

# THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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## NOTES OF THE WEEK.

The *Statist* of last Saturday discusses the continued strength of the American exchange apropos of the prospects of the re-establishment of an effective gold standard in this country. The £ sterling will exchange for roughly 4½ dollars at present; as soon as it will purchase 4½ dollars it will have risen to what is called "gold parity," and then, the *Statist* says "the important decision will have to be made whether an effective gold standard will thereupon be re-adopted." What is this "gold parity"? The best picture of it can be visualised by supposing the American dollar and the British pound to be circulating in the form of gold coins; in which case 4½ of these dollar coins would contain exactly the same weight of gold as would £1. And what does an "effective gold standard" mean? So far as Britain is concerned it means that in practice any British subject could buy a gold sovereign with a £1 note—or (what comes to exactly the same thing) could buy any weight of gold bullion at the legal mint price of 77s. 10½d. per ounce standard quality. ("Standard quality" means gold of the same quality as that which was used to make sovereigns before the war; not pure gold.) Now, as the *Statist* points out, there is still a legal obligation on the Bank of England to give sovereigns for notes, but it is rendered inoperative in three ways. First, you must not send the sovereigns (or bullion) abroad, except under licence; second, you must not melt sovereigns into bullion; third, you must not hoard sovereigns. In a word, we can all get sovereigns if we want them, but we must not use them for any of the purposes for which we do want them. It would have been much more honest to decree straight away, "You cannot have any sovereigns," but that would have been to copy the open, and therefore brutal, methods of that fellow Mussolini, who will persist in clearing situations up his own way in full sight of the people.

The *Statist's* comment on this state of affairs is: "Obviously, there cannot be an effective gold standard until these restrictions are removed." Carried unanimously! The restrictions on melting and hoarding are comparatively unimportant, although during the war (when the price of gold for commercial

purposes rose at one time to twenty shillings an ounce above the mint price) a great number of sovereigns were melted down by jewellers, drawn into wires and rolled into sheet, and served up as wedding rings, cigarette cases, and so on. It paid them to pay anything up to 24s. for each sovereign the public secretly brought to them, and since the banks' best offer was 20s., one can compute for himself the length of the Nicodemian queues which formed up under the winks of the mischievous stars. "What shall I do to make four shillings?" There was a satisfactory answer to each anxious inquirer. But, to return to our main subject, the restriction on exporting gold is of great consequence to British importers when the sterling exchange is against this country. Let us use an illustration. If the American exchange were only 4 dollars to the £, and the British importer were not allowed to send gold abroad to pay for goods, he would have to pay £1 for 4 dollars' worth of American goods. But if he had the freedom to export gold in payment, he could go to his bank and buy an amount of gold equivalent to the theoretical gold contents of 4 dollars. This would cost him roughly 16s. 6d. He could send this gold to America at very little additional cost, and so save nearly 3s. 6d. on his purchase. (This illustration involves his being able to buy a piece of a sovereign from his bank for the 16s. 6d.—but this impracticability, of course, disappears when higher sums are in question.) It is for this reason that the *Statist* observes: "The dangers of any premature attempt at restoring a free gold market (i.e., an "effective gold standard") in London are too great to be ignored. The chief and most obvious danger is that we might be quickly denuded of our monetary gold reserve." This danger would arise as soon as a relapse in the exchange rate of the £ sterling below "gold parity" took place to a sufficient extent to make it worth while for British traders to pay America in gold instead of through a purely bank-ledger transaction; and only a very small relapse would be sufficient. Before the war it would have cost only 10s. for freight and insurance on the exportation of each £100 value of gold, which is one-half of 1 per cent., so that the exchange could not go against us except within this comparatively negligible proportion. With free access to gold at the legal price the industrialist could, as it were, boycott the exchange manipulators as soon as they wrote down the overseas

purchasing power of his £ by more than one-half of 1 per cent. The point at which the boycott could take place is called the "gold point." Thus the gold point of the French exchange used actually to be reached when the French exchange rate touched 25.14 francs to the £, i.e., only .08 of a franc (say one-twelfth of a franc), below the "gold parity" figure (25.22).

We make no apology for dwelling on this aspect of the exchange question, for a proper understanding of it is essential if we are to grasp the import of the Anglo-American negotiations now going on. Nor is there any excuse for even the least instructed to pass it by as "beyond them." There is a close analogy between the price of exchange internationally and the poundage on postal orders within a single country. We have seen that there was a margin of 3s. 6d. on a 20s. purchase in our illustration. That 3s. 6d. can be looked upon as the financiers' "commission" on a 20s. international "money-order." That is to say that an importer who was not allowed to export gold would have been obliged to pay 20s. in Britain in order to get 16s. 6d. worth of goods from America. It was just as though he had bought a postal order for 16s. 6d., and had had to pay 3s. 6d. stamp duty on it. So let us leave "Britain" and "America" out of the picture, and substitute London and Bristol. Suppose you wanted to buy £5 worth of goods from a Bristol shop, and upon going to a London post office to get a money order you were told that the commission was, say, 10s. If you had (or could get) five sovereigns instead, you would refuse the money order because for 4½d. you could buy a stamped registered envelope, and send your sovereigns to Bristol in it. Saving, 9s. 7½d.

