THE

NEW AGE

INCORPORATING "CREDIT POWER"

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NOTES OF THE WEEK.

Instead of buying two German Diesel engines for the generation of electricity the Southend Corporation decided last week to buy English engines at a cost of £24,816. According to a *Daily News* report, the Corporation might have saved £14,000 by accepting the German tender, but that body, which we expect holds strong views about the wastefulness of the Dole as applied to the case of the unemployed worker, did not hesitate to hand a dole of £14,000 to the under-employed capitalist. We know the answer, of course. The engineering firm so favoured is going to *work* for —it is going to *earn*—this money; it is not going to get something for nothing. If the Southend rate-payers are thoroughly convinced of the high moral value of Work, doubtless they will pay up the extra £14,000 in their electricity bills without demur. But it is a pity in one sense, is it not?—for to deprive Germany of orders in this way is to prevent her earning the reparations she owes to us and our Allies. A civic Corporation can safely indulge in "patriotic economics" (as Mr. Garvin would say), because it can compel citizens to shoulder the resulting financial burden. But a shipping company, which has not that power, cannot risk such patriotism. You have got to buy a Corporation's electricity or else go without electricity; but you have not got to employ any particular shipping line to carry your merchandise. Hence, while Southend is losing £14,000 on British-made generating plant, Messrs. Furness, Withy, and Co. are saving £300,000 on German motor-vessels. From all accounts, the Company came to its decision very reluctantly, and would have paid a certain premium above the German tender in order to keep the work at home; but . . . £300,000! It went away sorrowful. This episode has caused a Press sensation second only to the pornographic exudations which are attracting attention to the architecture of the Law Courts. Mr. Garvin talks of nothing else in this week's *Observer*. He tells the history of the *Deutsche Werft* of Hamburg—"The German Yard"—which has secured the contract. It is only five years old. It was organised in the expectation that oil-driven vessels would be the dominating type of the future, this expectation has been realised, with the consequence that this new ship-yard has acquired "nothing less than international supremacy." It has begun to "*flourish on foreign orders.*" Why? Mr. Garvin explains at length, and sums up by saying that it has depended upon "the efficient interaction of a series of factories, all working in definite alliance to strengthen each other." He proceeds to contrast this with the "scattered ownership" of our coal industry, the "divided state" of our iron and steel industries." "We have not begun to get near the imperative degree of consolidation." And his conclusions? That employers must confer *among themselves* in the first instance rather than confer with separate sections of labour in different industries. They must not blame the hand workers for their own lack of co-ordination. Nevertheless, wages are all topsy-turvy—skilled artizans are getting less than tramway-conductors. He hints at longer hours in order to reduce overheads and remove the handicap on our national powers of competition. Even if and when these things are put right he counts on "another half-decade at least of reorganisation" before we are safe and before the aspirations of the workers can be realised. He concludes on the note—"What we need is a national combination."

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But let us not allow ourselves to be swept along on the flood of Mr. Garvin's vehemence. It is all to the good that he should urge Capital and Labour to take long views in an endeavour to establish a sound basis for their co-operation. But what we miss from Mr. Garvin's survey is any reference to the rôle of British banking institutions in this alluring drama of Co-ordination. He speaks of "scattered ownership" and a "divided state" in characterising the relations of Capitalists with each other, but he appears not to attach any importance to the question whether there is something scattered and divided about the relations between Finance and Industry. Yet he would be the first to admit that even if Industry as such became ideally integrated, it could not even begin to function without Finance; that its policy would therefore be subject to financial policy. Industrial co-ordination is preached as a "good" thing, but, to use Nietzsche's challenge—good *for what*? Mr. Garvin would doubtless reply: To restore our national power of competition. That is, he advocates a *British* industrial policy. That would be all very well if he could count upon the backing of the Bank of England. But can he? Is the Bank of England free to co-operate in advancing Mr. Garvin's plans, or is it, on the other hand,

simply the English branch of an international financial combine that is pursuing international financial policy? If the latter, are the two policies incompatible? Here is the starting point for all new plans. The first thing is not to get the employers together, but to get our *financiers and employers together*. The co-ordination of industrial enterprise has, in fact, been taking place for some considerable time under the auspices of the Federation of British Industries. What is wanted is some guarantee that the co-ordination, when complete, will be allowed to function. That guarantee cannot come from Industry, but from the banks.

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Implicit in Mr. Garvin's criticisms is the regret that British shipbuilders did not organise and build a shipyard comparable to the Germans'. But what if they had? The British yard would have been ready, we presume, to "flourish on foreign orders." What orders? Presumably those which the German yard has been working on. It might have secured them; but then again it might not. It could, at least, have saved Furness Withy's contract from going abroad, but what would that have measured against the capital outlay required to build the yard? It is admitted that the Deutsche Werft has achieved international supremacy. What then? Would the Englische Werft also have achieved international supremacy? How many of these international supremacies is the world going to be able to digest? And how are the citizens of all these would-be supreme countries going to pay for the increased armaments which will be assuredly necessary as soon as the international supremists start to take away each other's jobs? Is it not time that our leading publicists concentrated on a plan to make British industries flourish on home orders? If they would spend only a paltry week on the study of the *nature of credit* and the *principles of accurate costing*, they would discover the secret of achieving a "supremacy" against which foreign competition would be powerless, in fact, against which no foreigner would wish to intrigue; for although our production would rise two, three, and four-fold, there could never be anything produced which we could not buy ourselves. Private purchasing power would cover all industrial costs whatever their magnitude. Then, and then only, would our policy in exporting be the harmless one of sending away goods because we wanted other goods in exchange, and not, as now, because we must sell abroad and not buy from abroad in order to get a hold on foreign credit, wherewith to cancel our supposed debts.

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"Where your treasure is, there will your heart be also." One may apply this truth to the present situation and say of the Industrialist that where his plant, where his employees, where his colleagues, his home, his children are, there is the subconscious centre of his desires as a citizen and of his policy as a man of business. It is national. But of the Financial System, where is its heart but scattered where its mortgages, its loans are laid up?—a lender to all countries and lover of none. It is international. The tragedy of it is that this mortgage psychology has been grafted on to the subconsciousness of the Industrialist himself; and the fruit shows itself in a hysterical urge to "competition"—to "keep the foreigner out," to get together in "self-defence" and all other such devices for surviving a supposed external conflict which is, in truth, an internal one. When old Hans Sachs, in *Die Meistersinger*, was pondering over the riot in Nürnberg—wondering how it was that a city of peaceful, orderly, and kindly citizens could have been transmuted into a riotous mob in two minutes, he, philosopher as he was, had to fall back on magic to explain it:—

> Ein Kobold half wohl da:
> Ein Glühwurm fand sein Weibschen nicht;
> Der hat den Schaden angericht't.

—ah; that must have been it, "a Kobold wove the spell; in vain a glow-worm sought his wife; 'twas he who brought about that strife"—and as one hears Hans Sachs sing this resolution of his perplexity, while the orchestra paints the undulations of the magic spell and splashes them with staccato reminiscences of the rioters' cracking skulls . . . one sinks and sinks in sombre self-communing until the crescendo of the dawn breaks out into the loud sunshine of a C major chord, and it is Midsummer Day. And the New Economist wakes up, blinking. Can these things be?—sausages and garlands, dancing, processions, laughter, love-making?—and more to come; Walther, the figure of the New Economics, is to sing his Prize Song before the assembled Master Bankers and people, and he is destined to be awarded the Prize by that very body which had previously rejected him with contempt. Even the simple People sing his song around him. And at the end of it all, the Masters and Walther now reconciled, the orchestra combines the opposing motifs of the Old and the New "rules" of finance together with the motif of the historic achievements of the guild of financiers. . . . We ask pardon for the digression, but the glow-worm spell is simply the hypnotism of sound finance writ small. *Die Meistersinger* is the New Philosophic opera, and Hans Sachs the incarnation of the Social Credit Movement.

