THE

# NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

*The Times* is disturbed to hear that the Berlin municipality has borrowed 30,000,000 dollars in New York to finance a housing scheme. Yes, but what about Reparations? it protests. A nice complication, if later on it were found that Germany could not pay up because "the funds had already been transferred to America and elsewhere to meet the service of foreign loans." *The Times* had better go to Mr. McKenna for comfort about these straying "funds." He will be able to repeat his statement that the amount of credit in any country depends entirely upon the action of its banking system in creating and destroying credit. But we thought everybody was aware by this time that Germany must pay ultimately reparations in goods. She can either give these goods to the Allies, or sell them to the Allies' overseas customers. There is no third way. German borrowings of credit are not an alternative; they are only a postponement of one or other of the two real alternatives. The moral drawn by *The Times* is very weak. German borrowings, it urges, ought to be restricted to such purposes as will "directly help to produce foreign *valuta*." If this cryptic formula has any relevant connection with the problem, it means that Germany must only borrow money which will enable her to produce foreign indebtedness to her—in brutal brevity, to sell her own manufactures in markets in which the Allies are competing. Very good. For instance, say she dumps railway material in Argentina, draws bills on Argentine importers, and endorses them over to Mr. Parker Gilbert, the Agent-General for Reparations Payments, as an instalment of her retribution. Quite nice for dealers in bills: but what about the Sheffield steel industries? A little reflection will show that Germany's application of her new borrowings to building workmen's dwellings, which she cannot export, will cause the least and not the most harm to the industries of her war-creditors. *The Times* is in a fortunate position. It runs a separate supplement for British trade; and so is able simultaneously to render unto Finance the things that are Finance's, and to Industry—the rest. In these complicated times a synthesis of doctrines must be avoided like the devil.

* * *

The New Zealand Minister of Finance, Mr. W. Downie Stewart, recently delivered himself of the following opinion in the Legislative Assembly:—

> "Anything that suggested that a *State bank* or a semi-State bank—as we call the Bank of New Zealand—was being *dictated to by the Government* would, I am sure, create a very dangerous situation." (Our italics.)

The Opposition had censured the Government because, while owning one-third of the shares in the Bank of New Zealand, and having the sole right to appoint directors, it had not used its power to prevent a rise in interest rates. Mr. Downie Stewart said that if a Government, having made representations to the directors, which it was entitled to do, found that it still thought the position required a rise in the overdraft rate, it would be very difficult to know what steps to take "short of interfering with the *independence of the directors*." It could, of course, remove or refuse to re-appoint them, but if it did it would have caused "grave uneasiness in the public mind as to how far political interference with the banks might go." Discussing the idea of having an all-State bank instead of a semi-State bank he professed an "open mind," but repeated the principle that if a State bank were set up it should be "kept free from political pressure or control." If that principle were observed, he said, "it seems to me that a State bank would probably, in this country, have pursued the same policy as other banks."

* * *

The ways of democratic Government are past finding out. In New Zealand bank directors must not be dictated to by the Government: in Queensland the Government must not be dictated to by the transport workers or other trade unionists: *in*

Italy the same prohibition is applied also to capitalists. To complete the trinity of "must nots," there should be a principle that trade unionists and capitalists must not be dictated to by bank directors. But there is no such principle. The reason is partly contained in a confession made by the Finance Minister whom we have quoted—"I do not profess to be a banking expert." That is the trouble. All Governments can, and do, profess the same ignorance. The reply is that they must become banking experts—not in the sense of learning banking routine, but in the sense of investigating the laws of credit and their relationship to the laws of wages and prices. Until they do they must of necessity accept the word of those who profess to have finished the investigation already: they are bound to endorse and impose on electorates whatever the financiers say is right. If that is all they can do, for goodness sake let us have done with the farce of general elections.

* * *

A long article by the Right Hon. William Graham, formerly Financial Secretary to the Treasury, in this month's *Banker*, forcibly illustrates the paralysis of futility brought on by a Government's subservience to bank policy. The article is about agriculture. Agriculture has been tinkered with since 1917. A Corn Production Act was passed in that year. It was repealed in 1921. Farmers, who had been promised a minimum price for wheat, were later denied its fulfilment. They discovered that the promise was qualified by a mental reservation, namely that they could have their minimum price only provided that the world price did not turn out to be at a lower figure. But under such conditions the farmers could have made the promise themselves, to themselves, and kept it. The lesson here is of general application. Politicians can give you nothing more than you can get without their assistance. Conversely they can give you everything you can get by your own efforts. That is why bankers thrive whether industry languishes or not.

* * *

Most of Mr. Graham's article surveys the policies of Governments since the war in regard to agricultural credits. They had to take into consideration two over-riding principles: (1) there could not be any subsidy; (2) there could not be any protective fiscal tariff. These limitations were in the nature of axioms. From the context one gathers that what constitutes an axiom in practical economics is the agreement of all three Parties of the State to regard them as such. No other reasoning is required; it certainly is not offered by Mr. Graham. We need not follow him through his history. It all boils down to the sedimentary fact that all the permutations of credit policy throughout the period were so many modifications of one single objective—*how to render the financing of agricultural activities safer for bankers*. Take the idea of "Co-operative Credit" as an example. Section 2 of the Agricultural Credits Act of 1923 provided that agricultural credit societies should be formed. To create and issue credit to farmers? Oh dear no! To get credit out of the State? Not even that.

"Instead of borrowing money from the State their object would be to *endorse their members' promissory notes in respect of advances from the banks.*" (Our italics.)

That means that farmers individually would borrow bank-credit on what security each might be able to offer; and then these same farmers, collectively in the form of an agricultural society, would offer their combined resources as a sort of second mortgage, in order, as Mr. Graham most discreetly phrases it, "to make the bank system as fully effective as possible." The curious reader might wish to know how the resources of the Society could add any security value to the total of the resources of individual members. Well, that is where the State kindly assists. One typical proposal was that the State should place a capital sum at the disposal of each society on the basis of £1 for every £1 of share capital raised by the Society, the condition being that at least 5s. in the £ should first have been paid up by the shareholder-members. So the scheme commences by requiring farmers to *put up some cash*. That their whole trouble arises from their having no cash is completely ignored. However, assume the farmers find their five-shilling pieces and deposit them in the Society's till. Now it is the turn of the State to come along with the pounds sterling. Ah! at last some credit is going to be created to help things along. But, alas for rural optimism—

"The State funds for such a scheme should be derived from the application of a portion of the money *raised from the sale of savings certificates in rural areas.*" (Our italics.)

Imagine the situation. The farmers of Slowcombe form a co-operative society with £1,000 share capital, and pay into it £250. The State is now under contract to deposit £1,000. To enable it to do this the farmers of Slowcombe must buy £1,000 worth of savings certificates. Total cash paid £1,250. It might be any amount more, for the State's contribution is above envisaged as representing "a portion" only of the total purchases of savings certificates in Slowcombe. If one-half, then Slowcombe would have to pay £2,250.

* * *

It is not surprising to read in Mr. Graham's article that British farmers and small holders cannot be "persuaded to co-operate." It is, he says, impossible to make them do anything of the kind, "even where credit itself is at stake." This last phrase must be a joke. What credit? Not credit which the farmer is to borrow, but what he is required to lend before he can borrow. Mr. Graham is not a humorist; so he proceeds to say that if farmers still maintain their attitude of non-co-operation—

"it will be all the easier for the joint stock banks to follow the plan which clearly commends itself to them at this stage—that of dealing with each farmer on his merits . . . giving him such credit by simple overdraft or other device as the banks feel he can efficiently and remuneratively employ."

We agree. It is a much better plan than any State-assisted scheme yet proposed. But see how all things work together for good to them who deal in credit. Once accept the bankers' canons of sound finance and there is no possible scheme of accrediting productive enterprise which cannot easily be proved inferior to the good old custom of *individual and confidential* deals between the local bank manager and his client. The bankers have not got to trouble to argue out this conclusion. They simply lay down governing rules, and wait until the mugs who sit at their feet reach the conclusion for themselves—unhappily after years of unnecessary "trial and error."

