men differently. I am not disposed to labour the point; but I do think that if the only reason for the Douglas strait-jacket is the fear of combinations, let us give freedom a trial first.—I am, Sir, faithfully yours,

HENRY MEULEN.

The chief point here is Mr. Meulen's use of the word "freedom." Since our plan is to induce existing producers to lower their prices by guaranteeing them a money bonus as a reward for increased deliveries to the consumer, and since Mr. Meulen's is to coerce them to do so by threatening them with a stream of fresh competitors as a punishment for restricted output, we suggest that he must concede us the advantage on the "strait-jacket" aspect of the case. Moreover, what about the position of the poor consumer under Mr. Meulen's plan? In order to force producer "A" to keep prices down, credit is to be loaned to a new producer, "B," who will erect a similar factory and instal similar plant. The consequences will be (1) that, immediately, prices will rise as a result of the issue of the new credit (and producer "A" will reap some of the benefit!), and (2) that, ultimately, the consumer will find himself saddled with the cost of two plants where one only (by hypothesis) was sufficient. Of course, if one could assume that producer "B" would not account the cost of his plant into his prices, the duplication of plants might be bearable. But, as Mr. Meulen holds that the question of accounting credits into prices may be ignored, we suppose the point will not interest him. Yet, quite apart from financial costing, we suggest that to erect two plants to fulfil the function of one is uneconomic and should be avoided, except as a last resort. We would recommend that Social Credit be given a trial first.

LETTER TO THE EDITOR.

THE ARTS IN UTOPIA.

Sir,—What is the matter with your blue pencil? The last par. of "The Arts in Utopia," part VI., in the current NEW AGE is nonsense, and most objectionable nonsense. Long articles about what the artist is going to do in Utopia are a little tedious; the artist rebels against the present economic system because he must play to the gallery or starve. When we are sane enough to put the Douglas suggestions into operation, the artist will be free to express himself, well, or ill, according to his endowment.

In the battle to convince the "level-headed" business man that Social Credit proposals are sane and practical, we are not helped by utterances such as the one in question. When we first tackle him and tell him that "goods must be sold below cost," he fancies that we are not quite sane. If we present him with a copy of THE NEW AGE, and he reads your contributor's appreciation of the "drawings" in question, he may be pardoned if he throws the paper aside with a muttered "I thought so," and goes on his weary way convinced that we are "another set of cranks."

ARTIST.

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