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The *New Republic* has been discussing the question of war between America and Japan. It quotes Rear-Admiral Fiske, who insists that such war is inevitable as the outcome of America's commercial rivalry with Japan for the trade of China. The *New Republic* combats the idea strongly, and its method of doing so is that of pointing out that if commercial rivalry is going to cause a fight, England will be the enemy and not Japan. China wants rail equipment. "Japan would be far less likely to bid against us than England." China will need large loans of capital. "England can supply this need in competition with the United States; Japan cannot." Also, in the rivalry for the Chinese carrying trade that may spring up, "England, with her expertness in navigation, is much more to be feared than Japan." Again; "Add to this the fact that English competition confronts us everywhere in Latin America, in Africa, Southern Asia, Europe. . . . and the conclusion appears inevitable—if we accept the Socialist-militarist argument—that America will be compelled to fight England." "Yet," triumphantly declares the *New Republic*, "*every intelligent American knows that we are not going to fight England.*" The Americans have evidently got news of the glow-worm's honeymoon, in other words, that the male and female sides of the bank ledger have found the basis of a balanced life, and have withdrawn the spell of penury and strife from the countries of the world. We hope the news is true. And this is not said altogether in banter, for although on a survey of manifest phenomena we all appear to be years away from economic freedom, yet our knowledge of the *content* of the forces engaged keeps us on the sharp edge of expectancy. Whatever strict logic may say, our intuitions tell us to expect the unexpected. The very magnitude of the forces involved implies that they are not, *as a whole*, under human control. But that they are out of such control does not necessarily mean that they are going, of a certainty, to lead to a catastrophe. It may mean that they are beyond the direct influence of our future propaganda, but that need not lead to pessimism. In a subtler plane than we are aware of, our work of the last five years must be trusted to be moulding events. It is that thought which enabled Major Douglas to remain an "optimist"—as he said at THE NEW AGE dinner—in spite of the "gloomy conclusion" which could be drawn from the facts which he surveyed. When one

speaks of forces passing beyond human control, one speaks in the sense that the complexity of the task of directing them all simultaneously has developed faster than our rulers have been able to develop their directive skill. Take each "force" separately, and there is no doubt about the ability of human beings to exercise control over it. Take several of these forces, and probably the financial system—the most powerful instance of co-ordinated direction—can control them. But take all the forces, and they are (or appear to be at this moment) beyond such direction. *Fate appears to be Fate only because we are on our knees. Let us stand up.* It is an ironic circumstance that this paraphrase of the celebrated exhortation to the proletarian victims of "Capitalism" should now be capable of so effective an application to the plight of their masters. "Stand up." What does it entail? Nothing but to snap the frayed threads of their obsolete costing methods, and rise to the full height of their and our real credit. If they persist in kneeling until the ground gets hot we cannot help it. We have at least warned them. But we may hope that the drivers of these swift forces are fitting four brakes on them, so that they can be pulled up within their own length on the edge of disaster.

* * *

Perhaps at this juncture we ought to strike a really cheerful note; so we will turn to the League of Nations. One is too prone to underestimate the force of this body's incessant activities. The following information has just come to hand:—

NIGHT BAKING.

The International Labour Office of the League of Nations has just issued reports on the suggestions made by Governments for improving the provisional decisions taken at the annual Conference last year on the subjects of night baking. . . . .

Great Britain is of opinion that hotels, restaurants, schools, hospitals, and the like should be brought within the exception already contained in the Draft Convention prohibiting night-baking for baking which is done by members of the same family for home consumption. The British Government further thinks that the Draft Convention ought not to make it obligatory to apply the prohibition against night-baking to the master baker. Thirdly, the proposal to fix the night period at not less than seven consecutive hours, to include the interval between 11 p.m. and 5 a.m., or, when required by climate or season, between 10 and 4, appears to the British Government to be unnecessarily restrictive, it being considered sufficient to provide that the term "night" must include the period between 11 and 5 or 10 and 4.

The Belgian Government proposes that, if the British suggestions are rejected by the Conference, an amendment shall be voted upon excepting from the prohibition of night-baking such work done by the head of the undertaking himself or by any other person working on his . . . .

The Dutch Government proposes that heads of establishments should . . . .

Finland wishes it made clear that . . . .

Amendments have also been submitted by Italy, Hungary, and Belgium and Switzerland jointly on the question of defining the term "night."

But what, oh what, is a baker?

* * *

The publication of Dr. van Eeden's eulogy of Henry Ford has synchronised with an article in the *New Republic*, entitled "The Automobile Rocket." It is a significant article, because it takes long views; because it asks, apropos of the motor industry in America, what is to be the end of it all. The following particulars of the industry are given. The production of automobiles in the United States has been as follows:—

1899	3,700
1923	4,000,000
1924	3,500,000

The number of cars registered increased thus:—

1914	1,711,399
1924	17,740,000

"Surely," says the writer, "this is one of the marvels of capitalism: but *how long can it keep on at this rate?* (Our italics—and congratulations.) Our author goes on to find the answer. How many cars can the United States absorb? If every native-born white male above the age of twenty had owned one there would have been about 20,000,000 in 1920. Again, one car for every dwelling would have given 20,697,000 in the same year. Or, again, if every family had had a car in 1920, there would have been 24,352,000. Summing up this and other evidence, he finds it difficult to imagine more than 20,000,000 cars being owned and operated in America. "As we approach that mark 'sales resistance' grows." He calculates that, after allowing for cars junked during the year, there are about 16,000,000 now in use. Allowing eight years' life to them, not many more than 2,000,000 new cars a year would be required to keep the number to that level. But the tested practical capacity of the factories is at least 4,750,000 a year, while new equipment since 1923 must bring the theoretical maximum to over 5,000,000. So even assuming an extreme outside market capacity of 24,000,000 cars permanently running, these will need only 3,000,000 per annum for replacement, and in a very short time "*nearly half the capacity of the plants will be permanently idle.*" He foresees the consequences. Heavier incidence of overheads on prices, and therefore higher charges. "Losses and failures, the writing down of capital values, will be the order of the day." The strongest firms may perfect a monopoly, but, as he shrewdly observes, "even a monopoly would have to reckon with the fundamental conflict between high price and a saturated market." Some makers are looking for relief in exports, but these have never been much above 10 per cent. of the total domestic production. Petrol is more costly outside the United States, incomes are lower, while the European is not so alert and aggressive in the matter of personal conveniences. Then, again, petrol production in America may pass its peak and the price rise to depress the home market. His conclusion is that the only force which will stay the doom of the motor industry is "*a marked and rapid rise in the purchasing power of the general population,*" and that it would pay American automobile makers to "subsidise heavily" the American Federation of Labour "for an organising and a *wage-raising campaign.*" The writer's final reflections on the situation are worth reproducing verbatim (our italics).

> The automobile industry is an interesting sample of capitalist culture in general. We make mechanical inventions, we start off gaily as individuals to pile up money from them. All kinds of unpredicted reverberations are felt in our individual and social habits. New demands are made on resources of raw material. We are prodigal of human energy. New sources of great incomes are built up. *Capital values arise based on temporary profits.* But it cannot last for ever. Eventually we have to count our resources, we have to *distribute the benefits of civilisation more equally, we have to deflate our capital.* All this takes social inventiveness, social control. *The perfecting of adequate social devices lags far behind the mechanical inventions.* This fact causes unnecessary misery. But sometime man may learn to exercise his group intelligence before rather than after the crisis. That is the hope of modern civilisation.

Here speaks an ally of the New Economic movement.

* * *

The debate in the Canadian Parliament on the Address in reply to the Governor-General's speech, reveals the fact that the problems of Canada are substantially the same as the problems of this country, notwithstanding the utter dissimilarity of space, population, and potential resources. Mr. J. S. Woodsworth pointed to several recent cases of suicide in Ottawa, which "appear to be directly traceable to despondency, owing to lack of work." He cited a statement by Premier Armstrong, who said that at

the Sydney mines in Eastern Canada people were suffering from hunger, and that some were "actually living on mushrooms picked in the woods." Mr. Woodsworth said it was obvious that the buying power of the people should be increased. There were only three or four factors necessary to production—labour, equipment, natural resources, and financial capital. That labour and natural resources were available needed no proof. As for equipment, he quoted a few authorities. "Mr. Beatty, president of the Canadian Pacific Railway Company says: 'Canada is blessed with more railways than she has traffic for.'" Next, he quoted the "Journal of Commerce" which said: "We now have a plant capacity which in many lines is 20 per cent. ahead of domestic consuming demand. In order to run full 20 per cent. of the output must be sent abroad." The Shoe Manufacturers' Association was cited: "The productive capacity of the Canadian shoe manufacturing industry and the distributing facilities of the shoe trade of Canada are much in excess of the requirements of the present Canadian population." Lastly, Mr. S. G. Latta, of Saskatchewan, had said: "My province is now producing enough to feed 30 million people. Our population is about three-quarters of a million, and we are not making a living out of our production." So much for equipment. As for financial capital, proceeded Mr. Woodsworth, did not Sir Frederick Williams-Taylor, at the last meeting of the Bank of Montreal, state that "These figures indicate the ability of the banks of Canada to finance a trade revival when it comes," and refer elsewhere to "this excess banking capital in the country"? So it would appear, he concluded, that all the four factors necessary for production were present, and that the evils he had mentioned should be susceptible of removal.

* * *

Mr. H. H. Stevens, following Mr. Woodsworth, gave some particulars of Canada's resources.