We will now quote from the *Statist* again. After saying that in the event of Britain's deciding not to restore the free gold market when the £ reached parity with the dollar the rate might fall away again, it remarks: "Of course, in any event, the dollar rate cannot rise above the parity with sterling (i.e., the £ sterling 'cannot' become worth more than 4.86 dollars) beyond the small margin represented by the costs of shipping gold from New York to London—which constituted the import 'gold point' of pre-war days—for it would otherwise become profitable to convert (paper) dollars into gold and exchange the metal for paper sterling at the Bank of England." Here, it will be seen, the writer is dismissing as an improbability the converse of the situation which we have been considering, saying, in effect, that while a renewed depreciation of the £ is possible, and might lead to a drain on Britain's gold, an appreciation of the £ leading to a drain on America's gold is not possible. This brings us to a side of the exchange problem which is often overlooked. Is it so "impossible" that the £ should go up above parity with the dollar? We grant that with free gold movements from New York to London it would not remain there—the gold movements would bring the £ down again; but that is far different from the implied proposition that a situation could not arise which required such gold movements in order to prevent the £ going above parity. Two things would set up a tendency for the £ to overtake and outstrip the dollar. The first is a further dose of deflation in this country—which may be ruled out as impracticable. The second is a renewal of inflation in America.

Now, according to the *Statist*, the American Federal Reserve Banks held \$3 milliard as gold reserves on December 31, representing "a cover of 73 per cent. against the combined net deposit and Federal Reserve note liabilities." Let us put it this way, that American currency had a backing of 73 per cent. of gold. The corresponding figures for Britain were, according to the same authority, £155,564,000

of gold, against £522,362,000 of currency, giving a backing of 29.8 per cent. gold. Now as to this (call it) 30 per cent. backing, the *Statist* says that it might be considered "within the margin of safety in normal times." Upon the same reasoning, 30 per cent. may be regarded as certainly "within the margin of safety" for America, because whatever abnormalities exist which render the British gold-backing ratio unsafe, may reasonably be expected to have the opposite effect on (or at least not to render unsafe) the same ratio in America. If that is so, America has at present an unused power of safely increasing her paper currency (and, of course, banking credit) in the ratio which 30 per cent. bears to 73 per cent., that is, her banks could multiply credit almost two and a-half times before the gold-backing ratio would fall to that 30 per cent. which the *Statist* says would be safe in normal times, and is at present actually being worked upon by our own banks. When we speak of "safety" here, we mean theoretical safety, as viewed from the strict banking gold-currency-ratio point of view. But, with all that potential power of gold, America cannot increase her circulating currency or credit without producing inflationary results in her price-levels. Again, when we say "cannot" we mean, that her financial rulers do not know how to—or, more truly, do not intend to—adopt measures for keeping prices down while expanding credit.

However, the fact remains that America's gold hoard is at present largely of no use to her, and she would be glad to get rid of a good deal of it. If she chose to inflate internal prices by expanding credit she would (other things remaining unchanged) bring about a depreciation of the value of the dollar below gold point, and so set in motion exports of gold to Britain by American importers, as the cheapest form of payment of sterling debts. And if America is anxious for London to become again a free market for gold, this would provide the inducement for the inflation. As the *Statist* says, London will have to take in gold from America before it can be considered safe to establish the free gold market. But there is another way of receiving American gold than by remittances against exports, and that is by borrowing it. Sir Montagu Norman's visit is connected in some quarters with such an intention. If so, all we can say is that with all its obscurities the New Economics is lucidity itself against the Old. Here we have America embarrassed because she has so much more gold than she wants. She will not do anything to cause this gold to come here in payment for goods. On the other hand she insists that our debt to her shall be paid in gold. But she will lend us gold (presumably attaching the condition that it must be repaid in gold when repaid at all) in order that we may safely establish a free market in gold (which means that British buyers of American goods shall be permitted once more to remit gold to America when the exchange makes it worth while). Then, again, in this country, we allow people to draw gold out, but not to use it for anything. "But are proposing to permit them to use it for everything if we can first make sure they will not need to if we can make sure of that, then we shall not need to have a stock of gold," an intelligent onlooker might remark. What the effective answer to this is we cannot imagine unless it be the assertion that the gold is bewitched.

Mr. J. F. Darling's recent attack in the *Spectator* on what he called an American controlled gold standard is being maintained by him in the correspondence columns of that journal, and one may see in his appearance as a controversialist on these lines evidence of a large and influential body of opinion behind him. Established banking authorities like he do not fight lone hands. What a financier says

to-day, a host of financiers were thinking yesterday. Of course, we have to be careful. There may be no more in Mr. Darling's onslaught than an attempt to strengthen Mr. Norman's bargaining power in America, which would obviously be the case if the latter gentleman could plausibly warn the American bankers that unless they conceded us so and so, the agitation begun by Mr. Darling might easily develop into a definitive public repudiation of the gold standard by a strong body of leading financial authorities. After all, British bankers and financiers have to live along with British industrialists and workers, and therefore it is not very hard to conceive such a revolt of the latter against the repressive consequences of the gold ramp as to bring the bankers and financiers out in a sympathetic strike against the rules of their internationalised system. If anything is likely to provoke such a revolt it is a policy such as the *Statist* recommends at the end of its article. It says:

