

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

The *Star* is complaining about the procedure of the Food Commission. "For two hours yesterday," it exclaims, "it sat in private, while its public sittings lasted three hours." It observes that if the Commission is intended to be a whitewashing body this is all right, but it does not "imagine that any of the public outside will be converted by this secrecy." We should like to know exactly to what the public might be converted otherwise: is it that the public concern themselves with the thousand and one origins of any given price, or is it with the amount of the price? Putting the question answers it. The real objection to the price of meat is implied in the phrase "I cannot afford it." It is not that the price "ought not to be so and so," but it is that the "so and so" is "more than I've got." We grant the force of the retort that should people, like Lord Vestey, for instance, be proved to be charging more than they ought, the possibility would be opened up of issuing a report that they ought to charge less. Well, we have little doubt that the Commission would be very willing to justify its labours by making such a recommendation, but for one important consideration, and that is that as soon as there appeared the remotest danger of legislation following its recommendation, the threatened "interests" (as they are called) would start a political counter-agitation of their own, and it would take the form of a demand that the affairs of every other "interest" (including those which fed the members of the Commission) should be analysed in the same manner as theirs had been before any further steps were taken. This has a bearing upon the *Star's* complaint, which it develops in this way: "Take the case of Lord Vestey. He and his brother attended in public session, and put up a very strong case. In fact, if Lord Vestey were a Sunday-school superintendent he could not have looked more blameless. But when the cross-examination began to get a little—intimate, shall we say?—then the Commission decided to sit in private." Here one sees the same insinuation that there was a skeleton in the carcass, and that the Commission took it into a dark room to cut it out—or, rather, not to cut it out. One is prodded into imagining Lord Vestey on his knees, confessing, "Yes, I did it—with my little meat-chopper," and afterwards being promised the absolution of whitewash by a tearful body of investigators completely disarmed by their

witness's Washingtonian frankness. However, a little later in its article the *Star* gives a wavering glance at the "plea of 'business considerations'" (for it is a wicked plea—if you stare at it it stares back), and hastens by to draw the moral that "either the Commission should not have been set up, or it should be made a real inquiry." If by "real inquiry" the *Star* means one in which other swindles more insidious than the practice of "whacking on a margin" to cost would be thoroughly investigated, we agree. We will put forward the proposition that the real reason for the secrecy was just the opposite to that indicated by the *Star's* observations. It was not to hide the fact that Lord Vestey had made an unfair profit, but to hide his explanation of why he couldn't do so. The Devil is in costs, not profits.

According to Lord Vestey, the profit on meat shipped from the Union Cold Storage Company's subsidiary company in Argentina to Smithfield during last year was less than a farthing a pound, and the profit during the same period in meat sold through those of the company's retail shops which were managed from London (2,035 out of a total of 2,356) was only 0.47d. per lb.—or less than a halfpenny. He admitted that the company was a very successful business, but claimed that the profits were moderate in view of the capital employed (just over £9½ millions), and arose from the enormous volume of meat handled. Accepting the above figures of profit, there is obviously no margin for the relief of the poor shopper's purse. Then, again, Lord Vestey pointed out that the present price of beef was fairly cheap compared with the prices to which other commodities have risen—a hint of the nature of the counter-agitation to which we have just referred. He expressed the opinion that the root cause of the higher price was the fact that the Continent was now buying large quantities of meat (equal to 1,250,000 cattle during 1924), whereas it bought none before the war. This was, of course, inevitable under the "law of supply and demand," under which the more money brought into the meat market the dearer the meat; and since the members of the Commission believe thoroughly in the immutability of this "law" they had no option but to drop the point and pass on to something else. They had previously learned from his Lordship that in the Northern Territory of Australia there were 60,000

cattle ready for killing, and they might have suggested that in this reserve was a chance to relieve the pressure on supplies of meat, and so bring about a reduction of price; but, unfortunately, he forestalled any such suggestion by stating that the costs of killing and handling these cattle were so high that it was more profitable to let them die on the stations than to put them through the works at Port Darwin—in proof of which statement he informed the Commission that those works had been closed for the past three years. The last season when the works were operating it cost six times as much per head to put carcasses on the steamer at this port as it did in the River Plate. He attributed this difference to the labour conditions in Australia—high wages, short hours, and imperfect work.

We need not stop to examine any of these explanations. All that we need do is to point out that the course which this Commission is taking is governed by a law just as "immutable" as that of "supply and demand." In fact, it is the same law operating in the "moral" plane. You have a body of gentlemen assembled to find out if the present prices of food are due to anybody's fault. They proceed to examine in order the several parties to the operation of price-fixing. Mr. "A" appears, and makes out a strong *prima facie* defence in public. This defence is divided into two parts: first, that he is making very little profit; second, that he is being robbed by the extortionate charges he has to pay to Messieurs "B," "C," "D," and so on—including, of course, the ignoble army of proletarian grafters. Then Mr. "B" is called. He goes through exactly the same programme. Eventually Mr. "Z" appears on the witness stand, and surely now it is useless to ask this prejudiced criminal to submit a defence—it is encouraging perjury. However, for the look of the thing Mr. "Z" is allowed to say what he can for himself; and—by the Lord—he says it. He reveals that he is about to file his petition as a result of the murderous costs imposed upon him by the rest of the alphabet. He is taken into the dark room and X-rayed—and behold he's speaking truth. There they stand revealed—the letters spelling Carey Street, inlaid in lead across his heart and lungs. "What next?" gasp the Commission:—"We've got to report *something*." At last a member receives an inspiration. "Gentlemen," he says, "apparently no specific guilt attaches to Mr. 'A,' nor to Mr. 'B,' nor to anyone else down to Mr. 'Z.' Yet our terms of reference obviously pre-suppose guilt of a sort somewhere. Let us then impute a synthetic guilt everywhere. Let our case be that the whole alphabet has been guilty of gross mismanagement, and that a system which incurs huge costs without making inordinate profits want overhauling, not at any one point, but at all points simultaneously." This plan is welcomed with a sigh of thanksgiving, whereupon the inspired gentleman makes the further suggestion that a good deal of time will be saved if they copy out verbatim a passage from the Report of the Joint Congressional Commission of Agricultural Inquiry held a year or so ago in America, on exactly the same lines. This also is adopted. And here is the passage:

"These figures, and thousands more that are available in the complete printed report, fail to show excessive profits to any particular group in our economic machinery. . . . We believe that the margin between prime producers' and ultimate consumers' prices cannot be reduced except by attacking every point in the chain of producing, manufacturing, and distributing processes."

"The results of Congressional inquiries into economic conditions are almost invariably of a negative character. They seldom discover anything that was not pretty generally known among well-informed people before, and seldom are able to prescribe any

effective remedy for conditions which they may criticise." This observation in the Bulletin of the National City Bank of New York of May, 1923, leaves us nothing further to say on the subject.

Developments in the Mediterranean are foreshadowed by the inauguration of the *Catalan Bulletin*. This is a typewritten circular emanating from 71 Rue de Rennes, Paris. In a letter covering the first issue, dated December 20, the Editor announces that "a Catalan rising against Spanish oppression is one of the possibilities of the near future." He defines the Catalan Countries in the following words: "Out of the 1,300 kilometres of the coast possessed by the Spanish State on the Mediterranean coast about 900 kilometres, i.e., about three-fourths, belong to the Catalan Countries, which extend from the Pyrenees to the south of Alicante. Moreover, in the middle of the Mediterranean are the Balearic Islands, another Catalan country, whose rôle in naval politics has often been very important." This piece of coast takes in Barcelona, Tarragona, Valencia, and Alicante. The nature of the Bulletins (two have been issued so far) is apparent in the following headlines:—

- The Catalan Countries want independence:
- To be free is the will, democratically expressed, of the inhabitants of the Catalan Countries.
- The Catalan Countries desire relief from Spanish oppression and Spanish decadence.
- King Alphonso in need of a Press Campaign.
- Spain's retreat from Morocco amounts to violation of existing international agreements.
- Catalonia, the key of the Western Mediterranean
- and essential to Mediterranean equilibrium.
- The date of a Catalan separatist rising.
- Military persecution still continues.

