

THE NEW AGE

INCORPORATING "CREDIT POWER"
A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

Sir Josiah Stamp's address to the International Chamber of Commerce at Brussels last week is well worth attention. It is reported in *The Times* of June 24. (We see, by the way, that this body has unanimously elected Dr. Walter Leaf as its president.) Sir Josiah's subject was the problem of the transfer of German reparations under the Dawes Pact. He said that the report of the Dawes Committee implied a principle hitherto little understood by politicians and statesmen.

"This principle was that the production of economic values available for the use of creditors was quite a different thing from the obtaining and presentation to those creditors of general purchasing power and wealth in their own currencies."

Germany, he said, might well produce much material wealth, but, with insignificant exceptions, could only transmute it into terms of financial wealth in foreign currencies by "the ordinary processes of industry and trade." What he means by this will be pretty evident to readers of THE NEW AGE. This material "reparation" wealth will have to be dumped in the world's markets, and to the extent to which that is done to the same extent will the manufacturers in those markets lose orders. As he said:—

"The first cardinal economic truth that emerged was that the purchase of foreign currencies with marks paid to the Allies could not proceed faster than the physical surplus of exports was made effective."

For instance, if the users of steel in Britain would leave Sheffield high and dry and take all their requirements from Germany, then, whatever proportion of the Germans' profit on the transaction was earmarked for reparation purposes could be transferred to Britain: *but no more than that proportion.* Little reflection is needed to show that for every hundred pounds of reparations received by Britain Sheffield would have to lose orders amounting to—what shall we say?—£2,000? The analogy is very close to that of the labour-saving invention in home industry. The only difference is that whereas the machine

displaces workmen, and deprives them of the right to an income, the adoption of the Dawes Scheme will displace whole industries, with the same financial consequence. The plain fact is that no nation can at the same time receive reparations from Germany and remain in employment. This would not matter—it would be all the better—if we all lived under an economic system which distributed money incomes commensurate with the increase of material wealth accruing to a nation, *irrespective of whether its producers had actually made the wealth or not.* Under such a system Germany's material wealth would be monetised on receipt by the issue of new credit by the nation receiving it. As it is, Sir Josiah Stamp has to point out that—

"... a price must be paid, and that was the curtailment or discouragement of some export industry, since the German goods must find a market . . . in competition with our own exports. . . . At some point or other new imports had to come into the Allied countries if reparations were to be effectively received."

No erection of tariffs designed to keep German goods out of Allied markets would be of any ultimate use, he continued, because that would only divert German competition to other markets which the Allies could not so protect. This is bad hearing, and the only consolation that Sir Josiah can offer is his belief that Germany could add to the capital goods of the countries of the world on a much larger scale *without destroying a reasonable level of prices* than she could possibly do on the goods of everyday individual consumption. There is one point about this that is interesting; it implies that the world can absorb capital goods much more readily than it can consumable goods. That is quite easily understood. Consumable goods are bought by money paid to people for personal service. Capital goods are bought by advances of bank credit, advances used for the specific object of dispensing with personal service. So, until the theory of applying new credit specifically to promote consumption receives serious consideration, the relative demand for consumable goods will go on diminishing until, logically, there will be no trade in anything but capital goods. Presumably by that time our ortho-

dox experts will have discovered how to make capital development, like virtue, its own reward. It is not surprising that in summing up his conclusions

"Sir Josiah Stamp confessed that he was filled with the gravest misgivings by the contest between sectional or industrial interests and national or financial interests almost before the real problem of reparation payments was begun.

"Reasoned and conscious choice between the two aims must supersede a petulant alternative grabbing at both, which might result in the business man's policy beating the taxpayer's, and transfers becoming so difficult that the reservoir would fail and the German effort be relaxed."

Verily what a tangle we are all in. At this very moment our British railwaymen and miners are being exhorted to renounce their sectional interests. For what reason? Precisely to enable our industries to hold their own in the world market. Now behold, here is Sir Josiah Stamp exhorting these industries themselves to renounce the idea of holding their own in the world market. In Britain it is held to be a bad thing to ask for the living wage because it will prevent our business men from getting a living profit out of the world market. In Brussels it is held to be a bad thing for our business men to ask for a living profit out of the world market. At one juncture in his address Sir Josiah said that one of the essentials in "our" attitude to the general problem was "complete public candour," meaning by that that economists should "speak out the faith that was in them." Very well; then at least let our British business man and our British workman hear the complete truth in each other's company. What on earth is the use (or where the honesty?) of calling the workman aside and whispering agitatedly to him—"Here, for God's sake take Mr. Thomas's and Mr. Hodges' tip and go slow about your wages; the bosses will only lose orders if you don't"; and then stealing away to the bosses and saying—"Here, for God's sake don't go after those orders." It will not do. And another thing. On what grounds are industrial interests and national interests used as antithetical terms?—or, for what reason is the business man's policy held to conflict with the taxpayer's? Does or does not the whole population derive its means of life from participation in industry? And what shall it profit a taxpayer if he gain a remission of imposts and lose his job? What Sir Josiah is really asking for is a change in the psychology of the business man and his employee; he is asking them to behave as though their incomes did not wholly depend on the profits and wages incidental to executing orders—in fact, to behave as they will behave when the principle of the super-dividend comes down from God out of heaven like the new Jerusalem. He is not wrong in his demand; he is simply premature. It is not inherent in the nature of the business man to grab for orders, nor in that of his employees to grab for jobs. This truth is thoroughly appreciated in respect of the employee if we are to believe all the enormities attributed by the Press to the dole-drawers; but it is equally true of his master. One calls to mind the Government's postage stamp contract. There were two firms who tried to secure it. Tried hard. You would suppose that their souls' salvation was involved in the physical operations of printing and gumming pieces of paper. Yet suddenly the shouting and the tumult died. The "Work" complex of one of these competitors was miraculously unravelled—by the point of a pen nib. The other wrote him out a cheque for £60,000. Simple, wasn't it? No exhortation. No appeal to moral considerations. Just the laconic "Pay to the order of . . ." . . . and he that would not work went away and ate. And so in the present situation. If the success of the Dawes system of distributing reparation "dividends" depends upon British producers forgoing work, what has to be done is to bribe them into acquiescence. Their incomes must

not be wholly dependent upon their work. Some way must be found of distributing free new credit as and when the German reparation products are delivered. If our credit system is unequal to the operation of financing a gift of goods, the sooner its present directors are pensioned off the better. In the meantime there is a country where the problem is going to be felt at its worst; that is America. As Sir Josiah Stamp said in concluding his address—

"In view of the fact that Inter-Allied debts are involved . . . the whole problem will ultimately become mainly a German-American one, Germany being the one surplus exporter . . . and America the direct or indirect recipient of perhaps 60 per cent. of the goods transferred under the Dawes Scheme."

Before leaving this subject we will quote from a speech made by Dr. Schacht, the President of the Reichsbank, at a meeting of the Imperial Federation of German Industry. A report in the *Financial Times* states that he

"protested against the policy of demanding reparation payments and at the same time trying to avoid an increase in the production and exports of the debtor."

This is a close paraphrase of Sir Josiah Stamp, as is also Dr. Schacht's warning that

"so long as the political delusion that led to such fallacies was not removed, so long would the economic restoration of Europe be delayed."

which is much like saying that so long as European industries outside Germany refuse to be squeezed out of the market so long would the benefits of the Dawes Scheme remain unrealised. Naturally, on such an interpretation, one would expect the threatened industries to peep aslant at these supposed benefits and question whether they were worth the price; and it would appear that some such whispers have come to Dr. Schacht's ears, for he pronounces the warning that

"Any attempt at this stage to represent payment under the Dawes Plan as impracticable might possibly result in weakening the feeling of responsibility. According to the Dawes Plan, Germany's economic activities must not be prejudiced by any foreign organisations other than the control measures provided for therein."

The first passage here can hardly be expected to frighten the enemy, for it appears to amount to no more than saying: "If you make out that the receipt of our exports is impracticable perhaps we shall not try to export"—which is just what one conceives the opponents of the Dawes Plan wish would happen. The second passage evidently means that so long as German industries keep faith with international finance, the rest of the industrial world must put up with the consequences, even if it means putting up the shutters. We were told during the war that the safety of Europe would remain in jeopardy until Germany was "thoroughly repentant." At last, then, Europe is safe. For so thoroughly repentant is Germany that not only is she willing to bring forth fruits meet for repentance, but is positively insisting on doing so. "Hands off my punishment!"—Well, we hope the Allies can see the joke.