"In coming years there will have to be very close co-operation between the Central Banks of the world in order to regulate the value of gold until a normal international gold standard is again restored. The gold standard which now appears in prospect is not the same as the gold standard of pre-war days, seeing that the commodity value (i.e., purchasing power) of gold itself has fallen to approximately two-thirds of the pre-war value. This is all to the good (!)—and, indeed, steps must be taken to guard against a substantial rise in the value (i.e., purchasing power) of gold in the years to come—for by reverting to gold we will place all our huge war-time paper borrowings on a gold basis, and every rise in the value of the metal (i.e., in purchasing power) will add automatically to the burden of our National Debt."

We suppose that this idea of keeping commodities dear, so that the holders of National Debt securities will not be able to buy too many of them, when they are paid out (or is it so that we shall not need to make so many of them in order to pay them out?) will appeal to "those types of mind which have always desired to pay the rich out," but as a constructive proposal it is ludicrous. When once the "burden" of the Debt is represented as a "burden" of producing commodities (as contrasted with the burden of providing money out of an exiguous supply) the problem is transferred from the financial to the engineering field, and the engineer will quickly devise machines to carry the "burden"—if the necessary machine power does not exist already.

There are some remarks in Mr. Darling's letter to the *Spectator* which must be recorded. He is strongly opposed to the free market in gold. He regards the Government's power to prohibit exports of gold as essential to our freedom from American control. Again, he confesses that if, as he understands, Mr. Norman has gone to America "to arrange for a resumption of the gold standard through co-operation with the Federal Reserve Board in the use of the excessive stock of gold now held by the American Government," nothing that has happened since the war has "perturbed" him more. He repeats that "it is scarcely credible that the Bank of England should be engaged in bartering away our freedom in all those things which are so vital to the nation"—a useful reminder, by the way, that these nationally vital things are not in the control of the nation's representatives, but in that of a private institution. Mr. Darling summarises the position and policy of America in terms which are worth reproducing verbatim (italics are ours):

The position of the United States in the matter is not difficult to understand. Rich beyond all measure and loaded up with gold, they see that in the payment of their War debts by us and, later on, it may be, by other nations in Europe, they are destined to receive more and still

more gold. Now, gold means financial power, but only on condition that some other of the leading nations of the world accept it. Obviously, therefore, it is of the first importance to the United States to induce England to resume the gold standard as early as possible. Until we actually do so the United States are haunted by the fear that they may yet be left high and dry with their gold in which their War debts are payable, and which, therefore, they must continue to receive or cancel the debts.

It is not surprising, therefore, to find that the upward movement in the American exchange has emanated from the other side. That this is so one has only to look at our trade returns for the past year, which, for the eleven months, unfortunately, show an adverse balance of £294,000,000, which is £117,000,000 more than for 1923. We are, in fact, being lured on to the gold standard by America lending us more money. While, to crown all, the Bank of England is apparently now engaged in arranging for a loan, or, at any rate, a credit, from the Federal Reserve Board.

It seems almost incredible that we should be preparing to rely on borrowed money from America when it is wholly unnecessary, and our indebtedness is already so large. Our true interest surely lies in repaying America as quickly as possible. With the co-operation of the Empire we have it in our power to produce the gold and goods which would result in America being paid well ahead of time. This we have the option to do on three months' notice. Part of our gold reserves, lying dormant and earning nothing, could also be used for this purpose. In these ways we could build up what in effect would be a protective reserve against the American Exchange, for use or not as we thought fit. Before so very long, if we set to work in dead earnest, the cards would be in our hands.

It is not necessary for us to add much to this passage, and we will confine ourselves to the remark that it must be disconcerting to the Threadneedle clique, which for weeks past has been leading the hysterical applause in the "City" theatre as, day by day, the £ sterling has turned its face more and more squarely to that of the dollar, now to have Mr. Darling leaning out of his box and telling the audience that the reason is because the dollar is pulling the £'s face round by the nose. Further, equally important is the reminder, implicit in this expert's assertions, of the very important fact that the improvement in the dollar exchange value of sterling has had nothing to do with those economic causes which are popularly supposed to dominate the situation, but has been brought about solely by financial manipulation, and not simply fails to reflect the true state of affairs, but actually falsifies it. The shop window of the Bank of England has been dressed with the wares of the Federal Reserve Board, and soon its vaults will be stocked from the same source if Mr. Darling's warnings are well founded. There is dirty weather blowing up; everybody knows it. But now that the experts are hoisting storm cones. But we smelled it at least two years ago. Thus does the "New Economic" nose outrange the "Old Economic" barometer.

We call our readers' attention to the announcement elsewhere of our first annual dinner, on Saturday, the 31st inst., and hope that a large number of them will make a special effort to be present. Major Douglas will review the situation at home and abroad. At this critical juncture it is doubly important for all those who believe in the Social Credit principles to hear for themselves what he has to say on the situation, and to consider his suggestions on how we may best meet it.