Under these and other captions there is the old, familiar tale of "centuries of struggle" to be free, of military raids, suppression of newspapers, closing of schools, dismissals of professors, priests, and public officials, and other acts of repression on the part of the present Directory. Interspersed in a mor-ture appear—like a company prospectus in a mortuary—references to the promising "natural resources" of the Catalan Countries. For instance, "its water power is utilised to produce electricity to the extent of over 1½ million horse-power—the land produces a great variety of agricultural productions, all of them suitable for exportation—practically all the industry and trade of the Spanish State are confined to the Catalan Countries." On the other hand, "Spain has no industry, and her only production is wheat" (!). The Madrid correspondent of *Le Temps* is quoted from its issue of December 2, reporting that Vice-Admiral the Marquis de Magaz had addressed a conference of Madrid Royalist newspapers and had said:—

"None of you is ignorant of what is happening abroad. They are preparing the revolution there. France is openly backing the movement. I am wrong. . . . I mean to say the French Government. I know that that Government represents only a section of French opinion, but now that section happens to be the majority. I do not ask you to attack France. . . . I called you because it is necessary to defend the King. . . . The King is the Fatherland. . . . You may attack us. . . . We are ready to exert a milder censorship. Abuse us, but defend the King. In return we shall be more benevolent. We permit you to attack the Directory."

In summing up, the editor of the *Bulletin* says:—

Morocco and Catalonia are two aspects of the same problem of Mediterranean equilibrium. One affects the extreme part of the Southern side, the other the western side and the centre. Moreover both are connected with them by reason of their respective connection with the same country, Spain, which seems to be getting near its deepest point of decay.

Recent facts show the danger of basing arrangements on a fictitious power, as that of Spain. The Catalan Countries are the only part of the Peninsula that possesses a real vitality and are capable of great developments. If, therefore, some new arrangement of the Mediterranean equilibrium is contemplated in the future, it must

take Catalan Separatism into account. Otherwise, all solutions would be partial and transitory. The building which now cracks on the Spanish side at the South, may crack again soon on the Spanish side at the West, and all diplomatic speculations without the factor of Catalonia would be waste of time, necessitating revision as soon as completed.

The peace of Europe is involved in finding a permanent settlement of all forces at play in such a dangerous quarter as the Mediterranean.

As to the "date of the Catalan Separatist rising," he gives the following information:—

A dispatch from Barcelona recently published in *The Times* alleged that preparations were complete in Catalonia for a Separatist rising last October, but that orders countermanning it were issued by Separatist leaders at the eleventh hour.

The information seems to be correct in the main, but it is certain at least that there have been some misin-formations as regards the reasons which led to the abandonment of the project at the moment.

It was only delayed for an obvious reason. Public opinion is not supporting the Directory, which is looking eagerly for some way or other to strengthen its shaky position. Nothing would be better for it than a Catalan Separatist rising that would excite the ancestral hate of Spain against Catalonia, thus providing the Directory with the support of public opinion. It is not the intention of Catalonia to do anything that would strengthen the Directory, especially now when every force in the Country is weakening more every day the Directory and the stability of the Spanish State. Common sense advises Catalonia to wait for the natural results of the action of these corrosive forces on Spain.

Meanwhile the military organisations of Catalonia are kept ready for use at the right moment. (Our italics.)

Evidently Catalonia means business. Here is a country on which international finance may safely base a mortgage. When the humble Catalonian democrats have thrown off the yoke of those haughty Castilian nobles—fit for nothing higher than to grow wheat—and secure their loan, develop their water-power, export their produce, get a gold reserve, establish a sound currency system, and balance their budget—then, surely, they will be exalted in the free air of the heavens—on the sails of their very own debt-mills. What fools all you Dictators are! Why go to the trouble of hanging millstones round the necks of the "people," and incurring the risk of getting murdered for it, when, if you will only let them alone, they will fit themselves with heavier ones than you could even lift? Why deny the right of each citizen to rivet his neck to the sod in his own fashion? For then, when you step along on their backs they do not wobble. The self-alignment of democratic posteriors may not be so symmetrical as that which you would have decreed; but what of a little detour in your journey so that your boots do not touch mud? "The voice of the people is the voice of God." You want to walk on them. Very well; give them a vote and they will authorise you to. Thus you make your peace with God and man, and are for henceforth ever blessed. There is no risk at all. In these days the sub-division of labour is reflected in the sub-division of thought. The "independent citizen" just as he makes a tiny piece of a final article, thinks a tiny portion of a final concept. So, just as you allow him to mortar the material bricks of your factory, why not let him cement the spiritual factors of your policy? They are both yours when he has finished, are they not? Of course, you are not guaranteed solvency in regard to your factory, nor stability in regard to your policy; but that is your fault, not the people's. They have no credit for your success; nor should they bear the responsibility for your failure. The moral of this is that you must devise a wise policy. And a wise policy will not emerge until you have released your own necks from the millstones of an out-of-date financial code. Look to it.

A little study of the current issue of the *Soviet Union Review* (the new title of *Russian Information*

and Review) will correct any disposition to challenge the cynicism of the above reflections. An article entitled "The History of Soviet Currency" is a case in point. The writer, referring to the first years of the Soviet régime, reminds his readers of the chaotic condition of Russia's national economy at the end of 1917 (i.e., at the time of the advent of the Soviet régime) and of the tremendous expenditure thereafter entailed by the "Civil War" and by the "interventionist activities of foreign powers." It proceeds:

"It is comprehensible that, under such conditions, the Soviet Government was unable to put an end to the inflationary practice of its predecessors. It must, however, be borne in mind that the Government, aiming at the definite abolition of the capitalist system, was then attempting to introduce the beginning of an order in which money would be superfluous. The fundamental features of this new order were the unification of all the economic activities of the country in accordance with a general plan of direction carried out by the Government, the distribution of goods without the intermediary use of money, the abolition of taxation, the conversion of the monetary budget into an accurate record of the production and distribution of goods, and so forth." (Our italics.)

Now listen to the final paragraphs of the same article:

"The following table shows the relation of the chervonetz (10-rouble note) to the dollar and the pound." . . . "The chervonetz has recently obtained a certain place for itself on the foreign markets." . . . "All this indicates that foreign commercial houses which trade with the U.S.S.R. are calling for the chervonetz when they have to settle their accounts in the Soviet Union. That means that foreign business men are beginning to feel confident about the chervonetz."

Then this finale:—

"In conclusion it is clear that the Soviet Union has passed from an unsatisfactory money circulation to one which is firm and stable, which rests on the secure foundation of a normal gold security of the chervonetz, the basic currency, on the secure foundation of an ordered economy, and of an ever-developing trade turnover, and a positive trade and financial balance."

The significance of these passages is doubly emphasised by the facts which the writer gives. Never was there such a complete revolution in Revolutionary policy. In 1917 "the conversion of the monetary budget into an accurate record of the production and distribution of goods" was a policy to suggest the beginnings of *economic democracy* to those of us who knew the secret. In 1924 (to quote from another article in the same journal) "The Budget breaks completely with the period of paper money emission, and has taken the path of normal finance in respect to State economy . . ." is a policy to . . . well, it is the identical policy which has been imposed under American pressure on Britain, Austria, Czechoslovakia, Hungary, and Germany, and is going to be extended to France and Italy. We will say this for the greatly despised "*petit bourgeois*" Governments—they did at least betray symptoms of uneasiness about this reorganisation of their finance, even when they did not audibly protest. But here is your world-shaking incendiary Government which embodied the dictatorship of the victorious proletariat, and threatened fire to Western Capitalism—look at it, placing its torch in its silk hat. "In 1921 it was decided that an early return to the gold standard was necessary." Was it indeed! "Our exports must always be made to exceed our imports in order that we may accumulate a small free sum of foreign currency for other State requirements, including the maintenance of the stability of our

chervonetz."* (Yes. . . . What's that? . . . Yes, yes. . . . Moscow speaking. . . . What? . . . No, no. . . . not Wall Street.) One of the characters in Dargon's *Nameless Order* was made to remark "The best thing about revolutions is that all the real revolutionaries get killed in them." Either so, or we must begin to suspect that there was more in that shipment of "leaders" from the Ghettos of New York to take charge of the Russian Revolution in 1917 than we were first inclined to credit. It takes a 'l'il ol' New Yorker' to run a revolution on the gold standard. It may come out yet that their passports were visa'd by the Federal Reserve Board. Anyhow, whatever other feelings are evoked by the spectacle let us hope that the *Daily Mail* and the *Morning Post* will begin to sleep soundly o' nights. The whiskered "Bolshie" of popular imagination is no more. . . . or if he has preserved his beard he has lost his bluster; all he now desires is to supply us with a little more wealth than we supply him, so that he can keep "his chervonetz" steady. God pity him.

