

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

No. 1742] NEW SERIES Vol. XXXVIII. No. 13. THURSDAY, JANUARY 28, 1926. [Registered at the G.P.O. as a Newspaper.] **SIXPENCE**

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NOTES OF THE WEEK.

A recent British United Press message from Berlin states that there is a proposal for the establishment of a Central Credit Bank of all Europe, with headquarters at Geneva, under the auspices of the League of Nations. "The scheme, it is pointed out, would mean the regulation of all credits flowing into Europe from the United States and Great Britain, and would link up with the plan already in force in many European countries where there is a national central institution for the distribution of credits from abroad. An 'All-Europe Bank' would show the culmination of this tendency, with the nations of Europe as suburban branches." This quoted passage is from the *Wolverhampton Express and Star's* summary of the message. The news seems to have been overlooked by London journals, and, we should imagine, only found publication here because a local minister, the Rev. J. Leslie Chown, happened to have made a similar proposal in the *Express and Star* on October 8, 1924, in an article entitled "The League and Reconstruction? Importance of International Finance," and had repeated it at the Council of the League of Nations Union in London during the following December. The present report recalls Mr. Chown's suggestions, which were:—

1. "That the League of Nations could begin to direct credit into the best and most profitable channels.
2. "A bank of its own would have the effect of making countries look more and more to the League for the purposes of constructive work.
3. "That the direction of such credit would provide an excellent meeting ground for the world's best bankers, including those of America, who would be free to participate, which last would thus become indirect partners in the constructive work of the League."

The report naïvely remarks that it is "gratifying" to see that the possibilities of Mr. Chown's suggestions have at last "dawned on the inner consciousness of the economic leaders in Germany." We would be the last to question the nobility of the brow which has blessed this damned error and approved it with a text, but we have no difficulty in saying

that Mr. Chown did not originate, but inherited, the idea. He is one of, probably, some thousands of catspaws of the supernational financial trust. Such centralisation of the finance of Europe amounts to an usurpation of the rights of nations to control their economic lives. It will come to hold a mortgage not only on the productive plant of the whole Continent, but on the larder of every single individual from the Atlantic Ocean to the Black Sea. It will have the power to dictate what shall be produced, and what shall not, here, there and everywhere in Europe, irrespective of national interests—interests which, if anyone shall assert them, will be laughed out of court as "parochial." In the name of "prosperity" it will impose a condition of starvation on the European peoples; and in the name of "peace" it will disarm them and so deprive them of their last means of offering any resistance to that policy. The process of unbolting the framework of the Vickers and the Stinnes concerns will be extended to Continental dimensions, and the dis-assembled material—so laboriously brought together by the science and skill of mankind who were obeying (though uncomprehendingly) the impulse to get more out of life for less labour—will be rebuilt into a devil's furnace in which souls will be smelted into sinking funds, and bodies into bullion.

* * *

That is the logical end of these suggestions. That it is an impossible end, and will never be reached, is, we are convinced, a matter of certainty; but the danger lies in the question of how far the policy will be allowed to gather momentum before the twin spirits of true economic efficiency and social humanity combine to check its progress. The longer the delay the greater the friction. A train travelling at seventy miles an hour can be brought to a standstill by a steel brake, but to a falling meteor the mere touch of the atmosphere is destruction. It is for this reason that we welcome every manifestation of revolt against the repressions of the existing financial system. Every man, woman, youth and maiden, of whatsoever estate, who holds on like grim death to every farthing of his or her wage, salary or

dividend, is, in spite of all the trouble created, on the side of the angels. Altruism is a virtue. But not now. Under existing conditions every penny yielded up by one individual "for the sake of all" is a penny lost to all. Mr. Cook and his miners by their attitude of "selfishness" compelled the distribution of the subsidy. If they had given way—even supposing they had been able to live comfortably on the reduced wages proposed for them—there would have been about £20,000,000 less home trade done by the end of next April. So their "selfishness" has had altruistic consequences which would have been lost to the community by their selflessness. Up to the present, by a process of perfect poetic justice, the £20,000,000 has had to be provided by the arch-protagonist of altruism—the banking system. The moral is manifest: *Each for himself; and the banker take care of us all.* And he can. The credit he creates belongs to the people among whom he distributes it. It costs him nothing except an entry too much on one side of his ledger. But the moral holds all round. It justifies the Duke of Northumberland and his royalties no less than it does the miner and his wages. Let no one fear any strain on our means of satisfying the whole community's demands for an immediate release from want. The time for that will not come until our industries are so full with orders that they begin to fall behind in the execution of them.

In the meantime we shall continue to advocate the extension of the subsidy principle as a first step towards the necessary and inevitable revolution in national credit accountancy. It is not an end in itself; and in fact it will cause inflation. But since so large a volume of wages is now governed by the Cost-of-Living index figure, inflation, by raising the index, would raise wages—always assuming that organised labour maintained its economic bargaining power. But what of the shareholder? His dividends do not follow the index figure. They, however, reflect inflation to a certain extent; but that is a minor point. The contribution which shareholders can make towards compelling a thorough revision of the financial system is to organise a concerted raid on reserve funds. Whether it be true of Britain's industries, as it is of America's, that their shareholders as a body do not get as cash dividends more than one half of the total net earned profits, there is no doubt that the allocations to reserves reach formidable dimensions. After the Vickers scandal, where withheld dividends amounting to four million pounds were calmly appropriated to "writing down" assets (as if assets "consumed" money instead of "producing revenue" as is their commonly conceived property), shareholders ought not to require much prompting to draw out all the money that belongs to them in future as and when it is made by the concerns they finance. And here again they must think selfishly. Never mind about the health of the "concern"—the concern is, after all, the people whose investments brought the concern into being. Even if it be granted that the concern requires reserves, that is no reason why the shareholders should not have the custody of them. We suppose that nearly every shareholder in the country is frothing at the mouth at the size of the coal subsidy; yet, here, in the case of Vickers, a tiny proportion of them have been deprived of an amount of money equal to one fifth of the whole subsidy, and nobody says anything—except Mr. Wyndham White, who, we are glad to see, is challenging the Vickers transaction before Mr. Justice Eve this week. A new Investors' Protection Society is badly needed—one which will warn its clients off companies whose articles of association leave such wide discretionary powers in the hands of administrators, and one which would also be strong enough to fight test cases on such matters as we are speaking of.

Investors should reflect that business organisations depend entirely in the last analysis on the buying power of the general public—in which term, of course, they themselves are included. If shareholder "A" invests £10 in company "A," and the company pays the £10 out in wages and salaries (ignoring other expenses), then the wage and salary earners possess the shareholder's £10. If company "A" then sells its product to the general public for £20 it gets back £10 more from the general public than it has paid out. If it now pays the whole £10 in dividends, the original equilibrium is restored. But if it pays out only £5 in dividend, and reserves £5, the public is short by that £5, and cannot place orders with company "A" or any other company. Suppose there be only one other company—company "B"—and that both companies started operations at the same time. Then the gain of £10 profit by "A" means that "B" is £10 short. But if "A" distributes the £10 to its shareholders they can (in theory) buy goods from "B," and make the shortage up. If on the other hand they get only £5, "B" would be left £5 short. Now if both companies were operating on borrowed bank credit, "B's" shortage of £5 would take the form of an unpaid debt to its banker. Suppose "B" issues a debenture of £5, and "A" buys it, thus investing its "reserve fund." "B" uses the proceeds to pay off its bank loan, and the bank cancels (destroys) the £5. The result of this is that other things equal—the general public is permanently deprived of £5, which it previously held. Its demand on industry is so much less, and therefore the values of industrial shares fall correspondingly. Company reserves, therefore, not only impose an immediate cash tax on shareholders, but involve an eventual diminution in the market value of their shares. We are quite aware of the *practical* necessity of the "reserves" system under the present financial regime; our object in making the above suggestions is to get shareholders to take action which will force company administrators into a position of having to explain publicly why it is a practical necessity. The explanation would amount to this: that the banking system to whom the general public has left the function of creating and lending credit uses its power to discriminate against companies which distribute to their shareholders too high a proportion of their profits in dividends. Perhaps then, shareholders will realise that the squeezing they have been undergoing has not been due to the wage-actions of wage-earners, but that they and the wage-earners are fellow victims of a scheme of money-rationing imposed by the banking system. The cause of the present-day impasse is common knowledge. Industry cannot at the same time pay a fair wage and a fair dividend and keep solvent. But the true interpretation of the position is not common knowledge. It is almost universally believed to be inevitable—in the nature of things—"fate." That idiotic hypnosis has got to be blown up. This "fate" is nothing more than the bankers' chosen system of keeping their books. Only a slight change in that system would obviate all necessity for limitation of wages, salaries or dividends. Reserves!—the supposed necessity for these belongs to the days of famine and other natural catastrophes. Plant knowledge, skill and muscle are the reserves of a nation. Money is only a notation of their measurement. Saving money as reserves against economic insecurity is like hiding to-day's railway tickets in order to make to-morrow's trains run.