Some papers (U.S.A.) and, notably, the *New York Tribune* are reciting once more their view of the "overwhelming" advantages gained by the British Empire at the Versailles Conference in the shape of a "new Colonial Empire," and to contrast these advantages with American unselfishness in claiming "only" the payment of her debts, and of a modest sum for damages out of reparations.—["Daily Mail" report.]

## Question Time.

A + B THEOREM (RECENT ARTICLES).

*A.G.—It is misleading and worse to say that a baker and flour merchant could only do business by giving away £50 worth of his flour or bread for every £100 worth of bread produced.*

We have evidently not made the intention of our illustration clear to you. That intention was to show what would happen if "B" expenditure by any business organisation was re-expended by the recipient for the purpose of buying consumable goods. That being so, we do not publish your calculations, for you only prove by them that so long as the borrower does not repay the £100 to the bank he has it in hand—a self-evident truth. Then, again, you say that the illustration is not simple enough, but you only add to its complexity by dragging in a third party to the series of transactions, namely, some millers who supply the warehouse with flour. Why not assume, as we did, that the warehouse had a stock of flour sufficient for several cycles of production? If you have found any difficulty in making the warehouse's £50 buy consumable goods, you are in no better case when you transfer the money to your hypothetical millers.

The reason why we imagined a single borrower with two businesses was in order to illustrate (1) his relationship to the bank and (2) the relationship of one of his businesses with the other, from a book-keeping point of view. Relationship (1) represents the account of the whole community of producers with the banks. Relationship (2) represents the accounts of those producers with each other. There was no reason why we should have made one borrower the proprietor of both the warehouse and the bakehouse except (a) that it was consistent with our identification of him with producers as a whole who, in an economic sense, are the proprietors of all the businesses in the country, and (b) that by doing so we cut out all psychological obstacles to the devices which we imagined him to adopt in trying to make the £100 function as purchasing power for bread. But it does not matter. If you like to eliminate the dual-proprietorship and imagine a baker borrowing the £100, do so by all means. In order to avoid cross-purposes, let it be assumed that at the moment of the original borrowing there is (as we indicated) plenty of flour in existence but no flour or bread in the baker's shop. Then, imagine the subsequent transactions, but record them in terms of cost and revenue in the books of each concern.

### THE NEW AGE.

.. THE ..

## First Annual Dinner

will be held at the

**COVENTRY RESTAURANT**

Rupert Street :: London, W.1  
(Close to Piccadilly Circus)

.. ON ..

**Saturday, January 31st, 1925.**

Reception at 6 p.m. Dinner at 6.30 p.m.

**TICKETS 5/-** (Exclusive of Wine).  
EVENING DRESS OPTIONAL.

**Major C. H. DOUGLAS**

has promised to be present, and to deliver an Address on

**"The Present Outlook"**

**AN OPEN CONFERENCE**

will be held at the same place on

**Sunday, February 1st, 1925**

at 11 a.m. and (if desired) 3 p.m.

.. Collection to defray the hire of room ..  
LUNCH in the Public Restaurant at 1 p.m.

All readers of "The New Age" and their friends are invited to be present. The earliest notification of intention to attend on either day will be appreciated. Address: "The New Age," 70 High Holborn, London, W.C.1.  
Visitors to London may have a bedroom, bath, and breakfast at the Coventry Hotel (over the restaurant) for 7/6 (over each night), upon giving three clear days' notice. Address applications direct to the Manager of the Coventry Restaurant, Rupert Street, London, W.1.

## A National Opera House.

By L. Archier Leroy.

By some accident, probably to be traced to a lack of showmanship, our love of musical drama has not of late been fostered by the musical impresario to anything like the extent that it could be. Elizabethan England stood at the forefront not only of dramatic but also of musical culture in Europe. The laurels passed thereafter to Italy, Austria, Germany, and to France. It was left to the Italians, a race comparatively barren of dramatic culture in its best sense, to conjoin music and the spoken drama. And it was likewise left to Richard Wagner to challenge the supremacy of the musician in what was and is essentially a theatrical rather than a musical art form. A large part of the anathemas to which Wagner was subjected in his own time arose out of his determination to put musicians in their place in regard to opera. But although Wagner broke the tyranny of the prima donna and the fat-and-forty (or should we spell it *forte*?) tenor, successive directors of the opera houses of Europe have raised the conductor to that same pinnacle of supremacy to which formerly the singer successfully aspired.

The tyranny of the music mind has blighted opera in this country, and, although, thanks to the tenacity of Society's conventions, the Upper Ten continue to patronise international if not national seasons at Covent Garden, opera taken by and large is only a discontinuous and weedy excrescence on the body of our entertainment world. Opera has certainly not been democratised as an entertainment to the same extent as other branches of amusement. The academism of the musicians and their characteristic disregard of the other departments of art which to an almost equal extent of importance are associated with music in the greater works of music-drama are chiefly responsible for the public's disinclination to patronise the opera house. The problem of opera, then, is not so much one of creating a demand as of maintaining a supply along the lines of the existing demand. In short, it is a problem of showmanship.