"A Ratepayer" in St. Austell, Cornwall, has been allowed one and a half columns in the *St. Austell News* to advocate the emission of local Currency Bonds for the purpose of widening the streets and otherwise improving the town—a problem which has become acute there. He is putting the Urban, Rural, and Parish Councils up to apply to Parliament for sanction to do this. The Currency Bonds could then be issued, and would be legal tender within the parish or even within the county. They would be paid out in wages and contract settlements—with accompanying safeguards against inflation, which he indicates—and could be redeemed at the rate of 1-30th or 1-60th per annum. He finishes by saying that he is giving only a rough outline of the scheme, but declares that "to say the scheme is impracticable is impossible, as the Jersey Town Hall, when built, was financed on exactly those lines." We are not going to make a public guess at the identity of the lady or gentleman responsible for introducing this startling suggestion to the inhabitants of St. Austell, but we congratulate her or him on this feat of economic oxygenation. We notice that the Editor, in a footnote, invites "comments on the very interesting and instructive suggestions made in this article." We hope he will receive and publish them. Travelling west along the South Coast, St. Austell is almost as far removed from Threadneedle Street as is possible this side of the Atlantic, so there is a millionth chance that the enterprising town fathers may decide to make the application before they can be earnestly persuaded not to by "people who know." We would very much like to witness its reception in Parliament—if it got so far. In any case, this is an episode which should remind supporters of Social Credit principles that isolation need not mean ineffectiveness, and that there are openings everywhere for private opportunism to push in these slender wedges—even if it only leaves them sticking in position. Some day something will drive them home with a tremendous crash.

THE NEW AGE DINNER.

The attendance at this dinner promises to be much in excess of our estimate. At the moment of writing (Monday) tickets have been sent out to within a dozen of the seating capacity of the room, and it will be necessary for any readers who desire to be present to make prompt application. In the event of an overflow, those who cannot be accommodated can dine in the public restaurant downstairs, and in that case arrangements will be made to defer Major Douglas's address until the dinner proper is over

* Mr. C. G. Rakovsky's speech as Soviet Chargé d'Affaires in Great Britain on the occasion of the Dinner given on December 16, 1924, by the Trade Delegation of the U.S.S.R. in London.

and the seating accommodation has been rearranged and extended in the dining room to include everybody for the subsequent proceedings. In a way we hope this will not be necessary; it is much more enjoyable for the whole company to be together from the commencement, but on the other hand we want everyone who may yet be able to come not to refrain on account of his being unable to decide definitely beforehand. The dinner (in its material aspect) will probably be over by eight o'clock. We mention this because we know that one or two of our readers who wish to be present are unable to reach Town much before that time. At eight o'clock then, we all step on to the magic carpet, the "A's" lying down with the "B's" in utter disregard of the sinister influence of that nonplussing + sign—so to be flung by the spirit into the region of unutterable things.

Question Time.

E. V. C.—Exponents of the Douglas Analysis who insist upon the "A + B" argument, reply to the objection that "B" is composed of wages, salaries, and dividends as well as "A" by saying that these w. s. and d. are paid out before the goods in respect of which they are distributed appear for sale, and are absorbed through inflation.

The reply to the objection that "B" is composed of wages, salaries, and dividends, would be better based on a challenge of the term "is composed of." As the term stands (1) it suggests that the money designated by "B" is about to be distributed in the form of wages, etc., and is going to function as purchasing power for consumable goods; and (2) it assumes that the money is going to be so distributed and used without creating a new cost. But the amount "B" is admittedly a record of wages, etc., that have been spent on consumption at an earlier date; it has, so to speak, been advanced by earlier producers, who now seek to replace it by collecting this amount "B." The point at issue is, therefore, can the amount "B," which has functioned only once as a cost in the final products of the system in respect of one and the same single chain of production?

(1) Is not a large part of "A" also spent before the goods in respect of which it is distributed appear for sale?

Yes.
(2) As the present price system is in its essence a deflation of purchasing power, is it not true that before payments to individuals in respect of "B" production can cause inflation they must counteract deflation?

Major Douglas's article last week touches on "inflation." If it does not satisfy you, will you explain more fully what your point is? Could you illustrate it with an example?

SMOKE.

God, that young architect,
conceiving the fair domes of a heaven,
reached with an absent hand
and lit
a cigarette.
Then from God's lips
there issued in clouds and wondering wreaths and rings
smoke;
there issued nebulae, star-clusters, milky ways—
a smoke of worlds,
of worlds unnumbered, every one alive
with races of brief eager spirits,
who, adrift in space,
painracked and beauty-bitten,
dubbed themselves God's protagonists
and sons.

Heedless God
threw down unfinished
the fag.

Yet, turning again to work
enraptured with high vision,
he saw and he approved
the tremulous column of sad smoke
dying from the ash.

He mused:
"From that poor wavering aspiration,
even from that,
might one elicit beauty.
I will devise therewith a frieze
of sorrow
for the great stairway down to my hell."

OLAF STAPLEDON.

A + B and the Bankers.

By C. H. Douglas.

II.

The division into stages of the typical production process enables it to be seen that the earlier stages of production become overhead charges (for the latter stages) at the moment that the money which financed them is returned to the point from which it started, and a consideration of this proposition is sufficient to show that there is no essential difference between financing industry by the creation of a bank credit and the financing of it by the provision of working capital out of "savings" by an individual. The essence of the matter is that each time the "money" makes a complete cycle it leaves a set of price values equal to itself, and, consequently, if, let us say, £100 is used to pay wages and salaries for the production of a lathe, and the lathe is bought by the people who make it, the money thus returning to the source of finance, and again paid out to make another lathe; there will be two lathes in existence valued at £100 each, and only £100 in money in existence, and even that £100 will not be available for consumption purposes.

If every employee endeavoured to buy the product of his labour at the end of short fixed periods, the system would be exposed at once. But two factors arise to prevent this. The first of these is that the individual is a consuming machine, and requires constant purchases to meet his ends; and, further, that capital or intermediate production is of no value to him.

The effect of this is to concentrate all but a very small percentage of the total wages and salaries distributed in respect, both of intermediate and final processes, on the purchase of ultimate products.

Now (and this is important) it will be seen on careful consideration that if there is not enough money available to buy ultimate products (and we have already ascertained that the money required to buy a definite amount of ultimate products is not available as the result of the distribution of money during the intermediate processes leading to the production of these products) the gap can be bridged temporarily by producing more intermediate products or capital goods, which the ultimate consumer has no need for, and does not, in fact, wish to buy. It is, in fact, a modern version of Charles Lamb's famous story, "Roast Pig." But, ignoring for the moment the absurdity of making undesired articles in order to obtain money with which to buy articles which are desired and are already produced, certain serious difficulties are created, even from the financial point of view, by this process. In the first place, these capital goods have to be sold to someone. They form a reservoir of forced exports. They must, as intermediate products, enter somehow into the price of subsequent ultimate products, and they produce a position of most unstable equilibrium, since the life of capital goods is, in general, longer than that of consumable goods, or ultimate products, and yet in order to meet the requirements for money to buy the consumable goods, the rate of production of capital goods must be continuously increased.

Even straining practicability so far as to allow, however, that it is feasible to increase the wages and salaries distributed for the production of capital goods to the exact amount necessary to provide purchasing-power to buy the requisite amount of consumable goods or ultimate products, it will be recognised that if these goods remain at home, the money paid on them has to be recovered from the public in the price of future consumable goods, i.e., the purchasing-power distributed in respect of them is simply a mortgage granted on future ultimate production. If these capital goods are exported in return for money they are, from the energy point of view, a dead loss. Exactly the same result could have been obtained by writing a cheque for them.

This has been emphasised, if emphasis were needed, by the amazing manoeuvres in regard to foreign loans which have been the feature of the post-war years, the process consisting of a wild scramble to lend money abroad in order that goods might be taken out of the country. If they are exported in return for goods, then still there is no money in the country with which to buy these imported goods.

The position is still further complicated by the fact that while cost forms the lower limit of price, the upper limit of price is only limited by what people are willing or forced to pay, up to the amount of money which they possess. The amount of money which the great majority of people possess is considerably less than is necessary to enable them to satisfy their requirements for goods. As a consequence, any increase in the amount of money which comes into their possession is almost immediately reflected in an increase in their purchases of ultimate products, and this is very shortly followed by an increase in the price of such products as a result of what is somewhat absurdly known as profiteering.