We have not digressed in the slightest from our main theme in traversing this ground. We began with a European Bank. We now ask what the consequence must be if the financing of Europe is concentrated in the hands of "the best bankers"—meaning, of course, notorious bankers of the obsolete school. Since these experts have severally been

unable to save their respective countries from sinking into a condition bordering on civil war, what is likely to happen to the peace of the world when they apply their principles to a whole continent? Are those who have so blundered in London, Paris, Berlin, and elsewhere that blood-brothers are almost at each other's throats going to be trusted in Geneva with the reconciliation of races? Peace begins at home. And peace at home can only be assured when the industrial and banking accountancy systems in each country are co-ordinated on agreed common principles. Bankers responsible for the management of British credit ought to be placed under the same inhibition against travelling abroad as has been laid upon Kings—at least until they have come to a business understanding with their own kith and kin. Their proper place is at home preparing a reasoned answer to the questions which are beginning to agitate all sections of the British public—questions which come down, in our view, to one: Can British industry be put into a state of financial solvency on the basis of British credit? To get the answer we must invert values in regard to Royal Commissions. We have had enough of the spectacle of credit monopolists bullying coal owners and coal miners for being short of money; what we are waiting for now is to see "the best bankers" giving evidence and being examined by a Commission drawn from the Trade Unions, the Federation of British Industries, and the Social Credit Movement. Then perhaps we shall expose the vacuity of the expression, "looking more and more to the League for the purposes of reconstructive work." Rubbish. "The Kingdom of God is within you."

Count Volpi's offer to the Government is of a basic average annuity of £4,500,000 in settlement of the Italian debt. This is less than Italy will pay to the United States, although the amount of that debt is smaller than the British loan. The Government is deciding over this week-end whether to say yes or no to the offer. If accepted, the Diplomatic correspondent of the *Observer* comments, "it would relieve the British taxpayer of 1d. in the £ income tax, and would leave him saddled for ever with 5d. in the £ on his income tax in order to pay himself for the money which he lent to Italy." This is the old, old story. The British taxpayer did not lend a penny to Italy. Nor was a penny of British financial credit transferred by the Government to Italy. What happened is what always happens in these cases. The British banking system allowed Italy to buy British goods to the amount of the present debt, and lent the British Government credit to their sterling value. The British manufacturers were paid the money (created for the purpose), and Italy got the goods. The British Government is now in the position of requiring payment from somebody or other in order to liquidate its own debt to banks and other holders of war bonds. Under the existing financial system that somebody is either Italy or the British taxpayer. The form of repayment must be sterling; for Italian money, as such, is not acceptable to holders of British war bonds; nor, even more emphatically, in sterling. The first is to raise a new loan from the creators of sterling credit—the British banking system—which is absurd. The second is to bring her costs of production down to such a point as will enable her exporters to sell goods to British importers at a total profit equal to whatever amount of debt is due to be paid off in any given period. In the present case, assuming the British Government accepts the £4,500,000 annuity, and assuming the Italian exporters can get British orders for goods at prices averaging 10 per cent. profit, the latter would have to sell to Britain every year goods to the value of £49,500,000. They would in practice sell part of them to such other countries as held trade accept-

ances on account of their exports to Britain, and would take over these acceptances—i.e., sterling credits—and finally discount them with the Italian banks, who would ultimately use them to liquidate part of the instalment of debt; but this would not alter the main result, namely that possible British sales to nearly £50,000,000 would be replaced by Italian exports to the same amount. Assuming that the profit on these suppressed British sales would also have been 10 per cent., it will be seen that British industries would be foregoing profits to exactly the same amount as the British Government was receiving as an annuity from the Italian Government. That is to say, the British people as a whole would be paying off the Italian debt. We do not know what Treasury officials think of Count Volpi's offer, but the *Observer's* "British taxpayer" should thank his lucky stars that the offer is as modest as it is. There is an important reflection arises here. If the holders of war bonds would only accept goods and services in settlement of their claims, the debt problem would disappear. Now the British people as individuals would accept goods and services; in fact that is what they go to work for. The whole trouble is that when the Government debt was being contracted, only a comparatively few people were allowed the privilege of lending to the Government. We say "privilege" because the terms on which the banks facilitated the process were such that the man-in-the-workhouse could have participated just as easily as the man-in-the-counting-house (notice the antithesis!) The "lender" lent his name only. All he had to do was to sign an application form for, say, £1,000 of war loan, and take it to his banker. The banker created £1,000 of credit, paid it to the Government for the bonds, debited the lender with the "loan," charged him interest on it, and paid him the higher interest the Government allowed on the bonds. Now, seeing that financial credit is the property of the whole community, everyone in the community ought logically to have been brought into the scheme, and on equal terms. Supposing that that had happened, and that the (say) 20,000,000 adults in Britain now held £350 of war loan each. A huge majority of them would at once agree to be paid out in terms of food and industrial products of all sorts, whether British or those of other countries who owed goods (not money) to them. And those who did not at first agree could easily be brought to see that if the community insisted on money payment from the Government, the Government would have to tax them to the same amount. But, by accident or design, there are few bond-holders, and millions of others, and the former are too muddle-headed to see that since the millions have no money except what they demand themselves must yield up in taxes what they demand in principal and interest from "the Government." When will they see that the "war debt" is not a debt, but a record of frozen purchasing power which the banking system can thaw into financial credit and cancel against the consumption of goods?

The outposts of the banking system are the first to sustain wounds in the credit campaign. The Royal Bank of Canada, taking its cue from Coriolanus's sardonic reference to his wounds as constituting a sufficient election address to his Roman fellow-citizens, exhibits to its customers and friends the scars resulting from its early skirmishes with credit students in that Dominion. Its "Monthly Letter" for January is seamed and pitted with Social Credit terminological formulæ.

"During the war productive processes were speeded to a point beyond previous belief, and to-day we are once more on the verge of a period when our problems will be those of over-production rather than those of the old days of social deficit. This new fear of war production . . . will continue to hold sway until the world has solved the

problems involved in financing steadily increasing consumption and continuous improvements in the standard of living."

All this is very encouraging, so long as the policy behind it is to use credit directly to bring about the increased consumption and not to rest in the obsolete faith that increases of loan credit or the cheapening of unit costs by improvements in process will automatically have that desired effect. The writer of the "Letter" seems to rely on simplification and standardisation as a means of advance, and refers favourably to the work done by the United States Department of Commerce in getting producers to diminish the "excess varieties in shape, size, quality, process, composition, and other characteristics of many products." Thus, the styles of woven wire fencing have been reduced from 552 to 69; the number of sizes of bedsteads, springs, and mattresses from 78 to 4; bolts and nuts for farm machinery from 1,500 varieties to 840; hotel chinaware from 700 to 160 kinds; types of milk bottles from 49 to 9; and so on. But this is a blind alley; there is the blank wall of lower incomes at the end of it. When will financial authorities, of all people, cease to base arguments on what they must know to be a false assumption—namely, that the total money incomes of consumers remain undiminished during periods of labour-saving and cost-cutting?

"Perhaps the most difficult, immediate problem before economists, management, and labour, is the one involved in the financing of increasing consumption. Increase in production, of course, tends to lower price: lowered price presents difficulties for the manufacturer and, in spite of increased consumption, usually results in depression and a return to something like the old scale of production."