The British National Opera Company, an outgrowth of the splendid if extravagant work done by our premier conductor, Sir Thomas Beecham, has certainly proved that a country-wide public exists for works of foremost merit. Go when you will to any performance of "The Ring," "Othello," "Aida," "Tristan," "Carmen," or "Parsifal," there is seldom a seat vacant in the cheaper parts of the house. The experimental works or lesser-known master-pieces are eagerly patronised also by the less wealthy opera-goer, and, although the B.N.O.C. has of late passed through more than one crisis, it is abundantly evident that, given the subsidies and support which normally accrue to the Continental opera organisations, the national company could carry on triumphantly to distinguished future achievement.

During the last few months a British musician who, after a lifetime of conspicuous work on the Continent as an operatic *metteur en scène* and composer, did fine service in popularising British music in this country during the war, has propounded and put under way a scheme for the establishment in London of a great democratic Imperial Opera House. Isidore de Lara has realised that antiquated, inharmonious, and rent-burdened opera houses can never provide a focus for the best operatic achievement, and he proposes to raise the sum of one million pounds to build and equip by the most modern technical devices and with the necessary rehearsal rooms and other appurtenances a music-drama house capable of seating from four to five thousand people at prices ranging from one to five shillings. He hopes also to raise a second million pounds in order to substitute this establishment so that the proper conduct of the house (with a view

assuring experimental work and initial excellence of performance and continual training of suitable artists) may be arranged without fear of impoverishment. Mr. de Lara's slogan is "one person, one pound," and he seeks to launch a scheme of opera for the people free of all promotion costs. Although considerable propaganda has been done, not a penny of the subscribers' money has been touched, for Mr. de Lara has met all the costs so far out of his private pocket. In addition to the pound shares, however, he is trying to raise a propaganda fund of ten thousand pounds by selling twenty Founders' Boxes for the projected Opera House at five hundred pounds each, these boxes to be held in perpetuity by the buyers, and to be the only boxes in the house. Several boxes have already been sold, and so soon as the whole ten thousand pounds have been subscribed the trustees of the fund will launch a nation and empire-wide publicity campaign on behalf of the scheme, which aims at relieving London of the stigma of being the only capital city of the world which does not possess a permanent national opera house.

## The Agricultural Problem.

By G. E. Fussell.

The repetition of ideas is a human weakness: it has the quality of being easy, but the constant re-statement of an idea does not lead us any farther along the road which leads us to make it a fact in our lives. For centuries the same things have been said—the Palmist made that remark some time ago—but unless something stronger than men's willingness to adopt them forces the hand of mankind, the idea remains, and nothing happens.

In agricultural theory the desire for an increase in the arable acreage is no new thing. In no political theory does there seem to be anything new, except the constant inability of mankind to relate their theories to practice. The history of English farming is full of contemporary complaints of the decline in the area of arable land. For at least six centuries politicians have been aware of the danger of the decline, but unless factitious circumstances, stronger than the theories held, have come to the aid of the arable, the voices of the multitude crying in the wilderness of grass have had no effect.

Whenever agricultural depression—a periodic phenomenon—has set in, the voices have been raised. Possibly the earliest rise of the complaint was when the woollen trade first gave to large landowners the idea that sheep-breeding was more remunerative than the then common three-field course of husbandry. A number of books have been written to show that the soil of the country suffered some sudden and subtle decline in arable fertility between the twelfth and fourteenth centuries, and caused a great increase in the wool farms. The books are largely repetitions of each other, and their point does not, in the physical nature of soil, seem to be possible, while there is little doubt that the total cultivated area of the country could not have been more than about one-third of its whole area then, and the population was not likely to have been more than about four millions.

The controversy was still rampant a century later, when "An acte agaynst pullyng down of townes" was passed, and it has raged with unabated vigour ever since. Always the arable has been turned into pasture, and equally regularly the complaint has been made. Little attention has been paid to those times when the opposite transformation took place.

Elizabeth found it necessary to pass similar legislation. The writers about the tendencies of inclosure constantly refer themselves to this point. Houghton (1682) bases his plea for inclosure upon it. Young and the eighteenth century enclosers always praised the quality of farming on several farms, and maintained their greater output per acre, but even at the

\* 4 Henry VII., c. 19.

end of the seventeenth century Houghton estimates that about 12 millions of acres were still lying waste, although he conservatively reduces this estimate to six millions to be on the safe side.

And always the arguments in favour of arable farming were based on the plea of finding more work for the growing "surplus population," while side by side with this principle, the idea of "emigrating," some of the surplus has been continuous since the days of Elizabeth, when the total population had risen to the immense number of about five millions, so that the necessity for emigrating some of the surplus is amazingly obvious. This remedy for the distresses of the poor has lasted till the present time, although the population only increased to 10 millions in 1811, and is now in the 40 millions.

It is clear that before the end of the eighteenth century a proportion of the growing population had been absorbed into industry, but it is not clear that the area of cultivated land, arable and pasture, had not also been increasing, as, indeed, it can be shown to have increased in the fifty years following the collection of agricultural statistics, and it may be that the national output of foodstuffs is larger to-day than it has ever been, although it cannot be said that it has kept pace with the requirements of the more rapidly-increasing population. At the same time, it can be mentioned that agricultural statistics show that last year was a record of output in the cattle-breeding history of this country.