Such an increase in money distributed is provided by any acceleration in the rate of distribution of money for intermediate products, e.g., machinery, factories, etc. This increase of money, accompanied by a rise of prices, is the only intelligible meaning which can be attached to the word inflation. Deflation, the opposite of this, is a fall in the amount of money, accompanied by a fall of prices, and it must be obvious that if these words are used with any regard to consistent meaning, neither of them affects permanently the relation between prices and money issues, and consequently nothing intermediate between the two extremes of them, such as, for instance, the much advertised policy of stabilisation, affects this relation.

This enables a proposition of the first magnitude to be stated. In the modern world, run on the orthodox financial system, there is only one method at the present time by which fresh money can reach the individual, and that is through the medium of wages and salaries. These wages and salaries form only one part of the selling price of any article. The remainder of this selling price is a creation of price values unaccompanied by a creation of money or purchasing-power. Even the creation of a credit to a producer, equal to the amount of his overhead charges, would not overcome this difficulty. He is not the buyer. There are only two possible methods by which this difficulty can be overcome, assuming the retention of any money system at all. The first is to make a grant of money to the buyer equal to the difference between wages-and-salary costs and total selling price, and this method seems to present insuperable difficulties in regard to price fixing. And the second method is to sell at a properly regulated fraction of cost and make up the financial difference to the producing organisation.

Either of these proposals is an assertion of the fact that the beneficial ownership of credit vests in the individual, the buyer or consumer, although it makes no assertion as to its trusteeship, which is the point which is raised in discussions as to the private administration, or nationalisation, of banking. Unless I am much mistaken, the disposition to consider the voluntary relinquishment of the monopoly of credit, with all its immense implications, is still in the most embryonic form in the minds of bankers, even if it can be imagined to exist at all. For instance, it seems possible that Mr. McKenna's very able expositions of the technique by means of which banks create all but an insignificant fraction of the money in the country, which have caused his confrères some concern, might be interpreted as a most admirably conceived first step to the legalisation of a monopoly which has been achieved at the expense of public ignorance and

might be endangered by general enlightenment. I hope I am wrong in this belief, because if I am not there is little doubt that rivers of blood will flow over this matter before many years have passed.

The Gold-Standard Plot.

By Arthur Kitson.

Readers of THE NEW AGE will have seen in the daily Press notices regarding the restoration of the gold-standard in this country and in South Africa. The recent visit of the Governor and a Director of the Bank of England to New York has been heralded far and wide, and there has been great rejoicing in the vicinity of Threadneedle and Lombard Streets that the old idol of the golden calf is once more to be erected to which homage is expected to be paid by all and sundry.

The inside history of this movement has not yet been fully disclosed. In the November issue of the *National Review* I outlined certain phases of this movement which is unquestionably the result of a very deeply laid and well considered plot of enslaving the industrial world to the German-American-Jewish financiers.

As far back as 1915 I foresaw what would take place immediately after the war, and I warned the members of the Cunliffe Currency Commission in 1918 what the results of the policy that they were recommending would be so far as trade and industry were concerned.

Early in 1919 the members of the Federal Reserve Board, presided over by Mr. Paul Warburg, the head of the Banking firm of Kuhn Loeb and Co., commenced to deflate the American currency by cutting down credit facilities. This policy, by the way, was not for the purpose of placing the American currency on what is known as the "gold basis," for the reason that America already possessed half the gold of the world, which was more than sufficient to meet any demand that might be made on the part of note holders for gold redemption.

The plot seems to have been purely with a view of cutting down prices, reducing wages and bringing the American people more completely under the control of the financiers. The result of that policy is well known. It resulted in wholesale bankruptcies and unemployment, and by the end of 1921 there were upwards of 7,000,000 of unemployed in the United States.

So stupendous were the losses incurred by the farmers, merchants, and manufacturers that Mr. John Skelton Williams, who was then the Comptroller of the Currency under President Wilson, protested against this wholesale vandalism, and predicted the ultimate ruin of the country unless the deflation policy was stopped.

It is now announced that the Government of South Africa intend to put their currency on the gold basis. This policy has been determined upon owing to the advice rendered by a committee consisting entirely of money-lenders, with the addition of an American Professor. This Professor, whose name is Kemmerer, was one of the chief advocates of the deflation policy pursued in the United States which brought about such disastrous results, and it must, at least, be said to his credit that he had no illusions regarding the results of that policy. I have read one or two of his speeches delivered at that time, in which he said: "I do not look for a sudden crash! I look for a long period of industrial depression." Here is a man who, knowing that this policy involved utter ruin for millions of his own citizens, with all that is involved in the term "trade depression"—the suicides, bankruptcies, prostitution, and other evils that result therefrom—can coolly and deliberately advise its adoption. And

this is the man whom the South African Government have summoned as an authority on this extremely serious question.

Another of the experts summoned is Dr. Vissering, a Dutch banker. The rest of the Committee is composed of people connected with the gold-mining and money-lending professions. When the present Prime Minister of South Africa was elected to office, he was believed to be a broad-minded, well-meaning man and in many respects superior to his predecessor, General Smuts, who was said to be hand and glove with the gold-miners and money kings. Apparently, however, General Hertzog finds himself unable to withstand the pressure brought upon him by the money-mongers who exercise omnipotent power in political as well as industrial affairs. A well-known credit reformer, Mr. F. W. Bell, of Johannesburg, has bombarded the present South African Government with letters and articles urging them to appoint a Committee that would be representative of all the South African interests—particularly agriculture, which is South Africa's main industry. His advice was to choose a representative from each of the main industries and professions, instead of allowing the moneylenders to dominate the position, as was the case in the appointment of the Cunliffe Currency Commission in this country. Mr. Bell was invited to meet the South African Commission and give them the benefit of his views, but he declined on the ground that the investigators were bankers "whose interests are too often diametrically opposed to public interests," and were therefore not "independent."

The public both in this country and in South Africa are given to understand that the establishment of the gold-standard is not only advantageous to trade and commerce but is being done at the express wish of the public. But no attempt has been made to submit the subject to the public vote. Indeed, this is the last thing that either the financiers or their hirelings—the journalists and the economic professors—would agree to. Whilst our own Government considered that it would not be playing the game to impose a general tariff without first receiving a mandate from the public, they seem to raise no objection to allowing the directors of a private trading company to introduce a far more important measure than all the tariffs ever suggested. Our Government would not think of introducing any restrictions on trade without the public sanction, but they are quite willing to allow our bankers to impose any restrictions they desire for their own interests upon the mechanism of trade!

It is amusing to witness the way in which the American financiers are bamboozling our City Editors. Day after day we read the glowing accounts of the rise in the value of sterling which these writers imagine to be due to ordinary trade causes, when as a matter of fact it is entirely the result of artificial manipulation. Even Dr. Kiddy, who writes for the *Morning Post* and the *Spectator*, seems to have his suspicions aroused, having noticed that whilst the £ has been increasing in value the so-called "balance of trade" has become more and more unfavourable to this country. The astounding feature, however, is the apparent indifference of the public. It will be interesting to witness the next movement in this world-wide conspiracy for enslaving mankind to the Money Power. As showing the lengths to which the international financiers are willing to go in order to carry out their plans, it may be mentioned that rumours are continually being circulated abroad to the effect that Signor Mussolini has been assassinated. The Italian Press attributes the persistence of these reports to an international group of financiers who are endeavouring to discredit Italy by depressing the lira in the hope that by these manoeuvres they may get rid of Mussolini and his régime.

For What Are We Educating Our Children?

By Aremby.

III.

THE TREND OF EVENTS.

Whether it is owing to the lack of comprehending leadership, or because of the apathy which is apparently an essential result of the mass production of to-day, is difficult to decide, but probably both are in measure accountable for the fact that the outlook of the workers is almost wholly negative. They have suspicions that political action is incapable of solving their problems, and are coming to suspect that direct action is equally abortive of results. In this quandary they feel helpless in regard to themselves, but are determined that their children shall not be led into the same morass. The economic necessity forces them, however, to put their children into something. Few workers can afford—much as they desire it—to send their children into a professional or commercial career, so they let them become labourers. Despite the increase in automatic processes the need for some skilled men persists, but the ranks from which they have hitherto been drawn will not enlist. Even the engineering trades, which hitherto had the call on the best type of apprentices, are now finding it difficult to get applicants. So much for the workers' negative policy.