Precisely. When one firm out of many lowers its price it may easily sell a larger quantity of product and raise its profits. But if they all lower their prices, what then? They cannot all get rich by taking away each other's customers. Viewing industry as a single unit, its employees and administrators on the one hand, and its customers on the other, are *the same people*. And if that is so, how can industry (leaving "profits" out of the argument) recover all its costs from customers unless it first pays an equal sum of money to its employees and administrators? But it does not, nor can it until the principles of costing and pricing are dealt with on a new and a national basis. Wages plus salaries plus dividends represent total effective demand in the home market. But total price comprises wages plus salaries plus dividends plus book entries of financial sums which have never come out of industry at all. These are what Major Douglas calls "B" payments in his "A + B" Theorem—they are either not actual payments of money at all, or, when they are, they are payments not by industry to the consumers outside it, but cross-payments within industry. In the first category of these "B" payments are allocations for "reserves," "depreciation," "bad debts," and so on; in the second are payments by business organisations to each other for materials and services. Both categories together represent an enormous sum, all of which is included in prices of ultimate commodities, but none of which is present in the purses of consumers. Industry can produce extravagantly or economically; it makes no difference; the prevailing system of accounting price must leave consumers short of goods and producers short of money in either case. However, it is something to see that the Royal Bank of Canada is directing attention to the problem of consumption, even if we have our doubts as to the strategy behind its action. For whatever sinister things Finance might be planning there is only one road to Heaven; and the spirit of man will travel it though it be paved with bad intentions. It may be that the Devil was turned out of Paradise to make a back for us to climb in.

Prospectus for a New Australia.

IV.—CONFLICT OF IDEAS.

Australia, in reality, and in so far as it possesses any mind or active intelligence at all—which I sometimes doubt—is to-day outside of the British Empire. That is to say, none of the ideas which move Englishmen to decisions in world or national affairs make much impression upon the Australian cerebral cortex. The truth is, it is already a mental province of the United States. I say, distinctly, a province or a territory; but not a State. The Americans in America, themselves, have no notion of this fact; do not even begin to guess their vast advantage over England in Australia; but they may wake up presently and notice it. When they do, things will happen. But what I want to indicate, quite sharply and distinctly, just now, is the fact that Australia is an ex-Imperial arena. It is the battle-ground of two emphatically imposed—and still more emphatically opposed—American ideas.

The first is the idea of smart and brash cheapness. It is, in fact, the idea of imitating everything that is noisily and brightly American; of doing it upon a cheap and superficially impressive scale. Thus, the profit-hungry petty traders of George-street, Sydney, importune the City Council to decorate that street with many very modestly flaring electric lights; and so they achieve what they consider to be a Manhattan effect; obtain a Great White Way. Again, we have an American-patterned Senate and a House of Representatives.

This cheap Americanism is the dominant mental influence to-day in Australia. The go-getters are in bloom. The go-door is not yet. To be noisv: to be self-assertive; to maintain a show of £5,000 a year on an income of £500—that is the Australian ideal. That is the omnipresent Melbourne and Sydney ideal. Brash. Loud. Dominant. Pimpily. All bankrupts wear it. The pimples are the product of the amount of whisky that has been swallowed, in order to keep up the brashness. The loudness is the product of the impressiveness, which has to be maintained in order to impress one's fellow Pimples. The dominance is a coloured balloon grasped, convulsively, by a coloured string; a string which a cruel bank-edict may sever at any instant, bringing yet another unhappy Pimple to the dust. That is metropolitan Australia. That is, exactly how the national race to insolvency goes, in Melbourne and Sydney.

Pimpleism came in in Australia with a gentleman named De Gafis. More about him, his origin, his developments, his crash, at another time. American solidity in Australia is what concerns me now. That solidity, as yet, only hangs over the country; sticks out across the Pacific like some mighty tower. It is the New England element; it is the solid Dutch-Americanism, that I mean. For twelve years, once, it hung over Australia, in the shape of a very solid, very silent Cincinnati gentleman named Hugo Richard Meyer. This man spent a solid twelve years in investigating the workings of Government-owned railroads in Australia. Some signed editorials of mine, in the Sydney *Bulletin*, showing, in full arithmetical detail, the atrocious robbery that was being systematically perpetrated against the primary producers of Australia, and for the benefit of certain large vested interests in Melbourne, reached Chicago and caught his eye. So Meyer came. Meyer sat down heavily in Melbourne; bought pictures; made a noise like a contemplative oyster; wrote—and died.

Who has his Reports in America, I don't know. I only know that they are worth at least a billion dollars to Kuhn, Loeb and Co., if they are the people who still have Meyer's affairs in hand. They were

H. R. Meyer's bankers, I know, and handled all his stocks. His death, suddenly, anyhow, has made a difference. For if this man had lived, things would have happened, ere this. He died some time in 1922. The biggest financial interests in America, I fancy, lost their ablest subterranean engineer inside the British Empire when Meyer died. He was the greatest roaring clam of a silent American that I ever met. And yet, at times, he would open up in a way that was amazing. Every once in a way, he said something, quietly, which revealed the ferocious intellectual energy of cold and hard Ohio; the place where the real America—the America invented by Rufus Putnam—began. His contempt for Australians, by and large, I might add, knew no bounds.

This man took a vast interest—and a hostile interest—in the financial ideas of THE NEW AGE. I knew him, I suppose, more intimately than any other man in Australia. That is, if one could ever be actually familiar with a man as coldly silent as an Egyptian pyramid. The Sphinx was a mere vulgar chatterbox; a flapper having a day out in the desert with Rudolph Valentino, compared with Meyer. I am not going to say any more about him. It is enough to have revealed the fact that Australia has been well looked over; that they know far more, in Chicago and New York, about Australia, than any single Englishman knows to-day in London or Manchester. And yet, paradoxical as it may seem, America knows relatively nothing. I mean to say that while the special interests know much, Americans, as a whole, know nothing. They are as ignorant as bunyips about their own colossal advantages, *vis-a-vis* England, in Australia. In their own hard phrase, they don't see how to cash in. Or else, with sentences that march like soldiers, with bayonets fixed, the commands for the wholesale American invasion—peaceful invasion—of Australia, would be handed out to-day by the Belisarian gentleman of Chicago and New York.

The Americans have got to invent a new West. That is the point. The whole of their thrust is westward, along the Berkeley line. Forty years hence, it seems to me Honn will be an American State, and Chungking, and all those Chinese river-points will be Babbit towns, upon another Mississippi. But, in the meantime, America has got to find another and a less crowded field, elsewhere. And there is only one other available elsewhere—Australia. I would not be surprised, presently, in fact, if the American financial interests were to say to England: Give us Australia to own and develop. In return, we will cancel the last cent. of your American debt.

That would be something to make Englishmen sit up and think. But I am sure of it. I am absolutely certain that some Americans—the really powerful Americans—know what Australia contains. The hammer-headed American and the compass-headed Englishman—these, again, like the two conflicting American ideas in Australia, confront one another upon an Imperial stage. Who will move first and most successfully, is your affair in England, not mine. I only know that I would like to see a little more appreciation of America; a little less of the hard and sharp, critical business in THE NEW AGE. Some of the war-with-America stuff that I have read, in its angry, during the last year, in prison, made me pect from Sir Alfred Mond. For after all, England and America do not have to fight one another, in order to get square. The business of fighting Germany, and after, so far as I can see, has not been so very much of a chuck-in for England. The next course of treatment in some sort of a mental sanatorium. Well, my various prison cells in Australia are empty. Why don't they apply? G. M. H.

The French Franc.

A REPLY TO MR. KEYNES.

I.

By René Charles Dickens.

Mr. Keynes has deduced a solution of the problem of the French franc from ideas which (he reminds the readers of *The Nation*) were put forward by him more than two years ago, and which should now be mellowing if ideas are subject to the same laws as wine (by no means an invariably accurate supposition). The thoughts thus duly strengthened by age run as follows:—

"The level of the franc is going to be settled in the long run . . . by the proportion of his earned income which the French taxpayer will permit to be taken from him to pay the claims of the French rentier."

Mr. Keynes calls this oracular pronouncement the root idea from which the plan must develop.

Without momentarily disturbing all that this proposition takes for granted, why not inquire first: why should the French taxpayer permit any portion of his earned income to be taken from him to satisfy the claims of the French rentiers? Mr. Keynes does not put this question, and so never thought of replying to it. He does, however, for the sake of being logical ask whether it would be proper to reduce the rate of interest paid on the (French) national debt. He spurns this idea with the remark that

"this species of discrimination is truly named repudiation, and repudiation of the National Debt is a departure from financial virtue so extreme and so dangerous as not to be undertaken but in the last emergency."