Now let us leave the vanquished to prepare for their trade boom, and journey to the native land of the gentleman who vanquished them, Mr. Lloyd George. The Times Shipping Company is to be wound up, or so its chairman is going to propose to the shareholders on July 8 when they meet at Cardiff. The *Financial Times* gives some very informing particulars of the history of this concern. It commenced trading in September, 1919, with four vessels of 21,035 tons deadweight, purchased for £525,500. To meet this cost, share capital of £200,000 was subscribed by the public, while no less a sum than £325,000 was raised by a bank loan secured by a mortgage on the vessels, as well as by personal guarantees by the directors. The nett profits of the company since its inception until last month have amounted to £200,304. Of this sum

only £40,000 were ever paid out in dividends (and this only in respect of the first fifteen months' trading), the rest having gone in reduction of the bank loan and in payment of taxes. The Government's claims for taxes amounted to £84,914 of which £76,944 is still due and unpaid. The present debt to the bank stands at £95,644, which means that, ignoring interest charges, the sum of £229,356 has been repaid. Readers will observe that the amount repaid to the bank exceeds the total nett profits over the whole period by £29,356. Add to this the £40,000 dividends referred to and the (roughly) £10,000 paid out on account of taxes, and you get a total of about £80,000 disbursed in excess of the total net profits. How was it done? Listen!

"In order to help the Company to overcome its difficulties the directors, past and present, have contributed without any hope of recovery, no less than £60,000 by way of advances and contributions under their guarantees, and the managers have waived their remuneration to the extent of over £40,000, thus making a total of £100,000. The directors and members of their families are holders of 58,500 shares, and are therefore suffering in this direction in addition to the losses of over £100,000 referred to above."

Trading profits earned by the vessels during the past three years have been round about £7,000 in each year, and without a doubt practically all this money has been absorbed in paying interest on the bank loan and on whatever money the directors have advanced. It is not to be wondered at that the directors "have come to the conclusion that there is now no alternative but to liquidate the Company and allow the executors to take possession of the vessels." But all is not yet lost, for—

"The executors . . . have offered to defer the realisation of the fleet to enable the shareholders to subscribe for capital in a new company to take over the fleet should they desire to retain an interest in the vessels."

The directors are optimists, for they say that they consider the earnings of the last three years "compare very favourably with the earnings during the same period of similar vessels" (we can well believe it) and that given normal trade they should show a good return on their present value. The "present value" is not stated, but we are nevertheless able to see that if the shareholders call the value something other than the actual cost they will be able to call the rate of profit something other than it actually will be. It is all a game of pretending. If you invest £100 and find it earning you ten shillings per annum, all you have to do to turn your half per cent. dividend into a 50 per cent. dividend is to say to yourself: "I have invested one pound." It doesn't come easily at first, but if you say it out loud, persistently—"Every day, in every way, my investment is smaller and smaller," in course of time you will inevitably feel your dividend getting larger and larger. However, not being investors ourselves, we think it is a silly game, and our advice to the shareholders in Cardiff would be that they try round among the members of the Shipping Federation to see if they cannot get a cheque out of them for sinking the four ships. It must be worth something to them to get rid of a competitor. The snag, however, is those private guarantees of the directors, for if the ships disappeared the banks could come down on them to repay the loan out of their private resources. Still, the suggestion has a general application, and we will leave it at that. The manner of this Company's inauguration is typical of shipping enterprise everywhere at that time. In every practical sense there was no restriction on the provision of credit, not even for projects which were extravagant speculations. The banks actively assisted in financing the transfer of ships at fantastic prices, and the buyers bought them without stopping to inquire how many other speculative shipping concerns were doing so at the same time. They acted on assumptions which would only have been justifiable had they

known that the expansion of industrial credit would continue at least at the same rate as it had previously. They paid prices which they could never recover otherwise. Even had there been no ensuing deflation, but merely a stabilisation of credit facilities at the then high level, they would still have got into the same mess as they are in now, although not so quickly. The reason, of course, was not known to them, and nobody can judge them; but it is known now. We know that the essential trouble has no reference to whether credit facilities are limited or unlimited; it has to do with the ratio between what costs figure in the producers' ledgers and what money is in the possession of the public. If, as we hold, there is a disparity against the public (which, of course soon reacts against the producer), and that it arises from the method of accounting credit, then it is useless to hope to remove the disparity by increasing the volume of credit alone. That would widen the disparity instead. The only way of closing it up is to put more money into the pocket of the consumer without making it necessary for the industrialists to enter it into their costs. What is wanted is not simply a wider stream of credit to flow through industry to the public, but a supplementary stream of credit to flow past industry to the public. Let us have all the expansion of producer-credit you like, but let us have consumer-credit as well. In the case we have been considering, students who have grasped the truth of the A + B theorem will recognise that the £525,500 which the Times Shipping Company spent on its four ships could not be recovered under the existing system without causing a disparity to that amount between total general costs and total general incomes. Quite possibly not more than a tenth of that sum had previously come into the hands of the public in respect of the building of the ships, and even that had, of course, been swallowed up in the general inflation contributed to by the disbursements of the shipbuilders. The consequence was that by the time the Company commenced operations there was no sum in the hands of the public answering to the Company's cost of £525,500. No doubt the sellers of the ships made a huge profit, but the whole of it doubtless went as an investment somewhere else and was inscribed in some ledger as a new cost against the public. Nothing could have saved the Times Shipping Company (without disturbing the financial equilibrium in some other quarter) but a free issue of credit to the public by some method or other.

In last Sunday's *Observer* Sir Josiah Stamp (what an indefatigable man he is) discusses the "counter-claim theory." Our readers will recall the recent controversy between Senator Borah and some of the French newspapers which we referred to in these columns. It was then the Beaumarchais loan which America was charged with repudiating. Since then prospectors for old, repudiated debts are tapping and picking in other debtor countries in the hope of finding the modern philosopher's stone which changes everything into a means of paying (or avoding) debts in strict compatibility with the prestige of the gold standard. For instance, Sir Josiah says—

"An Italian friend recently reminded me that a loan had been made to one of our English kings of early days by Italian lenders and had never been repaid. At compound interest the debt had accumulated until it certainly offset the present debt of Italy to us. Since £1 lent, say, four to five hundred years ago would accumulate to-day to £500,000,000, this may well be mathematically accurate."

He merely mentions this in passing. His real purpose is to deal with assertions of a similar nature respecting certain British counter-claims on America.

"In a similar way we often hear it loosely stated in club talk that, by the repudiation of State debts in America,

England lost a sum which up to date exceeds her debt to the United States."

We are interested whenever "clubs" are mentioned in connection with the present situation. When the information of what clubs are saying can be trusted, it is a much more useful lead than the inspired paragraphs of the daily Press. In the present instance it is something to know that the business man, when trying to swallow Graves straight from the vineyard, lets his thoughts dwell on Cousin Jonathan rather than on, let us say, Mr. Cook. Sir Josiah admits there is this much truth in the "loose" talk, namely that he computes the accumulation of old repudiated State and other debts in America at a total of £500,000,000. Still, he deprecates chatter on the subject as being idle. His arguments are doubtless sound, or would be to a listener who was half way through a bottle of Chateau Leoville Lascasses, but we are afraid they will be seen through a Graves darkly. However, here they are.

"In American development, thought and memory, 1880 might as well be as far back as the Flood—the doings (Sir Josiah refrains from saying "do"-ings) of another age. In the longer perspective of Britain it is not much more than yesterday."

This is a dangerous argument. We can almost hear Colonel Willey slap him on the back and thank him for the wrinkle. For if in Britain's long perspective the Americans' repudiations happened as it were yesterday, and accumulations since 1830 are regarded as negligible, Britain might at the very least ask to be allowed to pay interest on the same time basis in respect of her present debt. But there, Sir Josiah counters this in advance, for he says, "We have settled the terms of our debt and ought to cease to fuss over it." Then, the American repudiators were subordinate governments whereas now the transaction is between "sovereign bodies." Lastly—

"The best elements in the Eastern States . . . are our close friends, who, by their very affection for us, are the more sensitive on such an issue, and hurt by our resuscitation of it. If we are a proud people and wish to pay any claim which our creditor has designated a debt, let us also be uncomplaining and free from triviality."

If our purse were as long as our perspective—if we were not too poor to be proud—if—Yet Sir Josiah is right. We must not fright the American ladies that they should shriek. That would hang us, every mother's son. We are not now a real British lion; we are in a dream play, so let us aggravate our voice and roar as 'twere any nightingale.