The employers have a positive policy which is certain to become more and more standardised. This policy works in various ways. It may be through a Welfare Department, the functions of which are to weed out the applicants for jobs at the beginning; to keep a close and persistent watch on the progress of those who do start with the firm; to try as far as possible to secure that special aptitudes for special jobs are carefully fostered, and that as the less fit are discovered they are gently removed. Another method is to call in the aid of an expert in Industrial Psychology, and through the application of various tests, find out the potential efficiency of young workers. Both of these methods are of recent introduction, but one or the other of them is coming to be recognised as a necessity in industry. The purpose of them is to get the necessary number of skilled producers to work those parts of the industrial plant which require the use of brains. The need for such men is comparatively small, and the supply as yet considerable, so it is easy to set up systems of elimination of the unfit. In addition to the skilled workers needed there is the other demand for very highly qualified technicians, and these are usually drawn from the ranks of the upper middle classes. They enter the works on the sandwich system, spending part of their time at the bench and the other part at the technical school or university. The supply of these is ample, with the result that every year sees an increase in the standard of the tests which are set for full qualification. There remains the supply of semi-skilled and unskilled, and of these thousands are available.

To indicate the growing declension in the importance of the tradesman of average capacity and the improvement in the position demand of the mere labourer, the following figures showing the percentages of wages increase from 1914 to 1924 should be convincing:—

Sheet-iron Workers	18.4%
Boilermakers	40.7%
Engineers	46.6%
Patternmakers	53%
Labourers	79.6%

The out-of-work tradesman resents becoming a labourer, hence the reason for the shortage at present, and therefore the higher wages. The younger generation, however, follows the line of least resist-

ance, and the supply of labourers will soon be more than sufficient. Then down will fall the wages. The difficulty from the employers' point of view is that the diversion of workers to labouring leaves the ranks of the skilled so depleted that even the small numbers required are not being trained. This question is meantime a source of anxious discussion in engineering federation circles.

In the light of all the facts, what deductions are to be drawn?

The first and most obvious is that industry is incapable of absorbing the available supply of boy workers.

The second that the day of the tradesman of only normal capacity is over.

The third is that the growth of specialised plant demands specialised workers.

The fourth that with these is required an exceedingly efficient, but, comparatively, small body of technical experts.

Now this process is becoming more intense every day, and we are rapidly arriving at the stage when the huge industrial machine can be operated by the aid of a few experts, a few skilled workers, and a comparatively small number of semi-skilled or unskilled. If this is so, what is to become of the millions for whom there is no possible chance?—not because Industry does not want them, but because it does not need them. Can parents, can publicists, can any real statesmen calmly contemplate the growing gravity of the position and give their continued consent to a system of education which trains young minds along lines for which they will never have any use? It is monstrous to suggest that it can go on. Obviously, we must alter our whole conception of what constitutes the right to a livelihood. The old theory of "Work"—meaning merely some form of wage-earning occupation—is hopeless. There is not enough "work." We have so completely changed over to the use of solar energy in one form or another that the notion of work for all—in the sense noted—cannot be realised.

We have superabundant power to produce all that the body of man needs, or his heart can desire, but we can do it without calling upon more than a tiny fraction of the human service that is available. If we cling to the primitive misconception that "Work" must continue to constitute a right to share in the fruits of this great social heritage—for that is simply what livelihood amounts to—then our civilisation will perish, and deserves to perish. There are ways out, but release from the threat of doom demands a change of mind as to the economic functions of the social order. Is it to continue, with all the amazing fertility of invention and the abundant capacity of machinery, to be tied to an ancient and impossible theory? Or can we look to the citizens of all classes to take a new and vital view of the situation and demand that this tremendous source of real wealth in goods and services will be harnessed to its proper function—to meet by sane and just methods the full need of every man, woman, and child in the land? We do look, and if we are not to look in vain, then the question, "For What Are We Educating Our Children?" must be put in season and out of season to all those who are in authority or are seeking authority. If such people answer truthfully, then they must confess that the aimless and cruel end that has been pointed out is all that we are presently getting in return for a costly system of education. Is it worth while going on, or has the time not arrived when drastic changes must be made and our educational plans be formed on a nobler and worthier basis? Is it not time that we set ourselves to face the truth and sought for methods of so adjusting our economic relations that they will secure the elimination of the prevailing and appalling waste of human values, and give the children the right to share to the fullest the moral, intellectual, and material wealth of the nation into which they have been born?

The Third Factor.

By C. M. Grieve.

II.

"It is Machinery," continues Mr. Munson, "that has broken up our former equations. Against this ungauged factor culture has fought doggedly in two ways. I omit discussion of attacks purely from the social-economic plane. It is quite likely that our present social structure is doomed, and very possible that the new may increase the sum of human happiness. But such approaches solve problems only on the plane from which they are launched. The machine will still remain.

"The first way has been an impassioned rejection of Machinery, terminating half-way in blank anger or despair or completely in a return to nature programme. The frenzy and hysteria of the back-to-nature *révoltés* has been matched only by their impotence, while the dynamo has whirled us further and further from nature for ever. Against the acceleration of modern society the most noble eloquence condemning its causes is as futile as planting roses in November bleakness.

"The second way has been the acceptance of Machinery as a necessary evil. . . ."

and he proceeds to discuss Waldo Frank's "Our America," which is based on this attitude, claiming that it is "in fact, our best native counter-form to Machinery" and "as such it is essentially in alignment with the European literary tradition of the last one hundred years." He then continues:—

"It belongs to the art of maladjustment, an art of which it is too little to say that it has achieved very solid expression and conveyed high satisfactions. Nevertheless, for all its courage, this school may yet be arriving at a compromise, it may be a dualism that perpetuates a pernicious antagonism between the values of life and machinery, an antagonism superficially similar to that between man and nature promulgated by the puritans. And it may be that a break is bound to come, that a new effort in a new direction will relieve the strain.

"Might it not be that Marinetti, with his violent emphasis upon speed as a new beauty enriching the splendour of our world, upon speed as the assassin of time and space and creator of the absolute, and Tristan Tzara, who declares that neither poetry nor literature, but the divorce from these *genres*, properly expresses our little epoch—might it not be that they are the agents of a new recognition? Namely, a recognition that culture must now work out a harmony between three factors—man, nature, and Machinery—that the former definition of art must be amended to read 'nature and Machinery seen through a temperament,' or, to revise a newer definition, 'a temperament revealed by the laws of nature and Machinery,' that we must, in short, bring the Machine into the scope of the human spirit. We must make the Machine our fraternal genius.

"Dadaism in Europe was a widespread spontaneous upheaval with two objects: (1) To destroy the existent counter-forms to Machinery, and (2) to relate man positively and spiritually to Machinery as well as to nature. It has produced a species of mechanised art, one capable of carrying intellect, courage, humour, aggressiveness, tension, speed, of giving minor esthetic thrills. Up to now, it has refused to channel emotional profundities, to take up love and desire and religion into its form. But while thus so patently limited, it should still be encouraged. For if my tentatives should prove to be sound, then we are in the childhood of a new age, we are, by the chronological accident of our birth, chosen to create the simple forms, the folk-tales and folk-music, the preliminary art that our descendants may utilise in the vast struggle to put positive and glowing spiritual content into Machinery."

Just as I question, however, the need for or relevance of applying to THE NEW AGE such a parallelism must be in any way comparable, and as if such a reference could be freed from misleading associations—so I question whether the actual products to date of Dadaism and other "isms" more or less directly related to it are to be dismissed quite so hastily as Mr. Munson suggests. They have, I think, produced work of permanent value in as great a proportion, all things considered, as any other movement or school in the history of literature, and I do not discern the limitations Mr. Munson finds. But I cannot here review these products

in detail and say which I think will—or deserve to—live and rank *pari passu* with the immortal products of "other times, other manners," and why. For my present purpose I agree with Munson that the thing of vital consequence is that which all these manifestations, so bafflingly to us who are so near them, are prelude—for, as another writer says, "who shall pretend, from a glimpse at the source, to predict the size of the rivers that may flow from it miles down the mountain sides? . . . No amount of insurgent impatience and extravagance should obscure the symptomatic significance of these strivings."