Repudiating the obligation to pay interest on the national debt is not repudiating the debt itself. It is merely stating the obvious fact that when the principal has been paid back there will be no need to pay any interest. It is, however, a further assertion that the principal can be paid back at once, and that every statement to the contrary is an unwarrantable invention on the part of those who live on the interest. It is even going one step farther and saying that the national debt has already been paid back, and that getting interest under such conditions is really getting money on false pretences.

What is a National Debt? It means that the Government has received buying-power, from so-called lenders, of a stated amount and has handed over to the same *soi-disant* lenders other buying-power to the same amount.

The French Government has received several millions of note buying-power from small "lenders," and several hundred milliards of cheque buying-power from the big "lenders." To all and sundry the same Government has handed bond buying-power supposed to be of the same amount, though in reality much greater. The bond buying-power can be transformed into cheque buying-power at will in any bank, so that the "lender" has always got as much as he gave, and is just as rich as he was before. Why then should he get an interest into the bargain? All that is needed is to point out to him that with the buying-power he "lent," the Government drew credits on French industrial output for goods and services, and that with the bond buying-power he got from the State he can draw credits on the same output whenever he pleases, and can change the bonds into currency notes for this purpose.

If it is not yet clear that the purpose of taxes is to pay current national expenses with, and not to supply so-called "interest" to people posing as lenders, it is time that it should be made clear. Whether the French people are paying 13,000 millions of francs per year "only," or about 20,000 millions as Mr. Keynes supposes, what it is essential to grasp is the fact that these amounts need no longer be paid, and that instead of increasing taxation, the whole of this gigantic sum can be immediately knocked off the taxes.

"Well, but this would be 'inflation,' and would be supplying the 'lenders' with buying power inferior to that which they supplied to the State. Besides, how are the poor rentiers to live? Would not the franc follow the mark, and would not the banks be ruined? Would not the small French fortunes be swept away and seized by speculators?" Such are the objections the truth will meet with.

If by "inflation" is meant printing more currency notes, then this would be inflation. But the plain fact is that currency notes are not the only currency. Cheques or bills are currency, too. If, when notes are printed, cheques are decreased, or if the notes are held in deposit behind the cheques, then printing more notes is *not* inflation. It is simply substituting one form of buying power for another, more proper and convenient. In reality, inflation begins when demand is greater than supply, when consumption tends to outrun production. Such is not now the case. The French output, great as it is, could be doubled to-morrow. So long as new issues of buying-power constitute a credit on possible new productive power, there is no "inflation," and might even be "deflation."

As to the proportional buying-power of the new currency being smaller than the buying-power of what the lenders lent, the contrary should (and could) be the case. Every Government and municipal loan *raises prices*, and so diminishes the buying power of the currency, by adding gigantic sums in interest to the national industrial expenses. Every loan adds the credit-power of the bond to the other credit-powers in existence, and is, therefore, inflation according to the standard of the loan advocate himself. Now, by knocking the item of interest out of taxes, the burden on production would be lightened and prices would fall accordingly; the buying-power of the new currency would thus be proportionally greater.

Would the franc follow the mark? It certainly would if the international bankers were allowed to fix the rates of exchange. Why? Because these gentlemen are the chief *rentiers* in France as they are in every country. They intend to keep their privileges. And, if the articles published by their papers do not suffice to that end, they can use disproportional rates of exchange with which to kill any currency they dislike. What is the disproportional rate of exchange? Mr. Keynes may find the explanation of it in what he calls the time element. He says "internal prices move more slowly but will move as they should in time." By this is meant that by selling a currency abroad for less than it is worth, the buying-power of that currency abroad may be made smaller than it is in the issuing country. But as export and import prices gradually drag the interior buying-power down to their own level, equality between the interior price level and the foreign price level is only a question of time.

Mr. Keynes's error lies in saying that interior prices "will move as they should in time," after the exterior price level. This is assuming the exterior price level to be right, and the interior price level wrong. Now, a financial maxim Mr. Keynes might meditate on with advantage is the following: the exchange rate of any currency should coincide as nearly as possible with the interior buying-power of that currency, so as not to disturb that buying-power either by raising or by lowering it. If the international banks thought France were menacing their privileges by squinting at the National Debt (and how much more terrible for them it would be if the French looked that debt squarely in the face!) they would double or quadruple the rate of the pound (in francs) in a month. In three months they would raise it ten-fold, and in six a thousand-fold. The interior level of prices would have to rise (more or less

rapidly) as the rate of the franc dropped. In nine months the franc would be dead.

Well, would not the financiers be kicking themselves? Would not the French debt to them be swept away? It would. But they would get hold of half the houses and lands in France by ruing the small French middle classes, just as they did in Germany. They would therefore gain as much as (or more than) they lost. Besides which, they would have struck another blow at those conceptions of finance which are struggling for a hearing, and which they will have to kill if they do not wish every vestige of their stupid institutions to be swept away by their slowly gathering strength.

Exchange rates can be arranged *between Governments*. We have no kind of use for bankers' disproportional rates, but only for governmental proportional rates.

(To be continued.)

Banker and Architect.

A writer in *The Banker* traces the typical form of the English branch bank to the influence of the public house. I do not mean that he calls it drunken architecture, nor still less building inspired with a Dionysian delight. Far from it: it is what is seen, not what is consumed, in the pubs. which has tainted the evolution of the bank building; and this writer deplors the vulgar way that English banks cling to corner sites, polished mahogany, brass rails, and screens of cut and polished glass.

"Of course," he says, "it may be argued that there is something similar in the two trades. Both have the same friendly basis, and the little intricacies of intercourse which have to be cultivated in semi-privacy. . . . that, however, is not the method of America. She has, indeed, abolished the saloons, but her banks do not attempt architecturally to fill their place."

Certainly not; American banks have a far loftier feeling for their destiny. Over there, we learn, in many a provincial street of quiet brick and timber, one finds the bank an "upstart" Ionic temple of shining marble. But in the great cities it is no longer an upstart.

"The banks of Broadway, New York, and of James Street, Montreal, form a series of architectural monuments for a comparison to which one has to go back to Italy of the Renaissance. Indeed, one passes from bank to bank in an architectural pilgrimage as one does in Italy from church to church. The service may be going on all the while in distant recesses, but one can wander about. . . ."

"The fact is that American and Canadian bankers . . . have realised the *psychological* value of great architecture."

After some more in this strain, we are not surprised to find, in another part of this magazine, that the presiding Bishop of the American Episcopal church was a banker until middle life, and that his banking experience decided his election from a group of candidates between whom there was "nothing to choose for godliness and good learning." No; we feel sure there couldn't have been. But let us return to Architecture.

The writer of this article in *The Banker* is a professor of Architecture, Mr. C. H. Reilly. What is he doing in that place? For he appears, at least, to preserve the fading flicker of an artistic conscience, which is breaking the third commandment of Mammon. He criticises the way in which our banks hand out branch buildings to be designed by the same firm; he deplors the fact that

The Century of the Coloured Races.

By Ernst Schultze.

III.

And industrial technique also can be acquired. Its impetuous advances in the nineteenth century meant, of course, an enormous advantage; although, perhaps, this, too, is overestimated, for the machine textile industry of England, e.g., could certainly not have conquered the East Indian market for its products had not the Customs regulations of the British Government forced the English products on the defenceless Indians and impeded as far as possible the export of Indian textiles.

Nevertheless, machinery gave to the factories of the white nations an enormous increase of productivity.

However, we must remember that the exploitation of every invention in production depends on four factors: on the genius of the inventor, on the purchasing power and the desire of the customer, on the presence and the availability of the necessary capital, and on the skill of the work of execution. Where an invention originates matters not at all at the present time. That in a short time it will be used all over the world, this is secured by capital seeking a profit. At the same time Capitalism undertakes the task of securing a demand, where this is inadequate, from possible customers. There remains the question whether the necessary capital for the exploitation of an invention exists and is willing to be used, and whether suitable labour can be found. Only a generation ago the white nations had in the first item a start which, as it seemed, could never be made up. At that time neither Japan nor China nor India possessed mobile capital. All industrial establishments in Asia (in South Africa there was as yet no thought of great industrial undertakings with the exception of the great mining works) had to come from Europe or North America. But even at that time not inconsiderable amounts of capital flowed into the countries of the coloured races in order to start factories there. Since then the capital-equipment of the non-whites has become considerably more favourable. Thus in India native capital has experienced an increase which permits very important undertakings to be started—indeed, factory towns are called forth out of the ground. Japan's capital strength, too, has grown. In China, also, native capital is available to create manufacturing undertakings great and small.