A report from New York last Sunday says that President Coolidge received a number of newspaper correspondents at his summer residence and spoke with "rare vigour" against Sir Josiah Stamp's speech at Brussels. The force of the latter's concluding remarks, which we have dealt with above, in respect of the "business man's" reluctance to permit reparations to be received has a special bearing on the United States Tariff. As residuary legatee of German reparations it will be realised that all the injury to trade and employment which we have referred to as menacing the Allies in Europe must sooner or later extend to America. Not only that, but, as we have frequently pointed out, the Allies' debts to America will involve the same industrial disturbances when they are repaid as reparations themselves. President Coolidge may protest as much as he likes, but unless he is able to impugn Sir Josiah Stamp's facts or logic he can have no grievance against that gentleman's conclusions—unless we are to suppose that the President regards it as the duty of economists belonging to debtor nations not to speak with candour. For ourselves we hold Sir Josiah's propositions to be incontrovertible once it be assumed that the existing financial system is to continue unaltered; where we part company with him is on the practical question whether the industrialists of

the world will in the end permit the Dawes Scheme to work itself out in the manner he forecasts. He seems to imply that they could if they would; we maintain that they could not if they would—unless indeed, one imputes to them the will to suicide. The President, speaking on behalf of American industrialism, makes it clear that they are not thinking of suicide over there, and that no suggestion from Europe that the United States Tariff should be reduced will receive a moment's consideration. The report in the *Daily News* says:—

"His decisiveness on the point was shown by the fact that he had not read the speech, but only the comment on it, before giving his opinion. The President declared that the suggestion is merely another method of compelling the United States to pay reparations. In doing so he showed that he is wedded to a high tariff, and is convinced that American prosperity depends upon it."

As we have already indicated how in the nature of the case itself all countries receiving reparations under the present financial arrangements must necessarily pay them themselves, it will be seen that what President Coolidge is really agitated about is that economic facts do not give preferential treatment to America. Reparations may blot out Sheffield, but surely there must be some way of sparing Pittsburgh. Well, if he wishes it so, he has the same opportunity as every other statesman in the world of saving the industries of his country; but it will mean his adopting the proper means of financing the absorption of reparations and debt repayments by the American people. Let him put them in a position to buy the material wealth which the debtor nations deliver without being obliged to buy less in the home market as a consequence, and the problem is solved. Dollar credits issued to American consumers on Social Credit principles is the only way out.

On the day we write there is to be a debate on the Unemployment question. We hope that at least some of the speakers will show signs of having learned something fresh since the last debate took place. It is not going to help in the least for the Opposition to "regret" that His Majesty's Government has done nothing to solve the problem. Probably His Majesty's Government regret the fact just as deeply. The *Daily Mail*, always the first in the field with a rusty remedy, says that what is wanted is "economy without exception." "The most drastic pruning in every direction is required both in national and municipal outlay." We must get rid of the "squandering of public money." This might seem plausible if we did not remember that when we had the few unemployed we were squandering money at the quickest rate, and that the problem did not present itself until we began to economise. We notice that the *Daily Mail* selects Education as a service on which a good deal of money may be saved, pointing out that in France they manage on one-sixth of Great Britain's expenditure of £100,000,000. That journal does not go so far as to suggest that we knock £80,000,000 or so off, but whatever amount were decided upon the final result would be that manufacturers and retailers would lose business to that amount. Whether they would have their taxation remitted to the same extent is problematical. In any case it is hard to see from whence would come the fund out of which a million or so out-of-works would be provided with an income, however widely this principle of economy were extended through Government services. Moreover, the *Daily Mail* endorses an opinion of Mr. W. A. Appleton that there ought to be a "rigorous reduction of the redundant bureaucracy," as "one of the most effective steps towards solving the unemployment problem." Perhaps Mr. Appleton has perceived a property about the bureaucrat which enables him to be dis-employed without being un-employed. If so he ought to tell us about it.

Finance, Progress, and the Middle Ages.

By Hilderic Cousens.

THE NEW AGE is a great stimulus to thought and sometimes to the passions. The "Chaos or Canosa" of "Old and Crusted" has stirred my Ghibelline proclivities to rebut his discreet praise of Mediaeval England, and use him as a text from which to attack that party which, under the cover of motives doubtless excellent, endeavours to discredit the achievements of Western Europe since about 1500.

"What would Western Europe be like to-day," says "Old and Crusted," "if the Mitred Abbots and Priors of old had maintained their succession until now, and exercised a jurisdiction as powerful and beneficent as that of Abbot Samson at St. Edmundsbury?" That if is, of course, a mighty one. Some generations later the revolted peasants of East Anglia, knowing who scraped the butter off their bread, directed their first onslaught on the Abbey at St. Edmundsbury, and their next on the clerical stronghold of Cambridge. As he quotes a passage mentioning Coeur-de-Lion cheek by jowl with Monks and Abbot, an anecdote about him will be in point, giving as it does Richard's view of the gentry among whom Abbot Samson shone as a candle in the darkness. A French priest addressed the King. "I tell you, in God's name, marry your three evil daughters quickly, less worse befall you." "Liar," answered the King, "I have no daughters." "They are pride, covetousness, and lechery." Then said Richard to his barons, "My pride I give to the Templars and the Hospitallers, my covetousness to white monks, and the lechery to prelates of holy churches."

Whether the Catholic Church is now prepared to support any major proposal to secure freedom and prosperity to the mass of the people is not in the question, but in the Middle Ages Europe's welfare was bound up with the Church's enemies. One Schoolman only disapproved on principle of hereditary bondage, and he was Wycliffe, an Englishman and a heretic. The towns, on whom civilisation depended, had three chief foes, of whom the King was the easiest to deal with, as he often required their support against the nobles; the nobles were often, through penury, open to a satisfactory bargain; but the ecclesiastical corporations, being institutions and not persons, were incomparably the hardest to get rid of.

One principal curse of the time was the currency shortage, which was relieved to a certain extent by the Jews, the Templars, and various other people. Now King and Church conspired to suppress the Templars, cruelly and from mixed motives, but probably wisely. The Jews oscillated between power and persecution, but they were not the worst extortioners by a long way. The Causins and Papal agents behaved as they did with the direct support of the Pope. Matthew Paris tells how "Roger, Bishop of London, a learned and religious man, old, weak, and failing in health, was peremptorily cited to cross the sea to Rome . . . to answer for the injury done to the Pope's merchants," because he was moved to wrath and anathema "when he saw how these Causins practised their usury publicly and unabashed, and led a most unclean life, and harried Religious folk with divers injustices, cunningly amassing money and compelling many folk under their yoke." Later on the chronicler relates how Grosseteste, Jacques de Vitry, and Stephen arch-bishop of Canterbury tried in vain to prevent Pope Innocent IV. from protecting the security of which were the folk who invented the security of three apparently "Old and Crusted" quotes three examples from St. Edmundsbury. To get over the formal prohibition of loans at usury, they discounted a bill. That is, instead of lending a sum and charg-

The *Woman Teacher* of June 19 has a reply on "P. Q.'s" article in THE NEW AGE on the subject of equal pay for men and women teachers. We are not concerned with what the writer (presumably Emily Phipps, B.A.—the Editor) says except for a few lines at the end, where she says that one of the purposes for which the journal exists is "to discover whether people who are glad to enlist the help of women in their particular schemes are themselves willing to help women." She continues:

"The case of THE NEW AGE is of special importance, for this journal is the exponent of a financial scheme for altering the basis of money payments. It is vital that any woman who would be likely to help in the Social Credit System should be assured that the pernicious principle of payment according to sex should not be perpetuated by a new scheme. As to this, we are now assured that the promoters of the Social Credit system do not believe that 'equal pay' is practicable, and it would thus be mere folly for women . . . to rivet the chains more firmly by the promotion of a scheme, etc."

When we commented on the "equal pay" principle we said it was impracticable under the present system of distributing purchasing power; and we gave the reasons. For this we are charged with being "unwilling to help women." Like Mr. Pecksniff, we must ask someone to remind us to remember Miss Phipps in our prayers, for she has done us an injustice. We are endeavouring, on the contrary, to alter this system under which "equal pay" is impracticable. That when it is so altered the agitation for equal pay will probably die a natural death, we certainly believe; but this does not impair our claim on Miss Phipps's gratitude for our efforts. In the meantime there is only one way in which Miss Phipps's National Union of Women Teachers can try to get striking for it. But we are informed that this Union repudiates the strike and relies on "constitutional methods." So the prospect is very bare. And even if some unforeseen chance gave them their principle of equal pay, we do not see how they could prevent women whose attainments were higher than the men's salary; and if this happened would it not perpetuate the "pernicious principle" referred to?

"BILLS."

By May Westoby.