* * *

Having reduced the politicians to a state of utterly tired acquiescence in this disappointing conclusion, the bankers can now reassure them that there are several little things they may yet do for the good of their agricultural constituents. We will quote one of them from Mr. Graham's article:—

"Legislation should be enacted enabling a valid charge, in the form of a chattel mortgage in favour of the banks, to be given on certain classes of farm produce (to be defined) ranking in priority to all other charges except those in respect of rent, rates and taxes, and to be used exclusively for the purpose of securing 'short-term' bank advances to farmers. . . ."

"The mortgagor should be left free to dispose of the produce . . . so that he may take full advantage of a favourable market, but . . . should be required to notify the bank and pay the proceeds to the bank up to the amount of the debt; penalities sufficient to act as a reasonable deterrent should be prescribed for failure to comply with these conditions." (No. 8 of the *Economic Series* of the Ministry of Agriculture, 1926.)



* * *

We have received for review a copy of the August issue of *Representation*, the journal of the Proportional Representation Society, whose chief aims are (1) "*to reproduce the opinions of the electors in Parliament and other public bodies in their true proportions*": (2) "to secure that the *majority* of electors shall rule, and all considerable *minorities* shall be heard": (3) "to give *electors a wider freedom* in the choice of representatives." (The author's italics.) Proportional Representation is the system operating in Ireland, among other countries; and the chief item of interest in the present number of the journal is an article surveying its working in the Election there last June. The principle of accrediting candidates with votes is briefly that of re-distributing the surplus votes of the top candidate of an electoral list among the others; and to this end electors vote for all the candidates in order of preference. With a given number of seats to be filled and a given number of electors it is a simple matter to calculate the maximum number of votes necessary to secure election to any one seat. In the Irish Election there were 152 seats to be filled, and nine Parties competing for them. The results were as follow:—

| | Votes. | Seats won. |
|---|---|---|
| Government | 314,684 | 46 |
| Fianna Fail | 299,626 | 44 |
| Labour | 143,987 | 22 |
| Independents | 139,679 | 14 |
| Farmers | 109,114 | 11 |
| National League | 84,048 | 8 |
| Sinn Fein | 41,436 | 5 |
| Independent Republican | 9,215 | 2 |
| Clan Eireann | 5,567 | 0 |

It is stated that if seats had been won in strict proportion to votes, the numbers gained by the Parties, in their above order, would have been 42, 40, 19, 19, 14, 11, 5, 1, 1. It is therefore claimed, with justice, that the actual results are a close approximation to those predicted by the "Proportional" theory.

* * *

As a contrast, the returns for the County of Kent in 1924, under the English "single-member constituency" system, are quoted. They are as follow:—

| Party. | Votes. | Seats. |
|---|---|---|
| Unionist | 245,913 | 15 |
| Labour | 101,703 | 0 |
| Liberal | 62,540 | 0 |

The conclusion from these contrasted sets of results may be stated in two ways. The first, that Proportional Representation causes Parliament to reflect with accuracy electoral *opinions*: the second, that it causes Parliament to reflect electoral *doubts and confusion*. We choose the second. We have always held that before you employ brain-energy in deciding how to count and allot votes you must decide in principle *what character of issue* the electorate are to vote on. Nearly every popular political problem is at bottom an economic problem, and its resolution is a matter of technique. Now electors as a body are not technicians, they are ordinary human beings, competent to say what they consider it right and proper should be done for them, but not competent to give an opinion on how it should be done. They want, in these times, an assurance of continuous work and remunerative income for themselves and their children after them. Give them that, and except for a negligible number of congenital reformers, they do not (or would not) care about how this necessary and reasonable demand is fulfilled.

The reason why they do get excited at election times is because they are not permitted simply to demand the fulfilment, but are obliged also to link it with one or another sort of technique for achieving it; and immediately they do that they find themselves split up into groups at death-grips with each other—the explanation being that of all the competing techniques that they are allowed to consider there is not one which does not involve the process of robbing Peter to pay Paul. We repeat an old illustration of ours which we once used apropos of English politics. A group of villagers need water. Water has been located. Now, as voters, they are competent only to say that they desire this water to be tapped and distributed among them. That is a question of general policy, upon which the least educated of them may form an opinion—and a very definite opinion. But quite otherwise is the question of how to reach and raise the water. That is a matter for the technician. If the technicians cannot agree on it, no possible help can come by consulting the villagers; for their "opinions" would faithfully reflect those of the experts who appealed to them. To apply this illustration to current politics: we can pass over the initial problem of sinking the well, and consider it done. The next problem is how to raise the water. Consider what would happen to this "electorate" if three Party experts invited them to choose between three and three only "receptacles" for carrying the water up—sieves, cullenders, or garden forks. Not only that, but imagine that whichever kind of receptacle the voters chose, the possessors of such would be required to give them up for the "general welfare of the village." If anyone thinks this an absurdly strained analogy let him consider a list of issues submitted to electors at recent elections—Free Trade, Protection, Taxation Schedules (any number), Land Reform proposals (3), Leasehold reforms, and (to come) an opinion on recent Trade Union disciplinary legislation. How could any electorate ford this tide of confusion? They might as well vote about cures for cancer.

* * *

We have nothing to say in disparagement of Proportional Representation as a theory: our comment is that, given the present economic situation, one voting system is essentially as futile as another. Whether the "Fork" party gets 100 per cent. seats with a 33 per cent. poll, or whether the "Sieve" and "Cullender" parties share the seats with it equally, what does it matter? At present the more colours of opinion you introduce into the legislature the more excuse you give it for not *doing* anything. If there is one tendency more noticeable than another to-day it is the fear among politicians of incurring the responsibility of getting an overwhelming majority. They prefer an Opposition strong enough to interfere with their ostensible programme, because thereby they can conceal the barrenness of their policy. Among the Vice-Presidents of the Proportional Representation Society are Lord Birkenhead, Viscount Cecil, Mr. J. R. Clynes, Mr. William Graham, Sir Alfred Mond, Sir John Simon, Mr. Robert Smillie, Mr. Philip Snowden, and Mr. J. H. Thomas—a Kilkenny category indeed, were these gentlemen not on dining terms.

* * *

The proportional system has only been adopted in minor countries—minor in the sense of not being the most influential in international finance. The most important of such countries, France, has been playing with it half-heartedly, and has now gone back to the English system. This will have some significance to readers of this journal. For instance, when in the Irish Election one sees the Independent

Republicans, with a poll of only 9,000 odd votes out of 1,147,356 votes, securing a seat in the Dail, he can appreciate the possibilities which the system opens up for small and largely-ignored groups to get at least one spokesman into the legislature. Under Proportional Representation it is at least feasible that one of the electoral areas might give a sporting chance to a social credit candidate, making him the "second choice" to their preferred Conservative, Liberal, or Labour candidate as the case might be. That consideration must be recorded in its favour. In our present system he would be snowed under, and be charged his deposit of £150 to be dug out again. It is not surprising that Proportional Representation is relegated to those countries which are not able to provide the loudest sounding-board for "disturbing" views and inconvenient questions, while England and America (and now France) stick to the more efficient system which ensures that whomever the bankers may boycott the electors will slaughter.

* * *

The Trade Union Congress ended up with a good row, which perhaps compensated the delegates for their trouble in attending it. No student of Social Credit expected it to do anything. Mr. Baldwin had invited it to "give a lead" to the country. The inevitable result occurred. One school of delegates said: "Let Mr. Baldwin be damned," and another replied: "Damning Mr. Baldwin will not get us anywhere." And the evening and the morning were the first day. In such manner proceeded the creation of the new world. Labour by no means monopolises the method. In the League of Nations Assembly Great Britain was, at the same moment, being assailed as an obstacle to peace; Sir Herbert Samuel was hammering Mr. Churchill for glossing over the tragic position of industry; while last week Sir Adam Nimmo was attacking Sir Herbert for preaching impracticable reforms to colliery owners. It is as though some maleficent God had said: "Let the earth be without form and void, and darkness be upon the face of the deep."