Consequently the question how far the industrial technique of the coloured can be undertaken by the whites, so far as this has not already happened, is concentrated on the differences in skill and willingness in the work of the nations.

Can one doubt that the coloured—for the present—are much more willing to work? Among them strikes are still rarities. It is true that Japanese, Indians, and even Chinese have learnt to strike. But they do not practise striking with the regularity and fervour of the workers in the leading white industrial nations. Labour organisations have only just begun to break ground in Asia. In South Africa, whose multitudes of coloured workers show greater aptitude for the strike, the organisations are still very backward. In British-India the workers as a rule strike only when spurred by urgent need. Till lately Japan has known no cessations of work worth mentioning, because it did not grant labour the right of association, which exists among almost all white people. In any case a long time must yet elapse before the strike becomes among the coloured industrial nations a daily phenomenon such as it is in West Europe and North America.

But their skill in work has often been under-estimated. It is part of the self-conceit of the white man to express such poor opinions of it as was customary especially in the second half of the nineteenth century. When the Japanese then showed that the industrial technique of the whites was not so difficult to learn by an energetic coloured nation, at any rate as regards the industries with the more simple working, people shrugged their shoulders contemptuously and set this advance lightly on one side as mere imitative skill; there was even a malicious saying about yellow apes who after all only aped what they saw their white masters doing. Only after the victory of Japan over Russia did this view change. Since that time it can no longer be doubted that the yellow peril, if this catch phrase may be used, may industrially very well become a fact.

How completely the skill of coloured workers is misjudged may be seen in the case of the Indian textile workers. Although the Anglo-Indian customs—and economic—policy has severely damaged and thrown back the highly developed

one provincial architect lately had one hundred and twenty banks to design at the same time, and that he standardised to "an alarming extent." And Mr. Reilly concludes with this gallant and ringing challenge to the power of high finance.

"Good architecture is a matter of high imagination, sensitive feeling, and delicate adjustments. Such things can never be bought in a wholesale manner even by a great bank." The first two cannot be bought in any way whatever, Mr. Reilly. Not even in "the little intricacies of intercourse which have to be cultivated in semi-privacy." Still, it is quite a spirited speech from a servant to his lord. I will assume that Mr. Reilly is truly something of an artist at heart. If he is so, he knows that the buildings he illustrates (without comment) in his article are very hideous pieces of human work—that, indeed, they are not art at all—not even the sincere efforts of a mammon-ridden age of science to remember what art is like. Upon this chivalrous, even quixotic, assumption, that Mr. Reilly is a true architect, I shall attack him.

An architect is supposed to have two qualifications—knowledge of the crafts and æsthetic intuition. The former means that he must know the history and the practice of all those handicrafts which contribute to building, and the second means that he must be at least artist enough to recognise some kind of beauty at sight without the need of a critic, or a current opinion, to persuade him. So Mr. Reilly knows, from the history of the crafts, that they have degenerated precisely with the growth of modern machine industry and finance. The innovations of machinery in industry, steadily and increasingly dominated by the requirements of the banks, have crushed the æsthetic life out of the crafts (where it generally survives little disturbed by the fashions of culture) and have standardised and cheapened work to the utmost, by scientific means and mass production. The prolonged financial pressure to eliminate the human element in every industry has now fairly thoroughly succeeded, and there can be no longer any original craftsmanship except as a reaction or a protest.

Meanwhile architects and some designers remain; as they are still useful to put a little veneer upon the ever-cheapening structures of the engineer by giving proportion or style. But they have lost prestige and power. They no more direct craftsmen. Science and finance direct them. Even if they preserve the taste, they have lost the opportunity, to do beautiful work. Ferro-concrete, for instance, never presented itself as an opportunity, but as a saving of five per cent. Which is not to say that a real architect might not have chosen to use this or any material *if he had been free* to do so. The fact is that he was not free: and that under the financial tyranny he never will be free.

But if neither the architect nor any other worker is now free in his work, he is not compelled to praise his tyrants. Though *The Banker* exists to popularise and strengthen the financial oligarchy, Mr. Reilly is under no compulsion to dress their windows for them. I am sure no Professor of Architecture ever appeared in quite such brilliant company before; nor ever looked more grotesquely out of place. The function of the architect peculiarly represents those things which are humanly priceless, and therefore financially valueless. And *The Banker* represents the concentration of those forces which every decent architect fights for the period of his working life.

If the Professor of Architecture at the University of Liverpool is a gentleman of his profession he ought to do public penance in the leading architectural review.

PHILIPPE MAIRET.

textile industries in British India, the force of the tradition of hundreds, nay thousands, of years makes itself felt to-day in a degree of skill among the native textile workers, men as well as women, which, if I am not deceived, may achieve for the Indian textile industry one of the first places in the world.

And in agriculture, too, have not the white nations yet much to learn from the coloured? In small cultivation the Chinese now as ever stand at the head. Gardening and fruit cultivation flourish nowhere in the world so admirably as in China.

No one can say to-day how things may shape themselves in a by no means distant future. Only this we know, that in a half-century the globe will politically and industrially have an aspect essentially different from that of to-day. The coloured people have woke up, no longer are they minded to submit to the superior power of the whites; they claim their own rights. The "right to self-determination of the nations," although it is absolutely denied to the nations of Central Europe who were vanquished in the world war, is about to conquer the rest of the earth. The century of the coloured is beginning.

"Mon Ami Marcel."

"To-day's dinner subtends a larger visual angle than yesterday's revolution."

(Oliver Wendell Holmes.)

Mankind, says a Chinese manuscript, which my friend M. was obliging enough to read and explain to me, for the first seventy thousand ages ate their meat raw, clawing or biting it from the living animal, just as they do in Abyssinia to this day. This period is not obscurely hinted at by their great Confucius in the second chapter of his Mundane Mutations, where he designates a kind of golden age by the term Cho-fang, literally the Cooks' Holiday. The manuscript goes on to say that the art of roasting, or, rather, broiling (which I take to be the elder brother) was accidentally discovered

(Charles Lamb, A Dissertation Upon Roast Pig.)

There are two ways of keeping body and soul together during the perilous journey from the cradle to the grave—"before we go to Paradise by way of Kensal Green"—one is by stoking and the other by dining. Owing to a mischievous concatenation of preventable circumstances, most of us are condemned to the former unsatisfactory method, and are half-poisoned en route by the crude vapours of dyspepsia generated by inferior fuel. Certes, 'tis not for lack of good advice on the subject. There are countless experts, from Mrs. Beeton to "Ann Pope," willing to tell us all about it, but one and all are under the delusion that it can be done on the cheap. It cannot. Let me do justice to Mrs. Beeton; there is nothing niggling or parsimonious about her recipes. She generally opens something like this: "Take the yolks of thirteen eggs, a pound and a half of fresh butter, a quart of good stock made from 10 lb. of shin of beef, pound the breasts of three spring chickens, add a bottle of truffles, etc., etc."—and finally tops off with two glasses of port or old madeira.

The latest dispenser (not disperser) of delusions is X. Marcel Boulestin,* who expatiates on how to keep a good table for sixteen shillings a week per head, basing his calculations on catering for three people. Although arithmetic is not my strong point, I calculate that 3 x 16 = 48, or £2 8s. as near as I can make it, and I am a bit sceptical about that sum covering the cost of seven days' grub when the items to be purchased include a leg of mutton, partridge, turbot, some beef, veal, kidneys, and a chicken, not forgetting all sorts of sundries and fresh butter for cooking purposes. M. Boulestin assures us it is not idle talk

"but a fact, the figures being obtained by averaging my own weekly bills for six months."

Now I am not seeking an "affaire d'honneur" with ce brave Marcel by doubting his word, but there is a reservation which considerably damages my enthusiasm for his wonderful economy. His estimate

"does not include a real English breakfast, only a plain petit dejeuner of tea, toast and jam or marmalade."

That spoils the picture. "Little unfastings" are all very well for the sedentary and for repentant revellers, but I for one flatly decline to face 18 holes in the teeth of a nor'easter or do a morning's log-sawing and splitting on tea and toast. It can't be done. I will not go so far as a farmer neighbour

*The Conduct of the Kitchen. By X. Marcel Boulestin. Heinemann. 3s. 6d. net.

who does not "hold wi' porridge and bran mashes," but prefers a quart of ale and "a dust-pan full o' bacon" as a reasonable foundation for a day's work; but I must insist on an egg or two or a bloater in season.

