

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

No. 1699] NEW SERIES Vol. XXXVI. No. 23. THURSDAY, APRIL 2, 1925. [Registered at the G.P.O. as a Newspaper.] **SIXPENCE**

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	265	QUESTION TIME. Canadian Debate on Credit Control	273
THE GOLD STANDARD. By R. Shaw	267	VERSE. For a Young Dreamer. By A. Newberry Choyce (p. 271). Aphorisms du Temps Présent. Translated by C. M. Grieve	273
THE WESTMINSTER BANK AND ITS CHAIRMAN. By K. O. Glenn	268	LETTERS TO THE EDITOR. What Can We Do? By H. B. S. L. Musical Criticism. By Kaikhosru Sorabji. G. B. S. and the New Economics. By William Repton. St. Paul's. By "Sprad," and Haydn Mackey	274
INTERNATIONAL NEW YORK. By Alexander Werth	269		
THE MIND. By George Gero	270		
THE THEATRE. Tyranny and Mr. Lang. By H. R. Barbor	271		
MUSIC. By Kaikhosru Sorabji	272		

NOTES OF THE WEEK.

We have received a copy of the Canadian Hansard of March 4, reporting a Parliamentary Debate on Currency and Credit on the following motion by Mr. J. S. Woodsworth (Centre Winnipeg):

"That in the opinion of this House, it is not in the interests of the country at large that the privilege of issuing currency and of controlling financial credit should be granted to private corporations."

Mr. Woodsworth's speech is such a compact resumé of the history and nature of the money system and its relation to production and trade, and the succeeding speeches on both sides so illuminating, that we purpose publishing a generous proportion of them all in this and succeeding issues. They pretty nearly cover all the arguments germane to an analysis of the present monetary system. But we must warn readers to remember all through that they are witnessing no more than the clearing of the ground for consideration of the New Economic policy; that the nature of the motion itself is negative; that it merely asserts that the control of credit should not be in private hands. It necessarily contains the implication that the control should be at the public's will, but it does not go into the question of what control, nor does it hint at any policy which should guide that control. These omissions were doubtless deliberate; they were undoubtedly wise, for no new economic policy can be successfully explained until the properties of its chief tool—the financial system—are understood. So, as will be seen, the Debate is an introduction to the New Economics.

It will be realised that these restrictions of the field of debate handicapped the supporters of the motion. Limitations mean loopholes. For instance, the very circumstance that the question of financial control was being discussed in the Canadian House of Commons necessitated its being discussed with special reference to Canadian banks and not to the banking system in general; with the result that the implied advantages of public control were examined relatively to powers of the Canadian Government, and not governments in general. It was easy therefore for defenders of private control to challenge their opponents to say how the disastrous economic history of Canada since the war could have been averted, supposing the Canadian Government had

controlled the system during that period. And no answer was possible. As Sir Henry Drayton put it: what action of the Canadian Government could have kept up the price of wheat when America decided to adopt a deflationist policy? If Sir Henry's assumptions are accepted, as they seem to have been, namely that Canada's prosperity must be essentially bound up (a) with her overseas marketing, and (b) with a high price level *inside Canada*, there is no resisting his conclusion that private control had little to do with Canada's misfortunes. The right answer would be to admit freely that any country which depends fundamentally on international trading must be at the mercy of international prices, governed by international banking policy; but it would then go on to question whether there was not an alternative to such a degree of dependence on international trade; to ask what economic *a priori* reasoning could be brought forward to show that Canada—with her immense resources—could not live in widely diffused, if comparatively simple, comfort even supposing she did not export any wheat at all. We know of none. We do know of other "reasoning," namely, the sort which says, "Oh, of course, it is possible for you to do so and so; only we shall not let you"—but that belongs to the province of militarism, and only needs in these days to be forced into an open declaration of its coercive intentions to die under the revelation of its inherent unreasonableness. An attack on a country whose only sin was to lower its prices to its own nationals would want some explaining even to this heedless world.

Sir William Joynson Hicks has been reproached by *The Times* and the *Daily News* for having shelved the Factories Bill. He has explained that he is reluctant to take responsibility for a measure, however humane in its purpose, which may have in it "the possibility of gravely raising the cost of production and so hampering our already somewhat badly-hampered trades." Naturally the *Daily News* takes full advantage of this opportunity for delivering a sermon on the economic advantages of humanising industry and making the workshop a place of happiness, and reproaching Sir William's "unforgivable ignorance." Now we concede that under certain conditions the attack of the *Daily News* would be justified, but we assert that

those conditions are not in existence, and that for their non-existence the *Daily News* must share the responsibility equally with the rest of the Press together with industrialists and politicians generally. The health and happiness of the worker "has had a marked effect in reducing the cost of production and increasing output," urges that journal. But the reduction is only in the cost *per unit* of production: the *total* cost has to include the expenses of humanising the factory, and must be more. And the increased output may only be output *per man employed*—the aggregate output *might* not increase. All that the *Daily News's* argument comes to is that the proprietors of the humanised factory get their money back and a profit on top of it. But, assuming that they do, where does it come from? It would be diverted from, let us say, the non-humanised factories, which, one presumes, would then go on short time or close down, with the consequence that their work-people would go on short time or be thrown out of a job. Unless the *Daily News* can show that these "throw-outs" from the latter factories could then all find jobs at the same wages in the humanised ones, it will only have proved that, in the last analysis, humanisation leads to unemployment. This result by no means startles the student of the New Economics, for he quickly sees that the introduction of humanisation is analogous to the adoption of labour-saving machinery. It increases output and destroys incomes. Again, there is no need for newspapers to teach industrialists how to beat competition, whether by improved machine methods or by humane handling of employees. If humanity *pays* they will find it out for themselves. We advise the *Daily News* to concentrate its concern on the non-humanisation of the home. Humanise homes and the factories will humanise themselves.

The proceedings at the Law Courts on the Dennistoun Case exhibit themselves as a perfect working model of democratic government. Lt.-Col. Dennistoun and Mrs. Dennistoun are two opposing economic forces; their respective counsel are the politicians, and the jury are the "people." The people sit through a storm of logic, invective, and sentiment, and have to make up their minds which side to support. To assist them they are provided with a programme of specific questions which they must answer categorically. They do so. They are bowed out with many thanks—almost derisive thanks—for their services. They have delivered a mandate to one of the opposing politicians. Ah, but to which? And, how did they intend the mandate to work out? They are not asked to say. They have been sent home. It is the politicians who now get their teeth into this mandate, spending half of a very long time in pleading against each other how very unfair it will be if the people mean this or that, and the other half in blackguarding the people for not having said what they meant and landing their betters into loggerheads like this. Yet, all the time, everybody knows what the jury in this case (either rightly or wrongly—it does not matter a bit) wanted to be the outcome of their verdict. They would have said what they meant if they had been allowed to say it in their own way. But, no; that would not do for the Court—which asked them to *decide* the case! They were given no chance of using the one faculty they possessed—their intuition for what lay behind the "legal" evidence and their sensing of where the balance of justice lay. They had to answer questions—constitutionally! One asks oneself why a jury was consulted at all. And from that, one widens out the question and wonders what the People are for. In both cases the deciders never know what they have decided until their decision is described to them in the newspapers. One thinks of Oscar Wilde's famous definition of Democracy—"The Bludgeoning of the People, by the People, for the People."

The serial story of the Singapore naval base unfolded one more chapter last week. The construction was decided upon by the last Baldwin Administration. It was then negated by the MacDonald Administration; and the pacifists, in their joy at this "victory," let the Navy have a consolation prize of five cruisers. Now that the Baldwin Administration is with us once more, the construction of the Singapore base and the five cruisers is proceeding according to plan, thank you. There has been a legal argument on the people's electoral verdicts and now they are learning what they voted for. You can get what you like out of the people if you manage them properly. They never know their minds until you openly dictate to them; and then they are quite sure that they want—or do not want—that thing which you declare that they shall not have—or that they must have. The only restriction which the democratic principle of government imposes on the autocrat is that of making him wait a little longer to get his own way. And the autocrat discounts that impediment by announcing what he wants well in advance of the date on which he will really want it. That is why, for instance, under the urgency of war conditions, democratic principles are suspended; for then decisions have to be made at a moment's notice, whereas democratic decisions are necessarily slow—leisurely—decisions.