* * *

The Trade Union Congress has made up its mind that it is better to bargain than to strike. It will not, however, give up the right to strike. At the same time it refrains from saying when bargaining should cease and striking commence. In the absence of any such rule the question of whether to bargain or strike has to be left to the discretion of a centralised executive. What its attitude is likely to be can be most plainly indicated by considering the Trade Union movement in its financial aspect. Trade Unions, in times of industrial peace, are savings banks; and the Congress stands in the same relation to them as does the Bank of England to the joint-stock banks. It generally controls their policy. That policy is to invest the workers' contributions in capitalist enterprises; or else in Government and Municipal securities, which depend for their value on the financial success of capitalist enterprises. That is to say they are continuously subsidising the capitalists with whom they propose to bargain. But short of striking, their whole power of bargaining is their power of making terms for granting the subsidy. By handing the money over without conditions to capitalism they are giving it all the bargaining power on the issues that divide the two parties. They are then reduced to the policy of petitioning capitalism for *ex gratia* benefactions. That is very nice, but it is not bargaining power. In all practical affairs of business, bargainers must exercise the power either of inducement or of compulsion. Mr. Ben Turner and Mr. Smillie both professed their belief in the policy of give and take. But they are part of an institution which, by giving all, can take nothing. Mr. Turner protested that to profess such belief was not cowardly, it required courage to say these "*unpopular*" things. Yes, but why are they unpopular? Because the belief does not *work*. When he says that the workers are tired of quarrels and disorder he is correct. They are. Nevertheless, much as they dislike industrial war they dislike personal impoverishment more. Peace at the price of penury they will never tolerate. Yet can the "negotiation" school of Labour leaders offer them aught else?

* * *

The Minority Movement are in no better case; for just as without money power you cannot negotiate, without money power you cannot strike. The Labour Movement unanimously agrees to subsidise capitalism, and enables it to win against either its negotiators or strikers; and then it splits into two heated factions over the question of whether it will negotiate or strike. If only these conflicting groups would stop questioning each other's case on industrial policies which disunite them, and would settle down unitedly to question themselves on the financial policy of their common movement they would be well on the way to discovering a line of advance. The mere refraining from investing Trade Union funds in industry is not, of course, a complete and final policy in itself. But an investigation based on a clear debating proposition of this sort would lead into a region where some startling discoveries would be made. For instance, take two questions: "What is the effect of Labour's investment policy on the collective purchasing power of the workers' wages?" and: "What ultimately happens now to the money Labour invests?—Do the capitalists retain it, or does it leave their possession and disappear from circulation altogether?" We do not propose to argue these questions now; we content ourselves with the assertion that until Labour economists have taken the trouble to make sure whether they know the answers, they have not commenced their job of advising on Labour policy.

* * *

At the close of his address on Darwinism before the British Association, Sir Arthur Keith said that whatever theory were adopted as to man's physical evolution, there still remained the inscrutable problem of how to account for the marvellous development of his brain. Of course, we know quite a lot about animal instinct—or think we do: but nothing about that marvellous thing, man's reason. That is probably because, in the first instance, we investigate on the principle: "instinct is as instinct does"; while, in the second, we do not say: "reason is as reason does," but rather: "reason is as reason reasons about itself." A dog who buries a bone knows where to dig it up again. That is animal instinct at work. A whole population buries bones and can never find them again. This is human reason at work. "A sheep," said an old countryman to us the other night, "is a very stupid animal." The conversation then proceeded in this wise:

"Oh! In what way do you mean?"

"Well, take for instance, snow. As soon as it begins to snow a sheep will lie down just where it is instead of trying to move to safety. That's why you hear of all this trouble of digging them out afterwards. Sometimes they are as far as thirty feet down in a drift when they're found. And it may be a week or more before that happens."

"What a pity they should die like that."

"Oh, they don't necessarily die. A sheep can live for three weeks under snow."

"Without food?"

"Yes."

"Well, but they die of cold."

"No; they're as warm as toast when you get to them."

"But they must suffocate."



"No, they don't. I'll tell you. When I was a boy the farmers used to give us a penny each for finding them. A puzzle, you'll say, to go walking over a mountain of snow in search of sheep maybe twelve to thirty feet below. Do you know how we did it? We used to watch the surface of the snow and walk along very slowly. Suddenly we would see two little holes an inch or so apart, just as if someone had stuck down his little finger twice. And there was your sheep!"

"That was cute."

"Well, boys' eyesight is keen, and ——"

"No, the sheep."

"The sheep?"

"Yes; driving the holes up with its nostrils."

"Oh, I see. Well, but that's their instinct. All sheep, when the snow covers them, turn their faces upwards, whereas a human being would always do the opposite."

"That's exceedingly interesting."

"Yes, isn't it? . . . Well, we boys would have little flags, and would stick one at each spot. Then at length we would run to the farmer and tell him: 'Maister, we've found six on 'em.' 'Right, my son,' he would say, 'we'll get the diggers out.' . . . 'So that'll be sixpence, Maister.' . . . 'Sixpence it be, lad,' he would laugh, '*after we've got em.*'"

"That also was cute."

"Well, I don't know about 'cute'; all farmers are like that. It comes natural to them: you might almost say they're born like it.

"So then what happens to the sheep?"

"Oh, they're all right in twenty-four hours."

"Exhausted?"

"A bit hungry, you know. It's not that. You see, lying in one position for a week or longer they get a bit cramped."

"A bit cramped! . . . Yes, I can see the possibility——"

"Well, that's so much for sheep. Another stupid animal in a way is the bull. Now, you take a bull——"

But the bull must be taken on another occasion. We have enough material for speculation over human sheep—Capital and Labour on their bellies at the bottom of the economic snowdrift. Happily there are some boys alive who can see through the snow. The Social Credit flag is a very little one, but it suffices. When will the statesmen-farmers get the diggers out?