See the long housekeeping bills,
Brazen bills!
What a tale of knavery their overcharging drills
In this troubled brain of mine,
How they swollen seem to be,
Much too lengthy to be right.
If I only might—might
Throw them all
In a desperate appealing to the mercy of the fire
Leaping higher, higher, higher,
With considerate desire
Now—now to burn and blacken
In quick flames these, my dreaded ills,
These long bills, bills, bills,
How my head with terror thrills
And despair
As the totals strangely soar
From three figures into four
In the pages of these agitating bills;
And my heart doth fully know
From the counting
And their mounting
That a bankrupt I must go.
Yes, if fate its threat fulfils,
I must languish
In sore anguish
Save I fill the empty tills
Of the swindlers who keep sending in their mounting,
monstrous bills.

Oh! those bills,
Horrid bills, bills, bills, bills,
Bills, bills, bills,
Oh! the bitterness and horror of those bills.

(After Edgar Allen Poe.)

Housing.

ing interest until the principal was repaid, they lent so much on condition that a certain sum was repaid within a certain time. In working this "accommodation paper" they were, according to Matthew Paris, worse than the Jews, for whereas the latter would "receive courteously the principal and the proportion of interest due on it at any time, the Papal usurer will not accept the principal back at any time unless thou pay him the whole sum."

The Papal theory of usury was not, I believe, simply a denunciation of receiving interest. What it did condemn was the receiving of interest for lending money at interest without taking any risk. Nowadays one can be "usurious" in the strict sense of the term and still be a good Catholic. But a principle, reasonable in theory, was clumsily applied in practice, so that the only way to do business was openly or by subterfuge to ignore the Canon Law regulations. As Benvenuto da Imola, a XIVth century professor, neatly put it, "he who practiseth usury goeth to Hell, and he who practiseth it not tendeth to destitution." One theologian proclaimed the comforting doctrine that though usury was sin for a person, a joint stock enterprise, not being a person, could indulge in it safely.

We now suffer from Income Tax and Death Duties to a sufficiently tormenting degree, but Church and State extorted more then. For instance Archbishop Langham of Canterbury decreed that if a man died leaving among his goods three or more of any kind of beast, the Lord of the Manor—who might be the Church, should take the best, and his parish Church should have the second best—but if he left only two, the Church should not claim the second, unless any such "laudable custom of mortuaries be observed in such 'laudable custom of mortuaries be observed in such times past in our province.'" The penalty for recalcitrance was excommunication. The troubles due to Tithes are even now not yet over.

The people who lived in the Middle Ages had a very poor opinion of their day and generation. They looked upon the world as degenerating and dying. The expectation that the Last Judgment was approaching diminished their enterprise and directed their very considerable talents very often into unprofitable channels. But the times did indubitably suffer from a lack of the life-blood of society, Money or Credit. The great movements in European culture had coincided on the whole with an increase in bullion, then the vehicle of credit. The periods of decay coincided with the working out or the blocking of the gold and silver mines. The continual drain of specie to Italy in the form of Peter's Pence and later on, of Indulgence payments, crippled the internal trade of the countries making them, just as very likely it contributed to the Renaissance in Italy. England forbade the payment of Peter's Pence in 1365. The drain on Germany and the economic hold of the ecclesiastical corporations there and in England certainly promoted the cause of the Reformation. During the Middle Ages complaints against the power of money were as common as they are now. With the distribution of the specie from America over Northern Europe in the sixteenth century came the Northern Renaissance.

Two other points in "Chaos or Canosa" I should like to note. First, the Fuggers derived their power very largely from owning gold mines, and so, like modern bankers, being in the position to "create credit." Secondly, if the "real history of the Reformation" is to be written I hardly think Mr. Belloc is the man to do it. From one review of his history so far, I gather that he makes use of "Ingulf's Chronicle of Croyland." I hope this is not so, for anyone who at this day relies in the slightest degree on that notorious forgery—mediaeval monks were industrious if clumsy forgers—may be an amusing but not a serious writer of history.

The centralisation of world finance tends to awe the student of the New Economics, and induces a considerable degree of circumspection in discussing methods of approach to "Social Credit." Yet it is profitable and useful to fit the saving principles to present domestic problems; chief amongst the latter being the housing shortage.

The housing problem is not a problem of bricks and mortar, nor of men. It is essentially a problem of finance; that is of credit and debt. Yet again its solution cannot be achieved merely by the provision of credit, a simple enough matter already understood as such by even the Labour Party. Look at it how we may, the whole difficulty of the problem centres on the subsequent debt incurred. As in other branches of industry, so here; we can produce anything within reasonable requirements—if the public can pay.

On the other hand the housing problem has some features which distinguish it from the general problem. By far the greater number of families are obliged to live in houses which they rent, and such habitations are at one and the same time homes for the tenants and investments for the owners, two sections of the community whose interests do not lie in the same line. Alone amongst items in the cost of living house rents have been depressed by official decree below the economic level, for reasons which are advantageous to the tenant but discouraging to the investor. The immediate effect of this procedure conformed the common-sense forecast of a total stoppage of building and developed the present serious shortage of houses. It may have been hoped that the subsequent easing of rent restrictions in respect of newly-built property would have provided the complete cure, but the problem of debt is not solved by the mere permission to produce. In other words, the prospective builder finds himself free to build houses with the temporary advantage that the first houses built will command an economic rental due to the acute shortage, but with the certainty that any adequate effort at meeting the housing shortage will dispel that advantage. That is to say, as fast as houses are provided the economic advantage of building them will disappear. Clearly, then, there is no inducement, in that arrangement, for the complete settlement of the problem. Building is only possible on the guarantee of public authorities, who are always fair game when it comes to minding the baby—or for purchasers whose urgent need can be made to turn up money to-day for rapidly depreciating security. There are limits to progress, however, even on these lines. Long before any adequate contribution of houses has been made most local authorities are at the end of their borrowing powers, and the potential purchasers of houses have been frightened off by the anxiety of building contractors and merchants to unload their debt burdens.

The housing problem, then, may be stated as follows: Required to provide houses with the least possible delay in quantity, quality, and price suitable to the prospective occupiers on terms satisfactory to all parties. The solution in two words is Social Credit.

The correct use of Social Credit is only to be judged by the extent to which it places economic initiative with the consumer, and in its application to housing it is necessary to locate the starting point at the consumer's end of the problem. Thus it is essential that the consumer be provided with a house and also the right kind of house which he can effectively demand. All that there is in the elevated notions of the Guild of Builders hinges on this point of view, and at once we must dispel the hope that it is sufficient for a local authority to provide a quantity of mass-produced houses to which the occupiers must fit their bodies and souls as best they can. The importance of this

point becomes more evident when it is considered that a house is built to stand for fifty years, for it is certain that the present housing schemes will be subjects for regret before twenty years are out. The right method, then, is to give the prospective occupier freedom within the regulations of the local authorities to exercise initiative on the design and lay out of his own home. In short, the people must be assisted to build their own houses, not merely to rent them.

This latter principle has received some timid recognition in the arrangements for subsidising certain types of houses, but the fundamental principle of present subsidies, as well as the terms on which they are granted, can do no other than encourage the building of the worst rather than the best type of house. To get a subsidy families are obliged to squeeze themselves into a superficial area of 950 square feet, when the community can well afford, and would best save itself, by assisting them to satisfy the limits of their requirements. The assistance granted then must be that which they need to build the house which they require. Similarly the assistance must be effective in bringing the price within reach of the prospective owners, and here the Model Scheme for the mining industry may be very readily adapted to enable a house costing £1,000 to build to be owned and inhabited for £250.

It remains to be considered how this system will affect the current methods of mortgaging and house purchase. It is clear that if the general effect of the scheme is to reduce the purchase price of a house by 75 per cent., the system of raising money on mortgages will be affected only in this respect, i.e., the scaling down of the sums involved. On the other hand, the question arises as to the relatively unfortunate position of the man who raised a loan on mortgage the night before the dawn of Social Credit. Failing any method of adjustment of the wrong, which owes its existence to the establishment of the new right, it can only be said that Social Credit has to start some time, and the new economic system will provide ample means for the escape from old debts as well as from old ideas.

F. H. A.

The manner and forme how to keep a Court Leet or a Law day with all things thereunto appertaining as followeth. FORESTALLERS, REGRATERS, AND INGROSSERS.

Also you shall inquire of Forestallers, Regraters, and Ingrossers, evil members in a Commonwealth.

A Forestaller is hee which buyeth or causeth to bee bought any victualls whatsoever going to any Faire or Market to be sold, and maketh any bargaine for the buying thereof before the same bee brought into the Faire or Market, or doth make any motion for the inhancing of the price of any victualls, or doth move or persuade any person comming to the Faire or Market with victualls, to absent and forbear his coming thither with any victuall to be sold there.