Mr. MacDonald, in opposing the Singapore venture, urged that if it was a preparation for war he saw no ground whatever for it at the present moment. "Before there was any reasonable prospect of such a war there would have to be wide preliminary political movements, and if the worst came to the worst you would have time to lay your plans." He has evidently forgotten what happened in 1914. Then he proceeded: "By this move you destroy all chance of a peaceful solution . . . and weaken those judicial forces which are making for a solution of the problem. . . ." Later on, Mr. Hopkin Morris voiced the same sentiment during an attack on the Service Estimates. He said that social services were being starved in order that we may "insure against a war," whereas "the only sound insurance was a moral insurance." This attitude of mind might be worth taking seriously if it could be shown that these "judicial forces" are independent of economic forces. Mr. MacDonald himself on other occasions has displayed only a limited trust in judicial forces. On the question of disarmament, some time ago, he made it clear to his own followers that he was not in agreement with the idea of Great Britain's leading the way in that direction. But if the peace problem is so largely a matter of morals, i.e., of *example*, it is a repudiation of the whole moral principle to say that you dare not risk being the first to apply it. We can only repeat once more the fact that the peace problem is entirely an economic problem. It will be resolved directly the nations realise that there is a way of financing and costing their production which will relieve them of the necessity to export goods for the sake of *money*; that they can each recover their entire financial cost of their output from their own nationals, and need not try to force their unsaleable surpluses on a world of paupers. The true moral insurance is the Just Price. It will placate the pacifists and reformers at home because it will free society from the burden of penury and consolidate the whole community into a force for peace, while, at the same time, it will satisfy the requirements of the realists by enabling us to arm ourselves to a degree where the possibility of our being *drawn into* the quarrels of the rest of the world will be unthinkable. Nor would the world be long in losing its suspicions of our real intentions. There would be no mistaking the moral gesture of Great Britain's voluntary withdrawal from the international "dumping" and "investment" scramble. It would be an economic

event, not a piece of political spell-binding which nowadays passes for such. And when it was seen that the population of Britain fed, clothed and enjoyed themselves, every man, woman, and child, without dipping into any foreigners' purses, then would the current of our happy experience flash round the globe. *And in that day shall the deaf hear the words of the book, and the eyes of the blind shall see out of obscurity and out of darkness.*

In his first public speech in Palestine Lord Balfour has made the statement that the Zionist policy was not his alone, but was the deliberate decision of the European and American Powers represented in the Treaty of Versailles. We have referred once or twice to the Balfour Declaration in the light of G. W. Armstrong's book on the Federal Reserve Board, in which he traced the operations of financiers in the making of the Treaty. It will be remembered that he summed the whole arrangement up by picturing the "Money Trust" collaborating with "the Catholic" and "the Jew" in making the re-establishment of the Gold Standard the basis of world reconstruction. "All of them got what they went after. The Money Trust secured the recommendation of the Gold Standard, the Catholics paved the way for the restoration of the temporal powers of the Pope, and the Jews obtained the restoration of Palestine." Thus it was, so he declares, that when President Wilson returned to the United States with his League of Nations proposals, both the Jewish and Catholic Press "gave him the front page right of way." Judge Taft and Joseph Tumulty, both Catholics, were ardent sponsors of the League from the one side, with Bernard M. Baruch and Samuel Gompers, both Jews, equally potent forces to the same from the other. If President Wilson had not been stricken down during his speaking tour the formal adhesion of the United States to the League might have become an accomplished fact. But with the exception of the failure of the campaign in that one direction, all the plans which Mr. Armstrong asserts were laid at Versailles seem to be working themselves out. In the firmament of international politics shine out resplendently Wall Street, Rome, and Jerusalem—the three astral balls of the Great Pawnbroker.

The Gold Standard.

By R. Shaw.

There are two kinds of money. There are, of course, many categories of money (legal tender, private bonds, cheques, etc.), but there are only *two* kinds. By which I mean that there are two fundamental concepts of money, and only two:—

(1) Ancient or barbaric.—A piece of money was an actual commodity (generally gold) which was passed from hand to hand in exchange for other commodities, *at its real market value.*

(2) Modern or scientific.—A piece of money is a voucher or certificate of a conventional unit of credit (and *not* a commodity) which passes from hand to hand in exchange for commodities. *It has no market value of its own.* The "value" of modern money is not the value of the stuff it is made of, but of the valuable things it will buy, exchange for—its purchasing power. Credit money is (a) public, and (b) private; (a) is the standard and basis of (b).

There can be only *one* basic money in the same financial area or system. All our commodities and private moneys must be priced and written in terms of the same monetary unit. Otherwise there would be no system, but chaos. We have already seen that all our private moneys are written in terms of the legal tender £; also that the Mint prices its bullion in the same monetary unit; and our everyday experience

teaches us that the same is true of all our commodities and services. So nothing can be more certain than that the basic monetary standard of our whole economic system, including the gold reserve itself, is the social-credit-£. The gold standardist admits this, but is dissatisfied with it. He argues that paper is so cheap that there is always the temptation of making too many notes, and so inflating the prices of everything in the market; whereas the dearness of gold, he opines, would prevent any such lapse into sin. From which he concludes that gold is the only monetary basis on which we can rely for eternal stability. The argument is plausible but fallacious.

Paper money is the only money which really can be stabilised; and it can be stabilised *because* the cost of the material of which it is composed is negligible, and therefore can have no influence on its purchasing power. Its purchasing power is now ascertained from the cost-of-living index; and it could be fixed with practical rigidity by judicious regulation of the rate of Treasury issues and withdrawals. Thus the means of stabilising credit or paper money are simple and effective.

But as soon as the element gold is introduced into the problem very troublesome complications supervene. According to the gold standard theory the purchasing power of the £, whether made of gold or paper, would be equal to the exchange value of the gold in a sovereign in the open market. But as gold fluctuates like all other commodities in a free market, it necessarily follows that the purchasing power of gold standard money would fluctuate *pari passu*. The stability of gold standard money is therefore an illusion. So the powers that be, under the pretence of establishing the gold standard, have taken very drastic measures to prevent its establishment.

The unsophisticated person might suppose that the Mint authorities, by way of showing a good example, would be the first to make use of the gold standard which they pretend to be setting up. Instead, they had a conference with goldmine magnates, and got an Act passed *fixing the price* of Mint bullion. Ostensibly the Act authorised them to establish gold-standard paper currency. But by *pricing* their bullion, as they did, *in terms of the paper-£*, they established a *paper-standard gold money!* The sovereign is merely a paper-standard gold coin. *As money* it is worth exactly the same as Treasury note. *As a commodity* it is worth 6d. more, at the present time, and no one knows how much more or less it will be worth to-morrow.

Some people believe that the gold in the sovereign is the property of the owner of the sovereign—that in exchanging a note for gold at the bank one is really having his paper money redeemed in gold. A former Chancellor of the Exchequer assured the country that it was so. Some fellows believed him, and acted on their faith—and had time to backslide into scepticism at Dartmoor! And the goblins may get you, dear gold standardist, if you don't look out. You can exchange your social-credit-£ in a paper "wrapper," at the Bank, for a social-credit-£ in a gold "wrapper." But the gold wrapper is "returnable" under threat of penitentiary. Legally it is still in the Reserve, though actually in your pocket. If you melt it down or export it you rob the Reserve—a crime more serious than common burglary.

Gold Reserves are "corners." Naive people believe them to be funds for the redemption of paper currency. It is a pity they are not put to this use now, at once. The first necessary step would be to throw all the national Reserves of the world on the free markets—to knock them down to the highest bidders—and remove the legal restrictions referred to above. As the *Statist* truly says: "Obviously, there cannot be an effective gold standard until these restrictions are removed."

The Westminster Bank and Its Chairman.

By K. O. Glenn.

The speech by Mr. Walter Leaf at the annual general meeting of the Westminster Bank affords an excellent illustration of the divergence in thought, and, it is hoped, in aims between Mr. McKenna and his colleagues. It is assumed that Mr. Leaf's utterances indicate a divergence, real as well as apparent, and on this ground a review of his statements is justified.

In the first place it is important to remember that Mr. Leaf last year publicly advocated the raising of the Bank Rate to 5 per cent. in order to speed up a return to the gold standard. The contention advanced was that higher money rates here would attract balances from the United States, the transfer of which would lift the sterling-dollar exchange rate to parity, thereby accelerating and facilitating a return to the gold standard.

It seems difficult to accept the view that Mr. Leaf's knowledge of banking would permit him to overlook the complete consequences of such action. It must be agreed that attractive money rates exercise their effect upon the exchange rate, but, assuming Mr. Leaf's advice acted upon and the sterling-dollar rate lifted to parity, our internal currency tied to gold, and a free gold market restored, the foreign balances on the London money market would be withdrawable in gold. The stability of our monetary system would then be at the mercy of the holders of the foreign balances, who, by withdrawing the amounts in gold, could precipitate a credit crisis with all its devastating reactions upon industry and society. Alternately the holders of the foreign balances would have been provided with a weapon admirably suited to the imposition of a policy.

If Mr. Leaf finds such a prospect satisfactory students of the New Economics are justified in looking askance at this orthodox proposition, and examining with some suspicion the foundations in faith of its author. In his speech Mr. Leaf attempted to justify his advocacy of the proposal by claiming that the desired effect of a rise in money market rates here was attained as a result of the psychological consequences of his proposition. Mr. Leaf's knowledge of money market methods should be adequate to convince him that, when a stiffening of rates is considered expedient, a predisposing psychological influence is totally unnecessary. The Bank Rate has now been raised to 5 per cent., and, assuming the gold export embargo actually is removed at the end of the year, it remains to be seen what steps will be taken to mitigate the consequences of the situation.