> Canada possesses within her borders, so I am told, 12,000 billion tons of known coal . . . about one-half of the known available coal deposits of the world. In Alberta alone there is 17 per cent. of the available coal resources of the world.

Then copper. "When I told some of the large consumers in the Old Country a few months ago about the tremendous production of copper they were amazed, and they said 'We buy on the general market.'" Then he proceeded to show that 88 per cent. of Canada's copper goes to the Guggenheim interests in America in its unrefined state. It is refined there, and then sold to Britain, Germany, and other countries. Again, iron and steel. "We have in Canada 1,100 billion tons of known ore deposits . . . the vastest supply of iron ore, I think of any country in the world." These particulars, taken into account with the well-known fact of Canada's unsurpassed potentialities in hydro-electric power, go to heighten the absurdity of there being poverty and want in that country many degrees above that which we attach to the same phenomenon in our own small and thickly populated island. Yet one hears that the root of Britain's troubles is her dense population in comparison with her limited natural resources. This will not do. The trouble is indicated by Mr. Woodsworth, who, taking up a remark by the Prime Minister, Mr. Mackenzie King, that with regard to the general conditions of Canada they might well listen to "what the bankers had to say" made the answer:

> It seems to me that he was quite right in that, because under the existing financial arrangements *the bankers can very largely decide what the conditions shall be.* If they decide that there is to be another wave of prosperity at the present time, I have no doubt that the wave of prosperity is already under way.

The debate as a whole seems to show that the resources of Canada are being mortgaged and sealed up by America, who has almost completely ousted Great Britain as Canada's external financier. "Economically and socially Canada may be considered as a northern extension of the United States" was one of Mr. Woodsworth's dicta. This state of repression is producing its inevitable consequence. Mr. John Millar warned the House of the growing sentiment of the prairie provinces in favour of secession.

> MR. HOCKEN: Does the hon. member intend the House to understand that, in his judgment, there is a serious prospect of the secession of the west from confederation?
>
> MR. MILLAR: It is very much more serious than the general public appreciate.

* * *

There is this to be said. Omitting the risk of coercive force being brought in to prevent secession, there is no economic reason for supposing that the Western provinces could not get out of their troubles by developing their own resources. That they could all eat and have an efficient dwelling is obvious from the commencement. One factor would be necessary, and one only; this is, the knowledge how to finance the development with their own credit. And on this point our readers will be glad to learn that the Executive of the Farmers' Union of Canada have recently entered upon a thorough investigation of Major Douglas's theorem. To our own private knowledge the investigation is to be wide, intensive, and businesslike. We could have revealed this before, but for reasons of policy we refrained from saying anything until we saw the information published in a Canadian newspaper. (We are not out to assist the bankers' intelligence service.) We have now in Canada the United Farmers of Alberta and the Farmers' Union of Canada; we have the *Ottawa Citizen* and, for the last month or two, that ably conducted Saskatchewan journal the *Western Producer*, all of them forces in the direction of real economic freedom. And these forces have their political reflection in the band of gifted speakers whose voices are constantly to be heard in the Canadian Parliament. And thus the truths we broadcast here on our feeble instruments are being picked up by more and more stations and relayed with greater and greater power. As we said last week, the Conference of the Social Credit Movement can congratulate itself, and we hope it will decide to send messages of encouragement to those who are so actively extending its influence in the great Canadian Dominion.

POSITIVISM AND SOCIAL CREDIT.

So long ago as 1853-4, Auguste Comte, with remarkable prescience, placed such high value on financiers that he proposed to draw from their ranks, in each republic, the social controllers of agriculture, manufacture, and commerce. In each republic, however, he would have finance exercise its function under the conscious ethical influence of organised womanhood and the organised Church (that is, moral and intellectual Power). In other words, finance must be subjected to the requirements, material and spiritual, of the community. When, to such proposals, we add the doctrine, so familiar to the followers of the Religion of Humanity, that, except a small contribution from the living generation, all of good that we have and are is derived from the Past, we can readily see why the Social Credit Theorem of Douglas should strongly attract the Positivist mind. Douglas insists that, abandoning the gold standard, each community (not private banks) should base its paper currency on its capacity (inherited in chief measure from the Past) to produce goods and services, and distribute adequate minimum incomes out of the wealth realised by modern science and social industry; and it should control prices, especially of prime necessaries, while amply recouping, from the public treasury and credit, the creators who, in special guilds and the like, deliver the goods and services; and finance will at last be subordinated to the social conscience. The Douglas idea spreads; its literature increases.

[From a review of Wakinshaw's *Solution of Unemployment* in *Humanity* (*The Positivist Review*), April. (Watts and Co., 4, Johnson's Court, Fleet Street, E.C.4. Post free, 3½d.)]

The Midland Bank and Its Chairman.

By K. O. Glenn.

The yearly speech of the chairman of the Midland Bank at the annual general meeting of that institution has become invested with more importance than usually attaches to the speech of a chairman when reviewing the past year. The chief reason for this, apart from the increasing general interest which is being evinced in the vital position in our economic and social life occupied by the money manufacturing profession, is that Mr. McKenna has broken away from the customary tradition of company chairmen, which aims at disclosing the minimum of information, and he has been at some pains to expound, up to a point, many things previously carefully excluded from public discussion until the advent of the New Economics. As a result, he may be regarded with some suspicion among his colleagues, and among observers possessing the New Economic outlook with some hope. Among the orthodox economists and City editors Mr. McKenna is supported where they find him agreeable and ignored elsewhere.

It is necessary, perhaps, to make one possible exception among the economists—namely, Mr. J. M. Keynes, whose name has become associated with what is known as a "managed currency" system. However, the open arms with which the financial Press received Mr. Keynes's book has caused New Economists to take a second glance at this seeming rebel. The true perspective of the situation is perhaps exemplified in the final sentence of a comment in the *Financial News* upon Mr. Keynes's book and Mr. Hartley Withers's "Bankers and Credit." The concluding passage runs: "One of the few weak points of the book ("Bankers and Credit") is that it has wasted too much space in criticising the schemes put forward by Major Douglas, Mr. Kitson, Professor Soddy, and that it has paid them an undeserved compliment in taking them seriously." Similarly, in a review of Mr. Withers's book by the *Birmingham Post*, the final paragraph directs attention to Mr. Keynes's book, and proceeds: "This, and not the Kitsons and Douglases and Soddys, are his (Mr. Withers's) real enemy." The close parallel between these two physically widely-separated comments is curious. The spot light is to be reserved for Keynes and Withers.

Now "managed currency" is nothing more than a new name for the control of credit without using gold. The discontinuance of gold control for our internal currency is an essential first step in the inauguration of a consumer credit system, and in this respect New Economists would accept the idea of a "managed currency," but only as a first step. Mr. McKenna clearly agrees that the control of credit is the control of prices, and this recalls a remark by Sir Laming Worthington Evans, who, in moving the adoption of the report of the Financial Commission at Genoa, May 7, 1922, said: "The experience of the Bank of England and the Federal Reserve Board since the war has demonstrated afresh the sensitiveness of prices to credit conditions. The power to influence prices and the responsibility for using that power belong to the great central banks." Again, Sir Charles Addis, in an address to the Institute of Bankers on December 10, 1923, stated that "it is part of our official currency policy, in co-operation with the central banks of Europe and, it is hoped, of the Federal Reserve Board, to give a world extension to this faculty of price control."

New Economists would have no objection to the Bank of England's regarding the control of prices as its special function, but the control would have to be exercised in the interests of the whole community by lowering the general price level whilst expanding credit, yet without restricting production and reducing employment. That the realisation of such conditions would entail a radical alteration in the present method of credit accountancy needs no elaboration here, but it is just at this point that Mr. McKenna's exposition stops short. It is immaterial how effective the control of prices by credit may be if the credit is to be issued in the same manner as hitherto with the inevitable result that all costs, together with the original credit issue, go into prices, while the aggregate of these prices exceeds available purchasing power in the hands of the consumer.

Mr. McKenna, while he can hardly fail to be aware of this kink in our financial method, has not so far expounded it, but has joined—though with no great show of enthusiasm—the chorus of approbation of the gold standard. Nevertheless, he has been more informative, up to a point, than other bank chairmen, and his frankness is emphasised by contrast with a speech such as that of the Chairman of the Westminster Bank. This speech is distinctly antagonistic to the New Economic conceptions.