Apart from this little protest, I have nothing but praise for this wise and witty cordon bleu. I give him full marks on several counts. To begin with, I am with him heart and soul in his contempt for margarine. Science, he says, "has done nothing for cooking—except spoil it," and perhaps the worst turn it ever did to the human palate and digestion was the invention of that yellow peril, that oleaginous humbug, the very Chadband of fatty foods, masquerading under innumerable deceptive titles, the subtle enemy of honest dairy farming, and tainter of countless good dishes—margarine. Disguise it as you may, nothing can destroy that nauseating after-taste, which is like the back-wash of a sick headache. We New Agers have a lot to say about the possibilities of applied science; we might profitably devote a little more attention to its "misapplied aspect."

As for frozen meat, he will have none of it—stout fellow. His veal is French, his beef English, and his mutton Welsh; and what could be better? I should like to dine with Marcel. Who has not suffered from that enforced economy which assures us with a smug smile that "we always buy chilled meat, you really cannot tell the difference." Not tell the difference! O saddle of Southdown and ribs of Aberdeen-Angus what insults are poured on your succulent juices and fragrant fibrin!

Amongst the choice selection of excellent recipes in this delectable little book, one gives me particular pleasure. It is the first cookery compendium I have come across which gives the rules for preparing "Red Cabbage à la Flamande," a brave dish which has graced the homely board of my modest household for a generation past. It is worth giving in full for the benefit of those who know not this wonderful concoction:—

"Cut the cabbage in quarters, remove all the hard parts, wash them well in several waters, and cut it like a fine julienne. Put in an earthenware saucepan a good piece of butter and begin to melt it; add salt, pepper, and a tablespoonful of wine vinegar; then your cabbage; stir well, put the lid on and cook very slowly for about an hour and a half. At this stage of the cooking add a few eating apples cut in small pieces, and a tablespoonful of castor sugar, and go on cooking slowly for another hour. Serve very hot in the saucepan."

That is the basic recipe. It can be varied in many ways; by the addition of two or three large onions for example; or strengthened with a pint of good stock. Served with roast duck or pork chops it is heroic. Try it on a hungry lad and report result.

In return for this good deed can anyone give me the right recipe for stuffing a goose with a compound of chestnuts and raisins, as I remember it in Germany in those happy far-off days when me-thought the world was mine oyster instead of the commonplace cockle it has turned out to be?

One more excellent bit of advice culled from practical experience. Our author has much good counsel to give us—the grilling of chops and steaks, but he omits to tell us—perhaps he does not know—how they should be consumed. Now this is the manner of the consuming:—

Having seen your grill served up sizzling on a hot plate, cut a thick slice of bread wherewith to sop up the juices, and let no nice consideration for finicking table manners prevent you from mopping up the last drop! The only seasoning is salt and ground pepper; no sauces, no 'taters, no veg. Order a pint of light tawny port and sip it to the gentle, but thorough mastication of your meat, and for the first time in your life you will appreciate the finer qualities of food and drink. On a raw March day, with an East wind searching your vitals, this is the best belly-timber I know of.

As for salads, a subject on which a Frenchman may be justly expected to expatiate with love and wisdom, the matter is too high to be dealt with at the fag-end of an article; one of these days I will pour out the accumulated knowledge of thirty years devoted to the cultivation, dressing, and gustation of this wholesome, and—in England—neglected article of diet.

Finally, one good turn deserves another. Marcel must be roped in. It would buck him no end to realise all Social Credit could do to promote his laudable schemes for improving English domestic cooking. All there is to do is to treble his carefully calculated allowance and give our harassed Marthas 48s. a head per mensem and the rest is easy.

Then we can feed the pigs on the margarine and bait the lobster-pots with the frozen meat.

J. S. K.

Dreams.

By Sherman Manchester.

II.

He motioned towards the next hilltop, where a flock of sheep grazed and from which the sheep bells occasionally sounded. But still he said nothing.

"At last, sheep?" I queried idiotically.

"Yes. Sheep," he said. "Suppose those sheep were to discuss their purpose and their relation to the cosmos. Such a speculation would no doubt arouse most of them to fear and wrath by its impious tendency. 'How can you ask such a question?' they would bleat angrily. 'Isn't the evidence sufficient for you? Don't the men gods give us warm shelter in the winter, good food from their stock when the earth is covered with snow, shear our heavy coats in the spring, when otherwise we should be too unbearably hot, and constantly take the righteous way into the Promised Land?' And no doubt they would excommunicate, ostracise and even butt and kick such heretics.

"Yet if these agnostics persisted and upon investigation determined that man kept them solely for mutton and wool—that would be regarded as a cruel and impossible conclusion. Still, it is the law of life that every living thing must live by the death of other living beings. You, yourself as a man cannot live without going through the same process. Why, then, should you suppose that you do not yourself further the life purpose?"

"It is so," I admitted.

"Perhaps," he said.

"Yet there is this difference," I remarked, "that the life of a sheep is without purpose and utterly futile. Whereas men are constantly improving themselves and their environment."

"Oh, are they really?" he asked with great politeness.

"Hm—you do not understand it that way, I perceive by your manner," I said.

He smiled, and despite my valiant effort I was pleased, thrilled and stimulated.

"You happen, shall we say, to be living in a state of society that is just now approaching its zenith. The war represented the first signs of the wave breaking, just as the white crest of the wave appears when it nears the shore. Presently it will touch the beach, its limit, and come trembling, crashing down, as it always has done in the past. Even in your conception of history you can see this. Various so-called civilisations have reached a high point of development only to lapse into a retrogression which takes them down to the lowest point from which they have risen. From that point there will be an upward turn and so on, over and over. Even this has only the appearance of an upward or downward trend, since all things are in constant balance."

"From this maelstrom of futility then," I said, "my only escape would be self-annihilation?"

"Suicide is sometimes possible," he replied, "but self-annihilation is not."

"Then I live for ever?" I queried. "And must live for ever?"

"Can a fire extinguish itself? Yet it does not burn for ever. The life, so to speak, of a piece of radium is estimated to be fifteen thousand years. Your span of individual life may be fifteen thousand years or centuries, but unless it is replenished and sustained by your own successful efforts and by the addition of fortuitous accidents, such as my talk with you this morning—your being at the Maverick last night—your accidental equipment resulting in your reaction to my music, and so forth—your life force will run down exactly as the energy of the radium. Even with these factors given you will probably eventually reach the vanishing point and vanish. Though you cannot by choice either vanish or not vanish."

"But how?" I interjected.

"Ignoring me, he continued:

"Choice is not possible to three-centred or four-centred men. For every one of your thoughts, feelings, and acts are predictable in any circumstances. The fact that you are unable to predict them and that you have never met anyone able to predict them does not mean that they are not definitely and actually predictable.

"But look here!" I interrupted angrily, thrusting out my arm.

Undisturbed, he continued.

"Obviously; you either will or will not," he remarked. "What will be the cause of your extending your arm, if you do? Obviously; the act will have been motivated by your reaction to the idea of automatism. It will be apparent to you that you could not act except as that act is the result of the forces that are in you, limited by your own

limitations, and in response to outside stimuli. Unless, of course, you perchance become a complete human being."

"A complete human being!" I exclaimed. "But what the—"

"The cosmic man," he continued, "silencing me with a glance, differs from the world man in that he has developed his three higher centres. For as you know food is transformed into life energy through processes that are gratuitously provided for the world man. However, every man has three higher centres—higher intellectual, higher emotional, and higher instinctive centres—that is potentially. Also, there is food for the growth of the higher centres available, but it is rarely or never absorbed."

"But how—how—?" I stammered angrily.

Unperturbed, he serenely continued:

"The harmonious development of man—that is the nectar and ambrosia of life. First one must realise that he knows only one or two things actually. For example, that there are two thousand million people on this earth, and that all of them will die. Second, that man is the only interesting object of study, and that you can only really know one man—yourself.

"To learn about yourself you must first establish your identity in the higher intellectual centre, and from this point of view observe your behaviour. Not with disapproval, nor with approval. Simply observe. You must become simultaneously aware of your complete states of mind, emotions, and body. Aware of them, but not identified with them.

"You can by an effort of real imagination conceive of yourself as coming up the hill now toward our two figures seated here. You can from that point of view perceive certain aspects of this person whom you have always mistakenly considered to be yourself. He is only one possible phase of yourself.