Amongst the "Big Five" the Westminster Bank and Lloyds appear to be the most expansive in the international sense. As part of a general scheme of financial permeation designed to consolidate ultimate economic control the prosecution of a financial internationalist policy must inevitably be regarded with suspicion unless its real objective is clearly displayed, and, further, if its fructification involves the adoption of such a course as Mr. Leaf advocated last year, its success clearly takes no cognizance of the resulting socio-economic reactions upon a particular people.

Some of Mr. Leaf's statements on the subject of banking technique are worth examination. For example, he says, "We often hear it said that the banker has the power of creating credits. That is an error." The next few words, however, furnish the answer, for he continues "so long as the borrower cannot see his way to employ borrowed capital with

profit in his business so long is it impossible for the banker to create a credit for that purpose." In short, the banker does create credit, but only at a profit. Mr. Leaf has something to say about the "Money Trust," and is at great pains to show how keen is the competition between members of the "Big Five" since amalgamations took place. The Chairman of the Westminster Bank must be perfectly aware that it is a common practice for no member of the "Big Five" to open a new branch in a district where the other banks are established without first consulting the other members of the cartel.

Perhaps the most important, because unconscious, statement in the whole speech concerns the basis of credit. Mr. Leaf says: "The bank has nothing to do with the matter (erection of buildings) till the plans are approved, when the contract for building can form a basis for credit." This is precisely the New Economic standpoint. The Real Credit inherent in the capacity to deliver the goods (in this case buildings) as expressed in the contract is the basis upon which the bank issues the money credit necessary to put into operation the capacity to build. This money credit is a necessity only because we live in a money economy. Had we lived in a chattel-slave economy the only necessity would be the Real Credit; the slaves would then be set to work. No clearer demonstration is needed of the decisive position of the money manufacturing machinery. The bank is the sole arbiter, and by refusing the money credit can scotch any enterprise.

Mr. Leaf's remarks on the regulation of the currency are interesting. He states that "it is, of course, only partly true that the currency is regulated by the Bank of England, the emission of currency notes is in the hands, not of the Bank, but of a Department of the Treasury." This is one of those "slippery" statements. Note the subtle shifting of the ground from "regulation" to "emission." It is quite true that the emission of Treasury Notes is in the hands of a department of the Treasury, but it is erroneous to infer that therefore the Treasury department solely determines the volume of the emission. A controlling influence in the situation is the volume of Treasury Bills. It may be explained that a Treasury Bill is a promissory note given by the Treasury to a lender in return for a loan, and promising to repay at the end of three months. The lenders on Treasury Bills are mainly the "Big Five," the cheque banks, not the central bank. The Treasury offers weekly (the process is continuous) a certain volume of bills, for which the banks tender Now the amount of new currency in the shape of Treasury Notes that may be created in any one week is the difference by which the amount of new Treasury Bills issued to (i.e., the amount of "money" lent the Government by) the banks falls short of the amount maturing, i.e., falling due for repayment by the Government to the banks. Clearly the situation is controlled by the amount the banks see fit to lend the Government, and by reducing the amount of their weekly offer for Treasury Bills falling due for repayment to them that week, the banks can always obtain a supply of legal tender in the shape of Treasury Notes. In fact, the recognised method of obtaining cash is to acquire maturing Treasury Bills, and allow them to "run off."

The International Chamber of Commerce seems to furnish Mr. Leaf with some inspiration, and any observations upon his speech would be incomplete without a reference to it. This organisation has its head office for the time being in Paris, but, like other world-embracing conceptions its home is in America. According to its constitution, "The International Chamber of Commerce is a confederation of the main economic forces of the countries included in its membership, united in each country by a national

organisation." The function of the Chamber, as expressed in its constitution is, inter alia, "to secure harmony of action on all international questions affecting finance, industry and commerce." In the abstract, of course, this is a desirable development, what is not clear is the precise objective to be attained by these means. International debt is a matter which the Chamber would regard as of supreme importance, and Mr. Leaf states that he regards the International Chamber as the originator of the Dawes Report. This is quite believable, for the American members include Mr. Owen D. Young, and amongst the members of the American Committee are Mr. D. W. Morrow (J. P. Morgan and Co.) and Mr. J. S. Drum, late President of the American Bankers' Association. The British members of the Chamber include Mr. Walter Leaf, Sir Felix Schuster and Sir Arthur Shirley Benn. The latter gentleman, it will be recalled, stated a short time ago that he believed "the effort that was being made all over the world to do away with credit was going to receive its death blow in the near future." Whether this statement was inspired by a knowledge of the activities or intentions of the International Chamber of Commerce is a matter for conjecture at the moment. The significance of the statement is added to, if, for "credit," we read "bankers' credit."

It is instructive to note that Chambers of Commerce in this country are at present concerned with the consideration of a scheme for the international codification of the law of bankruptcy. Bankruptcy, of course, is an essential function of the financial system. The arbitrary disturbance of financial values which is an inherent functional consequence of the present financial system must inevitably leave a balance on the wrong side somewhere, and the unification and stereotyping of the methods of adjustment, colloquially known as bankruptcy proceedings, is a matter of some importance to universal financial direction.

Mr. F. P. Keppel, the International Chamber's Administrative Commissioner for the United States, writing of the work of the Chamber, said, "The most significant fact is the independence of the Chamber from Government control or Government influence," and in a resumé of the Chamber's fields of activity he concludes, "Probably the last field in which it (the Chamber) will exert a direct and controlling influence will be upon Governments, but there is no reason for a lack of confidence as to ultimate success in this field also."

International New York.

By Alexander Werth.

When we were very young we all read Hans Andersen's tales, and must have thought it, even with the infantile minds we then possessed, a trifle too obvious when we were told that "the people in China are Chinese and the Emperor of China is a Chinaman." But is it so very obvious? Are, say, all the people in America Americans, or, at least, are the people of New York all Yanks with horn-rimmed spectacles?

A book has appeared recently which strongly dispels this pleasant, but inexact, view of things. "Around the World in New York" it is called, and is written by an American called Konrad Bercovici. He is a journalist, and with the "copy"-seeking instinct of a good member of that profession he wanders with searching eyes and with an amused, surprised, delighted, but never puzzled countenance through a hundred parts of New York unknown to the habitués of Broadway and Fifth Avenue. Much is said of the extraordinary assimilating influence of

* "Around the World in New York." By Konrad Bercovici. (London: Jonathan Cape. 12s. 6d. net.)

American life, at least as regards white immigrants. Every newcomer, many believe, becomes, after a few years' residence on American soil, a proud citizen of God's Own Country, and says "I guess" through his nasal passages, and his son becomes as proud of the Stars and Stripes as if he were a direct descendant of George Washington himself. This is certainly true as regards Scotsmen, and, in a minor degree, Englishmen and Germans. But as for the rest, they nearly all remain in New York, the transit station to—nowhere, and do not become Yankees at all. They stay there as long as they live, having passed through that "huge, big sieve into which all is thrown to be sieved, until each falls according to its own size and its own weight, gravitating towards where it belongs." Every nation of the globe has its own corner in New York; nearly half a million negroes alone have come there from the South, where the danger of being lynched is greater than in New York. There are a million and a half Jews in New York; there are Greeks and Italians, Spaniards and Slavs, Chinese and Syrians, Frenchmen and Scandinavians, each assembled in their own particular quarter of the city; one almost wonders where there is room for the Americans themselves.

Each of these nations lives a life of its own, in surroundings which in some cases, particularly in the case of non-European nations, are distinctly reminiscent of the conditions in their native land; the kind of shops they keep, the kind of dress they wear, the kind of houses in which they live are essentially the same as on the other side of the ocean.

But while some of the nations are merely shopkeepers with no national ambitions of any kind—the New York Greeks are the worst in this respect—there are others who form themselves into organised communities; and of these the Jews are the most prominent, and run serious political clubs of every hue, and a dozen newspapers, which have an intelligentsia of their own, with local writers of world reputation, and an artistic world with excellent artists and theatres which beat anything seen in Broadway.

Probably the most interesting chapter in Mr. Bercovici's book is that on Harlem, the negro quarter. Here the author ceases to be a curious onlooker; he pleads the cause of his black brethren, and his heart fills with love and compassion for these good, hard-working people, who are in many respects better than the white people, and in no respect worse. The negroes are nearly all poor, because their fearful racial handicap has closed to them the doors into the liberal professions, the universities, and, until very lately, the trade unions. And even the latter admitted them out of a mere selfish motive; they were afraid of the black labour substitute in case of strikes.

And yet, where others would revolt, the negroes live peacefully and even happily, and

"Nowhere in the city does one hear so much frank laughter as in Harlem and the Brooklyn negro sections. Nobody can laugh so engagingly as a negro. It is one of the first things that strikes a visitor that New York is a laughless city. But there is laughter in Harlem. . . . There is laughter and song and dance."