It will be interesting to enquire whether there are any material grounds for the apparent divergence between Mr. McKenna and his colleagues. A recent examination of the overseas affiliations of the "Big Five" banks discloses the interesting position that, while four of the "Big Five" have foreign subsidiaries and alliances, the Midland Bank has held aloof, and apart from three offices on board Atlantic liners it has no branches outside the United Kingdom. Its foreign business is transacted from Old Broad Street, E.C., through agents and correspondents overseas. This appears to furnish some ground for regarding the Midland Bank as the only truly national bank among the five largest cheque-paying banks as distinct from the national central bank. As a further instance of the support by the Midland Bank of a national need may be recalled the granting of an unsecured credit, amounting to a quarter of a million pounds, to Napier and Sons. This permitted that company to carry out important aero-engine work, one of the results of which was to enable this country to turn out the largest single engined aeroplane flown.

Again, in looking round among bankers for evidence of thought indicating a movement out of the rigid rut of the Old Economics, the articles in the *Observer* by Lord Milner, a director of the Midland Bank, come to mind. It is true these articles petered out in a somewhat lame concluding exhortation for greater co-operation in industry; nevertheless, they were a complete justification of New Economic thought. Further, it is well known that Lord Milner is not, by any means, a League of Nations enthusiast. Two other instances of progressive and consequently unorthodox suggestions are to be recorded, and again they emanate from the Midland Bank. Mr. J. B. Darling is the sponsor in both cases, namely, Empire Currency Bills, and the suggestion to pay America in gold as rapidly as possible and be done with it. The root idea in both cases is freedom from the fettering influence of gold. Is it possible that these directors and the chairman of the Midland Bank are expressing a conviction, in addition to their own, that gold must be dis-established?

Mr. McKenna's annual expositions have now reached a point at which sincerity demands of him that he shall proceed to draw the logical conclusion. The New Economists have the key, and he knows it is the logical conclusion. There is, of course, the possibility that the whole situation has been staged. Within the closely drawn leading strings of an exclusive financial cartel such a thing would be comparatively simple. Twelve months hence, when Mr. McKenna addresses us again, the gold standard will probably be with us also. Mr. McKenna may feel a little freer then and be correspondingly expansive, but, if our *internal* currency

has again been shackled to international gold, he will be presented with an opportunity of explaining the considerations and influences which led to the retrogressive step of reverting to a "standard" which, as he showed, was less effective in stability than the stability attained in its absence.

"Broom's."

By John Stevenson.

"So to the Coffee-House, and there very fine discourse."—S. Pepys.

For just on two centuries, following the day when Monk's carpenters painted royal names on Britain's men-of-war, down to mid-Victorian times, and the disappearance of January 30, May 29, and November 5 from the Church's Calendar of Days to be kept holy, the coffee-house occupied an acknowledged place in social London. It hung, a kind of stellar chrysalis, the ancestor of both club and mess, radiating camaraderie and good-fellowship. To the Steeles, the Foxes, and the Sheridans, wearied of roystering at canteen or tavern, it offered opportunities both for mental exercise and for bodily repose. Now Piccadilly and St. James have cozened away the aristocracy, while the bourgeois have transferred their custom to the popular restaurant. Soon some Directorate will stretch out a tentacle, and the life will be squeezed from the few "Broom's" that still remain to us. Or, more dreadful still, they may be allowed to linger, dried mummies of their former selves, feudatories of a vast limited company, a factor in an annual balance-sheet, a port of call for the lumbering supply-lorry. Thus the time has come to compose and sing a threnody. To-morrow it may serve as material for epitaph.

The Law Courts clock has just struck the quarter after one. Their Lordships, the Bar, have unrobed, solicitors cast aside their invisible cloak, and from the chambers and offices that honeycomb the Temple emerge the workers for their hour of quasi-freedom. Now the narrow door of "Broom's" is in constant use. Each, as he enters, salutes with lifted hat or bow that is neither patronising nor genteelly obsequious the smiling manageress and her attendant nymphs, who answer collectively to "Dorothy," "Doris," or "Dora." Soon the little rooms with the cramped tables are comfortably filled. The patrons busy themselves with gastronomic discussion of "Two, well done, and fried," kidneys on toast, haddock and poached egg, washed down with a strong cup of "Broom's" famous coffee. Now, refreshed—we of the twentieth century eschew repletion—they sit back. The clock still wants twenty minutes to the time when Inner Guard Necessity will call them once again to labour. Blue smoke wafts through the open windows towards grey Carey-street, or the noisy Strand. For a brief space the mask is off. The "fellow-passengers to the grave" have shot back the water-tight doors that shut each off from the rest of mankind. Gusts of good-humoured chaff blow warm and free, to and fro. A whiskered West Country "Diehard" summarily executes a batch of strikers. A Socialist beats Ariel's score by an innings, girdling Earth's peoples in an international bond of brotherhood. A Liberal chuckles at either alternatively.

"I was in old Horridge's Court this morning, and . . .

"Blank, you're an architect; what's your opinion of all this St. Paul's fuss?"

"——— good! But have you heard *this* one?"

Hark! That was the hour striking. Down falls the irresistible drop-curtain. Down the stairs clatter the patrons, to eddy round an unflustered Doris for their reckonings.

A last time, almost noiselessly the door swings. Faintly on the ear comes a tune of a bygone day. Then, too, it is drowned in the roar of a passing motor-bus.

Cosmopolitica.

By Protagoras.

THE CLASSICAL IDEAL.

When I read Major Douglas's observations on the Modern and the Classical Ideals at the beginning of "Social Credit," I recalled none too amiably the years I spent in studying the Classics—the language, literature, institutions, philosophy, history, and relics of the Romans and of certain ancient Greek States. Apart from an interest in the social customs of other societies (which Greece and Rome satisfy no more and no less than mediæval England, contemporary China, and ancient Egypt), the cultural value of these studies now seems to me to rest, for Greece, on about nine authors and the ethical doctrine that "virtue resides in the mean"; and for Rome, on about four authors, the mystery of her town council becoming lords of the Mediterranean world, and the other mystery of the permanence or postponed decay of the Roman Empire. I am the last to deny the value of tradition in maintaining and developing a civilisation, and I fully admit the benefit which enthusiasm for the Classics has brought to Europe from time to time, notably at the Renaissance. But the continued propaganda in their favour merits suspicion.

Two things are worth bearing in mind. First, that Greek (which means Ionian and Athenian) civilisation in part, and Roman civilisation completely, drew their energy from slave systems, which played for them the part which coal, oil, and (in the future) wind play for ours. Second, that no "classical" tradition fettered the original thinkers of Athens. Had the Renaissance pursued the unclassical and original course of Leonardo da Vinci, its glory and value would have been greater; while dependence on tradition, in this case Jewish—Old Testament—was the curse of the Reformation.

In England, despite the propagandists, Classical study seems still to decline, but I believe that in France and in the United States it does not, especially Latin, which is the less valuable of the two branches. Has this any significance for world politics?

There are still a few people who maintain with the feeblest evidence that the Roman occupation of England had a decisive influence on English social life; who profess to believe that Roman civilisation survived the hundred years and more of bitter warfare which accompanied the Anglo-Saxon immigration. They appear chiefly to imagine that this thesis in some way promotes the welfare of the Roman Catholic Church. But France was thoroughly Romanised, and, in the vicissitudes of its history, has largely remained so. Among her institutions that of the Family, with its accompanying conventions of marriage and the management of property, seems to be characteristically Roman, and to embody conceptions of the relation of the individual to the group, which were not recognised among the mass of the people of this country even when the master in a well-to-do household could be and often was a domestic tyrant. It is tempting, too, to find other illustrations of this in the excessive centralising of administration on Paris ever since provincial privileges were broken down under the Bourbons, and in the system of criminal law. The absolutist tendency is reflected in the chief political schools of thought and party. The Jacobins and their spiritual descendants are for Equality under an unchallenged State. The Clericals are ultramontane, and presumably stand for an unchallenged Church with a secular arm—queer fish many of these Clericals are, too! The Bonapartists and non-Clerical Royalists are State absolutists of an antiquated pattern. The Syndicalists, and nowadays the Communists, prefer to vest Imperium in organisations hitherto embryonic. The non-absolutist Lamennais wished for an independent State and an independent Church: the State prosecuted him, and its enemy at that time, the Church, excommunicated him.

I cannot help thinking this temper, and the French devotion to abstract principles, to be peculiarly hostile to the philosophy of Social Credit and to any mechanism designed to realise it. Those who envisage the application of Social Credit to France must look for support to some other "non-ideal" forces.