* * *

There are some interesting points about the Election in Ireland. One is the report that Irish printers are demanding cash pre-payment from all candidates for election literature—a practical reminder of the fact that a political crisis has only to recur two or three times at quick intervals to ensure the final triumph of the richest party, or, to be accurate, the party with the largest borrowing powers. In the last resort Mr. Cosgrave depends on England and Mr. de Valera on America for fighting funds. And for more than fighting funds, if a current election argument is well founded. It is that if Mr. Cosgrave is returned with a clear majority, he will be able to borrow £10,000,000 to further the Shannon Scheme on favourable terms in Ireland; whereas Mr. de Valera would have to get the money in America. The unsophisticated writer who quotes this argument points the moral, how much better to raise the money from Irish *citizens* who will get the *interest to spend in Ireland* than to send interest out of the country. Quite so, if that were all, and all were true. But these "citizens" would mostly be banks and investment houses, the two institutions least likely to spend the interest in Ireland. That is a minor point, however. The main point is the writer's calm assumption that either Irish party in power need have to raise funds for capital development from any "citizens." In principle, credit can be created and used without a single person borrowing it. And even if loaned to persons it could be loaned, again in principle, free of interest. The obstacle in either case is practical. It arises primarily from the delegation to the banking system of the State's inherent right to create credit and decide the conditions of its entry into use and circulation; and immediately from the nature of the conditions which the banking system has arbitrarily chosen to impose. That the loan system has its advantages need not be denied; nor that, at present, the system of charging interest is a convenient method of discriminating between various intending borrowers. What is wrong is the general policy being pursued by the banks together with the derivative *principles on which they exercise their discrimination*. Whither their policy tends is manifest in the mere suggestion of the contingency of £10,000,000 being raised for the Shannon Scheme at a time when Irish farmers are being sold up everywhere for the lack of negligible sums of money. Building dams out of the debris of smashed creameries may be called financial progress; but it is economic retrogression. Ireland's spare productive energy is the measure of Ireland's potential resources of financial credit. A Government who realises this need have no difficulty in financing agriculture and electrical power-development together. It would need at the same time to correct inflationary consequences in its retail markets, but that problem was solved seven years ago. A State with credit to hand out could *buy the active co-operation* of industry in carrying out a new price-policy, just as it can now buy the products of industry. To-day the banking system is buying that co-operation in favour of its own policy of restricted consumption, and doing it by means of its control of credit belonging to a population whom the lack of facilities for consumption is inciting to perpetual war—economic, social and political. Whenever a Government chooses to insist on its rights it can take a step forward. That step would be to break with the bank-inspired tradition that it is improper for a Government to run its own newspaper. A Government that can create credit (currency notes if need be) and use it to finance its own propaganda, and is prepared to do it in the last resort, will have taken a stride over its main difficulty—the publicity boycott. No single politician can begin: it must be a group. For if Mr. Lloyd George, or Mr. Baldwin, or any other, were, singly, to begin to advocate the new policy in unmistakable language, and got reported by some oversight, the next week paragraphs would begin to appear in the newspapers somewhat as follows: "Mr. ————'s admirers are becoming anxious about the state of his health," followed by a subtle suggestion that he was the victim of nervous strain, and that it would not be fair to the gentleman, in the circumstances, for organs of public opinion to play down to vulgar curiosity by publishing what he said. He must take a rest. And he would, so far as Fleet Street could see to it. Such things have happened across the Atlantic if Mr. Upton Sinclair's testimony is to be relied upon. That it has not here (so far as we know) is only because there has been no necessity. Mr. Henry Ford's present difficult situation is not disconnected from the indiscretions of the *Dearborn Independent* apropos (1) Jews and (2) financiers in general.

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"There is little inducement to develop mechanical means or to use what may be available when human labour is cheap in terms of goods. Thus in some Cuban sugar centrals to-day bags of raw sugar weighing 330 lbs., after being carried by conveyor from mill to car, are moved within the car on the shoulders of men and stacked in place by hand. It is a task of incredible severity, four men taking turns in handling these weights for twelve hours a day. Machinery exists which could do this work, but hand labour is cheaper. Ships are coaled at Oriental ports by coolies, generally women, who carry the coal in baskets, because labour is cheaper than would be the installation and operation of the necessary coaling machinery."—Bulletin of the National Bank of Commerce in New York.

# The Gold Standard and International Exchange.

By C. H. Douglas.

It must be within the experience of most people who have endeavoured to popularise the idea of finance with which this Review is associated, to find that the question of international exchange forms a stumbling block. In the case of those persons of whom, perhaps, it is most important to make converts, such as business men and others who deal practically with the everyday transactions of commerce, it is frequently possible to obtain an admission that some new conception of finance, besides being desirable, does not appear to present insuperable difficulties in regard to internal business, but is ruled out of the sphere of practical politics because of (what seems to them) the insurmountable difficulty of international trade on a basis other than that of the gold standard.

It is relevant to observe in the first place that this is exactly the idea which the upholders of the gold standard would wish to disseminate. It is fairly obvious that if you can imbue an effective majority with the idea that nothing can be done for the financial system except as the result of world-wide and international agreement, you are going to put off any considerable action for a long time. It is convenient, though not necessarily accurate, to say that the length of time required to obtain action in regard to any fresh idea, varies directly as the square of the number of people required to be convinced, and inversely as the simplicity of the proposal, and is unaffected by its essential soundness.

But while, I think, there is reason to suspect conscious assistance to the idea that finance can only be treated as a world-wide problem, and that reform on any other basis is impracticable, there are doubtless genuine difficulties in the apprehension of the fallacy involved in this idea; difficulties which in the main arise from the conception of money, and more particularly gold, as having some fixed value in itself.

Now the theory, if theory it may be called, of a gold exchange standard is that if two articles, A and B, have prices attached to them in different currencies, those prices will vary inversely as the amount of gold which the currencies in question will buy, varies. That is to say, if the price of gold in English currency is £4 per ounce, the price of gold in American currency is $20 per ounce, and the price of two articles, A and B, in the respective countries is £1 and $5, a rise in the price of gold in Great Britain to £5 per ounce would mean a fall in the price of article A, if bought by United States currency, by 25 per cent., and a rise in the price of article B, if bought in British currency, by a similar amount. That is the theory, although it is very far from being what actually happens.

The first point to observe is that we are considering the interplay of two kinds of credit systems. The national currency depends for its validity on the fact that, if tendered inside the country of origin, goods will be delivered in exchange for it. Gold, in the post-war world, has been artificially elevated into a super-credit system of a peculiar kind. For the individual, gold is an effective demand for currency of any country at the gold exchange rate. For the banking institution, however, gold is not merely an effective demand for currency at the gold exchange rate, it is an effective demand for international credit to the amount of several times the face value of the gold. These considerations may enable us to get a firm idea of the tremendous power given to banking institutions by persistence in the use of gold, and on the other hand, to realise that its use is essentially unnecessary. In regard to the first, we have the astonishing situation that an ounce of gold in the hands of John Smith is worth only £5, but in the hands of the Bank of England it is probably worth £50—a situation which obviously cannot fail to keep John Smith where he belongs, from the point of view of the Bank of England. In regard to the second point, we can see from the proposal enunciated above, to the effect that a national currency derives its validity from its effectiveness as a demand for goods and services, that the problem of maintaining the exchange value of a national currency, while eliminating the use of gold, depends on the validity in a foreign country of the given currency as a demand for the currency of the second country in question. It is easy to prove that this is ultimately dependent on the ratio of unit prices to unit purchasing power in the same country. If we exclude the trade in money as a commodity in itself, the only object in buying a currency of a foreign country is in order that one may, with a currency so bought, buy goods or settle an account. If this be borne in mind (and an astonishing number of people seem to lose sight of it) the value of that currency depends solely on what it will buy. In other words, if we untie a currency from the gold standard, its exchange value is inversely proportional to the relative price level of commodities in the countries concerned. The lower the price level, the higher the exchange value of the currency. This is fundamentally incontestable, and I have never, in fact, heard it seriously contested.

If, as is suggested in the ideas that I have put forward, a considerable proportion of the credits which are created in the country, are applied to the reduction of prices, then it is quite obvious that a given unit of, let us say, English currency will buy more than it would before; the ratio $\frac{\text{unit purchasing power}}{\text{unit prices}}$ is raised. Consequently a given unit of currency will find a purchaser in foreign currency at a higher price than it would before, assuming that the ordinary influences of the market were allowed free play. I do not think that if such a scheme were put into operation these influences would be allowed free play, and the first result would possibly be a wholly artificial depreciation of say, the British unit of currency in the world exchange market—a matter which the exchange brokers could quite easily arrange. But the result of this would be that the British unit of currency, bought at less than its true exchange value in some foreign currency, would, in terms of that foreign currency, buy still more goods than even it ought to under the proposed change. The result of this is easy to foresee. In the first place, it would result in an enormous yet temporary export trade, against which competitors would have no effective weapon other than to apply the same modifications to their financial system. Secondly, in the language of the stock market, the money "bears" would be caught short of British currency, and caught short without the least possible chance of ever buying to cover, except at a ruinous loss. I am inclined to grant them sufficient intelligence to enable them to see this very quickly, and I have no doubt at all that the almost immediate result of the application of credits to the reduction of prices in, for instance, Great Britain, would be to send British exchange above par.