And then comes the most unkindest cut of all: "Almost everything we have of true native art in this country is of negro origin—folk-lore, the spirituals, jazz, the dance, and some of our best poetry. The negroes brought that in their souls from Africa. The origin of native American art is African." Nay, but stop there! For though all that may be true, yet. . . . Mr. Bercovici, like so many other "escapist" Americans, has a tendency to overlook the Woolworth building. The Woolworth building is a symbol for something very great in the world, and it seems funny that a writer about New York should ignore those who make skyscrapers. After all, as the Emperor of China is a Chinaman, the Emperor of America is the American.

The Mind

in the Light of Modern Psychology.

By GEORGE GERO.

(Translated from the German.)

H. G. Wells shows in an ingenious article—and I hope it is true—that whereas the nineteenth century was an age of natural science and of technical progress, for our time psychology, now at the beginning of great developments, will be the determining factor. Every science is an attempt to master a portion of the world, although the abstract comprehension of the world may not be in itself the object: requirements other than those of pure knowledge decide what section of the universe shall be taken in hand. Capitalism in its most expansive period needed a vast technical equipment for the development of power and for economic purposes. From this tendency in the nineteenth century the civilisation of to-day came into being.

This work seems now to have come to a standstill. The situation has changed. It is not that we think to solve problems of a quite material nature by an excursion into a totally different sphere, perhaps by a mental transformation, but that we are suffering to-day such a marked epidemic of purely mental, moral, metaphysical crises, that the trouble calls for a remedy.

Wells prophesies that the development of psychology will bring about an alteration in the human race. I believe this is true, but not that it is possible to prove it. It seems to me that, instead of seeking arguments in its favour, we shall better strengthen this faith if we look at the picture which present-day psychology offers us of the nature of the psyche. In what follows I shall try to do this.

Anyone who considers psychological theories as something mechanical, of purely logical importance, will never quite understand them. They are forms of expression of the mind itself. Hence their development always pre-supposes alteration of the experience on which they are based. The new abstract comprehension shows that the world of the psychological is seen with other eyes, is felt differently. When psychology came to be born as an independent science, she had a powerful god-mother in the natural sciences. The ideal which was ever held before her was the method, the mode of working of physics; and, yet more decisive, the natural science of the nineteenth century had a mechanistic scheme of the world as its basis. It had no sense of the organic, the connected in Nature. Physical reality saw Nature as a joining together of independent elements, as a meaningless conglomerate of pieces. For psychology this example was fraught with grave consequences. She followed it. She sought to conceive mental processes as a mechanism of ideas. The first appearance, the sequence of associations, was for her the essential thing in psychic happenings. These were conditioned purely by chance; with no binding, essential connection. She tried to establish simple laws of causation, to determine quantitatively the relation between sensation and stimulus. On the distant horizon of these psychologists the real life of the mind never even appeared. It was a mighty work, and with it begins the history of the new epoch of psychology, the psychological reality which lies behind its caricature. In this field the first great discoverer was Bergson. He substituted for the static conception the dynamic. He showed that the internal world is in constant motion, interpenetration, interfusion. He did not trouble to examine ready-formed, mechanical, mental phenomena, but watched their beginnings as in the moment of creation they well up out of the fertile spring of the "within." Association-psychology had investigated the related, the

"near-one-another," Bergson investigated the involved, the "in-one-another." The former had succeeded in stripping off everything qualitative from mental processes and in revealing only the mechanical and impersonal; but it was just the Individual, the Characteristic which Bergson sought. Hence to him language is the arch-enemy, which in the service of society conceals all of the mind that is fluid, elusive. Man is built up in a series of egos, from the outer conventional one, in relation with the external world, down to the true ego, the home of the deepest emotions, the producer of decisions, free actions, comprehensive views. This ego is a power! Here is the great change which Bergson made in psychology. The ego of association-psychology was a mechanism. For this theory the capacity of the mind reached no further than the linking up of conceptions, the summation of stimuli. Bergson showed that mental activities can not only colour the world, but alter it. This conception gives life a new meaning, and, moreover, gives us the key to the understanding of the mind's free creative power. The old psychology could not do this—did not even see the facts which require to be explained. It is not the depth on which it acts which is specially characteristic of the true ego (the contrast of the deep and the superficial ego is only a graphic simile, though evidently one not without foundation); it is that at this point the totality of the person is concentrated as it were into a single ray. German psychologists used to speak of real and unreal experiences. By this they meant that a feeling if it does not correspond to the fundamental direction of the ego, if contradictory impulses rise up against it in the consciousness, lacks the specific "body"; the man is not seized, not permeated with it. Such an experience is pale, poor, false, in comparison with the moments of genuine realisation, of deep absorption. The superficial ego is given over to the inpouring impression of the outer world, is dissociated and distracted in a thousand ways. "All true ego comprises all tendencies within itself. All capacities which man at a given stage of organic development possesses, must be united in each of us, in every representative of the species," says a modern Russian writer, the ideal of perfection of German classical philosophy. The new psychology shows us the state in which we clearly see this unification of all the capacities, possibilities of experience, forces, in the human being. Bergson, that master in the analysis of mental processes, thus describes true experience: it is like a stream where all things flow into one another, where the earlier cannot be distinguished from the later, where quantity has no significance, but every alternation of the intensity signifies something qualitatively new, where things do not exist through the aspect of a space where clearly defined boundaries prevail, but where pure duration, the fusing and interpenetration of states of consciousness, is the rule. But mingling of states of consciousness, is the genesis of these states, how they are arrived at, why the surface ego can drive out and cover over the true ego. And so we come to the most important tendency in modern psychological thought.

As in Nature we deduce from phenomena forces which determine them, so the life of the mind, when we can find the cause of its changes, is only to be understood by a dynamic factor at the root of its development. This motive power is the instincts. Between man and the world lies a field of force interwoven with relationships. The world appeals to us with a thousand lures, sets us tasks, compels us to activity, arouses new efforts in us. The naturalistic psychology assumes that only primary animal needs can call forth instinctive reactions, that only the fundamental properties common to all life cause this essentially aimless action of instinctive forces; the life-instinct urging procreation, preservation; and the death-instinct that works towards stiffening, the return of life to the primeval inorganic state. These

assumptions do not suffice to solve the concrete problems presented by a single individual. We know that instinct is a constant force directed towards an object with the power which the attainment of an aim requires. No conscious choice precedes an instinctive act. The act is not chosen but forced upon us. This compulsion is stronger than the will. Where do we see instincts in action? A man is suddenly overtaken by a longing for higher development, by the thirst for knowledge, by the wish to illumine reality with the magic lamp of the spirit; men crouch over the study table, work in laboratories, hunger and die. Their toiling and suffering spring from sources just as instinctive as that of the business man who, driven by greed of gold, is possessed with the trading instinct, or that of the politician and militarist urged on by love of power.

Now we see whither leads the thread which starts from Bergson. The instincts, ever in motion, are most easily influenced by the idea that prescribes the goal in those conditions which prevail in the proximity of the true ego. There must be a crystallisation point from which life directs itself in its full force upon some object. Conscious concentration, the will to influence, counts for little, because we cannot know all the motives which actuate us. Only when our whole instinctive life pours forth in one direction do we rise to the full use of all our sources of power, to true life, to free decision, to productive comprehension of the world. The ego is a unity. The past is not only preserved by the possibility of remembering, but has an after-action as a power that shapes our destiny. The psychological task to-day consists in understanding the motives which lead to the building up of personality. Why do some instincts die out, why do some attain predominance, why are there persons who have an urge to goodness, to brotherliness, and why some who are cold and hostile? Finally the central question: how is the instinctive life of the person, how is the person from his instinctive fundamentals upwards, to be formed, to be influenced?

With this question we have forsaken the path of theory. We have reached the point where psychology faces her practical tasks. The vision of the mind which appears in the new mind-doctrine must direct this work. Thus the cycle is complete. Theory is knowledge of abstract comprehension of the mental life. Rising out of the stream of experience, theory returns to this again, enriching and renewing it.

FOR A YOUNG DREAMER.

You would come up the twilit road
With a wild blossom in your coat,
And in your arms a spilling load
Of eglantine or myosote,
And all the villagers would be
About their doors to think you mad;
How could they know what minstrelsy
You had in mind, O happy lad!
The magic measures that your feet
Went marching to, how could they guess!
Your spirit was a bird too sweet
To suffer any sad duress.
And though they came and bore you out
Upon their shoulders, two and two,
One day when blackbirds were about,
They could not ever bury you.
Death could not lock a thing so bright
Behind his dark and grassy door,
Or God forever make it right
To let you praise the day no more.
O golden dreamer, you shall rise
About the time of daffodils,
When birds are busy with their cries,
And walk again the trembling hills,
And startle in the twilight hours
The loiterer across the lands,
To see what strange and shining flowers
You carry in your ghostly hands.