Regrater is he that getteth into his hands in any Faire or Market, any Corne, Tallow, or Candles, or any dead victuall whatsoever, brought to any Faire or Market to be sold, and doth sell the same againe in any Faire or Market, within foure miles next adjoining thereunto.

An Ingrosser is hee, or she that doth ingrosse and get into his or her hands, by buying or promise taken, other than by demise, grant, or lease, of bond or bill, of Corne Cheese, Fish, or any other dead victuall whatsoever to the intent to sell the same againe for profit.

For the first offence they ought to have two moneths imprisonment, without bayle or mainprise, and forfeit the value of the goods bought and sold.

For the second offence they ought to have halfe a yeeres imprisonment, and to forfeit double the value of the goods bought and sold.

And for the third offence they ought to bee set upon the pillory, and to lose all their goods and chattels, and be imprisoned during the King's pleasure.

["The office of a Coroner, the office and duty of a Sheriffe, and the office of a Steward, and the manner of keeping of Courts in Hundreds, Leets, and Baronies" by John Wilkinson (1649).]

Sack and Sugar.

Mr. Priestley adorns the title-page of his most amusing and companionable book* with the quotation:

We are come
To this great stage of fools.

But why fools? With two possible exceptions, this galaxy of "Comic Characters" is composed of some of the wittiest, most lovable creations in English literature. All of them men (why is it that the male half of creation alone is permitted to play the fool?) so familiar that one would never be surprised at meeting them in the flesh; nay, have we not run into Mr. Micawber time and again in the bar-parlour of our favourite hostelry, and foregathered with Bully Bottom in the village inn? It was a sound instinct that induced Mr. Priestley to place Nick Bottom, the weaver, at the head of his roll of honour; for of all the great comic characters he is most misunderstood. It was something more than the juice of "a little western flower," whereon "the bolt of Cupid fell" . . . "Before milk-white, now purple with love's wound, and maidens call it love-in-idleness," dropped by Oberon on the eyelids of sleeping Titania that made her fall in love with Bully—despite his long ears, for "there stirs within him, as there does within his fellow workmen even now, a poet and humorist, waiting for the midsummer moon."

Moreover, 'twas not the first time that the incomparable She has become enamoured of an ass.

All who are privileged to know rural England and have passed easy hours on oaken benches in country inns, or lingered over a pint-pot with two or three farm labourers and the village smith or carpenter, have met a reincarnation of this Elizabethan buffoon—provided they belong, like Mr. Priestley, to the great brotherhood of those that understand—for did not he himself meet him?

" . . . and he had the rank of corporal and was gloriously at ease in a tumble-down estaminet near Amiens, and there he was playing the tyrant, the lover, and the lion all at once, and Sergeant Quince and Privates and the lion all at once, and Sergeant Quince and Privates Snug and Starveling were there with him. They were paying for his beer, and I suspect that they were waiting, though obviously waiting in vain, to hear him cry once more: 'Enough; hold or cut bow-strings.'"

But all said and done, in this great company of God's fools, Falstaff still towers head and shoulders above all others, secure for all time in the affections of

"the choice spirits of this world, who, having put the day's work out of their minds . . . have seated themselves at the table of goodfellowship and humour where there has always been 'an honoured place for Sir John Falstaff, in whose gigantic shadow we can laugh at this life and laugh at ourselves, and so, divinely careless, sit like gods for an hour.'"

It is significant of Mr. Priestley's unerring judgment that he is careful to distinguish between the "famous fat Knight of Henry IV." and the "impostor, the upriver bully, the provincial dupe, of the Merry Wives of Windsor." The Falstaff of our dreams, who reigns amongst the immortals, is the companion of Prince Hal and Poin.

"a goodly portly man, i' faith, and a corpulent; of a cheerful look, a pleasing eye, and a most noble carriage,"

not the poor victim of the buck-basket, one who, in the end, proved to be a better gentleman than the young king who turned his back on him, and broke his great heart—as Pistol well knew—for did he not say of him that,

"his heart is fracted and corroborate."

And so passes, as his old gossip Mistress Quickly

* "The English Comic Characters." By J. B. Priestley. (The Bodley Head. 7s. 6d. net.)

vows, to "Arthur's bosom, if ever man went to Arthur's bosom," this great humorist who was "not only witty" in himself, "but the cause that wit is in other men."

Certes, there is nothing pernicky or precious about Mr. Priestley's appreciation of these dear people. It is just wholesome rejoicing in that great gift the high gods have bestowed on us sinful men—the perennial companionship of these children of the imagination, whose memory is coeval with the language that enshrines it. They are the embodiment of all that is opposed to those dreary emanations of the spirit of dullness; those, whom the genial author asserts, Shakespeare clearly detested,

"all hard, unsympathetic, intolerant persons, the over-ambitious and overweening, the climbers and careerists, the get on or get outs of this world."

Space forbids us to do more than hint at Mr. Priestley's graphic studies of Touchstone, Sir Toby Belch, Parson Adams, the brothers Shandy, and that unique couple, the two Wellers. As for Dick Swiveller and the Marchioness, we agree with him that their romance is the "best love story in all Dickens." Never did a modest investment bring a richer return than the two sixpences Dick put in the saucer, with the remark, "If you win, you get 'em all. If I win, I get 'em," on the memorable evening when he gave the little drudge a lesson in crib—and the title of Marchioness.

Finally, this pageant of wit and humour closes most fittingly with Dickens' greatest creation, Wilkins Micawber, that beacon of light and comfort to every faithful failure that ever set copy-book maxims at defiance, and confounded the dismal prognostications of the pious and respectable. 'Tis a thousand pities England was not big enough to hold him; but, as he said on board the ship that was to take him and his family to Australia: "Britannia must take her chance"—which is proof positive of the lack of wisdom wherewith this country is governed; for are we not still at the mercy of purblind politicians, whose only cure for the ills traceable to predatory finance is to request the best of our population to go and get a living elsewhere? If somebody must go, why not the Gradgrinds and Bounderbys, the Veneerings and Merdles, but in the name of all that is human and lovable, let us keep our Micawbers!

There are, we must add, two characters included in this great company who are not worth their place—Mr. Collins and Prince Seithenyn. We can laugh at Mr. Collins, but not with him—which makes all the difference. This prig of a parson belongs, not to the noble company of fools, but to the inferior category of asses—and silly asses at that! As for Prince Seithenyn, he is a mere sot. There have been and are to-day heroic drinkers on whom a good sherris-sack acts as it did on Sir John.

"It ascends me into the brain; dries me there all the foolish and dull and crudy vapours which environ it; makes it apprehensive, quick, forgetive, full of nimble, fiery, and delectable shapes; which, delivered o'er to the voice, the tongue, which is the birth, becomes excellent wit."

But this mythical Welsh princeling is only a receptacle for inferior liquor; in all likelihood he could not distinguish good from bad; so in charity, let us dismiss him, hoping that he was not guilty of the unpardonable sin—abuse of good wine.

With these minor reservations, we have nothing but praise for this delightful book, and should any reader of THE NEW AGE be wondering what to take with him on his summer holiday, let him invest in a copy of "The English Comic Characters." He will never regret it.

J.S.K.

The Two Voices.

By "Old and Crusted."

Mr. Crotchet, Jun.—There is one point in which philosophers of all classes seem to be agreed: that they only want money to regenerate the world.

Mr. MacQuedy.—Political economy is divided into two great branches, production and consumption.

The Rev. Dr. Folliot.—You have given the name of a science to what is yet an imperfect inquiry, and the upshot of your so-called science is this: that you increase the wealth of a nation by increasing in it the quantity of things which are produced by labour: no matter what they are, no matter how produced, no matter how distributed. The greater the quantity of labour that has gone to the production of the quantity of things in a community, the richer is the community. That is your doctrine. Now, I say, if this be so, riches are not the object for a community to aim at. I say, the nation is best off, in relation to other nations, which has the greatest quantity of the common necessities of life distributed amongst the greatest number of persons.

(Thomas Love Peacock, *Crotchet Castle*.)

But human bodies are sic fools,
For a' their colleges and schools,
That when nae real ills perplex them,
They mak enow themselves to vex them.

(*The Two Dogs*.)

Jim and I were planting celery. That is to say, Jim was excavating the trenches and sticking in the plants whilst I endeavoured to brighten his task with a little light badinage and a tankard of passable beer—that bond of union between Tories of all classes. As usual, the conversation drifted from coal to politics, descending or rising—put it which way you like—to scathing abuse of all politicians with "special intention" to certain prominent members of the Labour Party who profess and call themselves Socialists. Now, Jim, like so many of his class, is singularly clean of speech, but on this occasion he let himself go—and with good reason, having just drawn twenty-four shillings for four days' work at a local colliery. Regarded from the point of view of the average public-school boy, "twenty-four shillings per week" may represent untold riches, but it does not constitute an adequate income for a man, his wife, and three children—hence the celery-planting in those hours of enforced idleness called "short-time," which City Editors attribute to ca' canny tactics and an inherent love of loafing, loudly proclaiming them to be the major causes of our present discontents.