The Italian Futurists were undoubtedly on the right lines when they sought (in 1915) to establish their Synthetic Futurist Theatre, "atechnical, dynamic, simultaneous, autonomous, alogical and unreal"—the war, to them a species of intensified Futurism, having brought home to them overwhelmingly the value of the theatre as a national influence, since, as they said, ninety per cent. of the Italian people go to the theatre while only ten per cent. read books and reviews. "We are convinced," they declared, "that mechanically, through brevity, we can create an absolutely new theatre, in perfect harmony with our vertiginously speedy and laconic futurist sensibility. . . . With such an essential and synthetic brevity our theatre can sustain and even overcome the competition of the cinematograph." However the results of their experiments may be rated they were thus—a decade ago—grappling with the fundamental considerations confronting the art of the theatre in so far as the future is concerned. What has been the effect on theatredom or cinemadom? How many of those concerned with the prospects of the theatre in Britain, for example, have thought out in any measure the problems so raised? The great majority have been content to live from hand to mouth—taking the box-office receipts as they still remain—and, for the rest, actively by a propaganda of superiority and an appeal based upon a great repertory regarded as essentially untranslatable into the new medium and so far as the immediate future is concerned at any rate unlikely to be discounted to any serious degree by the building up of an adequate counter tradition, or negatively by confinement within the scope of a dramatic art proper and a refusal equivalent to a constitutional ability to take into consideration anything outwith that, they have resisted change in the futile way in which change has always been resisted. . . . forgetting that as Osbert Sitwell says in *Who Killed Cock Robin?* "You cannot write well in the idiom of the day before yesterday—and new matter means new methods" or, as Edith Sitwell puts it, "It is better to be an innovation than a refrigerator," a conservative obliviousness which accounts, amongst other things, for the comparative stagnancy and absence of experimentalism in the British theatre.

The Italian Futurists showed the spirit which the times necessitate when they realised the necessity for the establishment of a theatre born of (1) "our frantic passion for actual life, velicitous, fragmentary, elegant, complicated, cynical, muscular, fleeting, futuristic; and (2) our ultra-modern cerebral conception of art, according to which no logic, no tradition, no technique, no opportunism may be imposed upon the genius of the artist, who must be concerned solely with the creation of synthetic expressions of cerebral energy possessing the absolute value of novelty." And, if they did no more, they at least devised a preliminary logic which enables us to canvass clearly the preliminary difficulties of achieving the new recognition with which Mr. Munson is concerned. The *batute in libertà*, the *simultaneità*, the *compennetrazioni*, the *poemetto animato*, the *sensazione sceneggiata*, the *libertà dialogata*, and the various "extra-logical discussions," "deformations," and so forth are all so

many instruments to our hand for effecting our purpose—or for clearing the obstacles that confront us in the transitional stages from the Old to the New.

It is true of them, as of the German Expressionists, of whom Isaac Goldberg in his "Drama of Transition," well says: "It is not necessary to 'judge' the Expressionists at this date; they may disappear with the course of time, leaving only whatever vital elements of their theory prove available to the purposes of the ones that follow. That they have brought a *nouveau frisson* to the drama is undeniable; thus far they seem to have affected the paraphernalia of the stage rather than the inner life of the drama. They are, then, experimenters. . . . Yet, despite tendencies towards a dehumanisation of the stage, toward geometric stylisation of life, they have achieved moments of beauty that may, in the hands of the not-impossible genius, be lengthened into hours. They have brought a colourful sweep, a massive plasticity, a musicality of method that address a need of the soul; they have assembled the elements of a new art, if not the finished product."

St. Paul's.

By Peter F. Somerville.

St. Paul's has always appeared to me to be top-heavy. I remember the astonishment with which I saw it for the first time over twenty years ago. It reminded me of a dwarf—a huge head on a tiny body. That impression has remained. I never see it near or from afar—I can see it from my bedroom window, although it is seven miles away—without having the uneasy feeling that I might have on meeting a friend whose father was in prison, or whose wife had consumption. I have always felt like that about it, and consequently the news that there are cracks in the structure did not surprise me. To be candid, it pleased me. I had the satisfaction one derives from having one's views confirmed. It is possible, of course, that I jumped unwisely to a conclusion.

I am not an architect. I know a great deal more about boxing than I do about architecture. But I have given a good deal of thought to the general principles of art, and I have read Belcher's "Essentials of Architecture." I hope that is the correct title. It is one of the books to which I am attached, but my copy at the moment is four hundred miles away. Belcher lays it down that the foundation of beauty is soundness of construction. It does not seem a very revolutionary doctrine. I seem to remember having come across it in Herbert Spencer before I found it in Belcher, and I have no doubt that it was a commonplace among the ancients. I daresay every architect would subscribe to it. Beauty in architecture cannot be dissociated from sound principles of building. When we admire the beauty of a church we sub-consciously pay tribute to the solidity with which, in our opinion, it has been built. A steeple, if one might be permitted for the occasion to use the word, that had a narrow base and a broad top would seem ugly and impossible from an artistic point of view, even if by some miracle it could be held in position. Everyone will agree. But here in St. Paul's is a case where the doctrine might be usefully applied, and no one seems in any hurry to apply it. Wren built it. One must not say anything about Wren, except to praise him. He is one of those men who for some mysterious reason have passed beyond criticism. Perhaps if I knew more about him his reputation would have become sacrosanct to me also. Fortunately I know very little. And I always start with a prejudice against any man who was born before, say, 1870, Shakespeare not excepted, though I am always ready to be convinced that any particular ancient or semi-ancient is worth his place in history.

If the experts can prove that St. Paul's is soundly designed, that there is a sufficient margin of strength

all the way up from the foundation to the top of the dome, that the cracks are due to extraneous circumstances for which Wren was in no way responsible, I shall be bound to accept their finding, although I shall still feel in my bones that the building looks wrong. But if this evidence as to the soundness of the structure cannot be produced, then the building should be scrapped, and the material used in a new structure designed by a living architect, or in building houses. There can be no excuse for tinkering at a building that does not conform to the first principles of building construction.

I do not know a great deal about the details of architecture, but I know something about human nature, and to me it is quite conceivable that Wren became obsessed with the idea of a great dome and instead of working from the bottom up, worked from the top down. Unless it can be demonstrated that the design is sound, St. Paul's, if it is bolstered up, will be, not a monument to a famous epoch in English architecture, but a standing reproach to our lack of intelligence. If we have not an architect capable of building a better church than St. Paul's, the sooner we begin to try to evolve one the better. Our slavish obeisance before the names of dead men is not a healthy sign.

Reviews.

The Early Ceramic Wares of China. Popular and Abridged Edition. By A. L. Hetherington. (Ernest Benn, Ltd. 12s. 6d.)

Those knowing nothing about the early ceramic works of China must not be misled by the word "popular" in the title of this most fascinating volume, neither should those having a surface knowledge of the subject and wishful to know more be discouraged from obtaining the book by the sight of that word. The book is not "got up" with large headings to every paragraph and snappy descriptions of the nature of a U.S.A. film-picture thriller. It is a serious attempt on the part of its author to condense in a volume of some 160 pages or so the more essential information given at greater length in his larger volume, "The Early Ceramic Wares of China." In that effort he has succeeded, and deserves congratulations on the result. The periods dealt with date from the legendary periods (anterior to 2205 B.C.) to the time of the Yuan Dynasty (A.D. 1280-1368). This shows what a relative word is the term *antique*, collectors of English pottery or of that of the continent of Europe would apply it to eighteenth-century A.D. products. Mr. Hetherington helps his readers to appreciate the age of Chinese civilisation by pointing out that his volume concerns itself, in the main, with ware produced in China before the time of King Canute in England. He shows that the manufacture of true porcelain and the use of high-fired glazes was sufficiently well-established in China in the ninth century A.D. to ensure an export trade in such ware as far afield as Mesopotamia, from which he deduces most reasonably an opinion that the knowledge of the manufacture of true porcelain was the possession of the Chinese potter at a distinctly earlier date. Light is thrown on the reasons why the early specimens of ware dealt with in this volume have not been available before for European collectors. The answer is partly political, contributory causes being the fall of the Manchu dynasty and the financial conditions prevailing in China during recent years, partly commercial, the development of railways for trade purposes having naturally necessitated cuttings, some of which have been made through ancient burial places, with the result that porcelain vessels have come to light which have been buried for centuries undisturbed by a people imbued with a profound sense of the sanctity of tombs and with a horror of their violation. An idea of the mine of wealth in such specimens is obtained (pp. 50-51) from a list of the implements provided in the case of Imperial burials during the later Han Dynasty (B.C. 206—A.D. 25); it will be noticed that over 100 pieces of pottery were buried for the use of the departed. And, of course, those of lesser wealth would honour similarly their dead in accordance with their means. To emphasise in the light of recent discoveries how our idea of values of Chinese ware needs now to be reconsidered it is pointed out that over twelve years ago our knowledge of the Tang dynasty (A.D. 618—A.D. 907) was almost negligible; at the present time we know more about the potter's craft from the seventh to the end of the ninth century than we do about