A. NEWBERRY CHOYCE.

The Theatre.

By H. R. BARBOR.

TYRANNY AND MR. LANG.

The number of problem plays to be seen in London at the present time is quite unusual, the problem in most cases being focussed around the question: Why in heaven, on earth, or in the waters under the earth, was it ever presented? In several productions of recent years an answer might have been found to this question. I have heard the reply often given: "Well, at least it made £5,000 or £10,000 or £20,000 for old Blank. Or, again: "Of course, there was nothing in it, but it keeps Mr. So-and-So on the stage most of the time." This being the said Mr. So-and-So's main criterion of a play's æsthetic suitability to the requirements of the British public explains, if it does not pardon, the production. But several of the plays which have been seen in London lately do not seem to have even these dubious claims to managerial and public attention. Neither of Mr. Godfrey Tearle's most recent exploits, for example, appear to fill this bill. Mr. Bouchier has come and gone, leaving us little richer in enjoyment, and presumably himself still less rich in cash—and certainly in credit—by the fruit of his choice. Miss Gladys Cooper follows a singularly unoriginal and well-trodden path of other people's successes without overtaking her forerunners. In the archives of contemporary actor-management, indeed, Miss Thorndike remains the sole exponent of the theory of showmanlike courage which is usually concomitant with artistic and financial success.

Now it needs only the most casual reading of the *Morning Post* to assure us that, hidden away in some unexpected Nibelheim of Semitic malevolence (Is it in Park-lane, in Frankfort, or in Whitechapel? Is it in Moscow or on Wall Street?), there meets in ceaseless debate a conclave of hyper-Hebrews, ceaselessly willing the downfall of Christendom, nay, of Aryandom! It has been suggested to me by feminine acquaintances that just such another domination, this time of the length of skirts and the presence or absence of feathers in millinery, extends itself from some protocol-hedged directorate of fashion in Paris. Can it be that our actor-managers solemnly foregather from time to time, perhaps

aux vendredis
Datés du treize et jours maudits,
to decide their policy in respect of play-selection?

If such a Council of Ten—or a dozen—does exist, their decision in respect of this year's currency has not been followed by the other managements. For with the exception of the plays offered by our acting-managements the season has not been destitute of good works. It cannot be, surely, that actor-managers and actress-manageresses are so far removed from the mentality and requirements of the post-war public as to be unconscious of the dissatisfaction that is felt from the back row of the gallery to the front row of the stalls. No, the probability is that they have combined in a self-denying ordinance not to eclipse each other in any adumbration of the breadth or vigour of their intelligences. Let the public wait as comfortably as it may and as long as it will to see our English theatre re-habilitated, at least to a level with the American and French if not with the German theatre, actor-managerial withers remain unwrung.

Since his return in the autumn to the New Theatre, Mr. Matheson Lang has certainly added no lustre to a name which, by virtue of his quite exceptional and in many ways unexceptionable gifts, is deservedly lustrous.

Most regretfully I chronicle the fact that Mr. Lang, unlike Miss Thorndike, has consented to remain in this imagined galley, for of all the actor-managers—of all our actors, indeed—Mr. Lang is he upon whom mediocrity sits with the worst possible grace. It is the crowning glory of great artistic

achievement, of which this player's merit partakes, that it has a way of laying bare at its barest a sham, showing vulgarity at its vulgarest, and revealing maladroitness in its most maladroit unexpressiveness. One can certainly feel for Mr. Lang, since, such is the pass to which forty years' administration of the English stage by the actor-managerial régime has brought the craft of drama-writing, it must be very difficult to find plays which offer adequate scope to his histrionic skill and his superbly-equipped personality.

There are few moulds graven by the hands of the supreme master-craftsmen of drama which Mr. Lang could not fill to overflowing. This is common knowledge. But it does not mitigate individual regret that he should pour himself with such uncharitable prodigality into the form which Mr. Sabatini has made for him in this current play, "The Tyrant." It is, indeed, a pitiable exhibition of the reckless extravagance of genius. The tyrant of the title-role is none other than Cesare Borgia.

Lang as Borgia! The blood of any playgoer must stir at the thought. But this Sabatinised Borgia will speedily make that same blood run cold, though not with the perhaps anticipated chill of dread. There was not one word apt, one player fitted—if we may borrow from Philostrate. At any rate, the one player of surpassing fitness has surely never been worse suited, or, if we may extend the conceit, the suits were all. But it is not enough to go to the playhouse to see Mr. Lang carrying the splendid tailoring of the Borgia; clothes may make an actor, but Mr. Lang is an actor ready-made, and the more elegant his exterior, such again is the power of his artistry, the less eloquent sounds Mr. Sabatini's journalese dialogue.

Never have I heard more *terre-à-terre* verbiage. The actual vocabular resource is meagre when not threadbare, and it is incredible that we should be expected to spend two hours in the company of such a man as this with never once the ring of a fine word or the turning of a powerful phrase. The hackneyed jargon of the less erudite sections of the halfpenny Press cannot be made, even by Mr. Lang, to drop as the gentle rain from heaven, nor to sear and scour like storm-driven sleet; and thus, surely, would the Borgia have wooed or derided. In the matter of plot there is resource enough, but it is essentially such plot-material as would find its proper expression in the novel form. The story, interesting enough as a story, is without dramatic significance, and the author seems to have no conception of developing that clash of opposing character which is the integral and essential factor of drama. For the sake of the intricacies of his plot all real character movement and development has been jettisoned, and we are left with Mr. Lang walking about the stage talking the kind of prose which may be read in the Liverpool advertisements of the cheapest weekly papers. To use the names even of Nicolo Machiavelli, Penthesilea di Speranzone, and the rest, to give a fictitious allure to this inept and inexpert travesty of a vivid period of human action and personality is not merely window-dressing; it's a swindle. Shades of "Il Principe," of that Prince's living embodiment and of his chronicler.

The passion for whitewashing, gelding and otherwise dephlogisticating great historical personalities has obsessed certain of our dramatists since ever Mr. Drinkwater performed this unwarrantable office on Abraham Lincoln. Shaw may have flouted historical accuracy (why not?), but at least his Shavianised Napoleons, Cæsars and Burgoynes are not witless, resourceless, undramatic dummies are not so black as they are painted, but certainly they are not mat-white or muddily monochromatic. Then in the devil's name let us give the devil his dramatic due of fiery light and shade! Cesare Borgia may have been traduced by the picturesque historians and

fictioneers (do you remember that last supper in Richepin's tale?), but at least these writers had the crowning virtue of the playhouse, picturesqueness. Mr. Sabatini's Cæsar—no, no!

Sic nunquam tyrannis.

Music.

Again, the pre-eminent happening of the past few weeks has been a recital—a third and extra—of Egon Petri. This superb artist was in the greatest form and gave us playing of an order that can only be adequately described as magnificent. With an admirable and lofty disdain for the hack recital programme and the prejudices of the newspaper critics, he gives us rare and unfamiliar, but splendid music. On March 14 his programme consisted of the Op. 109 Sonata in E of Beethoven—a very little played work, the Schubert Fantasy in C, the Paganini-Brahms Variations complete, a group of six preludes and four études of Ch. V. Alkan, and the "Indianisches Tagebuch" by Busoni. It was the first time one has had an opportunity of hearing a big group of Alkan played by an artist of the highest order, and one was made to realise the very wonderful and powerful music that one more or less knew from the astonishing concerto to lie buried, half-forgotten, or ignored in the work of this remarkable man, whose position among writers for the piano seems to me analogous to that of Berlioz as an orchestral composer—both of them depreciated by those who do not know their work, and misjudged by those who only know them by their inferior and, naturally, most played works. Original and individual in substance, expression, and technique, not the least remarkable about them is that they owe little or nothing to that other misunderstood and misjudged genius Franz Liszt. One would like now to hear the "Symphonie" for piano from Mr. Petri sometime.

The Busoni "Indianisches Tagebuch" is a series of pieces made from material also used in the "Indianische Fantasie" for piano and orchestra—having something of the same relation to the latter work that the Rhapsodies based on the same material bear to the Hungarian Fantasia of Liszt. They are extraordinarily typical, stamped in every bar with the astonishing individuality that created them, the simple primitive and most unpromising American-Indian folk-song matter of which they are made, or one should say rather, from which they are the *point de départ*, is subjected to changes that can only be called necromantic. While preserving apparently their outward shape, they undergo a transmutation of character like the people subject to the fluctuations of multiple personalities. Their own usual self is entirely in abeyance, overshadowed by the tremendous personality of the Master of Magic—for Busoni is no less—who is using them. Beautiful, undoubtedly, with that strange extra human or non-human sinister beauty that is the essence of Busoni's art, and which sets him so absolutely apart and aloof. It is impossible more highly to praise Mr. Petri's playing than to say that it was like an evocation of Busoni himself.