"You will most easily observe at first five things about him—the posture of his body, the expression of his face, the tone of his voice, the gestures of his hands or the members of his body, and his carriage as he moves through life. These are the external things about a man which others can see. But one must be simultaneously aware of them and of a score more of internal physical aspects which can only be known to yourself.

"Then your emotions must be observed—not directly, of course, for this is not possible. But one can and must observe the physical evidences of one's emotional states. Then one must add to this an awareness of one's intellectual processes.

"It will become apparent to the real I in you that the behaviour of your organism is absolutely automatic, and that it is most undesirable to be at the mercy of the chaos produced by the almost constant warring of the three centres among themselves. They constantly fight, agitate, and trick each other to their equal discomfiture."

"But damnation!" I shouted. "Will you listen?"

"Yes," he said pleasantly.

But I had forgotten what it was I wanted to say. After a short silence he proceeded.

"Take your own case, for example, and let us discuss your organism between us; the real I in you, and myself. At the moment your instinctive centre is weary and it is tired of reclining against that rock, and it is hungry and thirsty. These states are known to the emotional centre which is agitated by them. The intellectual centre is, however, an able and willing participant in this conversation and endeavours to give its whole attention to our ideas. It is not strong enough, its whole attention is caught by the emotions and made as you can see, and is caught by the emotions and made to turn to angry shouts. Meaningless. Dangerous. Actually injurious.

"It will be evident to you—that is, to the real I in you—that this is an inevitable and undesirable state which nevertheless cannot be changed by an effort of will. Thus we see a world man has no free will or power to choose, and that he never will and never can have."

"Unless—?" I said.

"Unless you observe and study your organism without identifying yourself with its three centres.

"All of these observations will narrow down eventually to the study of your habits. Then gradually it may become possible to vary one's behaviour by changing one's physical states or by placing one's self in new circumstances or by supplying a new stimulus by means of words. Now the key, if there be one, particularly at the beginning, will be the realisation of simultaneous awareness of as many aspects of one's organism as may be possible.

"The memory film must be persistently rolled back, first for an hour, then for a day, a week, a year—until finally it may be possible to go back to one's virgin state and discover one's real essence. For it will be increasingly evident that men are more pseudo in actions, feelings, and thoughts than you have supposed. It is possible and neces-

sary, however, to make real, to realise, every thought, feeling, and action.

"To accomplish this a kind of fire is necessary. This fire will be present whenever you are, so to speak, awake. That is, whenever the real I is conscious and aware of, though entirely devoid of, identity with your thoughts, feelings, and actions simultaneously.

"The effort necessary may now be made, for I have told you the method and the objective.

"It will be difficult, if not impossible, for all of your organism is so much dead weight, and every current and phase of life as you have hitherto known them, and life as it will present itself to you in the future, will be counter to these ideas."

"But are there no moral values?" I asked.

"An immoral act, thought, feeling or life is one that fails to produce simultaneously profit, pleasure, and understanding. The difference between right and wrong is determined by whether or not the thing—whatever it may be—is agreeable to you. This means if it really agrees with you—in the sense that some foods happen to agree with one person and perhaps not with another."

"And if one becomes a cosmic man —?" I questioned.

"When you were an infant you could not use your hand for any of the useful things you now do so deftly and easily. Suppose you could use your whole equipment, mind, emotions, and body as deftly and easily as you now use your hands. This you can do if you can establish your identity in your higher intellectual centre and develop the potential powers in your higher emotional and instinctive centres. Throughout one's life there is food incessantly available under all conditions.

"You will find that it is easier to observe yourself when you are doing something you do not automatically wish to do and when you are engaged in gratuitous effort."

"Still," I objected, "such a course would seem to make one obnoxiously self-conscious."

"No. Not if one says: 'I am not that man. I will observe that mechanism not with approval or disapproval, but externally with an impartial, unprejudiced, scientific attitude. Since this person is entirely automatic and merely a product of two forces, biology and sociology, and, nevertheless, is one phase of the real I, then I will observe him and all of his actions and reactions. I shall study him because man is the only mystery in the world, and since I have a specimen I am content.'

"Absorbing experience is the process which will provide food for the higher centres. I must go."

The sun peeping above the rim of the horizon seemed to kindle kindred fires in his lustreful black eyes. There were so many thoughts and emotions seething within me that I was powerless to formulate even one question. I finally stammered out, "For the love of God—don't go!"

"For the love of God, I go," he answered.

His expression seemed to me to be a divine blending of truth, beauty, love, and laughter.

He rose, faced the rising sun for an instant, then strode away down the hill. His figure moved swiftly and gracefully, but instead of diminishing with distance seemed to take on greater dimensions, though its outlines were less and less distinct. I did not exactly lose sight of him, but I could no longer discern detail. He seemed to have merged with the hills and streams, the mist and sunlight, the gold and blue of the sky, and the greens and browns of the earth.

I rose. My body was cramped and cold, but I was nevertheless glowing with the warmth of a celestial ecstasy.

* * *

My friend ceased speaking and sat regarding the embers of the fire with a curious absence of concentration that was the exact opposite of dreaming. He seemed extraordinarily at ease, yet completely alert and alive in a way hardly comprehensible to me.

"Have you met that man since?" I asked.

"Oh, yes," he replied.

"In a dream?" I demanded.

"In a recurrent dream," he replied. "Life."

ASHES.

By D. R. Guttery.

And then she turned her face,
Masked with pale semblance of what long had been
Beauteous for me, now like a faded case
Limned with the features of a mummied queen.

And so her face she turned,
That lived in smile and tear but yesterday,
And, gray with ash to which her love had burned,
Whose love was life went on her lifeless way.

Drama.

"UNCLE VANYA" AT THE BARNES THEATRE.

Those who have read M. Koteliansky's excellent translation of Chekhov's letters, which Messrs. Cassell recently published, can grasp his intentions as a dramatist, and can understand how revolutionary his technique must have appeared to the Russian critics.

In one of these he writes:—

"You scold me for my objectivity, calling it indifference to good and evil, lack of ideals, and so on. It would be pleasant to combine art with sermonising, but were I to slip into subjectivity the images would become vague. When I write I reckon upon the reader to add the subjective elements." And in another—

"You are right in demanding that an artist should take a conscious attitude to his work, but you confuse two conceptions: the solution of a question and the correct setting of a question. The latter alone is obligatory for the artist."

This, then, is his ambition and theory, and in following it out he never raises one character above the rest. As he says: "The moon cannot be understood unless the stars are understood, too." But his contemporary playwrights and actors were accustomed to emphasise the importance of a villain or hero, and as a result Chekhov's first dramas when produced in 1889 and 1896 were greeted with hisses in the Petrograd Theatre.

Something of this emphasis of certain characters is felt in the Barnes Theatre production of "Uncle Vanya," but it is probably only a question of time until we feel that each character is essentially significant in its part. At present, Miss Forbes Robertson and Mr. Farquharson do not dominate, but we catch ourselves more easily watching their good acting, and this is probably because they have been quicker to capture the meaning of Russian provincial life in the nineteenth century. Unless we know something of the natural isolation of Russian country life from the town, and the artificial veneer of Western culture which led to pedantry and affected mannerism, we may lose patience with Sonia and Vanya, the younger and more purely Slav members of the family, for their tolerance of such egotistical relations. But they are the victims of their environment, unable to escape, for he has grown old in the service of others, and she is made old through wasted affections. There is a strangely beautiful dependence of Uncle Vanya upon Sonia, which is not at first perceptible, when he believes a love affair with the Professor's wife would be an opiate for the memories of his squandered youth, and when she has been idealising the doctor, who is quite indifferent to her. Her father, the Professor, is an intellectual gone dry, who still thinks that he is luscious, and while he produces worthless manuscripts he has no time to think of his daughter or of anything beyond his petty ailments. It was unfortunate that the actor who played this part had a foreign accent, for it gave the impression that he differed racially from the other characters, whereas he was a typical Russian pedant of the 40's, whose feminine complement, Vanya's mother, is the early Russian blue stocking, who feels it is a disgrace to speak Russian. She is too absorbed in pamphlets to be interested in her son, whom she calls "Jean," or in the estate which crumbles about her head. She drifts as inevitably as the rest, and the two strangers, the Professor's young wife and the doctor, do not improve matters. We are as destructive and as impotent as the Professor, and should have felt this more acutely if Miss Massingham and Mr. Hewitt had been less English. Modern West End evening dress is not appropriate to a nineteenth century drama, and Astrov would have been more true had he been only "a little drunk" and worn "the huge, stupid moustache" as Chekhov intended. On the other hand, Marina, the old peasant woman, was really Russian. Far from being a secondary character, it is only she in her infinite patience who can see through to the future, "the ganders will cackle a bit and then leave off," and when they have left off, and they drive away in their carriages, a gentleness comes to the group. They are alone again. As Sonia falls on her knees beside Uncle Vanya and pours out her belief in a better world we realise that throughout the play she has been rising steadily, not through action or accusation, but by her sincere and simple faith, until now she is the dominant light in the room. Her lengthy monologue at the close of the play might have been easily ruined by a dull emphasis on the repeated words, "We shall rest," but Miss Forbes Robertson has a beautiful voice, which harmonised perfectly with the different shades of meaning she wished to convey. At first "We shall rest" was a reassurance to her own fears for the future, then it became a challenge to the deficiencies of Uncle Vanya, who said that "life was nothing without illusions," and at length they rose to be the con-

viction of a fervent believer in another and happier world: "We shall rest."