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The delegates attending the International Chamber of Commerce Conference do not agree with the League of Nations' experts that a cheque is "a bill of exchange drawn on a bank." The Cheque Bills Exchange Committee of the Conference recommend uniform regulations governing cheques, etc., for the whole of Europe. The British and American delegations have agreed to oppose any recommendations for changing the banking laws of the United States so as to relieve the deliverer of negotiable instruments from the responsibility of guaranteeing previous endorsements.—British United Press cable from Stockholm in the *Evening Standard.*



# Views and Reviews.

## THE MARRIAGE OF HEAVEN AND HELL.

This full-colour facsimile taken from an original of Blake's "Marriage of Heaven and Hell,"* now in the Fitzwilliam Museum, Cambridge, is veritably a thing of beauty that rouses the lust for property only a little less than it awakes the impulse of giving. To study Blake's text amid his own designs and illustrations is the only way for the reader to attend the wedding. For if the theme is "The Marriage of Heaven and Hell," the manner of its execution is the wedding-feast itself. Max Plowman's essay, which follows Blake's text, contains notes for which many students of Blake will be grateful. The essayist alternates between broad lines and particular instances in a way that enables the reader to get hold of the thought.

* * *

For Blake the crucial aspect of dualism was the antagonism between the formal intellect and the formative spirit, or, to personify them, between the geometer and the poet. Thus the stage on which Blake experienced the eternal conflict was original, and in view of the subsequent development of the formal intellect and the decay of the formative spirit, his drama was prophetic. As Max Plowman writes, in all states of overflowing vitality the human mind experiences the joyful sense of being free. The formal intellect is under the dominion of the poetic genius. Science is not an end in itself, its discoveries are additions to the technique available for artistic creation. When the surplus vitality has been spent, and the source dries up, however, the formal intellect goes on working without any creative goal. Science becomes the highest of all realms. Intellect is crowned king, and goes on piling up its formal works without there being any creative genius to distinguish the value of one from another.

* * *

That rhythm between the formal and the formative which goes on between generations goes on in the same generation; in the same person. All sensitive souls have recognised how one's standard of good and evil is liable to depend on one's physiological fitness. When life overflows one is hopeful, exuberant, child-like; when the need for economy, possibly the source of all binding rules, enforces a régime, one begins to subscribe to creeds, moralities, conventions, and the thousand other devices men employ to prevent their neighbours from stimulating them. One of the subtlest lessons of creation is that heroes have no old age. It is a rarity for any man to transcend this moral pendulum, to free his spirit so that he is able to see good and evil undistorted by his mask of bodily health or ailments. More often he oscillates between the extremes of professed faith in impulse and in the necessity for traditional discipline. Blake secured freedom—whether it continued is no matter for the moment—in "The Marriage of Heaven and Hell." He attained the ecstatic experience of being at the point where freedom and fate cross, the point which is true destiny; which is both nothing and the whole cross; and in which, accordingly, a man dies and a man is re-born. Such is an alternative way of saying what Blake meant by the marriage of Heaven and Hell, the arms of the cross being reason and energy, prudence and prodigality.

* * *

A partial analogy is to be found in the electric arc-lamp. When the terminals are too far apart there is either no light or a flickering which resembles the unhappy alternation between the extremes. If the terminals are brought into contact the light dies; nothing is any longer manifest. When they are torn in twain again, and separated by the right distance, there is a steady blaze of illumination. Thus life is saved by being lost; only by death can there be re-birth. Blake's "Marriage of Heaven and *Hell*" is a celebration of such re-creation not merely in its choice of theme. It is not art for art's sake. It is not a *formal treatise* attempting to demonstrate the inferiority of the formal intellect, nor a shapeless impression attempting to establish the pre-eminence of the shaping principle. It is rather art for life's sake, in which the message and expression constitute an unity. The work of art itself is the blaze of illumination that attests the joyful consummation of the marriage of reason and energy, prudence and exuberance, line and colour; for an instant propaganda is art.

* * *

Had "The Marriage of Heaven and Hell" been a longer work it would have been suspect as either a product of that formal intellect which Blake saw in its advancing dominion as binding the world in chains, or it would have shown evidence of marrying and remarrying—of what, in another and more colloquial idiom is called burning the midnight oil. As it stands a book dwells in each of its aphorisms. Those who have studied the proverbs of hell, for example, with patience testify to the flash with which the at first sight vague ones deliver up their meaning, which is recognised by the more emancipated as an essential part of a beyond good and evil standard. "He who desires, but acts not, breeds pestilence" is by no means the only example supporting the affirmation that "what is now proven was once only imagined." Blake is a rare instance of the spirit emancipated from morality that did not mortify itself by either cynicism or pessimism; but for which, on the contrary, the transcendence of fate and freewill in the acceptance of "destiny" brought new creative power and joy in its exercise.

* * *

The truths by whose adoption the spirit can attain satisfaction on earth were revealed in the beginning. Science has done nothing for philosophy, and in taking precedence of art and religion it has imprisoned the spirit where it is most important for it to be free. It is futile to establish man's origin and to multiply his powers if at the same time he entirely loses the vision of his goal. Blake, soaked in the Bible, in the Sermon on the Mount perhaps more than in any other part of the Bible, created in "The Marriage of Heaven and Hell" an expression of the truth appropriate to his age. He called his generation to revivify the imagination; to revise the existing hierarchy of the mind in such a way as to set the poetic imagination on the throne. The generation, alas, which has set Blake on a pedestal, which claims kinship with him less because he was a poet than because he was a Londoner, shows little sign of hearing him. Christ offended the priests; He died on the cross; others died for the right to glorify Him; He was glorified. Then Christianity was invented by the priests. The source of life became a means of government. For Christ—read any prophet.

R. M.

* "The Marriage of Heaven and Hell." By William Blake. From an original illuminated by the Author, with an essay by Max Plowman. (J. M. Dent and Sons. 21s.)

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### GENIUS REWARDED.

By A. S. J. Tessimond.

He lived. . . . He hardly could expect us to
 Appreciate assaults upon our habits:
Better those gentlemen who'ld bring, we knew,
 From the old hat the old familiar rabbits.

He died. . . . We said, "Sir, for your good alone,
 You realise, we threw those brickbats at you?
But now you're dead we feel we should atone.
 Accept—as some slight tribute, sir—this statue!"

## The Smile Sardonic.

**By "Old and Crusted."**

> . . . thy sharp
> Upbraidings often assail'd
> England, my country—for we,
> Heavy and sad, for her sons,
> Long since, deep in our hearts,
> Echo the blame of her foes.
>
> . . . . . . . .
>
> The Spirit of the world,
> Beholding the absurdity of men—
> Their vaunts, their feats—let a sardonic smile,
> For one short moment, wander o'er his lips.
> *That smile was Heine!*
>
> (*M. A. Heine's Grave.*)

An Irishman once said that the difference between the Irish and the English was that whereas in Ireland "the jaynious was dishsthributed" in England it lay in lumps. Heine, with an added tinge of bitterness, expressed much the same opinion, although he called it lack of imagination. This want—he says in one of his Paris letters—

> Constitutes the whole strength of the English and is the final cause of their success in politics and in all material undertakings; in industry, machine-building, etc. They have no imagination; that is the whole secret. Their poets are only brilliant exceptions; therefore are they not understanded of the people—this chosen people of prosaism.

And he was not without provocation. Consider the times in which he lived. The letter quoted was written from Paris in 1840, where Heine was dragging out a brilliant self-imposed exile, drugged by the "fumes of praise"—"hot heady fumes"—"that mount to the poor brain and madden." Revelling as he did in the "dazzling converse" of Paris drawing-rooms, enjoying a social success granted to few, there was "a secret unrest" about him which made "triumph itself taste amiss to his soul." There was something twisted in that sardonic smile of his, whose secret the author of the Scholar-Gipsy guessed, for he knew full well "What wears out the life of mortal men" and divined—"how oft

> Heine's spirit outworn
> Long'd itself out of the din,
> Back to the tranquil, the cool
> Far German home of his youth!