"Security," with emphatic reference to France, is a current catchword of journalists now discussing the international politics of Europe. The desire of the Frenchman and the French Family for their personal economic security is as notorious as the persistency with which it is baulked. The *rentier*, large and small, has been scourged since the war by the fall of the franc, and his healthy indifference to the payment of direct taxation has only saved him part of the consequent damage. Of the future he is thoroughly apprehensive, though here and there perhaps he still cherishes the hope of regaining the comparative stability of pre-war days. I say *comparative*, because a chief maxim of the French financiers was that the way to profits, and unconscionable profits, too, was to starve French industry of credit and assiduously to collect the Frenchman's savings in order to lend them to second and third-rate foreign borrowers like Russia and Mexico, to whom later on still more money would have to be lent, so that interest on the earlier loans might be paid. That no Frenchman is to be trusted or encouraged in business was a leading principle with Germain, the architect of the French system of deposit banks. He was a fervent Royalist and scornfully anti-democratic to boot. France has, of course, produced plenty of business men and organisations of eminence, especially under the Second Empire, before Germain's system. But they have often pursued a policy, at least in recent times, no more beneficial to their fellow countrymen than his. The worthy professor, for instance, who managed the Comité des Forges up to the middle of the war, when its new rivals grew too strong for it, followed the well-worn path of systematic sabotage; the French ironmasters, maintaining the protection of a high tariff, charged the highest prices that a stringently-restricted traffic would bear. The most active of the Industrial Banks, *des Pays-Bas*, was and apparently remains a foremost dabbler in every international financial scheme which could embroil France in the enmities of Central and Eastern Europe.

The problem for some friend of France seems therefore to formulate ideas and proposals in such a way as to appeal to that much-abused self-interest which animates the peasant and the bourgeois.

The French Government is reported to be engaged in strengthening the position of Latin studies in the educational system. Is this a token that trust in the ideal is preferred to a continued grappling with the actual? Is it a symbol that France finds the future too ominous, and seeks for comfort from the past when it is denied in the present?

"SANCTITY."

Some winter morning, when the organ drones
Drowsy conclusion to a languid hymn,
A glance may wander past the altar stones,
Entwining flowers, and fretted cherubim,
Rest on my face, and in the dark silence
A girl stirs: I watch her dim, eager eyes
Searching for mine, through the bitter incense.
And finding, smoulder in a slow surprise.

She cannot know that I had worked for this—
Paid for the cold halo with my young right
To taste strange heady wines, to laugh, to kiss,
To walk, star-drunken through a winter night,
Alone—that she might know I've danced, and sung
Loud songs, and greatly loved; that I was young.

ROBERT SCOTT.

Towards The New Order.

By C. M. Grieve.

I.

It has been said that "inherent in every soul there is an original Genius, an idea of individuality, a mysterious principle of unity, which makes each soul what it is, gives it its definite identity, its distinctive potentialities, its special properties. The wise old Druids called this principle '*Awen*,' which has no exact equivalent in our language. Awen, as the idea of Unity within the Soul, is the primary principle through which man may become identified with the Supreme One, through the conscious union of his own particular oneness or unity with the Universal or Absolute One. Awen, as the idea of Individuality within the Soul, is the primary principle which distinguishes each human soul from all others and thus gives to each its own special relationship with the Infinite. Awen, as the Original Genius, or Source of Inspiration, is the primary principle through which God reveals Himself in a special manner to each of His children. The Awen from God, therefore, is the Divine Revelation, the inspired word, the uttered name of God, the Beginning and End of all Mysteries. Those who know this mysterious Awen of the Soul are divinely-taught, supernally illuminated, and God-inspired."

A little hot air must be let out of these sentences to fit them for our purpose. It will be obvious that I am using such terms as God, divine, supernal, and so forth purely metaphorically; they serve as well, divested of their traditional sectarian associations, as any other terms that could be devised. In his new book, "The Problem of Immortality" (Messrs. Geo. Allen and Unwin), Dr. Tsanoff passes in review the various principal philosophical estimates of immortality—Dante, the French materialists, pluralists like Dr. McTaggart, Nietzsche, the Positivists, and Buddhism—tracing through the varied assertions and denials of immortality an increasing stress upon its moral basis, which is the ethical proof offered by modern idealism. "Faith in immortality, philosophically viewed, implies a conviction of worth in the cosmic order and in the individual soul, when the world-process is regarded as tending towards the fulfilment of personality. But can this view of the cosmic order be upheld? And are all human lives of sufficient value to be capable of fulfilment? Indeed, is an human self more than a transient phenomenon? Here advocates of the absolute philosophy and pessimists meet."

Against them all Dr. Tsanoff argues (and his brilliant and persuasive dialectic is well worth the attention of all readers of THE NEW AGE interested in the wider horizons so frequently indicated of late by various writers as opening beyond, and through, the achievement of the New Economic Order) that the valuing self, the moral individual, demands that the universe be conceived as one in which moral aspiration and spiritual activity in general are integral, and to this end it also proposes hypotheses, it presents demands on the universe, and seeks assurance of their justification. Such a hypothesis and such a demand is the belief in immortality, the hope of life eternal.

But what I propose to concern myself with is the problem of Human Genius; and, without going into the question of personal immortality and the relationship of the individual to the cosmos, it is sufficient for my purpose to regard human consciousness as Vladimir Soloviev regarded it—as the conscious element whereby Saint Sophia, the Divine Wisdom, hopes to reconcile the Universe to God. The first task of the conscious is to recognise that this is its duty and its still more or less unconscious desire; and the first thing it must do towards the accomplishment of

that mighty task is to win to a like consciousness first the unconscious masses of humanity including all the dead); then the lower orders of creation, the animals, plants, etc., and finally so-called inanimate matter. (Towards this, it will be recognised that our escape, as Faitcha puts it, "from the industrial productive system which demanded of everybody a life of toil to the doing of the necessary work of the world" is an important step: when, as the Douglas system proposes, actual achievements have been turned to account in that way, when Social Credit has not only shown us how the means it offers should be used to attain a New Social Order, but when these means have been fully and successfully used, a great deal will have been accomplished towards winning to the necessary consciousness the unconscious masses of humanity at any rate).

I need not deal with recent developments in mental science and physics in significant alignment with the assumption of such a tendency or destiny. I agree with Professor Leuba ("The Psychology of Religious Mysticism": International Library of Psychology, Philosophy, and Scientific Method) that "the hope of humanity lies in a collaboration of religious idealism with science—the former providing the ideal to be attained, and the latter, so far as it can, the physical and the psychological means and methods of achievement."

The Arts In Utopia.

By Haydn Mackey.

Some consideration and discussion is badly needed amongst adherents to the New Economics, to find and as it were develop an art impetus, an art creed for use in propaganda; for art is the emotional statement in contradistinction to science, the careful and conscious; and the latter is nearly useless without the former.

Some of the most effective of the Socialist propaganda amongst the educated and the middle classes was based on an appreciation of the medieval arts and handicrafts. Morris's "News from Nowhere" was only possible from such an artist apprenticed, as it may be said he was, to the Gothic revival; that revival which was the important result of the isolation from European thought which England adopted, in fear, after the French Revolution and the experience of the Napoleonic wars. Our Arts and Crafts Society was founded by Socialist artists and certainly had a great effect on the trend and tendency of the times; colouring the thoughts, speeches, writings and efforts of Victorian Socialists. And the final phase of Socialist propaganda of any interest in this country was that which was attributed by Mr. H. G. Wells to the influence of Mr. A. J. Penty's medievalist imaginings on Mr. A. R. Orage's intelligence. Medieval art has been made to play a great hand in the Socialist game, but it is futile for the Social credit propaganda to take over the Victorian Romantic Gothicism of our Socialists. The Just Price is our important medievalism—not arcuated building.

It is manifestly impossible within the limits of this article to attempt more than the merest opening of a subject demanding attention; to attempt more than the throwing out of a few hints of the reasons which bring my conclusion. One or two of them only can be implied by what follows.