And this was the occasion of the outburst:—I happened to ask Jim how it was that he and his pals were on short-time when so many cellars, large and small, were empty—whose owners would be only too glad to "fill up" if the colliery proprietors could quote reasonable "summer prices"? That opened the floodgates of his wrath! "Why," said he, the b—s would rather stack it i' heaps and let it crumble in rain and wind than sell it to you folk at five bob a ton less!—and much more to the same effect. I tried to point out that it was possible the coal owners were in the grip of a power greater than they, but it is ill arguing with an angry, underfed man who knows that there is a most unconscionable gap between the reward paid for raising coal and the price charged to the consumer. Moreover, he also knows how cold many a cottage will be this winter and what a poor little handful of fuel there will be in the coal-shed to cook the exiguous Christmas dinner.

Leaving on one side for the moment the question of wasteful open fires, and admitting the advantages to be derived from "low-temperature carbonisation," with its by-product, smokeless fuel and other benefits, it does seem absurd that so many good fellows should be on short time or out of work, so many pits closing down, when all might be fully occupied—if the ultimate object of their full-time activity were the filling-up of our cellars and the piling-up of neat little black heaps in back yards—But it ain't.

Shortly after this I opened my "Spectator," that "white flower of blameless journalism," which shines like a consecrated candle in a world of naughty newspapers, and turned with eager anticipation to Mr. Strachey's article on Unemployment and Coal—for I would have ye understand that, in addition to the herculean task of clearing out the Augean stables of Fleet-street, the highly respected successor of Joseph Addison is very intent on boosting "low-tempera-

ture carbonisation." A most praiseworthy object, and, "moreover nor that," as we say in these parts, he has an inkling of what is standing in the way of his laudable, if unexpressed, desire to crab the Oil Trusts, and improve the national health by giving us "a clear sky and an unspotted atmosphere." 'Tis the policy of deflation and the hoisting of "the yellow flag of a money quarantine." In short:—

"We pitied the money-lenders and forgot the producers. So potent, indeed, were the suggestions of contraction that the producers made little attempt to avoid their fate. A fatalistic sigh of despair was all they could manage. With the cry of Morituri te salutant, the Federation of British Industries acclaimed the Sovereign Dollar and passed on to their doom."

Which is so much to the good, but this preux chevalier of journalism has not got so far as to realise that producers are not much use without consumers. He will wake up some day.

Thus, Voice No. 1 of the "Spectator." Now for No. 2 at the other end of this chasie hebdomadal periodical. Harken unto Arthur W. Kiddy, Esq.:—

"Although the Great War is now a good many years behind us, its after effects, politically, financially, and socially, are proving to be more enduring and far-reaching than could possibly have been foreseen either before or during the actual period of conflict.

So they are; they have even got amongst the adverbs. This dour pillar of orthodoxy, to whom Burns alone could do adequate justice, is unflinching in his loyalty to the Gold Standard and all that it connotes, though he admits

... that these high standards adopted by Great Britain in such matters as debt redemption, the funding of our debt to the United States, and the honest return to the Gold Standard, all increase the pressure of economic responsibility under which the country labours at the present time.

Poor Country! Truly—"Patriotism is not enough!"

But what does "pressure of economic responsibility mean"? It sounds fine, it will certainly impress the City man in the 10.30, and is one of those mouth-filling phrases so useful for disguising paucity of ideas; but reduced to plain English, what is it all about? Would this eminent financial obscurantist accept the Rev. Dr. Folliot's definition as a description of economic responsibility? I trow not, for it is only a paraphrase of the terse Douglas dictum that the business of an economic system is "to deliver the right goods to the right users."

To make confusion worse confounded here is the poor dear cotton trade deploring that

"the decision . . . to increase the working hours in the mills spinning American to 39½ has had such a disastrous effect and stocks have been so seriously piled up that the banks have given notice that they can no longer finance operations on these lines."

Then on what other lines do they suggest that their beneficent control of British Industry should be exerted?

Has it ever occurred to the panjandrums of the Federation of British Industries that the ultimate goal of their activities is the clothing, feeding, and housing of the population of these islands? Not it. They are too bemused by the incessant warnings of banks and accountants that it is their business to make "money" not goods; and so most of us go short of some necessities and most of the amenities of life!

Now all this is "damnable iteration," and tends to become monotonous, but some careless person might leave a copy of this great journal in club or train where it may catch the eye of one of these uneasy magnates. If so I would assure him that it really would be sound business to consider the possibility of their usual financial advisers being mistaken. The results are so obviously unsatisfactory.

VERITY.

One day for you the wind shall sing
A new strange song all suddenly,
A marvellous golden moon shall swing
One night in some familiar tree.
Until you weary of the crowd
And walk bewildered all apart;
Ah! then shall Love come to the proud
And crimson castle of your heart.

So whether you go east or west,
So whether you go north or south,
Aching shall be in your breast!
Hunger shall be on your mouth.

A. NEWBERRY CHOYCE.

The Development of Miss Sitwell.*

The *Wheels'* spirit was that of a Fair. Its noisy and garish paraphernalia usurped the universe and made, when it was successfully used, an attractive creation which sometimes achieved a sort of microcosmic significance. When the mutual excitement subsided, and the Post-Georgians took their divergent homeward paths into the wider and vaguer outside world, we felt that their leader, Miss Sitwell, would always carry the Fair in her heart. With her it was obviously something more than a temporary obsession; she seemed to combine subtlety and innocence much in the same way as did Rousseau the *douanier*, and the combination produced as in him that intense and (for want of a better word) puppet-like rigidity that is called, when found in the work of a naive craftsman, *naïveté*.

In the poems that first established her distinction she worked out this style with a scrupulousness and decision, a courage and restraint, that made it a completely satisfactory artistic method, absolutely adequate to the field in which her real work lay. In the gradual widening of this field, and in the manner in which she is amplifying her style in accordance, lies the most important development in her art. She has always shown signs of a range of feeling beyond the scope of her simple objective method; many of the poems in *Clowns' Houses* were far from flawless, in spite of her highly finished technique, sometimes they contained scientific generalisations or twisted scraps of metaphysics that accorded ill with the polished certainty of their context, which, though in a minor key, was infinitely more real, more personal, and more significant.

Since then the evolution of her art has rendered narrower the discrepancy between her more ambitious ideas and the limit of her wholly satisfactory expressiveness, but it has not yet entirely abolished it. She can deal with a child or a scene with greater subtlety than ever; in the most fleeting references she can drain the subject of its very quintessence, for example:

"The child who runs like a sweet singing-bird,"

or
"Beside the sea, blue white harsh bone,
Hard as a ship's deck, while the lone
Great sun, with flames like leaves, flares slow
In an empty sky, like the great Mikado."

But still, when she touches on the larger abstractions that attract her, she inclines to superficiality; she seems to evoke images of sorrow or death, or to use such terms as eternity or infinity for an effect of light or shade:

"... my turbanned head,
Trembling and ancient as the Dead,"

or
"The small green airs from Eternity,"

or
"Down the endless road to Infinity tossed,"

and at times when she dwells on abstract ideas she becomes vaguely sententious:

"What lies broken now behind
That portico? Strange outworn marks
Of tragedy and empty blind
Marks of comedy the wind
Has torn with whispers—broken swords
For fighting in a vast war only
Of the spirit."

It is hard to see why she should inflate her verse into such windy images when she has the power

"To see a World in a grain of sand,
And a Heaven in a wild flower,"

as purely, for all her sophistication, as Rousseau did, and sometimes almost as intensely.

At the hot sands' edge,
Anchored by waters like the sound of flutes,
Our nurses sat; it seemed, I thought, they listened.
And they were black with shade, and so we named
Them Asia, Africa, and still they seem
Each like a continent, with flowers and fruits
Unknown to us; in the hot noon they glistened
With wild dew crying of some long still dream.

This is her real line of development. It is true and beautiful, and when she writes in this vein she achieves that to which her earlier work never rose, sympathetic and illuminating comment on the human. She is scarcely less excellent and perhaps even more attractive in other poems devoted to the attitude and experiences of childhood:

"Sweet was my childish life to me,
Like the first opening dream of a hawthorne tree,"

or
"There is a land, austere and elegant;
The castle seemed an arabesque in music;

**Troy Park*. By Edith Sitwell. (Duckworth. 5s.)

We moved in an hallucination born
Of silence, which, like music, gave us lotus
To eat, perfuming lips and our long eyelids
As we trailed over the sad summer grass
Or sat beneath a smooth and mournful tree.