But Germany and the rest of Europe were still under the domination of Metternich and the Holy Alliance. Poets, with the exception of one or two reactionary warblers, were having a bad time of it all round; the gospel according to Adam Smith was being preached by devout disciples all over the civilised world; and in England the Victorian Philistines, in the hey-day of youth, were busy laying the foundations of that jerry-built edifice, industrial supremacy, in a murky atmosphere of vaunted liberty and publicity, described by Arminius, Baron von Thunder-ten-Tronckh as,

> "liberty to make fools of yourselves and publicity to tell all the world you are doing so."

It was something more than coincidence that Matthew Arnold, who, in one short sentence, has given us an imperishable flash-light portrait of Heine, was also a most ruthless critic of that particular type of Englishman whose lack of imagination and repellant manners were responsible for some of the "poet journalist's" most scathing outbursts. Doubtless it was some peripatetic Mr. Bottles, brought up at the Lycurgus House Academy, Peckham,

> "a Radical of the purest water; quite one of the Manchester school,"

that Heine had in mind when he vowed that the English were

> "the most repulsive people that God in his wrath had ever made—a grey, yawning monster of a nation, whose breath was choke-damp and deadly boredom, and whose finish would certainly be suicide at the end of a colossal ship's cable."

This choice piece of invective was the outcome of certain reflections on the nationality of one William Shakespeare, and the discovery that the greatest of the poets was a national institution with us, beloved of the common people—yea, even by the fat Beefeater at the Tower who showed Heine where the young princes were murdered, and referred him to Shakespeare for "further details." Why Providence bestowed this great gift on an undeserving race Heine can only explain by assuming that Shakespeare was given us as a consolation for the miseries suffered under Puritan tyranny and

> "as a proof that Merry England once really existed."

Here again the two poets are of one mind. If the "elegant Jeremiah"—as the *Daily Telegraph* dubbed Matthew Arnold—had harsh things to say of the "prison-house of Protestantism" and its warders, Heine goes one better and accuses the Puritans of

> "uprooting flower by flower the religion of the past and spreading over the whole land, like a grey mantle of fog, that dreary gloom, which, weakened and materialised, has gradually been watered down to a lukewarm, whining, mildly-soporific Pietism.

And, one might add, to degenerate finally into that insular cant which became a byword in Europe and still poisons our relations with half the world.

. . . . . . . .

Much as Heine disliked the English and however harshly he derided their less amiable characteristics, it was for his own people that he reserved his most sardonic jibes—especially the great Jewish money-monger, of whom he said that

> "as regards the founders of the present financial dynasties we might venture on the bald statement that the first banker was a successful knave."

But he was under no delusion as to their power: "Money," he goes on to say, is

> "the God of our age, and Rothschild is his prophet."

An assertion supported by his early contemporary, Byron, in Canto XII. of "Don Juan":—

> "Who hold the balance of the world? Who reign
> O'er congress, whether royalist or liberal?
> Who rouse the shirtless patriots of Spain?
> (That make old Europe's journals squeak and gibber all.)
> Who keep the world, both old and new, in pain
> Or pleasure? Who make politics run glibber all?
> The shade of Buonaparte's noble daring?—
> Jew Rothschild, and his fellow-Christian, Baring.

Now these things were written in the days when the "great financial dynasties" were consolidating their thrones, and before they were able to visit the offence of *lèse-majesté* with subtle punishments undreamed of by the Hohenzollerns at the height of their power—and yet, in spite of it all, there was something that even Rothschild could not touch. Hear the story of Moses Lump as told by Hirsch Hyacinth, once a dealer in lottery tickets, now groom of the chambers and body servant to the Marchese Cristoforo di Gumpelino, erewhile Herr Gumpel, banker, of Hamburg.

> "This Moses Lump was a pedlar, who trudged up and down in wind and weather the whole week long to earn a few marks for his crooked wife and still more crooked daughter—and a sour job it was—but on Friday evening when he came home, wet and weary, and found the table covered with a fair white cloth, and the seven candles burning brightly, he put away his cares with his pack, sat down to a dish of fish cooked in white sauce scented with garlic, singing between whiles the glorious songs of King David, rejoicing with his whole heart that the children of Israel were safely out of Egypt, and all the scoundrels who had wrought them evil dead and done with—Pharaoh, Nebuchadnezzar, Haman, Titus and all the rest of them—but that Lump was still alive and eating fish with his wife and daughter, smiling at the candles, which he did not even snuff himself—why, I tell you, says Hyacinth, if the candles were burning dim and the 'Schabbesfrau' was not at hand to trim them, and if Rothschild the Great with all his brokers, agents, and cashiers were to come in and say, 'Moses Lump, ask what you will, and it shall be granted you,' I am convinced little Lump would simply answer, 'Snuff me the candle.'"

. . . . . . . .

The question may well be raised, why grub up these half-forgotten girdings at a vanished era familiarly known as "Early Victorian," which, after much abuse, has been happily rehabilitated and canonised by the Dean of St. Paul's? Well, in the first place, is not the chief obstacle to the spreading of the New Economics the sub-conscious persistence of the old Puritan heresy (carefully fostered in certain quarters) that abstinence is in itself a good thing?—although it is over a hundred years since Blake warned a stubborn generation that

> "Abstinence sows sand all over
> The ruddy limbs and flaming hair,
> But Desire Gratified
> Plants fruits of life and beauty there."

As for the cant at which Heine jeered and the claptrap so delicately satirised by Matthew Arnold, are they not still with us?

If Mr. Lowe, in his day, fatuously declaimed that "the destiny of England is in the great heart of England," do our political *epigoni* show up any better? Have we not also heard something concerning "a land fit for heroes" and "peace in our time"? Verily, if the Spirit of the World is still interested in the "absurdities of men," it will find endless amusement in contemplating the spasmodic twitchings of the fantoccini of 1927—for it knows who pulls the strings.



## Drama.

**The Music Master: Apollo.**

Before Anton von Barwig came to New York he had been conductor of a great orchestra in Vienna, a man with a world-wide reputation. Ambassadors remembered him. Here he was, however, living in a New York slum, showing such signs of poverty as pawn-tickets for keepsakes lying about his room. Although his poverty was genuine enough his equally poor mess-mates could not understand his being in that galley. They suspected that he had some mission in America, and they were, of course, not wrong. Nineteen years ago in Vienna his wife had run away with his bosom friend, or his bosom friend had run away with his wife, taking his baby daughter with them. From something extraordinary in the Viennese artistic temperament he wanted them back, or at least to see his baby girl—who played with a doll that had lost an eye—before he died. So much he told Jenny in the audience's hearing at the first opportunity, while the organ upstairs played a melody of his that had never been publicly given in America.

Anton von Barwig was a man of sorrow and acquainted with grief. But he was also a veritable sunbeam of Jesus, radiating happiness and hope in every direction. He had pupils, but they were too poor to pay, so that he was reduced to thumping out at the Aquarium music appropriate to the turns of the midgets and the fat lady. Just as he smoothed out the quarrels in Miss Houston's lodging-house, and smoothed the course of true love for Jenny and August Poons, the unemployed cellist, he inspired the midgets with respect, and the fat lady with feelings that made her weep at his ultimate departure. Von Barwig took every blow of ill-fortune with the meekness that sounds so heroic to the weak. When he was offered the conductorship at the new concert hall, and the musicians' union forbade him to accept because the hall was built with black bricks, he had not one word of anger for the bricklayers' secretary.