The principles of the true arch and vault depend on the relationship of a number of small but integral parts, developing thrusts and strains which must be met in certain ways. Such building is to be no more highly praised on aesthetic or utilitarian grounds than the static trabeated building; and on either of these grounds is no more fitting to the metal construction of our buildings of to-day and to-morrow than it was to the Greek of the Periclean age. The building art of the Greeks was based on enforced slave-labour: yet it was art. The spirit and *idea* of the artists found expression through the energy and labour of slaves: so the building art of the future must find the expresion of the *idea* of such controllers, artists, as we may have amongst our architects and engineers, through machine aid and mass production—not hand labour. Building by hand, with each stone worked by the individual workman, at its best produced, the Greek, by slave labour, and the Gothic, by free labour; but *both belong to the ages of Scarcity*. But the Greek result with controlled labour showed the idiom of the finest, most aristocratic minds of the time; the Gothic, with free, the average, the democratic. The difference between Victorian Socialism and the New Economics is the difference between such democracy as a method and such aristocracy. In the coming Age of Plenty the idea, the art, will surely be largely expressed through non-human labour. Not an art *of* the machines, but an art expressed *through* the machines—as a poet may find expression through a printing press. All the sound claims for Gothic—mostly ethical—are of the same nature, and as true as the statement that hand-made lace is more beautiful and interesting than the Nottingham variety of the shops, that decorated Victorian windows. When "plenty" has been machine-made and mass-produced we can all have lace curtains (which God forbid!) and buildings; and in our ample leisure—but *only in that leisure after plenty is achieved*—can we individually build by hand or adopt any other form of handicraft, as the whim takes us; although the art of an age is not only expressed in its pastimes. In that Age of Plenty it is possible that we shall all be more concerned, as amateurs in the true sense, with the abstract idea rather than the material technique; women will not be much occupied with fine stitchery, with the making of samplers or lace; no Queen and her ladies will record history in another Bayeux tapestry; and few locksmiths will engrave the unseen insides of their locks-plates, as well as the visible outsides—unless, in that time when material human labour is largely superseded and there is vast leisure for us all, some section of us should revert to such a faith and such a philosophy as have produced in their time such glorious results. I would be the last to deny their creed: I only deny that it is now, or likely to be in the future, comparable with such *universal* material comfort and plenty as we have now learnt to desire and command. So we must revise the aesthetic doctrines regarding the arts and crafts of the most farseeing and idyllic of our Victorian Socialists, who are inevitably in sympathy with the machine smashers rather than users.

There is also another reason why in most building of the Age of Plenty we must, in seeking inspiration from our two main sources of architecture, Classic and Gothic, prefer the Classic; and in preferring the Classic we must for the same reason view it through the Renaissance when such artists as Jones and Wren were possibly the best planners in the world. It is the cultural reason which produced the Renaissance; the cultural reason that accounts for the existence of the arcuated, perpendicular and *narrow*, or the trabeated horizontal and *broad* styles of building at their special periods in our chequered career from scarcity to plenty—the cultural reason that explains the "style," the coherent speech, of man's building.

AGAINST A CRITIC.

By D. R. Guttery.

"A little scribbler"—so he writes of me.
Ah, well! 'tis but a little calumny.
While I some fuller news of him await,
Of what this haughty critic's size may be,
Him by his gross stupidity I rate
And stand amazed at his immensity.

—*After* FABIEN PILLET.

Transfiguration.

By "Old and Crusted."

Since I can never see your face,
And never shake you by the hand,
I send my soul through time and space
To greet you. You will understand.
(James Elroy Flecker.)

* * *

Ye friends to truth, ye statesmen who survey,
The rich man's joys increase, the poor's decay,
'Tis yours to judge, how wide the limits stand
Between a splendid and a happy land.
Proud swells the tide with loads of freighted ore,
And shouting Folly hails them from her shore;
Hoards e'en beyond the miser's wish abound,
And rich men flock from all the world around.
Yet count our gains. This wealth is but a name
That leaves our useful products still the same.
(The Deserted Village.)

They say the Squire was the first to receive the "good news." All who met him on his way to the station one wonderful June morning said there was a look on the old man's face that had been missing for many a long day, that he had lost the weary droop of the shoulders and walked briskly and erect as in the happy years before things began to go wrong at the Manor; before expenses were cut down and ancient hospitality curtailed. Instead of his usual curt nod there was a cheery "good morning" for all who were crowding into the little booking-hall and eagerly discussing the strange happenings.

All kinds of rumours had been running through the village. Nobody seemed to know exactly what had happened, but there was a general feeling of relief as if some long-pending disaster had been avoided. It was only by degrees that the extent of the "good news" became known—that the days of penury and pinching had come to an end as a tale that is told. The notice in the Post Office window was hardly understood at first, but when the schoolmaster had explained to a crowded meeting that the "National Dividends" would be paid monthly by cheque through the post, and sent to every adult man and woman without reference to circumstance or condition, a cheer went up such as the old schoolroom had never heard before.

Early next morning our old friend the "collier-gardener," Jim Wagstaffe by name, might have been seen in earnest confab with Will Hallam, the builder, joiner, wheelwright, and general constructional engineer of the parish. Leaning over a gate leading into the home close, and gripping Will's arm so that he winced, Jim pointed to an ancient thatched cottage.

"Not much to look at now, Will," he said, "but when you and me's finished wi' it, yon owd ruin'll be a house as any man might be proud on. And there's the land; four acre o' good loam, an' fallow these ten year—and mine, my lad—mine—to do as I like wi'. Strewth, it's a'most too good to be true. We knowed as summut were up last Christmas at th' pit when they said this new carbonisation were to be started at once, and us chaps was told off to larn the new jobs—at full wages, mark ye. Then when it were given out that an eighteen-hour week for underground men was comin'—why—I began to feel as if the dream of my life were comin' true, that I should live clean and lie sweet, and for four days out o' the seven be free from the dust and the muck and the sweat. And now, what wi' the house, and the byre, and the pigstyes, I——"

"Squire says," interrupted Will the stolid, "as there's timber enew to fell this autumn as'll provide more nor we want, and he's goin' to reopen the owd brickyard—closed these fifty year; and any man that wants stone can help 'issen at the Abbey quarry. How we're goin' to pull it all in i' the time I dunno, but I'm not worrying—when a man's working on his own job he don't count minutes."

. . . . . .

The strangest scene of all was witnessed at the Plough Inn. The croakers and kill-joys had foretold an outburst of revelry and drunkenness; but the landlord told a different story. He is a dry stick is "Garge." Standing in the porch of the old inn he might be his own great-grandfather, if he had but a scratch wig atop of his ruddy humorous face—for he always wears knee-breeches, worsted stockings, shoes, a long-sleeved striped waistcoat, and a spotless white apron tied round his ample form.

"No, Silas," said he, in reply to the enquiries of the local constable, who seemed disappointed there had been no breach of the peace. "Nowt o' the soort, we've bin reckonin' up the takings, and the missis holds as there b'aint a quart's difference one way or 't'other. Mayappen we shall sell more when the real ale comes in. They say old Bill calls in the station every morning to know if it's here. But you should a' been i' the tap-room last night, lad. It were more like bein' i' church—it were that solemn like; there was summut in the eyes o' the men that made me feel I was walking up the aisle wi' the alms-bag instead o' carrying a tray o' pint-pots. Even t'owd woman's tongue stopped clapperin. The surprise o' the evenin', though, wor Billy Straw, 'im allus so peart like and ready to hold forth on 'is rights and 'is wrongs—he seemed fair nonplussed. A'ter 'e'd bin starin' at 'is tankard for a matter o' ten minutes, 'e put down 'is pipe—he'd forgotten to light it—an' says, 'I wor reading a piece i' the Sunday paiper t'other day wot fair gravelled me. It were by one o' they scientific chaps, an' he said as everything we ever said is kind o' recorded on the walls an' rafters o' our rooms, and if anyone could strike the right pitch like, it would all be repeated same as one o' they grammyphones. I can't say as I quite foller 'is argyment, but I can't help thinkin' that if these 'ere walls could speak we should hear a mort o' rubbish and muck as we should be 'eartily ashamed on.' An' that's Billy Straw, communist, 'im wot allus knew everything. Then he finishes up wi', 'An' I can see now as all them brave lads in the great war did not die for nowt. It were a big price to pay, but, thanks to them as died an' them as come back wi' clear eyes an' strong wills, we've done wi' the old shams an' bunkum for ever. Let's drink to their memory—standin' and in silence.'"

. . . . . .

"And I reckon, Silas, as that were the real 'Armistice Day.'"

. . . . . .

It was almost dusk when the Squire returned. He had left word he was not to be met, but would walk home across the fields. He wished to be alone for a few minutes; no wonder; he was a free man once more, and when his hour came could look his forbears in the face; the old home was not to pass into the hands of strangers, and now he would lie with his fathers—lie by the old Crusader in the chancel, and in the company of the men who fought at Edgehill and Marston Moor, who won honour at Ramillies, Minden and on the heights of Albuera; and—God rest him—the son who had proved his mettle on the fields of Flanders.

The shadows of the great cedars had lengthened and lay like strips of black velvet on the broad lawn as he came through the wicket gate leading from the paddock to the garden. The click of the latch was just audible from the terrace steps where someone was waiting and watching—as women have waited and watched since time began.

A slender white-clad figure, with out-stretched hands, moved, at first hesitatingly—then swiftly—towards him. . . . And as she whispered the message of his eyes, the years slipped from her like a silken garment—

"It *is* true, then, John?" . . .

. . . . . .

"Aye, Mary . . . 'tis true."

Reviews.