Perhaps it is an over-cautious eye that discerns a danger in this success. One feels that this tenderness, this appealing beauty, is so attractive that it now and then tempts the author into some flowery cul-de-sac—the pursuit of charm for its own sake or the evocation of some nostalgia latent in the reader rather than its creation in the poem. Even after making allowances for the probability that most of this faint over-sweetness is the normal result of that tendency to react against previous mannerisms which marks the progress of the majority of artists, it would be better for her to leave such lines as

"The glamour of beauty that never has been"

to Mr. De la Mare, and one remembers certain poems published among her earliest work that show by their strong flavour of saccharine nursery-rhymishness that this strain has its source somewhere deeper than immediate reaction. Here and there in the present work we find clear echoes of that period, particularly in a passage in the first poem that begins:

"And shall we never find those diamonds bright
That were the fawn-queen of Palmyra's eyes?"

Perhaps this practice of incorporating fragments of previous work may be ascribed to a desire to produce much, and this perhaps comes from her tendency to stretch certain images too far, or to introduce their poor relations in other poems. Compare

"The rain is gold as a planet system
Or the silent gardens of the Khan,
The round sun, a Chinese Admiral,"

with the Mikado image quoted previously, and such instances could be multiplied only too often. It is strange to see this almost too highly tempered, almost too keenly edged tool that Miss Sitwell has perfected in her consciousness and expressiveness used so carelessly by its creator.

But these latter reservations—the fruit of an excessively anxious esteem—are balanced by the enormous advance in her technique, even in the narrower sense of the word. One wonders and admires on reflecting that from the hard seed of her early achievements in the metallic exactness of octosyllabics germinated this new development of rhythms and cadences not less flexible nor less controlled in the fluid music of the simpler verse that forms the greater part of the present book than in the ingenious *tours de force* in versification by which two or three particular poems attain an especial success.

JOHN COLLIER.

Reviews.

Economics for Helen. By Hilaire Belloc. (Arrowsmith. 5s.)

Mr. Belloc has the right attitude and he writes clearly, but occasionally he is inclined to be childish in his phrasing and inaccurate in his argument; for example, on overdrafts: "The bank said to itself." While credit is hardly given "with no security." His definition of capital is unsatisfactory, for it is merely "any wealth by which other wealth is produced," then it is illogical to describe the Capitalist State as "one in which the mass of the people receive only a part of the wealth they produce, the rest going as rent and profit to a few." Such a condition need not follow from "unrestricted competition," and Mr. Belloc is apparently ignorant of the fact that in the absence of freedom in exchange this has never been tried. Capital is more correctly defined as wealth inequitably distributed under circumstances which enable it to exact tribute without work on the part of its owners: that is a money system, which ensures competition in labour and monopoly in currency. Nor is Mr. Belloc enlightening on the subject of saving: of course, a surplus must be produced, but that can be effected nationally through credit issue, and abstinence in the form of saving is unnecessary. It is not true that "when prices are falling very rapidly there is a very rapid increase in the velocity of circulation." On the contrary, there is no development and a minimum of buying on a falling market, and the velocity of circulation decreases as unemployment grows. Again, it was not the increased trade of the nineteenth century which necessitated the use of paper money, previously familiar in the form of notes and bills of exchange, but rather the gold discoveries which enabled the banks to increase their loans and so facilitate trade. No mention is made of the influence of Money and Interest on foreign trade, and two important arguments for Protection are omitted: (a) That unless a

country is over-capitalised industrially it is better to retain capital than to export it for future competition; (b) that so-called Free Trade may result in economically superior countries gaining trade ascendancy and "participating" in the industries of their inferiors. Mr. Belloc, however, completely fails to realise the part which money plays in exacting interest, for he says "it is precisely the same whether a ship or money is loaned." The essential difference is that a ship is perishable and the charge for it depends on supply and demand; the owner may have to pay for it to be kept in repair, but money is artificially restricted and can only be depressed in value by inflation when interest rises with prices. It is not "the taking of interest on an unproductive loan which constitutes usury," but rather the pledging of security, which differentiates loans from risky investments. It is not only usury as defined by Mr. Belloc which is "a claim to wealth not there to be claimed; as things are, compound interest increases more rapidly than wealth, and if prices rise and trade improves, so do dividends. The proper criticism is not that usury is "wrong morally," for, like fornication, it is now generally accepted, but that it is wrong physically, and can be stopped not by any "law" or by "simpler living," but by relegating money to its proper function, that of exchange, deprive it of an artificial attribute, the unnatural "store of value." Mr. Belloc dismisses the Single Tax as inequitable and Socialism in an equally summary manner as Communism, but "with everybody working for the State," why should "all naturally claim equality"? His own ideal state, of which Denmark is the best working model, is briefly sketched. It is kind of Mr. Belloc to describe Social Credit as "a very powerful movement," but it would be better if he had studied its foundations, in such works as Flursheim's "Over Production and Want" and Soddy's "Cartesian Economics."

Mr. Petre. By Hilaire Belloc. With twenty-two pictures by G. K. Chesterton. (Arrowsmith. 7s. 6d. net.)

It has become a truism that once a man is rich enough he cannot help getting richer still. Mr. Belloc's thesis is that the process can go on without the supposed prerequisite. Whereas Christ said, "Unto him that hath shall be given," Mr. Belloc declares, "Unto him of whom it is believed that he hath shall be given." Mr. Petre lands in England with £63. On his railway journey from Plymouth to London he loses his memory, with the single exception that he still knows his surname. At the suggestion of a taxi-driver he lets himself be deposited at the Hotel Splendide. Directly he gives his name to the hotel clerk he finds himself installed in a suite of rooms, which, he gathers, to his astonishment, have been already booked for him in the name of John K. Petre. It soon becomes evident that there are two Mr. Petres, Mr. John K. Petre being a mysterious and erratic American multi-millionaire. But as Mr. John K. does not put in an appearance and plain Mr. Petre does—as the substance precedes the thing hoped for—the faith of the hotel clerk (and afterwards of the editors, stockbrokers, statesmen, and society) does rest. Everyone tries to interpret the gaucheries and naivetés of the unsophisticated Mr. Petre in terms of "tips," and when he is trapped into giving an opinion of a certain share that he knows nothing about, and is prevailed on by a young and ambitious stockbroker to assent to the purchase of 50,000 of them on his own account, there is a whisper, a rush, a boom—and in a few hours poor Mr. Petre is holding in his nervous fingers a cheque for £73,729 16s. 3d. The further adventures and experiences of this gentleman and his parasitical acquaintances are told with Mr. Belloc's usual satirical skill, and must be left for readers to enjoy in the book itself. The more sophisticated may find themselves involved in a fascinating adventure of their own—that of guessing at the prototypes of some of the characters whom Mr. Belloc introduces to them. His book has the effect of evoking reflections on the question whether the rock on which the financial system is founded is composed of knavish John K. or of innocent Petres. Do they decree with the tongues of angels—or are they merely scared by the tongues of serving-maids?

T. W. H. Crosland: A Scottish Appreciation by W. Sorley Brown. (Published by the Author. 2s.)

The first ten pages are in praise of Crosland's verse, the last fifteen give some account of his quarrel with Lord Alfred Douglas, admired by Mr. Brown even more than his hero, but the remainder—about half the pamphlet—is in denunciation of Wilde and Ross, against whom Crosland tilted from 1912 rather in the hysterical manner of Chesterton against Morel. In the author's note he surmises that this book will doubtless give great offence to the growing Smear Family in this country. It is more likely to make them smile, for

all this abuse of homo-sexuality only draws to it the attention of potential disciples. Much of it was inspired by hatred or jealousy of Oscar, but the only result of his persecution has been to make him the best known English author throughout the world, his name familiar to people who have hardly heard of Shakespeare. This, of course, infuriated the moral bigots, whose own impulses are often thwarted and so exaggerated that unsatisfied by their own experiences they itch to regulate those of people who differ from them. Homo-sexuality varies in its manifestations; to the Intermediate Sex it is natural, but not being reproductive, and the birthrate being more than adequate, this is not the national danger which the prurient imagine; in other cases sodomy is due to lack of opportunity for normal indulgence or to a jaded appetite. When the causes are apparent, it is childish to scream at the effects of a lopsided civilisation, and Crosland's proposal to clear the Sodomists out of the country was merely evidence of his own disordered intelligence. In England, far from unorthodox behaviour being encouraged, as Mr. Brown fears [he prints the names of all the subscribers to the Ross presentation, a nucleus for a future Black Book?] it is actually the case that such a charge need only be brought against a man for the average jury to find him guilty without regard to evidence.