For practical purposes the theorists have always been opposed to the natural economic tendencies of the age. They have desired to arrest development which was consequent upon forces outside their control. The fluctuations in the cropping of any area are dependent upon prices, national and international, more particularly in the present day, when there is a quasi-international integration of production, and it is highly probable that the fluctuation between arable and pasture was in all ages dictated by the same force. A particular piece of land may have been arable or pasture as the probable profit dictated, just as the breeding of cattle or sheep fluctuates to some extent in relation to the price of beef and mutton.

It has always been found impossible to control the direction of the output of an industry in opposition to the natural economic forces at work: the only result of such an attempt is to make the failure more pronounced, but it is, of course, possible that we may, in these enlightened times, be able to control economic tendencies, in order to make each country self-subsisting, and therefore a unit able to look out for its own interests.

The declaration of their policy by the present Government is very similar to the pious hopes expressed so often during the past six centuries, but it is to be hoped, by those who believe in the necessity for national self-subsistence, that they will be able to secure their ends. If the farming community is benefited by the proposed changes, when they take place, it will be grateful to the conveners of the proposed conference.

### I STILL BELIEVE.

I still believe that somewhere,  
If one could only know,  
There is a lonely tower,  
Where one as white as snow  
Stands under the wide starlight  
To braid her shining hair,  
And weeps that she is captive  
On that enchanted stair.

Oh! one night when the red moon  
Makes more a man of me,  
I will be done of doubting  
And ride out and be free.  
Until I pluck down Beauty,  
Like a sweet lily flower,  
Beyond the last foul dragon  
That battens by her tower.

A. NEWBERRY CHOYCE.

## The New Philosophy and Marxism.

By H. E. B. Ludlam.

In the history of philosophy, Karl Marx, the renowned author of "Das Kapital," and joint-exponent with Frederick Engels of the Materialistic Conception of History, occupies an important chapter, perhaps not so much because of the ideas or theories he so brilliantly expounded, but chiefly by reason of the very considerable following his concepts have given birth to in all parts of the world. Marx was not contented with analysing the past and the present of his time, he also had such an unbounding confidence in his intellectual power as to delve into the future and map out with dogmatic precision the future evolution of society. He became a prophet. And it is chiefly due to the very nature of his prophecy that millions of living men and women rally under the banner of Marxism, sure in the belief that their master's vision is an infallible one. They are scientific Socialists. Many critics of Marxism ridicule the term "Scientific Socialist"; but it is far easier and less fatiguing to ridicule than to meet a man on his own intellectual battleground. And the battleground of the Marxist is not a simple one in which to manoeuvre, for he is in possession of points of vantage that are almost unassailable. Orthodox economic-philosophers are helpless against him. But what of the heterodox campaigner? Has the New Economist and the New Philosopher anything really new? If he has, then he must surely have in his armoury some weapons capable of dislodging the Marxist from some if not all of his points of vantage.

In recent years much controversy, especially among leaders of Socialist schools of thought, has taken and is still taking place on the subject of Marx's forecast of the evolution of society; and it is primarily upon this aspect of Marx's teachings that almost all discussion of recent years has arisen. One of the clearest and ablest of modern exponents of Marxism is the American scholar, Louis B. Boudin, LL.M., who, in his work, "The Theoretical System of Karl Marx," gives a very lucid summary of the theory. Limitation of space does not permit of its quotation in full, but the following lengthy extract does, we believe, give a true representation of the theory, regardless of omissions:—

At a certain stage of their development the material productive forces of society come into conflict with the old conditions of production, or, what is its legal expression, with the old property relations under which these forces have hitherto been exerted. From forms of development of the productive forces these relations turn into fetters of production. Then begins an epoch of social revolution. . . . A form of society never breaks down until all the productive forces are developed for which it affords room. New and the material conditions of production are never established until generated in the lap of the old society itself. Therefore, man-perform; for upon close examination it will always be found that the task itself only arises where the material conditions for its solution are already at hand or are at least in process of formation. . . . the development of machinery will continue to throw more and more working men out of employment and make the share of those working men who are engaged in the product produced by them grow continually smaller.

The productive forces of society will not only become fettered, so that they will largely have to remain idle, but even that portion which will not remain in enforced idleness will be able to produce only with tremendous accompanying waste and convulsive interruptions, until, finally, a point will be reached when, by the very conditions of capitalistic production, because of the large portion of the working class out by them received by the employed working men in return for their labour, there will accumulate such an enormous mass of goods which the capitalists will be unable to dispose of, that it to say, find a market for, that production will have

to be indefinitely suspended, unless a new basis of production be found.

Meanwhile the discontent of the working class has been growing, and the sense of injustice done to it accumulating. . . . They have nothing to lose, and have grown bold. . . . The working class has been organised by the very process, capitalistic production and exploitation. . . . It is animated by the world historic mission devolved upon it. It contains within its own ranks all the elements necessary for conducting the production of society on a higher plane, so as to utilise all the productive powers of society. . . . The working class takes possession of the social machinery, and the real history of human society begins—the co-operative commonwealth.