More's Utopia and Bacon's Atlantis. Edited with an Introduction, Notes, and Glossary, by H. Goitein, and 22 Illustrations by S. Langford Jones. (Broadway Translations. G. Routledge and Sons, Ltd. 7s. 6d. net.)

It was a happy inspiration to publish these two oft-quoted classics in one handy volume, both of them books we are all supposed to have read; but as a matter of fact our knowledge of these and many another famous author is often restricted to excerpts packed away in text books and histories of literature. Truth to tell many of us come to them too young. But if, as has recently happened to the reviewer, we can be induced to re-read some of these old writers it will be found a pleasant and fruitful task—especially in the case of More's Utopia. The book is full of ripe wisdom and common sense, and its influence on the development of modern Europe is not yet sped. It is an idle but pleasant day-dream to speculate on what the world would be like to-day if the Reformation had been moulded by More and Erasmus instead of being warped and distorted by Luther, Calvin, and Knox. Three centuries spent within the prison-house of Protestantism is a long price to pay for the questionable advantages of that industrial supremacy which so many historians have fatuously boasted to be the special reward of Puritan virtues, and whose crown of glory is—Warrington, Widnes, and Wolverhampton. Even to-day the chief obstacle to the spreading of the light of the New Economics is the persistence of the horrible doctrine that this is a world of woe inhabited by damned souls. The ancient heresy dies hard, but the spirit of "Utopia" will kill it in the end. Then there is such a deep humanity in More's work—witness his protest against capital punishment:

"I think it no right nor justice that the loss of money should cause the loss of man's life. For mine opinion is that all the goods in the world are not able to countervail man's life."

With a sympathetic sigh we can also re-echo the closing words of the book:

"—so must I needs confess and grant that many things be in the Utopian weal publique, which in our cities I may rather wish for than hope for."

A word of recognition is due to Mr. Goitein for the manner in which he has carried out his editorial duties, not forgetting the delightful introduction, which we rejoice to add is not described as a "Foreword"; but why does he mar good work by the use of such a phrase as "leaps to the eye"? This literal translation of a French idiom is unworthy of a scholar who has command of good English.

The Non-Partisan League. By A. A. Bruce, A.B., LL.B. (Macmillan. 16s.)

The former Chief Justice of the Supreme Court of North Dakota, now professor of law, endeavours to show that the Non-Partisan League was Socialist in tendency, and therefore against the interests of the farmers who are its chief supporters, and that the leaders of the League have acted contrary to Law. He considers Socialism to be merely "Government ownership and control of all the agencies of production"; a professor of law, even in the University of Minnesota, should know that this is only State controlled production, and may have no connection at all with Socialism which is concerned with distribution. North Dakota depends on middlemen and Eastern creditmongers for marketing grain; these are naturally hostile to co-operative enterprise, which would have curtailed their profits, and it was hardly to be expected that they would subscribe to the Bonds of the Bank of N. Dakota. They did not, and perhaps by now Senator Ladd knows that against hostile interests State Banking with notes redeemable in gold is only asking for trouble.

BOOKS RECEIVED.

Modern Political Theory. By C. E. M. Joad. (The World's Manuals. Clarendon Press. 2s. 6d. net.)

Daedalus, or Science and the Future. By J. B. S. Haldane. (Kegan Paul. 2s. 6d. net.)

Tantalus, or the Future of Man. By F. C. S. Schiller. (Kegan Paul. 2s. 6d. net.)

Icarus, or the Future of Science. By Bertrand Russell, F.R.S. (Kegan Paul. 2s. 6d.)

Christian Missions and Oriental Civilizations. A Study in Culture-Contact. By M. T. Price, Ph.D. (Edward Evans and Sons, Shanghai, 1924. 16s. net.)

Scandinavian Classics, Volume XXIV. Norwegian Fairy Tales. Translated by Helen and John Gade. (Oxford University Press. 11s.)

Question Time.

THE F.C.L. COMBINE.

Sir,—In "Notes of the Week," p. 243, et seq., you describe a cycle of production by a Combine of Finance, Capital and Labour, based on current methods of costing. Surely it will occur to anyone that the £1,000 collected [a] *for "overheads" in each round of production will be* [b] *distributed in the subsequent round to the "tool" makers who are replacing* [c] *worn-out plant, and it will be asserted that that is just what happens at the present time. Depreciation is a physical fact, and must be provided for financially. Your first solution is therefore not a solution* [d] *at all, for the tools are admittedly worn out and the community back to its undeveloped condition. Assuming that the "food" was not perishable, as you seem to do, the Combine could certainly create £80,000* [e] *additional credit, but if the "tools" are to be replaced, this can only be issued as wages for making new "tools."*

LAURENCE MACEWEN.

[a] But the £1,000 was not collected. Price, including "overheads," was £6,000. The consumers had only £5,000, and that was all they could pay. The Combine, instead of getting back £1,000 per round, was accumulating bread to that value.

[b] For reason "[a]" the Combine could not distribute the £1,000.

[c] We explicitly assumed that the tools would be allowed to wear out. If you now like to assume that they are kept up to their full efficiency at the cost of £1,000 in each period, the credit paid out will now be £6,000 each time, the cost of the food £5,000, and the price of the food £6,000. In this case, what we may call the surcharge on the food exactly meets the cost of meeting physical depreciation of tools. This is common sense and good economics. But it presupposes that the £100,000 original cost of the tools is allowed by the Combine to remain perpetually in suspense—i.e., is not charged as a cost to the community. This does not reflect what goes on at the present time (or only does so through bankruptcies and enforced writings down of capital).

[d] In the circumstances of the case we submit that our solution was a solution; for the effect of bringing the community back to its undeveloped condition would be to enable it to begin again as before, with the consequence that it would increase its consumption of food by one-fifth! Of course, to the orthodox economist, who thinks of nothing but what happens about tools, this result may wear a different aspect.

[e] The £100,000, of which this £80,000 formed part, was imagined to be a gift to the community. We relied on the context of the passage to make it clear that this "solution" was not "orthodox," but New Economic. On orthodox lines, of course, the £80,000 would be accounted as a fresh charge, as you state.

LETTERS TO THE EDITOR.

POSITIVE AND NEGATIVE CRITICISM.

Sir,—The function of a critic is—to criticise. Different kinds of criticism may have different effects, but these can seldom be even partially and never wholly predetermined by any critic. He may hope to produce certain results, but his readers may react in ways quite different to any he can anticipate. In any case the quality of his criticism—as criticism—is independent of such considerations altogether. I cannot agree with "Faitcha" that a critic *ought* to write in such a way as to make "mute inglorious Miltons" less mute. Some critics may care to combine literary coaching of their readers, or systematic theorising, with their criticism. That is a matter for themselves—or, if the editor of any particular paper cares to allow his readers to dictate to him, and if a sufficient majority of his readers indicate a preference for criticism with such accompaniments rather than without them, then changes may be effected accordingly in that paper's staff of critics.

"Negative" criticism of the kind to which "Faitcha" objects is unlikely, however, to become functionless and impertinent in the way he suggests—since there are (and are certain to continue to be) so many books, for example, being produced, or so many composers, instrumentalists, and vocalists claiming attention that it must always be a convenience to a certain section of the public at any rate to have these criticised, since they cannot read or hear them all—to delegate, as it were, the task of weeding out and arriving at a short leet. Their choice is thus facilitated—

the embarrassment of "riches" is to some extent removed—or, at least, such criticism keeps them to a certain extent "posted." With a little testing—by reading or hearing certain things themselves and comparing their own impressions with a critic's views—they can soon learn how much that critic's opinions "go for" so far as they are personally concerned. A critic so "placed" by his readers can become very useful to them. His "negative" criticism can be positively applied and save his readers a great deal of drudgery. Mr. Sorabji and myself may be professional critics, but I am afraid most "critics" would be disposed to charge us with very "unprofessional conduct." Our criticisms on any specific book or concert may usefully be compared with most of those appearing in the ordinary commercial Press; and I should be astonished to learn that in that difference the majority of NEW AGE readers do not find a sufficient *raison d'être* for our work. In this respect both of us, I think, can claim never to have lowered the *panache* of this paper. Independent criticism—unaffected by commercial considerations of any kind—is such a *rara avis* in contemporary British journalism that even what Mr. Sorabji and myself supply of it must surely have its defenders.