some of the later wares, and it is to be noted it was only in the year 1902 that a great writer on ceramic art in China told us "no specimens manufactured prior to the advent of the Sung dynasty have survived to the present day." The Sung dynasty dates A.D. 960—A.D. 1127. Mr. Hetherington is able to put back to the T'ang dynasty (A.D. 618—907) the earliest evidence of decoration by underglaze painting from some discoveries of ware showing a black painted ornamentation under a transparent green glaze. He reminds us (p. 120), also, that in a ware closely allied to the Tz'a Chou product the earliest examples of enamelled decoration have been found. An interesting quotation from a Chinese work compiled about A.D. 650 proves the early use of Kaolin for ceramic purposes. A chapter on the celadon glazes—in the opinion of many the most artistically pleasing of all the early glazes—and in particular those of Lung-Ch'ian Yao during the Sung dynasty should not be missed. The descriptions by the Chinese of their completed ware are charming. As an example, that of Ch'ai porcelain, made first about A.D. 954, may be given. It is described "as blue as the sky after rain, as clear as a mirror, as thin as paper, and as resonant as a musical stone of jade." If Captains of Industry and Men Who Do Things had existed in the time of such a descriptive writer (we may be glad for the sake of Chinese ceramic art that, with their corollary of dead-level in bulk-construction methods, they did not; leaving it to political economists to decide whether they would have made China happier in other ways if they had) we can almost foresee such a writer being engaged for the advertisement propaganda of the firm and perhaps being quoted by a business organisation college as one of the successful examples of taking their course. In conclusion, there are many beautiful illustrations to the book, which is one that should be in the library of all interested in the ceramic arts.

Kelvin Centenary Oration and Addresses Commemorative.

(Lund, Humphries and Co., Ltd. London. 6s. net.)

There can be no question that the centenary of the birth of William Thomson, Lord Kelvin, was an event for commemorative celebration. During the greater part of that remarkable century of discovery, revision, and research in physical science Thomson stood out as the central figure in natural philosophy. In 1824, the year of his birth, the restricting conception of the material nature of heat, light, magnetism, and electricity, though impatiently criticised by the younger theorists, still held undoubted sway, largely because these natural phenomena had not been attacked systematically and exhaustively. The idea of energy as distinct from matter was practically unsuspected, and speculation was debilitated by over-criticism of untenable doctrine while the new synthesis was yet unborn. It is difficult for us to understand how this materialistic conception was maintained except as an extension of an authoritative theological doctrine that the Divinity which made man had secreted deposits of "caloric," "phlogiston," "gravic," etc., in the material structure which man must laboriously search for and use sparingly—an idea which still persists in the doctrine of the gold standard. Carnot, however, had now enunciated, or rather postulated, the second law of thermodynamics, and although his work had been generally neglected it was soon to attract the prodigious mathematical genius of the youthful Thomson, though curiously enough the results of Joule's first experiments in the transformation of energy were not at once acceptable to him. Later, however, in a brilliant collaboration with Joule, he conducted an exhaustive series of experiments which finally established the mutual convertibility of energy and work and the revolutionary doctrine of the conservation of energy. The enunciation of these new and powerful ideas stimulated anew the latent speculations of science, and paved the way for the rapid development of the dynamic interpretation of natural phenomena, the recognition of the universality of the cyclic progression, and of statics as conditions of dynamic balance. Thomson's was essentially the mind to lead in this transition from the static to the dynamic conception, which he applied throughout the range of scientific thought, and finally in his ingenious, though faulty, hypothesis of the nature of matter as etheric vortices. Though he is better known as the technical pioneer in long-distance telegraphy and for his inventions of accurate measuring instruments, his true service must be judged by his leadership in and contribution to scientific thought. Many who learnt exact method and exhaustive research from his example have since widened the field of knowledge, particularly in regard to the nature of matter, far beyond the points he reached; and the dynamic conception has since been enunciated in the New Economics as the fundamental principle in social activities. In this volume are reprinted the speeches and addresses delivered at the centenary celebrations held in London, July, 1924, which include the

notable Kelvin oration of Sir J. J. Thomson, the speeches at the memorial banquet, and the addresses presented by learned societies of all parts of the world. Those who cherish personal memories of Lord Kelvin will find that the publisher's art has adequately met the intentions of the promoters in the form of this work. The general reader may, however, more advantageously consult Dr. Sylvanus P. Thompson's biography of Lord Kelvin or the published "Essays and Addresses."

The Economic Development of the British Overseas Empire, 1763-1914.

By L. C. A. Knowles, M.A. L.L.M., Litt.D. (Routledge, 10s. 6d. net.)

The importance of this book consists less in the selection and treatment of the vast amount of the author's material than in the fact that it will be a jumping-off point for those who are to continue the economic history of modern times. Mrs. Knowles has, in fact, penetrated some distance within the essential reality of the British Empire. She merits respect even for having attempted so complicated a task; but as we labour through five hundred pages of closely-reasoned and often extraordinarily interesting discussion we feel that our respect for Mrs. Knowles as a writer might be increased if her lack of style were less frequently reminiscent of the company chairman's annual report. The truth is that the economic historian must learn to produce "literature" if the public that he deserves is ever to be captured. Political historians have succeeded, in spite of the fact that their research work leads them into equally desperate areas of the English composition. The most casual readers of the present volume—which relates principally to the British Empire in the tropics and is only the first part of a more considerable work—will be quick to notice striking illustrations of what may be called the economic method. Those who have been dissatisfied with an explanation of Imperial development as an expression in terms of action of the growing consciousness of the white man's burden will probably find more to impress them in a mode of approach which sees, for example, the significance of the decline of the slave trade in the displacement of human transport by the more economic locomotive. Mrs. Knowles bristles with discoveries of these obvious but elusive truths. She would be advised to consider more carefully the usefulness of the maps to be provided in her next volume. She may not be aware, for instance, that it is an insult to the reader of a work of this character to expect him to accept a picture of the world on Mercator's projection with scarcely a suggestion of orographic or climatic features. After all, even the enthusiastic Imperialist is no longer simple enough to be thrilled by a great crimson Baffin Land—where the sun hardly ever rises, to say nothing of its setting—magnified to exceed the size of China.

Pastiche.

"THE ISLANDS OF THE BLEST."

By Old and Crusted.

"I do believe the people in those books are more real to you than your friends and relations, I really do!"
"They are, my dear, they are; and what's more, when they begin to bore me I can always shut 'em up—which is more than I can do with the other good folk!"

I forget exactly when this interchange of domestic badinage took place. It must have been whilst enjoying a bad cold, propped up in bed, and idly turning over the pages of Vanity Fair, or Esmond, or perhaps the gentle rebuke was administered after I had buzzed "Purple Spasms," or "Pink Peccadillos" across the room, and was making myself a greater nuisance than usual in the role of *laudator temporis acli*. Whatever the occasion may have been it certainly is a relief to get away from the eternal sex problem, psychoanalysis, subliminal lip-salve, atavistic impulses, or whatever it is that supplies the *leitmotiv* in the latest substitute for the old-fashioned romance, which went out with the three-volume novel—or as Rudyard Kipling describes it in lifting verse,
"The Three-Decker"—

Full thirty foot she towered from waterline to rail;
It cost a watch to steer her, and a week to shorten sail;
But, spite all modern notions, I found her first and best—
The only certain packet for the Islands of the Blest.

Her crew are babes or madmen? Her port is all to make?
You're manned by Truth and Science, and you steam for
steaming's sake?
Well, tinker up your engines—you know your business
best—
She's taking tired people to the Islands of the Blest!
and renew our acquaintance with the wholesome men and

women of the great Victorians, whose characters, no matter how wicked, were never feebly erotic or casually promiscuous. One has only to instance the immortal, unmoral Becky Sharp, the frail pathetic Hetty Sorrel, or the eager passionate Maggie Tulliver, when, the doors of memory open wide, and down the dream-lit corridor troops an endless pageant of familiar figures. One would fain stop them as they stream by, for who would not love to pass the time of day with Mrs. Poyser and peep under Dinah Morris's demure bonnet, or exchange a sweeping salute with that greatest of all English gentlemen, Henry—by his own act last Marquis of Esmond. How could Beatrix resist him after that final scene, when, casting the certificates of his birth and his father's marriage along with the patent of his marquise into the glowing brazier, he drew his sword, broke it, and cast it at the Prince's feet with the immortal words,

"had you completed the wrong you designed us, by Heaven I would have driven it through your heart, and no more pardoned you than your father pardoned Monmouth."