Boudin's excellent exposition of Marxism contains, like all others, obviously contradictory and confusing thought. This is bound to arise when all stress is laid upon the productive mechanism of society. For instance, Boudin talks of the "material productive forces of society coming into conflict with the old conditions of production." But it is patent that no such conflict now exists, especially since 1913; and, therefore, there can be no question of a revolutionary movement, or a collapse of society as an outcome of it. Furthermore, he argues that the old property relations turn into fetters of production. But the opposite is the truth: the new forces or methods of production not only assert themselves over the old, but they relegate to the scrapheap the old methods together with their property relations. Boudin argues as though production becomes a fetter on production, but this line of thought is obviously inconclusive, even if it be not entirely erroneous. In one sense it is true the productive system is fettered by reason of the very nature of its present tremendous output capacity, but this is far from a complete diagnosis. It is nearer the truth to say that the fetters on production do not arise because of the modern nature of production itself, but because the old process of distribution, based on the old methods of production and their property relations, still persists in spite of the birth of a higher form of production. Hence, production becomes fettered by an outworn and ineffective system of distribution.

Boudin says "new and higher relations of production are never established until the material conditions of life have been generated in the lap of the old society itself," and that "mankind always sets for itself only such tasks as it is able to perform." The meaning of this is obscure, but if he wishes to convey that the present industrial system can only be developed by the removal of the "fetters" he speaks of he is entirely wrong. The material conditions of life necessary for sustaining a higher form of production can only be established by removing those fetters on production that are distributive fetters and not productive ones.

It is true that the production system of society could be greatly improved if certain financial impediments were removed, but, nevertheless, even now the output capacity of industry is sufficiently developed to enable it to supply all that any other form of society could demand of it, in spite of fetters and imperfections. Boudin is, of course, right in forecasting industrial or commercial crises, consequent upon the inability of the consumers to purchase the "enormous mass of goods which the capitalists will be unable to dispose of; that is to say, find a market for." But, peculiarly enough, Boudin contends that "production will have to be indefinitely suspended unless a new basis of production be found." New basis of production! He is so inextricably entangled in the machinery of production that he is woefully oblivious to the glaring truth that it is a new basis of *distribution* which will have to be found, and not a new basis for production. No wonder that he believes the working-class will take possession of the social machinery instead of its product in order to appease its hunger!

## Rimbaud, Paul Valery, and Others.

By C. M. Grieve.

The Marxist is obsessed with production; hence, it follows that it is only logical that Marxian leaders should advocate that the class-war must be conducted within the factories to wring concessions from the employers, and ultimately to take complete possession of the machinery of production. Given Marx's premises this method of attack is the only possible one. But supposing not only the wage-earners but also the salaried were thoroughly organised on a class basis so as to make the task of taking possession of the industrial mechanism of society a comparatively easy one, the root cause of the poverty of the workers would remain to be dealt with. For it is obvious that the wresting of the means of production from their present possessors would not in itself put another coat on the worker's back nor another loaf of bread into his house, simply because the problem of the distribution of the products of industry would still remain for solution. The whole of Marxian activity is conducted upon the assumption that the ownership of industrial property invests the possessor with untrammelled power to dispose of the products; therefore, the confiscation of property will bring in its train an equitable distribution of the output. But will it?

Is it not apparent that the reverse of the Marxian assumption is the truth? For instance, would not the acquisition of the power to distribute be of far greater value than the acquisition of property rights? And as the possession of power to direct technical production does not in itself dispose of the problem of distribution, is it not wiser, not to say scientific, to solve the latter problem first? Certainly; for it is an unassailable fact that the present efficiency of industry is such as to dispose of lingering doubts and surmises regarding its capacity to supply all human needs in abundance. It is therefore apparent that the outstanding riddle of the age centres upon consumption and not production.

The power to dispose of financial credit is the dominant power in the economic and political system of society. Control of property without control of financial credit is negligible in the economic and political direction of society. The social problem is no longer a production problem; society to-day must solve the problem of distribution or perish in the midst of plenty.

### THE FLASH OF WOUNDS.

By Josip Kosor.

Into the black crumpled Heavens  
The chaos of Earth roars furiously,  
On dead lakes, below, swans are freezing,  
And hearts burst, souls sob.  
At the icy poles my soul rose up  
To light a rest-fire for the frozen by fate.  
But, alas, in vain,  
Hurricanes from the north usurped her ways.

Ah, I sailed upon the oceans, invisible worlds,  
In a white, magic ship,  
Disappearing behind the suns,  
Seeking for God, man and my native country.  
But everywhere a desert, black devastation.  
The bloody cry of the primeval day,  
Still tore convulsively the bowels of the forests and oceans.  
Emerald rivers of light poured around me,  
From all the apocalyptic heavens,  
And I stretched out my hands in a gigantic struggle,  
To gather the radiance.  
But, alas, what I gathered—  
Corpses, blood and dead sighs.  
Meanwhile hurricanes rose in whirlpool circles  
And rushed devastating upon the radiant wreaths of ages,  
And I fell crushed on the limits of the worlds  
And sang Sorrow through the Universe!