As the resources of the New York police are sometimes unequal to finding a man when all particulars are known, it was perhaps lucky for the audience that fate helped Herr von Barwig in his search for two women. At the right moment a spotlessly smart young lady walked into Barwig's tenement to order violin lessons for a slum-kid, thus announcing at once to the cleverer members of the audience—and to the others as well—that her heart was golden enough to be a chip off the old man's. He was startled by the sound of her voice; he peered into her face; he asked with tremulous voice her name and age, and finding only her surname wrong, in his soul he knew her. He did not spoil the play, however, by discovering himself. While she was misunderstanding his absent-minded questions and bringing him back to business, the broker's men fetched his piano away, whereupon she ordered more lessons, to be delivered to herself at her millionaire father's mansion. To abridge the story, the millionaire had old von Barwig turned away from the door; he failed to get rid of him; and the two had a terrific row about the property rights of parents. But the old man, relenting in his moment of victory not to spoil his daughter's prospects of marriage with the son of an Ambassador, prepared to go back to Vienna with his broken heart. In six months, however, self-sacrifice reaped its hundred-fold harvest. Helen, née von Barwig, alias Stanton, now Mrs. Cruger, rushed into the tearful tenement and fell upon her father's neck—after he had given the appropriate display of stoical nescience required to harrow our feelings to the uttermost.

If tragedy serve the end of purging the audience of pity and terror, to send it away exalted, hard, and heroic, "The Music Master" should purge it of all sentimentality, to send it home fit for work at the office. The play has run in New York for over twenty years, and its coming at long last to London suggests that even in London an antidote is required against the decking of courtesans in fine silk and phrases, and against the stimulating "getting-parties" shown on the imported films. How long it will run is a question that provokes diffidence in one who gave "Abie's Irish Rose" six months, when it was capable of taking only four. The astonishing thing about the play is that London has had to wait so long for it. In many respects it calls up the work of Barrie, particularly in that its technical construction hides its defects in ideas. Like Barrie's plays it brings out the inherent goodness of human nature; it presents a picture of a world in which the weak, the poor, and they that mourn are blessed; in which the modest violet is the object of a million pairs of admiring eyes; in which it is harder for a rich man to enter heaven than for a camel to leap through a needle's eye; and in which the Government's whole stock of coronets, translated into war-time prices, is manifestly of less worth than one kind heart. Like Barrie, Mr. Charles Klein makes one want, on leaving the theatre, to give the old woman a shilling for a box of matches, and, patting the taxi-driver on the cheek, to ask after his wife and family. "The Music Master" hits us hard in our weakest places.

There is no heart-ache that the play does not exploit. It relies on that readiness of human nature to live its troubles over again in imagination. The home-sickness we all experienced at some time is not merely brought about again by von Barwig; it is thrice emphasised by *M.* Pinac, *S.* Tagliafico, and *Herr* Poons, whose lusty drowning of their poverty and sorrow in harmonious jollity beats a speech by a member of the League of Nations Union as an appeal to the great throbbing heart of the people. What a Barrie touch there is about old von Barwig, who has attended the mansion on Helen's birthday to give her a lesson, instead of looking at her presents as bidden, rooting in the cupboard among the baby toys her mother told her to save, and bringing out the Viennese doll with one eye

"So it was never mended, after all," he croons tenderly, while the elderly members of the audience nurse their babies of long ago in the mist of tears. Another instance was the little sermon delivered to Miss Houston, von Barwig's landlady, when she had filled herself with hope that Poons wanted to marry her. How noble her renunciation in response to the old man's gentle reminder of the duty of the hens to the chickens, and his advice to let Poons marry the rosy-cheeked Jenny as nature intended. One cannot but admire the sheer efficiency of the dramatist who, having chosen his medium, forgets absolutely nothing.

A play does not run twenty-three years on nothing. "The Music Master" is so full of incident that it almost acts itself. It reaps up memories that would be painful anywhere but in a theatre. If it is not art, it does not profess to be art, though it equally does not profess to be what it is—an opportunity for catharsis. People go to a psycho-analyst and pay guineas upon guineas for a less effective internal Turkish bath than "The Music Master." The only character in the play with any semblance of reality is the banker-millionaire-philanthropist, who, on meeting von Barwig, sees his whole achievement threatened by the possible exposure. Being a villain amid so much moral perfection was a lonely business. For the restraint which Daniel Pennell achieved, and for the conviction of reality, he merits congratulation. Harry Green walked through the part of old von Barwig with his customary fine command over pathos and humour, but one wished there had been more opportunities like the passionate outburst with the millionaire.

PAUL BANKS.

## Music.

It is heartening to see Miss Daisy Kennedy's courageous public protest against the conditions under which soloists are expected to play with orchestras in this country so powerfully supported by Mr. Ernest Newman in *The Sunday Times* of August 28, together with an endorsement of an opinion of my own declared for years past as to the essential and decided individual inferiority of the material of English orchestras, compared with those of Berlin, Vienna, The Hague, or Rome. Mr. Newman says he is always being appealed to by artists to expose the state of affairs regarding rehearsals, and also the scandalous abuses whereby pianists are often coerced into using notoriously inferior instruments by this or that maker. But he adds that it is those who know all about and who suffer under these abuses who should expose them. That is all very well, but none but an artist of immense standing or independent means can risk doing this without finding himself practically boycotted in all directions and deprived of "visible means of subsistence." The same remarks apply to composers. A well-known and distinguished English composer had an orchestral work of his so disgracefully mangled a few years ago that he was moved to protest, with the result that he gave offence, and his work has never since appeared on any of the programmes of the conductor concerned. The making of engagements conditional upon the use of a certain piano reached its climax a few years ago, when a gifted Busoni pupil was told he might have concert engagements with a certain organisation if he induced his master to use a certain piano. This was the secret—to those who knew how utterly impossible it was to attempt to bribe this sublime artist—of the use by Busoni of the make of instrument in question.

From this to one of the other major abuses of English musical life—the pull exercised by the "recognised" institutions for teaching music and the blighting, pestilent influence of public school and university—is but a step. It is notorious that products of certain institutions have practically the monopoly of entry into certain orchestras, or the chance of certain posts, and that in cases where a choice lies between the alumnus of the institution, whatsoever it be, and an outsider—no matter that the latter be far more brilliant and competent—the choice will fall on the alumnus. When, in addition, the alumnus has also undergone the process known as a public-school and university education, that is to say, when artistically and spiritually he has been made a eunuch, his pull is irresistible. This is the secret of the plunge into prominence during the past few years of certain young singers and performers, a prominence grotesquely out of proportion to their merits, far beyond that of really admirable and older artists who have not had the benefit of the same disadvantages. Only the other day I came across one of the most glaring instances in a brilliant young organist, who in every respect of capacity and ability enormously outdistanced all his competitors for a certain post. He was turned down because he was not "public-school and university," *and on this ground only—they told him so*—that is to say, because he was not a "perfect gentleman" in the sense that only the victims of those institutions (happily) can be. "Perfect gentlemen" are quite bad enough in ordinary life. In Art, to paraphrase Wilde, they are the unspeakable in pursuit of the ineffable. That is not pretty.

**Queen's Hall Promenades.**

*August* 20.—The Bax Variations did not sound so well on this occasion as before. Things one waited for with the anticipation of being as moved by them as on previous occasions seemed to miss their effect and sound lame. This was only the result probably of the indifferent orchestral playing, which, as always, was very variable. In showy, noisy work, where *brio* can cover up technical roughness and uneven seams, it was superficially effective enough, provided one did not ask for precision and clarity. As far as the two singers of the evening were concerned, it appears that the Promenade tradition of the tenth rate in this respect is to be continued under the new *régime*. The music chosen by them for their efforts, Tatiana's Letter scene, with its passionately pumped-up histrionic hysterics, and the Pagliacci prologue, was even more typical. The manner of the last was such as to make one go hot and prickly with vicarious shame—at the penultimate held-high note one really felt quite overwhelmed with confusion.

*September* 1.—In a tedious and dull programme, untidily and shoddily played, a superb performance of the splendid piano and orchestra adaptation by Busoni of the Rapsodie Espagnole of Liszt, by Egon Petri—brilliant, subtle, graceful, and profound, and unexpectedly well accompanied. In Petri we have the philosophic interpretative artist at his best—the calmness and proud serenity of immense mastery and intellectual force.