This stupendous programme was closed with a prodigious performance of the magnificent Brahms-Paganini Variations—the first and most original piano work Brahms ever wrote. It is one of the strangest things that the creator of this very remarkably vivid and highly coloured work should also have produced such portentous suet-pudding stodginesses as the Second Piano Concerto, to mention only one work of the type.

The chamber concert given by Messrs John Goss, Sammons, and Murdoch, on March 20, was, above all things, remarkable for the performance of a group of five van Dieren songs in English, French, and German. If it is possible to pitch on any that are outstanding where all were of such beauty, in my opinion the lovely Cenci songs, the delicious

Mädchenlied, and the exquisite "Weep you no more sad fountains" were surpassing.

That the wonderful songs could survive the rough handling they received from pianist and singer speaks volumes for them. Mr. Foss is an unsympathetic accompanist, his playing is patchy and disjointed, and he made one feel little of that wonderful homogeneous flow of van Dieren's work that is so typical of it. Mr. Goss' rather coarse, rough, and beefy tones are not for these songs, which need as great a perfection and fineness of singing as their own perfect vocal lines. A very brilliant writer on politics and sociology, in a recent letter to me, remarked that as soon as you "attack the English with heavy artillery that cripples them in their strongest defence (compromise), there is no meanness, no depths of blackguardism to which the most gentlemanly of them will not go." Especially applicable is this observation to some remarks of a certain London critic. Unable to compromise and deny entirely the merit of these songs, and the endorsement thereby of Mr. Cecil Gray's remarks on van Dieren, in his "Survey of Contemporary Music," this "gentlemanly" critic delivers himself of the following piece of caddishness, typical of "gentlemanly" critics: "The five songs of van Dieren . . . derive a momentary interest from the fact that the composer has been loudly trumpeted lately in a literary work published by the same firm" (i.e., the Oxford University Press) and goes on to add with condescension, "but those specimens suggest that, as a song-writer, at any rate, he should survive the adventitious interest" (my italics). Two violin and piano sonatas were played—the second of Delius, and a new third of Herbert Howells. It is almost unbelievable that the creator of such radiant masterpieces as "Paris," the "Mass of Life," the "Dance Rhapsody," the "Song of the High Hills," could have produced a work as utterly bad as this. It consists of a maundering, maudlin, meandering, melody for violin, made even more insipid by the glaucosity of Mr. Sammons' tone, accompanied by a series of chunks from the piano. A sonata for violin and piano it is at the opposite pole from being. It is a *Méditation*, and *quelle méditation!* How appalling has been the cataclysm in Delius' art may be judged by the fact that even a work of Herbert Howells must be admitted to be posers seem to contract a disease, which appears highly contagious, for setting those tiresome, dull, and stupid poems—of E. J. Moeran were also sung. Mr. Goss was better suited here by the mock-bucolicity of the verse. The music is negligible.

KAIKHOSRU SORABJI.

APHORISMES DU TEMPS PRÉSENT. (Translated by C. M. Grieve.)

LUCIEN ARREAT.

The best reason for preferring anything is always that one prefers it.

Remain frank: it is—more than is generally credited—a sign of power.

The source of all poetry is a profound sense of the inexpressible.

In the thought of every man who takes life seriously there is an unknown faith.

If I mix with life, I exaggerate its importance, and, if I don't, its unimportance.

GUSTAVE LE BON.

Great men have always been creators of new desires. Reformers merely seek to substitute one desire for another. Ideas age more quickly than words.

ACHILLE TOURNIER.

The greatest miracle of any religion is a priest who believes in it.

Question Time.

DEBATE ON CREDIT CONTROL.
Canadian House of Commons. March 4, 1925.

I.

Mr. J. S. WOODSWORTH (Centre Winnipeg) moved: That, in the opinion of this House, it is not in the interests of the country at large that the privilege of issuing currency and of controlling financial credit should be granted to private corporations.

He said: I recognise that it requires considerable temerity to bring forward a resolution of such a far-reaching character as the one I have just moved. The House has considered from year to year for a good many years the tariff question in this country. Yesterday considerable time was devoted to the alleged North Atlantic combine. And yet I venture to say that this resolution strikes at a far more fundamental problem than either of these and one which, I venture to say, will in the future of Canada occupy a much more prominent position. I call attention to the terms of the resolution. I can quite understand that it would be in the interests of the banks or the Canadian Bankers' Association that things should remain as they are; but the question as to whether it is in the interest of the public at large is an altogether different matter. This resolution was on the order paper last year, but it was not reached. It is purposely negative in form. Many schemes might be advanced as desirable substitutes for the existing system, for example, national banks, or provincial banks, or a central reserve bank, or the development of co-operative banks, or some one of the many new financial systems which have been discussed. I am not venturing into any of those fields to-day. These schemes may be discussed at some later period or possibly to-day by other speakers. I propose to confine my remarks to an examination of the system as it now exists. It seems to me that the first step is to show the injustice and inefficiency of the existing system.

Modern industry and civilisation are based very largely upon the exchange of surplus products. In the old days a man consumed what he himself produced. Later on, when he produced more of one commodity than he required for himself, and his neighbour produced more of another commodity than he required for himself, there was possible an exchange, and thus barter sprang up. Nowadays, this exchange is carried on by means of money, and I take it that fundamentally money is a ticket system to facilitate distribution or exchange. We so frequently think in terms of money that sometimes we do not pause to remember that money in itself is not wealth: that it merely represents wealth. This is true even of gold money as money. It is not wealth as money; it simply represents wealth. We have a good deal to say with regard to production in this House. I would remind the House that after all the end of our present economic system is not essentially production, it is consumption. We work in order that we may enjoy, but unfortunately the productive end, and behind that the distributive end of our system, has gained such an ascendancy that it has dominated everything else. In this country, if we looked at matters from the right angle, we would recognise that we can here produce sufficient to meet the needs of the people, we would realise that the problem essentially is one of distribution rather than one of production. As Viscount Milner says in his book: "Questions of the Hour":

So long as the things themselves could be procured in adequate quantities, the counters for dealing with them would always be forthcoming.

That is coins, money, whatever form money takes, are essentially simply the counters by means of which we effect the process of distribution.

Mr. SPEAKER: In justice to the hon. gentleman, I would ask hon. members kindly to stop talking in order that his remarks may be heard.

Mr. WOODSWORTH: Since money has come to be the measure of all other commodities, the question of money, its value and control, is basic. I would suggest that in ordinary commercial life whoever controls the size or weight of the pound practically determines the value of everything that

goes over the scales; that whoever has the custody of the yardstick and can extend and contract that yardstick has very effective control over all selling operations.

After the earliest primitive times, when almost any commodity might be used as money—shells, beavers' skins, and similar objects—the world as a whole settled down to gold as the standard, the recognised money. Gold, in most civilised countries, became the standard of value, but gradually within comparatively modern times, another kind of money was introduced, that is, bank notes. We are so accustomed to these bank notes or bills, as we ordinarily call them, that we have forgotten that their introduction is comparatively recent and that they represent an altogether new conception of money. Walker, the economist, said in one place many years ago:

Money is that money does.

Whatever performs the function of money is really money, and according to that bank notes are in reality money. We may recognise three stages through which bank notes have passed. First of all, they actually represented gold—there was as much gold as there were bank notes. Then it was found by the bankers that it was quite possible to issue a larger quantity of paper than there was a supply of gold. It was found in practice that only a few people demand gold, and that as long as general confidence could be maintained a small reserve of gold was sufficient. That stage is what we know as the gold basis. That is, there was on hand simply a sufficient supply of gold to meet the demand, not a sufficient supply of gold to cover all the paper that was in existence. Then we reached the third stage in Canada within the past ten years when bank notes became irredeemable. I do not think the majority of the people of Canada have yet learned that that is the case, but since the war broke out bank notes have not been redeemable. That is the present situation.

We have, however, in still more recent times, had added to the gold money and the bank note money a third kind of money, that is, cheques. Many people, perhaps, have not been inclined to think of cheques as being in reality money, and yet, some of the leading economists and bankers recognise that as being actually the case. To-day, some ninety-six per cent. of the business of Canada is done through the checking system. That was the statement given in the evidence offered to us two years ago in the Banking and Commerce committee. I am not putting forward this statement that cheques are money on my own authority. No less an authority than the Right Hon. Sir Reginald McKenna gave this statement:

Let me define the sense in which I shall use the word "money." I understand by it all currency in circulation among the public and all bank deposits drawable by cheque.

So that to-day, according to eminent bankers and economists, we have three kinds of money: gold money, which is almost non-existent in Canada; paper money in the form of bank notes; and bank cheques.