Numerous organisations exist for the guidance and tuition of people who "want to do" things—correspondence colleges for literary aspirants, piano-playing without tears, etc., Other critics may be differently disposed, but I personally have no intention of entering into competition with such institutions. The value of all such is, in my opinion, very much a minus quantity. I do not in the very slightest sympathise with the desire of Tom, Dick, and Harry to "do things" in the arts; there is no reason why they should want to do anything of the kind any more than that everybody should want to invent, or, at least, themselves construct motor-cars rather than ride in them. I am quite willing to pay the price of looking pitiable in any attempt to do some simple, practical thing, if I can "read everything and talk of anything." I certainly have no ambition to be able to do everything at the same time—and am quite glad to be able to avail myself of Nietzsche, Dostoevski, and certain others in my leisure hours without fancying that it would be more creditable to try to fill them in vying in original creation with these masters (whom one must study first in any case before attempting to rival). All history shows that at any time only a very small minority of the human race have contributed anything of any account either to the arts or the sciences, and only a further not much larger minority have been fully conscious and appreciative of what the first-mentioned were doing and have facilitated their work by interest and support. Proportionately to the growth of population I believe that both these minorities are steadily decreasing. I would increase both—if I could. With the vast remainder I have no concern. I write for THE NEW AGE; they are welcome to the *Daily Mail*, *News of the World*, *et sic*; or, if they fancy themselves intellectually, *Cassell's* or *John o' London's Weekly*. Very many counter-factors are operating to prevent any increase of the minorities with which I am concerned. The "itch to do" "Faitcha" expresses is one of these. Too many people are interested in their own fiddling little abilities to take any interest in better work.

But so far as THE NEW AGE is concerned I hardly think that its contributors must regard themselves as writing for a lot of literary or musical aspirants on the look-out for useful tips (cheaper or, or and, better than can be got from correspondence schools or personal study) for the development of the faculties they think they possess but want to be told how to profitably use (i.e., how to prove that they have). The odds against the assumptions of any such being sufficiently well-founded to justify the expenditure of the slightest effort on their behalf are overwhelming. In any case their needs must differ; and NEW AGE space is strictly limited. Certain books are received for review. A sincere and forthright expression of opinion regarding them—from a consistent and ascertainable standpoint—and, supported, as space permits, by appropriate quotations, serves, I think, a useful purpose; and that is what I try to give. I am not prepared to criticise unwritten masterpieces by implication: the *choses donnés* are all that I am concerned with. I am not responsible for the fact that a large proportion of the books sent for review are beneath criticism.

"Faitcha's" own qualifications for counter-criticism are significantly shown in his unjustifiable attack on Mr. Sorabji and myself. He is not in a position to say that we do or do not do this or that. I will not attempt to justify myself socially to an anonymous correspondent who, to my knowledge, knows practically nothing of my personality, my own original work in its various forms, or my relations, helpful or otherwise, with other workers in the arts; but, with regard to Mr. Sorabji, I would remark that he is known to me, and to friends of mine, throughout Europe, as an altogether exceptionally brilliant and well-cultivated gentleman—of first-class intellectual calibre, phenomenally well read, widely and internationally experienced, thoroughly *au fait* with all the arts, and a personal friend of leading artists in several countries, while his own original compositions (although for various extra-musical reasons they are not readily to be heard and are unknown except to the few who "*know*") rank amongst the greatest work of our time. The barest opinion, appreciative or denunciatory, of such a man is of more value than reams of writing devoted to facilitating a problematical creativeness in the masses, which, if it did succeed in "securing expression," could not be uniformly in the "first flight." And it is "the first flight" that readers of THE NEW AGE, at all events, may legitimately be expected to be concerned with; and, indeed, I am convinced that the majority of them have sufficient cultivation to adapt what Mr. Sorabji writes very profitably to their own uses, and to be grateful that they have such an one as Mr. Sorabji to serve them in this way.

In conclusion I would challenge "Faitcha" to disclose his identity to enable comparisons to be made. If he did so, it might appear that there were causes rather than reasons for his attacks on Mr. Sorabji and myself. He may be one of the poetasters or singerettes we have "slashed"!

HUGH M'DIARMID.

SOCIAL CREDIT AND THE I.L.P.

Sir,—I enclose a copy of a circular adumbrating the Douglas "New Age" scheme that I have sent to the members of this branch in calling upon them to rally up to a series of meetings to be addressed by Mr. Fred Tait, of the N.A.C., Labour candidate for Penrith.

The intelligent members of this branch are beginning to realise that the control of credit might largely, if not altogether, solve the problem of unemployment and remedy the social evils that now confront the workers in the industrial arena, hence their desire to study the philosophy of the scheme. For the moment, as far as my knowledge of other I.L.P. branches serves me, the Stanley I.L.P. branch is in the vanguard of a progressive party to usher in the day of new economics.

If you so desire, you may publish this communication and circular in your journal, as it might give other I.L.P. branches a lead to study the scheme along the lines indicated by Major Douglas. JOHN MARSHALL, Secretary.

[We publish with pleasure the circular referred to by Mr. Marshall and congratulate him on his initiative.]

INDEPENDENT LABOUR PARTY.
STANLEY BRANCH.
13, Tyne Road, Stanley, S.O.

THE DOUGLAS "NEW AGE" SCHEME.

The Stanley I.L.P. has arranged a series of meetings to be addressed by Mr. Fred Tait, N.A.C., Labour candidate for Penrith.

The meetings will be held in the Co-operative Small Hall on Sunday, March 22, and the two successive Sundays, at 7 p.m.

Mr. Tait is an able exponent of the Douglas "New Age" scheme, and claims that if the scheme were put into operation, a change could be brought about speedily, easily, and without prejudice to any legitimate interest. The scheme does not propose to abolish capital or to confiscate property. Nobody would be made poorer under the scheme, but everybody made richer.

No economists with a reputation have attempted to refute the scheme, nor has the Federation of British Industries. They hold that the control of money is the greatest monopoly of all; that it dominates equally both the Capital and Labour elements of production; that it is the final arbiter of wages and prices; that all this power of control is vested in what is known as the "Big Five" banks.

Everyone knows that banks deal in "money." That the banks lend money which does not exist—that they create money out of nothing—is the first thing one must realise in studying Major Douglas's analysis and proposals.

The money they create is not cash, but financial credit (the Government has the monopoly of coining and printing cash, only excepting Bank of England notes).

Cash is really a small change of money, and is practically the only form of it with which the masses of the people are familiar, and it finds its way back to the banks each week through shopkeepers, etc.

Financial or bank credit is the form of money used chiefly by factories, mines, railways, etc., for the maintenance of business, and the issue of this is a monopoly of the banks.

When you have heard the Douglas "New Age" scheme fully expounded by Mr. Tait, and if you are then able to subscribe to its philosophy, you may petition the Government to investigate finance in the direction suggested by the scheme.—Yours fraternally,

March 14, 1925. JOHN MARSHALL, Secretary.

ST. PAUL'S.

Sir,—The recent controversy in your columns concerning St. Paul's Cathedral must have set many of your readers thinking, not simply about the alleged audacity of Mr. Somerville in daring to criticise the great creation of the sacrosanct Sir Chrisopher Wren, but also about that quaint idolatry, calling itself culture, which flies into abusive resentment when some one ventures to bring any one of England's supreme heirlooms of genius, like Shakespeare's plays or Wren's cathedral, within the scope of normal criticism. It happens that Mr. Somerville's comments touch a responsive chord in myself. Though I had not before formulated the impression very clearly, his suggestion of top-heaviness chimed very well with my own impression of a stolid, material, John Bull kind of a church, and was, in fact, an ingredient in this impression. But that is not the point. We need, while rendering full reverence to the great and splendid works of the past, and to their authors, to keep our reverence "this side idolatry." Much as tradition has in common with culture, and much as the great works of the past have to do in guiding the taste and culture of the present, we must never allow even the most glorious past to dominate our minds to the point of silencing our truest and innermost judgments. We certainly don't want a culture that consists in the handing on and the swallowing of conventional opinions about Shakespeare and Dante, and Milton and "The Messiah" and St. Paul's. Nor is the absence of culture to be assumed in us if our opinions about matters of taste happen to run counter to those generally accepted. All this is doubtless tolerably trite, but even the trite does not seem to be nowadays superfluous. STEPHEN W. SMITH.

Sir,—I hope I do not misjudge Mr. Haydn Mackey when I suggest that it might perhaps do him no harm to read Kipling's "Tomlinson." For, judging from the tone of his letter and his vague references to "some authorities" and "some well-informed authorities," he hardly seems to have a soul of his own at all. I wrote, for what it is worth, what I myself feel. And when one really feels, for instance, that much of Wren's work is dead, and sees plainly that Gibbons, in defiance of the canons of art, tried to do metal work in wood, it is really no use shoving at him vague rumours of anonymous authorities. PHILIP T. KENWAY.

Sir,—You must chide your printer, for surely the manuscript of my letter in your last issue could not contain such queer words as "aethetic" and "temerarios"!

[We apologise.—ED.] HAYDN MACKEY.

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