Savage Survivals. The Story of the Race told in Simple Language. By Professor J. Howard Moore. (Watts and Co. 1s. 6d.)

In the advertisement it is not mentioned that these "lectures" were apparently delivered to children, but presumably for this reason a large part is taken up with the origin of and wild survivals in domestic animals in order to lead up to savage survivals in "Higher Peoples." Organs that do nothing are neither nourished, nor emphasised by selection, and so become vestigial, and when a species is driven out of its original environment some instincts survive which may be harmful as well as useless under new conditions. Such are the Fighting and Hunting instinct, that of Revenge and Punishment and the Herd instinct; and these prevail to a greater extent than is natural because it is not realised that they are obsolete; "by recognising vestigial instincts we may be able to discard them" or to turn them to better account. The Play instinct, for example, might be made of use by being modernised. On Modesty the author is not helpful, but on Indolence he is interesting: "We have not yet developed sufficiently in energy-producing power to enjoy the amount of work we are ordinarily called upon to do," but "some time we will be as naturally industrious as the bee—unless we find out before that time that we don't need so many things in order to be happy, and hence don't need to wear out our lives in making them."

Question Time.

FREE BANKING.

Sir,—We appear to be a little at cross-purposes. The usual contention of your school is that it is useless to provide more generous credit facilities without fixing prices, since the credit will cause inflation of prices. My letter was intended to show that this contention was wrong. In the first paragraph of your reply you also heap up arithmetical proof to show that no permanent inflation will result. I bow my thanks, but must point out that your figures subtraction on borrowed money must eventually depress prices on account of shortage of exchange medium, unless fresh credit is issued. You agree; but appear to think that I approve of such a reduction of prices. I do not. Cheapening of commodities should spring from improved production, not from shortage of credit.

Our case is that the issue of credit (other things being equal) causes a rise in prices, but that the consumer cannot buy the product at those prices unless a further issue of credit takes place. If the second issue of credit is not available the raised prices fall again. The fall involves the producers in losses. Still assuming no further credit is issued, we say that the producers will restrict production with the object of recouping themselves by the familiar process of getting high prices on a short supply. Mr. Meulen uses the word "inflation." If he agrees with us that, in the present connection, this word means simply a rise in nominal prices, we must point out that such a rise is not necessarily dependent upon variations in the supply of credit, but may be caused by a decrease in output. In fact, it is easily conceivable that prices might rise during a period when credit was being restricted.

Our discussion, however, has already cleared the ground a little. We agree that fresh production on borrowed money, so far from causing growing inflation, must eventu-

ally cause deflation, unless fresh credit is issued. You now invoke the Douglas scheme to prevent this deflation, because you see no reason why the fresh credit should be issued, except to a fresh producer, which would only postpone the trouble. But are you not forgetting advances to merchants? Let us return to my letter. The first issue of credit had raised prices from 100 to 102. The borrower could sell his goods only by reducing their price below 102. He does not lose over this, since he borrowed when prices stood at 100. He borrowed £1,000, and he must produce goods to a greater value than this, since he must get a profit and pay interest. There will thus be a quantity of goods on the market at lower prices than the market rate, with no exchange medium. Surely now it will be to the advantage of a merchant to borrow money from the bank to buy and sell those goods. It is being done every day. The merchant's transaction finished, there will remain practically no goods without equivalent exchange medium.

If by "deflation" Mr. Meulen means a reduction of nominal prices, we do not know how we can be charged with wanting to prevent it. So far as we can follow his illustration, he seems to contradict his own reasoning. He speaks of a "first issue of credit" as having raised prices; but when he goes on to imagine a merchant afterwards getting an issue of credit, he argues as if this second issue of credit leaves prices unchanged. What we say is, that in the given case the lowered prices which tempted the merchant to borrow money to buy the goods would be raised again as soon as he appeared in the market with his money.

Curiously enough, in your third paragraph you affirm the principle denied in your first, namely, that an increase of credit causes inflation. But I should hardly have expected you to copy the illustration of uninstructed orthodoxy, namely, Germany and Russia. The first lesson that the New Economics must teach is that an issue of credit by banks to producers is an entirely different thing from an issue of paper by a Government to pay its debts. The former involves generally equivalent or greater production of goods; the latter is a simple issue of purchasing power, reduced only by the slow process of tax payment. You then contend that producers will restrict production as soon as freer credit issues begin to enable prices to be reduced. This argument betrays the Fabian origins of THE NEW AGE. I think we can present a strong case, both to you and the Fabians, by stating that existing cases of combinations to restrict production are a result of credit restriction. If goods now sold at 20s. a ton can be profitably sold at 18s. a ton, and the production of credit is so freed that it can supply the needs of producers, we shall find that no restrictive combination of producers will be able to withstand the attacks on their ring from fresh producers.

One last word. You write that a bureaucracy is not a bureaucracy when the officials simply carry out a policy determined by the community. Now shall both the Fabian Society and the I.L.P. rise up and call you blessed! It shows a faith in majority wisdom that I do not share. But you have already been generous to me. I congratulate you on your willingness to give the other side a hearing.—I am, Sir, faithfully yours,

HENRY MEULEN.

The principle we affirm is that, other things being equal, an increase of credit causes a rise in prices. Whether the prices rise or not depends upon how fast goods are brought into the market (not merely produced) relative to the credit available to buy them. Our reference to Germany and Russia was deliberate. Whether credit is issued to Governments or to producers makes no difference to the amount of credit in circulation; and it is precisely the ratio of credit in circulation to the quantity of goods currently available (not prospectively available—the prospects never fulfil themselves!) that is the crux of the problem. Under Mr. Meulen's scheme we see no difficulty in producers just either squeezing out or buying a present to him of his debating points about bureaucracy. We are content with any bureaucracy which functions in administering a policy approved by the whole community. The policy we have in mind needs no "wisdom" in the "majority"—it is a policy of increasing the purchasing power of everybody's personal income. Surely even the wayfaring man shall not err in appraising such a policy.

Sir,—Mr. Meulen, the author of that thoughtful and well-considered book, "Industrial Justice Through Banking Reform," merits better treatment from THE NEW AGE than is accorded him by confusing Free Banking, which he advocates, with State abuse of Banking for war and post-war purposes.

In your issue of the 25th inst. you state: "His policy of the abolition of restrictions on the issue

of credit was followed during the war. . . . Then there is the classic case of Germany since the war—also of Russia."

In sober fact, no restriction on the issue of bank notes by deposit or private banks was removed either here during the war or in Germany or Russia since the war. These banks were and are restrained from issuing notes as in pre-war days. Restraint is the denial of freedom.

The Central Banks of Germany and Russia were constrained by the State to issue notes in excess of sound banking. Constraint is also the denial of freedom.

This two-fold denial of freedom in banking is not free banking as advocated by Mr. Meulen and the other believers in free banking—it is the antithesis of it.

C. P. ISAAC.

Apparently there is something about "Free Banking" which has not been divulged by Mr. Meulen. Our comments were confined to what he said in his first letter. Mr. Isaac gives two clues. He suggests that when banks are "restrained" from issuing bank notes the principle of "Free Banking" is violated; then he proceeds to suggest that when banks are "constrained" to issue bank notes this also violates the principle. The only conclusion to be drawn is that there must be neither restraint nor constraint imposed upon banks—that, presumably, they must be left to issue what credit they choose. On the other hand, Mr. Isaac himself would impose a limitation on credit issue; that is, he suggests that it must not be in excess of "sound banking." Mr. Meulen, however, speaks of freeing the provision of credit so that it "can supply the needs of producers." Up to what point can you "free" it without transgressing the law of "sound banking"?

Answers to Correspondents

A BEGINNER.—We cannot print a long letter discussing our last reply on the Exchange question. The quotations you give only amount to this: that it is impossible to check the truth of the axiom that price levels are the basis of exchanges merely by the examination of current statistics of money-values and prices. This we indicated in our first reply. There is nothing in your distinction between currency and credit: British credit, for instance, does not "pass current in Germany among merchants" or anybody else. What passes current there is Marks; and the price of Marks outside Germany ultimately depends upon what Marks will buy inside Germany. If you wish to challenge the proposition that price-levels are the ultimate governing cause, will you tell us what is that cause? We note your point that since we advanced an argument in support of what we called an "axiom" we could not be insisting that it was an axiom. What we meant was that our proposition was axiomatic to non-beginners. We were misled by your pseudonym.

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