We are, of course, still more or less in bondage to the fetish of the gold standard. In the Speech from the Throne it was foreshadowed that there might be an attempt to return to the so-called gold standard. But I would urge that if we have been able to get on without the gold standard for a period of ten years it is possible we might be able to get on without it for at least another ten years. In deed, I am rather inclined to think, and this on the authority of some of the leading bankers of Great Britain, that it might be a decided mistake to return to the gold standard at all, a mistake, that is, in so far as the great mass of the people are concerned, though it might very well play into the hands of a comparatively small group. I would point out, taking an ordinary illustration, that it is quite conceivable that we could get along without gold as a medium of exchange. For example, the farmers in the west grow wheat, the manufacturers of Montreal make boots; is it absolutely necessary that we should send men into the wilds of northern Ontario to dig out gold and convert it into coin in order to enable the farmers of the west to exchange their wheat for the boots manufactured by the men in Montreal?

(To be continued.)

LETTERS TO THE EDITOR.

WHAT CAN WE DO?

Sir,—I very heartily agree with Mr. Ludlam's letter, except for one or two sentences which I do not understand; but it gives me the feeling that I cannot have expressed my own meaning clearly.

What precise kind or kinds of brass tacks do we need? Descriptions of the evils of the present system and of the plenty of nature are very useful in their place, but do not differentiate us from any other brand of reformer. Neither do our fundamental ideals—not to the man in the street; for however much "the Supreme State, to which everything and everybody, from the cradle to the grave, must bow" may be the London School of Economics' conception of Socialism, it is certainly not the Socialist working man's; "pippins and cheese" comes much nearer that.

Our differentiation lies in the possession of a mathematically sound plan for a bridge from this house of bondage and City of Destruction to the Land of Promise, the land of *everybody's* dream. Does "brass tacks" then mean the simplification of the New Economics? The reading of many admirable expositions of the subject, together with my own experience (though it was cut short by the pressure of my daily task), has convinced me that the greater art of the New Economics can be presented in a simple form. *The real difficulty does not lie there.* The real difficulty is to get people interested, and I believe the chief reason for their lack of interest was expressed in that growl of "Ach! the Government!" That is to say, the adoption of Social Credit obviously involves State action; these men demanded to know what steps we recommended for getting control of the State mechanism; and as I could not tell them that, they were not interested in the Utopian tale of what a right-minded Government could do. Nor is it only out-of-works and revolutionaries who take up this attitude. It can be seen just as unmistakably, though in a quieter form, in the toilworn business or professional man and his wife. Even to the comparatively thoughtful man who has an hour or two to spare of a winter's night, the New Economics is only one among a thousand possible interests, and has to compete with all the popular manuals of science and history, besides literature, music, religion, photography, wireless, etc., etc., etc. He does not feel that it has anything to do with practical life. I used to put the blame on the average human being's unwillingness to think, of which the moralists tell us; but now it seems to me that the average human being has considerable justification for refusing to expend on the study of reform proposals a serious proportion of the small residue of energy left over from his daily work and domestic life, when we can offer him no means of doing his bit, even after he has studied our proposals, towards getting them put into practice. The ordinary man simply will ask what mechanism, Parliamentary, revolutionary, or other, we have, or are trying to get, for carrying through our schemes; and if we cannot tell him that, and give him a look-in, he will not be bothered with Social Credit.

This raises the question of whether we want the ordinary man at all. The "key position" policy is unmistakably right, for those who have opportunities in that line; and the rest of us must not try to divert such men's energies from it; the question is whether it is any treason to the "key position" policy for the rest of us to attempt something else. If Major Douglas were to say in so many words, "Please stop trying to help; you can't possibly do any good, and may scare the big game; leave everything to the two or three who are stalking them," many of us, myself included, would obey implicitly; but he has never really said this, and he has repeatedly warned us that the powerful men may be obdurate to the last, and also that the real key positions may be out of reach because not in Britain. He has just invited us all to think what we can do about the coming crash. Well, if we have or are going to have any use at all for ordinary folk, bourgeois or proletarian, either before, during, or after the deluge, we absolutely must reckon with the psychological fact which I have been trying to describe. We must offer people something to do.

From the Social Credit papers to hand this week we gather that Major Douglas has actually offered a suggestion for doing something—I suppose I had better not say what, but most of those who read this will know; anyhow, it is a definite proposal, and a proposal for action, in a sense in which "co-ordination of propaganda" is neither. It is also a proposal which one centre I know, at least, formerly endorsed upon their own judgment, i.e., before Major Douglas's name was attached to it.

Had I known of this earlier, I dare say I would not have made any suggestion of my own; but since I have suggested

something, I want to make clear why I suggested that particular thing.

Action, as distinguished from purely verbal propaganda, may be divided into voting, fighting, and economic direct action. Are there any more kinds? I can't think of any. Now, we don't think too highly of the usefulness of a vote. Neither do we want bloodshed if it can be avoided. Action, then, to us, should mean some kind of economic direct action; and both Major Douglas's plan and my bit dream fall under that category. (Perhaps they may not be wholly incompatible either.)

I have been thinking over the physical basis of freedom, indeed, of existence itself, required in a mad world. Britain's Real Credit would be ample if the world were sane; but she has not sufficient Real Credit of the kind required for the needs of to-day and to-morrow. She has ample means of production, in a general way; but she has not at this moment the means of directly satisfying her own needs. She is therefore bound hand and foot to the countries that can and will feed her. The result is that, in a world of Kilkenny cats, which is what we seem to be coming to, the people of Britain will be compelled to fight for whatever country will supply them with the necessities of life, and for their communications with that country. Major Douglas told us a year ago that the last war came to an end because men would no longer consent to be cannon fodder, and that this point would be much sooner reached next time. When that day comes, is the alternative to be starvation?

Even if another world-war were not imminent, I very much question whether a nation unable to feed itself could emancipate itself from International Finance. Suppose a British Government decided to adopt Social Credit. This would not harm foreign trade (see "The Community's Credit," chapter 9), if economic reactions were all automatic; but American and other financiers would probably call us thieves and get the world to boycott us as Bolshevik Russia was boycotted. They would do that to anybody who blew the gaff on the superstitions by which they rule. As for the kind of agricultural scheme desirable, it should preferably be one that would tend to decentralisation of power within the nation, as well as to national independence. Control of the necessities of life is the basis of all freedom for the individual. In a peaceful and orderly society this control would be best secured by the Universal Dividend combined with the Just Price; but in a state of anarchy physical possession takes the place of legal rights; and the best preparation for such a contingency (in the collapse of the present system anything may happen) would be to get the means of life actually into the hands of the people.

I don't at all suppose we can reach this state of things before the crash; but if we could start something that would serve as a model for larger-scale action when the people are forcibly awakened, it would be a good deed.

Social Credit has all along been a matter of religion to me; and that is just why I hate to see it degenerate into a mere Sunday aspiration. But as for propaganda, no statement of ideals, however beautiful, can of itself show cause to the outsider why he should attach himself to us rather than to the I.L.P., the Communists, the League of Nations Union, the U.D.C., the British Fascists, the Salvation Army, or whatever his particular set prefers as a means for bringing in the Kingdom of God.

Propaganda by deed—we dreamt of it some eighteen months ago, but we did nothing. The average man asks for either a voting paper or a rifle; we can offer him neither; then let us offer him some tool, preferably a spade.

H. B. S. L.

MUSICAL CRITICISM.

Sir,—The distinguished Indian art critic and writer, Dr. Ananda Coomaraswamy, remarks, in that very excellent but now unfortunately unobtainable pamphlet of his on "Indian Music," that "the civilisations of Asia do not afford to the inefficient amateur those opportunities for self-expression which are so highly appreciated in Europe and America. The arts are nowhere taught as a social accomplishment: on the one hand, there is the professional, proficient in a traditional art, and, on the other, the lay public. The musical cultivation of the public does not consist in everybody doing it but in appreciation and reverence." (My italics.)

"Faitcha" and his like might with profit study that: particularly the words I have italicised. His pretence that he had already said what I had in my second paragraph of March 5 is merely impudent. He only spoke of the palpable rogues and charlatans of whom, as he said quite rightly, music-teaching is the happy hunting ground. I was attacking something far worse—the "recognised" and more or

less "recognised" institutions for music teaching, with their staffs of "qualified" and "responsible" professors (mostly men of standing and repute in their world and influence into the bargain), of whom one does more harm to music in one term of twelve weeks than a hundred quacks in as many years. Both the best teachers and the worst are to be found outside the Colleges and Academies. The worst, the quacks, obviously cannot be countenanced by any institution that wants to make a good impression, and the best decline to submit to the idiotic examination, medal-hunting business that goes on interminably in them.

Ernest Newman has well said that the function of the critic is not to encourage mediocrity—we are choked, cannot move for it, in music as in everything else—but to lethal-chamber it. What needs to be encouraged is Genius—Priests worthy and fitting for service of the Altar, not floor-cleaners and vergers; but these make such a solid barrier that in our time it is the most difficult thing for the Priest to reach the Altar. Worse still, they masquerade as Priests themselves and go through blasphemous parodistic antics.