What a man—and, what an artist!

But poor humanity cannot always live at this high level, so why not go for a country stroll with Elizabeth Bennet—provided, of course, that ass Darcy is out of the way—as far as Cranford, if the weather holds fair, and drop in at Miss Matty's shop, ostensibly for the purchase of a pound of tea—insisting on green just for the fun of making that daintiest of old maids protest it is slow poison and will ruin our nerves—but really as an excuse to linger whilst she sells a child an ounce of almond comfits—four of the large kind weigh that much, but she will add one more "by way of make-weight," although "the scale was handsomely turned before." Dear, delightful old profiteeress!

As for the world of Dickens; well, there is all eternity in which to foregather with that wonderful crowd—and we shall need it—moreover, it will help to fill the vast succession of "to-morrow and to-morrow."

Now it will be gathered from all this blether that I am not a devotee of post-war fiction. 'Tis true, and I am quite willing to admit that the fault lies in me rather than in the gifted authors, but I do protest there is too much fuss made about this sex business. One would think life had no other interest. The Germans, who are not without acumen in these matters often use the same word "dichter" for both poet and novelist, which seems to me sound common sense. If our modern writers would bear in mind that they also may be poets as well as story-tellers, "holding up the mirror to nature," they might give us another Esmond or Adam Bede—and just imagine a novel of county society to-day by another Jane Austen!

LETTERS TO THE EDITOR.

THE "SOCIAL CREDIT" LIBRARY.

Sir,—My exasperated and ill-tempered style may be due to disappointment in love or to jealousy of those who have the time to write books—which I am, fortunately, incapable of; it is, however, unnecessary to consult a psychologist. It is no new dogma that a good cause justifies any means, but good intentions are rarely sufficient to effect the desired results, and a plea for Leniency to Credit Reformers is ill advised. Reviewers slate authors for various reasons: out of spite, in the hope that they may improve, or so that better writers may be read. I know neither Major Powell nor Mr. Wakinsaw, but I am sure that a few good books are better propaganda than a quantity of inferior ones, which, though they may spread a religion, can do a reasoned analysis nothing but harm. I myself find too much difficulty in writing to sneer at an unpolished style, but that is not what I criticised. I objected, not to deficiencies, but to excrescences, combined with a cocksureness absurd in Economics. Difficulty in expounding a new idea, though permissible to an originator, is not tolerable in disciples who profess to explain him. The theorem has now been before the public over five years, and exponents have no business to be still wrestling with it. It should have been cleared up long ago, and one of the reasons that it has not is that (in the controversies that I have read) its author has apparently never come to the point. The present one seems to be no exception.

There may be "a dozen explanations of the theorem," but most of them are unsatisfactory, and of them all the magic $A + B$ argument has, in my opinion, done more to "befog" it than any other. It is obvious that a quarter's income cannot buy the things that are being produced during that period, and to keep on reiterating such a platitude is not only superfluous, but distracts attention from the real problem: Why cannot credits be continuously issued sufficient to buy the most advantageous output?

What Major Douglas seems to try to show in his "experiment" has been pointed out by others, and I did not know that Frozen Credits was part of his analysis any more than Maldistribution, though both have considerable effect in dislocating industry. The experiment certainly seems to be "irrelevant," and it is no analogy, for the answer to the question, "Where is demand to come from?" is that the banks can and do create new credits. The trouble is, of course, that this is progressive and cannot be continued for more than a few years, when high prices, even without diminished reserves, make them favour deflation.

In a sense, the formula "credit flows into prices, but not into the consumers' pockets," may be true, but it is not explanatory. When credit is once inflated, the amount of incomes will always lag behind the value of what is produced, so that if a slump is to be avoided credits must be progressively increased. This depends upon a rather rigid interpretation of the Quantity Theory and is debatable, but it is a clever application of the bankers' criticism of Government inflation to the activities of the bankers themselves, and facts appear to support it.

G. B.

THE RIGHT WAY.

Sir,—If Mr. Crafter wishes to be a successful critic I would advise him to be a little more careful of his words and facts and to sleep upon his output before sending it to the printers. He can hardly hope all your readers to be ignorant of the fact that, to go no further than the French Revolution, many of the leaders then—perhaps the majority, though I am not much of an historian—were only about thirty years old. Newton had written his "Principia" by the time he was forty-five, and Nelson was only forty at the Battle of the Nile. I think, perhaps, he has confused "doing" and "ruling"; the old may rule, but only if they are "in tune with the times"—that is, if the doers are satisfied with them.

Also what is the use of asking what is in the air when he has in the previous sentence epitomised quite well what I said? Or does he not understand what it implies? He surely recognises that there have been men who, as we say, were "before their time," who struggled all their life in vain to make their ideals "work," and that these same ideals have often come "quite naturally" a few decades after their death when the children of their time had grown up. If he wants to know what is in the air I would advise him to read Shaw's "Saint Joan." It is immensely interesting in this connection and a sign of the times, and still more interesting if you believe in saints.

Taking all things together, I should rather expect that in the next ten years or so young leaders will begin to appear on the scene knowing what they want to do, and paying no respect to the ways of their forefathers. If Mr. Crafter can get together a body of old men (or women) who can in the least degree understand what the young ones are after it will be very helpful, but they will not be fobbed off with old ideals however skillfully these may be disguised. They will succeed, in the end, because it is in the air, and all we are likely to do now is to determine whether or not it shall be possible for them to build without knocking down the whole house first.

M.B. OXON

READY MONEY AND THE EXCHANGES.

Sir,—In your leading article of January 15 you draw an analogy between the poundage paid on postal orders and the price of international exchange. But are you not leaving out of consideration the fact that postal orders have to be paid for on the nail? If I have not the ready wherewith to buy five sovereigns to send in a registered envelope, nor the ready to buy postal orders either, I must go tick, and it is just there that the manipulators of international exchange get the chance of squeezing me if I happen to be an importer, because they are the only people who give tick. If the country as a whole is importing more than it is exporting it is, of course, playing into the manipulators' hands, because there are so many who want tick at the same time. It seems to me that the greater part of the talk about the price of exchange is nothing else than a smoke screen intended to confuse the public and hide this fact from it.

MISOCHRUSE.

[Yes, we left out of consideration the point raised, because it is irrelevant to our argument that it was cheaper to buy gold than to buy exchange under the assumed conditions. The proposition, for instance, that 4d. is a lower price than 6d. is not affected by the speculation whether anybody has got 4d. or 6d.—ED.]

"THE NEW PHILOSOPHY AND MARXISM."

Sir,—Mr. H. E. B. Ludlam's article on Marxism in your issue of the 15th instant, whilst very interesting, is inconclusive. He says, "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." So say the Socialists and Marxists themselves, and propose the nationalisation of the banks, which now control financial credit, as the remedy for poverty. But the State, like the bankers, with all their power, would still be helpless to prevent society starving in the midst of plenty. For whoever attempts to control credit is in turn controlled by the lack of a scientific system of regulating prices. Only when such a system, linked up with credit control, is adopted will production and distribution cease to be more difficult problems than that of the design of an efficient machine.

W. A. WILLOX.

THE "LYONS" DRESS.

Sir,—Your correspondent "Critique," who describes the new Lyons waitresses' dress as an "abortion" in your issue of January 15, might very conceivably put himself for one moment in the position of a Lyons' waitress. The psychological effect of a smart and up-to-date dress gives a girl personal pride and pleasure. Result—she works more happily and better.

It is true that the line of the dress follows the dictates of fashion in so far as "looseness" and low waists are concerned. But this is purposely done. Lyons' waitresses are for use as well as for ornament, and the low waist and soft materials all tend to easier movement and comfort on the part of the wearer.

And "Critique" will agree, I think, that it is far better both for the public and the waitress that "Nippy" should be modernly and neatly dressed rather than garbed in a costume which still savours of the Victorian era.

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"The Present Outlook"

AN OPEN CONFERENCE

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

.. Collection to defray the hire of room ..
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