KAIKHOSRU SORABJI.

**MYSTERY.**

Upon her face as she lay
In death
There came a smile
Of amusement,
As if the joys offered
In that new world,
To her
Who had known here
Both love and sorrow,
Beauty
And death,
Seemed childish.

F. R. ANGUS.



## Reviews.

**The Bachelor of the Albany.** By Marmion Savage. With an Introduction by Bonamy Dobrée.

**The Heroine.** By Eaton Stannard Barrett. With an Introduction by Michael Sadleir. (Both in the Rescue Series. Elkin Mathews and Marrot. 7s. 6d.)

This rescue of forgotten Victorians is rather a big parade, and, of course, Mr. Michael Sadleir is in the front of the procession. Poor young man, he has to be; he has inevitably committed himself to the defence of his grandfathers, a fault which his own father's professorial judgment enables him to avoid. "The Heroine" is not a bad sort of lark, though it goes on for too long. "The Bachelor of the Albany" is lumpier, and unfortunately for its author challenges comparison with Thackeray, a very dangerous thing for any writer, living or dead, to do. But we wish we knew who Mr. Bonamy Dobrée was, for he is a kind-hearted chap when it come to Introductions, and both he and Mr. Sadleir deserve a putty medal for not worrying our lives out of us with a mesh of verbal barbed wire laid out between us and the books they introduce. One thing more remains for commendation, and that is the very attractive *format* of these two volumes alike in style but different in detail. It lightens their Victorianism, and begs us (in vain) to share the enthusiasm of their showmen.

**A Great Sea Mystery.** By J. G. Lockhart. (Philip Allan. 6s.)

This is all about the dear old "Mary Celeste"—how sick one feels of her very name when the sub-editors get busy on the latest "solution"!—but Mr. Lockhart doesn't leave us much mystery to chew upon. It would be unfair to give away his last word on the matter, but it really is very little to get so upset about. Enough that, from first to last, "Mary Celeste" was an abandoned thing, not worth half the tinkers' cusses that have been bestowed upon her. It would need Conan Doyle, in the days before he began "seeing things," to treat her as she deserved.

**Prefaces and Introductions.** By Anatole France. Translated by the late Frederic Chapman and James Lewis May. (The Bodley Head. 7s. 6d.)

Of the making of books about Anatole France there is no end. We would like to pardon these diligent workmen if only because Mr. Lewis May's idea of the functions of a translator is so admirable in its sense of duty and high dignity. But here are only bits and pieces after all, and though France's worshippers may conceive that he wrote nothing which was not glorious, later days may bring them to reason. For example, this Essay on French Poetry might have been written in any open scholarship examination without giving heart failure to a single scrutinising pedagogue. And if the biographical sketch of Stendhal is charming, there are other scraps included which would not get into everybody's scrap-book. Anatole France needs no chiffonnier to pick up his pieces. . . .

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"The oil lobby is quite the same as it always has been. We are now seeing the same machinery and processes at work to bring on a war in Central America that we saw in use to swindle us into the job of saving England for monopoly. It may succeed, but I doubt it.

"The veto of the Farm Relief Bill simultaneously with approval of the Bank Relief Bill should be a complete demonstration of the spirit and purposes of the powers behind the administration.

"If you care to follow it up, you may be surprised to find that the big money for the 1928 campaign will go to the Democratic Party. Everybody feels that between '28 and '32 we are going to see the most disastrous collapse of business, ruin, and desolation ever known in this or any other land. Comparable only to the devastation of a last war. The big interests do not want their agents in power and responsibility when that comes. This disastrous period is now fully anticipated, as the result of a determination to throw overboard our whole tariff programme in order that the bankers may collect the foreign debts in goods—since they cannot collect them in the only international medium of exchange—aside from goods—*i.e.*, gold. Europe is no longer to rule the world outside of Europe. Our elder statesmen are as blind to what is coming as unhatched chickens."—*Extracts from private letter recently received by a reader of* THE NEW AGE *from a well-known American journalist.*

## LETTER TO THE EDITOR.

**WESTERN CIVILISATION.**

Sir,—In some quarters the manifest shortcomings of Western Europe and North America have encouraged what seems to me an ill-founded enthusiasm for "the East," especially India. The basis of this enthusiasm appears to be facile generalisation from a paucity of particulars. Mr. S. F. Darwin Fox, in his article on "The New Palestine," follows the fashion, making various statements for which I for one would like to see the evidence. I beg to mention a few of them.

"Asia—the primordial cradle of all the civilisation that we know." Let us note that generalisation "Asia," a conglomerate of enormous areas differing vastly among themselves, inhabited by a hundred races, professing some dozens of religions and practising some thousands of superstitions, with a long and excessively tangled history, and a great variety of social organisation. Apart from the theory of the Diffusionist anthropologists that Egypt, or Egypt and Mesopotamia, constituted the mainspring of civilisation for the world through untold centuries, it can be confidently said that Athens has meant more for Europe than all Asia, except the Mediterranean sea-board, rolled into one. Athens and Rome taken together have been the vital powers in the past, however valueless classical studies may be now. "The profound spirituality of the East and the scientific rationalism of the West." Aside from certain Greeks and a sprinkling of people since, scientific rationalism in Europe is a modern phenomenon. The masses of Europeans have been superstitious, just as the masses of Asiatics were and continue to be, though perhaps not so actively and revoltingly. The East and the West have produced a minority of philosophers; the superior profundity of the former may merely mean their greater incomprehensibility. The "spirituality" of the Hindu is quite likely to be an apathetic habit of mind and body produced by hookworm or malaria. When a coolie stands stock still in the street before an oncoming tram, it is possible that he contemplates the mysteries of the universe, but quite as likely that he is considering ways and means of getting a few more annas from his neighbour.

What is the evidence that Europeans are "all of Asiatic origin"? A considerable immigration from East to West has taken place at various times in history, but that throws no light on the provenance of the ancestors of the bulk of the population, and least of all does it affect the allegation that in certain parts of Europe the physical characteristics of the people now are practically those deduced from the remains found of the inhabitants of those parts 30,000 years ago. But even if we accept the "three great racial families (Aryans, Semites, and Turanians)," what common links are there besides those of trade and governments between a Swede, a Connaught Irishman, a Polynesian, and a Sikh, who are "Aryan," between Judge Brandeis and a date-grower in Iraq, who are presumably Semitic, or between a Buriat, a Magyar, a Dyak, and a *samurai* of Japan, who are presumably Turanian? To achieve a synthesis of the affirmation and acceptance of life, which is characteristic of West Europeans and *might* be called Christian, and the flight from life, which is the characteristic of Buddhism and Hinduism, would surpass the mixing of oil and water. Asia is to "help and renew" us. I should like a catalogue of the beneficial ideas exported from Asia to Europe since 1750, as an earnest of what we may expect.

I am not enamoured of the "Democratic Sovereign State," but when all its demerits have been taken into account, varying as they do from time to time and country to country, I hardly think that, judged from as objective a standpoint as can be got, it is as dominating, "obscene," and oppressive to humanity as the caste system of Hinduism, the Lamaist system of Tibet, or the terroristic tyrannies which flourished in S.E. Asia. Finally, it should be noted that in India, for instance, the people who preach "self-realisation" for India do so from the safe quarters of British-ruled India, and not from Mysore or Hyderabad. To say that "the English, French, and Dutch go to Asia only as adventurers, hirelings, business men, and industrialists" is balderdash. How long does Mr. Fox think India would be safe from the 600,000 poverty-stricken fanatics on the north-western frontier of India if the British administration ended? Who were the first to clamour for the materialistic Europeans to rescue the Hindus from their insurgent Moplah neighbours in Southern India? None but the spiritualistic Ghandhi-ites.

HILDERIC COUSENS.

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