Mr. Edgell Rickwood's "Rimbaud, the Boy and the Poet" (Heinemann) is not a good book. Its author had a magnificent subject but failed to do anything like justice to his opportunity mainly because of his failure to realise how gross an impertinence it is to write of Rimbaud without, in so doing, achieving something "new" in Rimbaud's sense—to purport to discover to us the "unknown" of Rimbaud's soul in mere *journalisme* however good. Only genius by its own impredicable means could have resolved this problem, and whatever form genius did it by would not have been recognisable as a biography or ordinary critical study. It is, in fact, absurd that Rimbaud of all people should have been made the subject of something not dissimilar to the many *études* American students submit as theses for the extraordinary degrees that for some reason or another they appear unanimously to covet—and secure; and it is, of course, impossible that such a volume should do more than "beat about the bush"—a process that is in no wise more edifying if the bush happens to be of the burning but inconsumable variety and the "beater" a devotee who does not fail to take off his shoes on holy ground. One does not need to wonder what Rimbaud himself would have thought of Mr. Rickwood's laborious and ingenious performance—Rimbaud with his contempt for provinciality and prosaicism. Would he not have "filleted" this presumptuous biographer in terms of which we can hear the ghost of this poor Rickwood complaining pretty much as he himself lets us hear the crass Lepelletier complaining for a like reason? "Je sais qu'il ne me portait pas dans son coeur. Il affectait *ironiquement* en parlant de moi de me designer sous les épithètes de 'salueur de morts,' d' 'ancien trouble,' de 'pisseur de copie!' C'était bien inoffensif." But I wonder if even Rimbaud's resources of vituperation would have been equal to the occasion if he had heard Mr. Rickwood with his callow inadequacy missing the point by a thousand miles in his indescribable declaration, apropos Louis Aragon's treatment of Rimbaud as a character in his novel *Anicet* that "if he (Rimbaud) is no longer the mode among the most brilliant young men of letters, that is all the better for his genuine reputation."

Ye gods and little fishes! What a happy inspiration some such sentiment would have sounded to the Mayor of Charleville as he was rehearsing what he could say on that 21st of July, 1901, on the unimaginable occasion of the unveiling of a bronze bust to Rimbaud in the station square.

Mr. Rickwood's tone consorts admirably with the music then discoursed by the municipal band: and, indeed, his book is in a sense of the almost unendurably diverting sequelae of that blasphemously funny afternoon.

Even such a mentality as Mr. Rickwood's however ought to have been much better documented than this book attests: and, thoroughly equipped, could easily have produced a much more comprehensive study of its kind (whatever may be the value of *that*) than this. It is amazing, for example, that he should not have invoked the aid of modern psychology in addressing himself to his task. Instead he brings to bear much less penetrative and illuminating conceptions of the psycho-physiology, the processes of cerebration, and cognate matters. On the purely literary side his *lacunae* are equally lamentable. It would have been interesting to have had an intelligent comparison of Rimbaud's case in respect of his "absolute abandonment of literature at the





**MR. DICKENS'S PLAN.**

Sir,—As Mr. Dickens now informs us that it is impossible for anybody to understand the drift of his writings, I must apologise for having been too previous in arriving at an interpretation and offering a criticism which, it is gathered, will in course of time be proved invalid. One could hardly guess, however, that his plan for monetary reform would serve "to distribute water, light, heat, and power gratis to all users in unlimited quantities," and it is a severe temptation to jump to the conclusion that this "gratis" reform must involve the abolition of the monetary system entirely.

But Mr. Dickens seems to have been at extraordinary pains to cover the trail, even under the pretence of an exposition, for he stated in his last article that to distribute money for the purpose of increased consumption (and, presumably, to use credit to reduce prices) would be unjust; and, indeed, his anxiety for justice led him to the only just solution of issuing credit to provide work on roads, railways, etc. It was this proposal that I declared to be based on a wrong conception, and therefore ineffective as a solution for the condition of insufficient consumption; and not only defective, but so clumsily devised as to generate the maximum opposition of existing and allied interests to its inception. Mr. Dickens now assures us that it is a prime object of his plan to sweep away existing interests. I will only permit myself to reply that, the facts of economics being what they are, anybody who builds up projects for depriving further sections of the community of economic security should be soundly whipped and put to bed early for a month.

It is strange that these aspirations towards indefinite Justice always accompany definite proposals for deliberate and viciously conceived injustice!

FRED. H. AUGER.

**THE "LYONS" GIRLS.**

Sir,—I hope Messrs. Lyons will forgive me for not liking the new uniform they have bestowed on their waitresses. To be quite frank, I think it is an abortion, though perhaps not more of an abortion than 90 per cent. of the women's dresses one sees in the street. Before the new contraption arrived, I always knew where to find girls who would be dressed naturally: their waists just where waists ought to be, the contour going in at the right place and coming out at the right place. That is all gone now.

This may be an imperfect world, but I think the Creator knew what He was about when He shaped women as He did. Artists have always been satisfied with the shape. Apparently, the dress designers think they can improve on it. I admire their nerve, but nothing else.

This monkeying about with woman's shape is an insult to intelligent people, and I regret that Lyons have followed a stupid fashion. They will have to follow it back again, for the present fashion, with the waist round the ankle, will not last long.

CRITIQUE.

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