It is a pity, wails your correspondent, that people who are so anxious to do something get so little help. But, good God, I have been practically telling the man for months what to do, what to go and hear, and whom, by praising this and blaming that—but as I think right, not he. That, of course, is the root of the trouble. I will tell him again, I will say it very loud and clear, I go and shout it in his ear. Let him go and hear as much Delius, van Dieren, and Busoni as he can—some interesting performances of big works by the first two are coming off very shortly; but as I do not propose to turn myself into a complete concert calendar for his benefit, he can discover all information as to time and place in a Saturday *Daily Telegraph* for himself. Let him buy as much van Dieren work, shortly to be issued by the Oxford University Press, as he can afford—whether he can play it or not is a matter of no importance, but he will most emphatically be doing something much more valuable than trying to play the "Hammer-Klavier" or the 4th Ballade or even writing hymn-tunes à la Stravinsky!

KAIKHOSRU SORABJI.

G. B. S. AND THE NEW ECONOMICS.

Sir,—Your correspondent "A. E." is on the track of G. B. S., so is K. O. G., and in that procession I find myself. After seeing "St. Joan" I wrote in the *Freethinker* as follows: "There is a supple beauty in the clear-cut speech of Joan; it is the *don terrible de la familiarité* of Mirabeau, and when Shaw begins to use this language for no other's sake but the sake of mankind, instead of Joan's God, and the world instead of France, we may witness a renaissance in the evolution of man that will make the disease of religion appear as simply an attack of the colic or a bad dream. . . . We know he is clever, has knowledge, and also has the riper fruit of wisdom."

Civilisations have come and gone, and the present moment is a time to try the strongest hearts of men who believe in the aristocracy of their own species. Here is a problem—our hearts and heads have the solution, but we lack that vocal expression to send our message reverberating throughout the world. If G. B. S. cannot do it through the stage then someone else must. G. B. S. could, if he tried, do it through the medium of the stage and carry further the implications in Karel Capek's "Insect Play." If he will write such a play—it does not matter what he calls himself—the play would be a fitting finish to his life's work, wherein he has shown us the effects of financial standards that, to put it mildly, are consistently antagonistic to the unity of mankind.

WILLIAM REPTON.

ST. PAUL'S.

Sir,—An interesting correspondence is arising from what began as a matter of Little Peter and Great St. Paul's—in an article wherein a young man gave us his whims and fancies, as though, despite obvious ignorance of his subject, they were original and important ideas. To many readers they were original and important ideas. To me, Peter S. rather than St. Paul's appears a little top-heavy: there is an awful suspicion of "swollen-head."

In this contributor's comments on Mr. Haydn Mackey's letter (published in your issue of March 5), it is amusing to note his discovery of incoherence in the part that is obviously largely a burlesque of his own enlightenment!

Of course, incoherent ejaculations might very well greet so trifling a contribution to a paper that has usually published opinions and criticism, backed by a first-hand and often extensive knowledge of the subjects discussed, and

based on such sincerely held principles as must underlie sound and vital ideas—I have no doubt they did.

However, what seems to be worthy of development arises in Mr. Mackey's letter in your last issue, where Mr. Peter Somerville is ignored or forgotten, and the question of the relation of aesthetics to the philosophy of the new economics is raised during a reply to Mr. Philip Kenway.

This appears to be what many of your readers are asking for—as a change from the awful gloom of the prospect that lies ahead if the scheme is not adopted, they would welcome a vision of the logical and wide development that may be expected if it is.

SPRAD.

Sir,—In my letter loosely stating anonymous but nevertheless authoritative views rather than my own, I had hoped to give a little exhibition of modesty by way of contrast to the strong expression of "soul" which seemingly characterises some "lay ignorami." But Mr. Philip T. Kenway seems to have missed the show!

Am I to understand that he seriously challenges the possibilities of my producing authorities in support of such views as I have expressed in this matter? I could fill this issue of your paper, sir, with such support, from—"Ruskin for ideas and Ferguson for facts," as anyone with a nodding acquaintance with the subject must know. However, I will take, haphazard, those books which are most accessible to me at the moment, and which are neither Kipling nor Belcher. I find the following, my italics in each case:—

"It will hardly be disputed that the exterior of St. Paul's surpasses in beauty of design all the other examples of the same class which have yet been carried out; . . . it is, externally at least, one of the grandest and most beautiful churches of Europe."

JAMES FERGUSSON, D.C.L., F.R.S., etc.

"The silhouette of the dome, which is, of course, its principal feature, is far superior to that of St. Peter's at Rome or the Invalides or Panthéon at Paris, and the problem of its construction with the central lantern was solved much more satisfactorily than in any other example."

R. PHENE SPIERS, F.S.A., F.R.I.B.A., etc.

"The external dome is probably the finest in Europe, for the projecting masses of masonry at the meeting of nave and transepts . . . express support from the ground upwards."

SIR BANNISTER FLETCHER, F.R.I.B.A., F.S.I., F.R.G.S., F.R.S.I., etc.

"The first English sculptor to work freely and expressively in the Renaissance spirit was Grinling Gibbons, to whose merit Fame, even now, has done but scanty justice. . . . As an artist he showed a combination of designing power, with patience and technical skill, which would have carried him far with better opportunities. As a decorator, his best performances are to be found at Chatsworth, Petworth, Burghley, in St. Paul's, London, and in Trinity College, Oxford. His statue of James II. . . . is one of the finest bronzes in Europe."

SIR WALTER ARMSTRONG
(Director of the National Gallery of Ireland).

I should like to learn from Mr. Kenway what "canons" of art there are which, defied by Gibbons, have not also been defied by acknowledged masters; I'd be glad to learn of one such canon, or even of a really adequate definition of Art, if such existed. Also I note that Mr. Kenway has not told us what he means architecturally by the "glory" of the Renaissance. A statement of an individual's alleged "feeling" in such matters, unsupported by any reason, or either common or uncommon knowledge, can only be of interest in two ways, it seems to me. Its statement may be a work of art in itself, or it may have interest on account of some of the already known activities of its maker. Surely, sir, one or other of these claims to publicity must be made before your restricted space is occupied—else the policeman in the National Gallery might assert himself!—or Mr. Stephen W. Smith!!!

HAYDN MACKAY.

P.S.—In my article of last week the word "comparable," in the twenty-second line from the end, should have been "compatible."

CREDIT RESEARCH LIBRARY

REPORT OF THE CUNLIFFE COMMITTEE.

This Report should be in the hands of every speaker and writer on the New Economics. It describes the working of the Gold Standard before the war. Every paragraph contains information of the highest propaganda value.

POST FREE, 6s.4d.

Through Consumption to Prosperity. An Outline of Major Douglas's Credit Proposals. Reprinted, with additions, from the "New Age" of October 16th, 1924. Written specially to serve as an introduction to the study of the New Economic Theory. Gives a clear account of its distinguishing features, with just sufficient argument to establish a *prima facie* case for further investigation. 16 pp. Price 2d. (postage 1d.). Prices for quantities, including carriage, 6-1/-; 10-1/6; 50-6/9; 100-11/3; 500-50/-.

Socialist "First-Aid" for Private Enterprise! A reprint of the "Notes" in the "New Age" of April 17th. A critical examination of the I.L.P.'s "Nationalisation" policy from the "Social Credit" point of view. A useful pamphlet to distribute in Labour and other reformist circles.

The Monetary Catalyst—Need Scientific Discovery Entail Poverty? A reprint of the "Notes" in the "New Age" of June 5th. Written with the special object of attracting the attention of business, technical and scientific men.

Both pamphlets are the same dimensions as the "New Age" pages, and will fold conveniently and neatly for posting in an ordinary foolscap envelope. Single copies will go for 1d. postage, as "printed matter," if the envelope is unsealed. The price of each is 1d. (postage 1d.). Larger quantities: 10-10d.; 25-2s.; 50-3s. 9d.; 100-7s.—all inclusive of postage.

"The Community's Credit."

A reasoned consideration of the theoretical content and practical implications of the DOUGLAS CREDIT PROPOSALS.

By C. MARSHALL HATTERSLEY, M.A., LL.B.
Crown 8vo, 165 pp. Price 5/- Nett (Postage 2d.)

Catalogue of other books and pamphlets free on application

CREDIT RESEARCH LIBRARY, 70, High Holborn,
W.C.1

Cheques and Postal Orders should be crossed and made payable to "THE NEW AGE PRESS."

All communications should be addressed, Manager, THE NEW AGE, 70, High Holborn, W.C.1.

"Letters to the Editor" should arrive not later than the first post on Saturday morning if intended for publication in the following week's issue.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn, London, W.C.1, and printed for him by THE ARGUS PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4.

HAMPSTEAD SOCIAL CREDIT GROUP.

THURSDAY, APRIL 2nd, at 8 o'clock at Holly Hill Shop, 1 Holly Hill, Hampstead (near Hampstead Tube Station), MR. HILDERIC COUSENS will speak on:—

"INFLATION IN HISTORY."

Readers and friends invited.