M. Komisarjevsky probably found that the Barnes stage was too narrow to set the first act outside in the garden, but the single change of scenery was a little monotonous. We should have liked to hear his comments upon this and other points of production when he was called upon for a speech, and as he speaks English we must not allow him to escape at the end of the Russian season. Perhaps he will then express his and our own gratitude to Mr. Philip Ridgeway for maintaining so high a standard of Russian dramatic art in England.

DORIS MUDIE.

LETTERS TO THE EDITOR.

"THE AMERICAN MIND."

Sir,—I have lately read "The End of the Renaissance," by Nicholas Berdiayev, in the "Slavonic Review," and now I come upon Mr. J. G. Fletcher's impressive contribution, "The American Mind: Nihilism," in your current issue.

It would be interesting to have the views of these two writers dealt with together. Will not one of your contributors or readers attempt this?

ERNEST COLLINGS.

Sir,—The articles on "The American Mind," by John Gould Fletcher, just concluded in THE NEW AGE, are of such outstanding merit and interest that I should like to express my own thanks for them, and the thanks of many readers who have mentioned the articles to me with warm appreciation. I trust that we shall see more from the same writer.

W. T. SYMONS.

"THE LEADERSHIP OF THE WORLD."

Sir,—From a fairly intimate personal acquaintance with the cotton and jute manufacturing districts of India, I can endorse the suggestion by "H. B. S. L." that the real Indian question centres on these industries.

In this case, however, the purely economic problem is complicated and exaggerated by the psychological problem. Whatever defects the British official in India may have had (and he was very far from being perfect), he had a tradition of culture and common decency which the Indian, of all persons in the world perhaps, is quickest to recognise.

As a consequence, he was regarded by the peasant with genuine respect mixed with affection, which was only qualified by a dislike of the fact that, besides his administrative function, forces over which he had no control made him increasingly a tax collector.

This relationship between the British official, who was, between, say, 1860 and 1900, by far the most important representative of European culture in India, built up a genuine faith in, and prestige for, the white man.

Nothing could be more suitable for financial exploitation than this atmosphere, and advantage of it was taken by financial interests, and specifically by Jewish interests from Manchester, Greece, Armenia, and elsewhere, to obtain control of the situation.

Two results followed. In the first place, the power of the administrative officials was concentrated at Simla and Calcutta (subsequently at Delhi), and there was a considerable infusion of Jewish personnel into the higher Government services. The advent into India of the white mill foreman, and the retail shopkeeper in the larger towns, imported a type unused to receiving personal service, and unprepared for the position of demi-god which had been accorded to his official compatriots. In many cases the results were lamentable, and the white man "per se" was slowly degraded from the position he had held in the mind of the Indian, a degradation which I believe it is fair to say was most unwilling on the part of his admirers.

I think this is worth bearing in mind, since it is usual to suggest that Indian difficulties arise from racial prejudices, and from defects in administration. But I am increasingly impressed with the fact that in India, as in many other countries, a real, if not perfect, culture, was used as a cover for the pseudo culture and financial enslavement of races whose respect had first been gained by more reputable methods.

It is common knowledge that the class from which the Indian Civil Service was staffed in the days of its outstanding success will no longer compete for appointment to it.

C. H. D.

"AGAINST DEMOCRACY."

Sir,—Certain statements and ideas in R. M.'s "Against Democracy" seem highly disputable. I have no particular regard for Democracy except that definite conception outlined in Major Douglas's "Economic Democracy," but R. M. seems very wide of the mark in several of his arguments. He quotes the judicial and legal arrangements in France to show that democracy tends to prefer machinery to personality. But is the French Code the product of democracy in any common sense of the term, or was it not derived by Napoleonism from Roman Law? And is France in fact democratic?

The United States he mentions as fanatically democratic. But, except in the sense of Mr. John Gould Fletcher's "dollar democracy," who would concur in this judgment except sentimentalists who prefer names to facts? The American Constitution and its legal system, becoming more and more Roman and less and less English, seem to have been deliberately designed to favour oligarchy. The Supreme Courts, the powers of the President and his personal choice of a Cabinet, the legalised position of the Party, etc., indicate a system analogous to that Finance against which THE NEW AGE is committed, an uncontrolled and unchallengeable personal authority, like our Financial Oligarchies, ruling side by side.

Is it not therefore somewhat futile to throw suspicion on "intelligence tests" as originating in France (read a few Frenchmen) and taken up in America? At present the "tests" are unsatisfactory. But observe, that in the chief instance in which they have been compared with "personal judgment" on a large scale, i.e., in the American Army tests, they gave the same results; that they professedly deal only with one side of the human mind. And to me, at least, they appear neither to eliminate personal judgment nor to prejudice character and personality nor to hinder the selection of the best men. On the contrary, in the limited sphere they deal with they appear to exalt potentiality against the static achievement of either financial or examination or hereditary or "social" merit. And those have been the dynamic factors in every "aristocratic" society I have ever heard of.

Finally, R. M. complains that democracy has no use for intuition. My own first complaint against democracy in operation from Athens to the Labour Party would be that its very idol has been intuition; that it has embraced too many unanalysable doctrines and projects, bestowed and accepted responsibility with too little caution and too little forethought.

HILDERIC COUSENS.

[R. M. says: Mr. Cousens asks more questions than can be answered within the brevity required here. When he doubts whether France is democratic he either denies democracy, or uses it to connote an ideal existing only in the mind. Napoleon was the big democrat; to quote Emerson as "the instinct . . . of the middle-class everywhere has pointed out Napoleon as the incarnate Democrat. . . . He had their spirit and their aim." Roman Law, by the way, underwent peculiar transformation, and, in the major principle of French jurisprudence, an inversion—the words are Sir Henry Maine's—before it became either modern French or American.]

America, notwithstanding its oligarchies, which modern democracy may yet dispense with, and other considerations that I must later treat more fully, insists, with a sure eye for the rigid formula for governing men, on enslaving intuition under a fixed constitution.

Intelligence tests can be crammed. If they confirm personal judgments they are superfluous, since judgment is so much more comprehensive. The only reason for their existence is that the character behind the judgments is distrusted, and I affirm that the trustworthy character is a better aim than a fool-proof test.

The adoption of "unanalysable doctrines and projects" scarcely demonstrates intuition. In each successive crisis Labour-leaders continue to stand by their preconceptions, and to insist on the application of formulæ as though magic were in the very words. They have no inspirations. The root of this appears to be that they have concentrated so much on the "administration of things" that the man cannot act apart from them.]

WEIRD HOUSES.

Who steals my house—my curse on such is,
Would that his throat was in my clutches!
Much have we borne, but this too much is,
Oh, damn his iron robot-hutches.

PHILIP T. KENWAY.

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FORTHCOMING MEETINGS.

Friday, February 5.—Major Douglas on "Finance and British Politics. I.—Internal," at Caxton Hall, Westminster. Time, 6 o'clock. Tickets, 2s. 6d., from W. A. Willox, 70, High Holborn, W.C.1. Tickets for this and the succeeding address, 4s., if taken before February 5.

Leaflets announcing this and the following meeting will be sent on application.

Friday, February 12.—Major Douglas on "Finance and British Politics. II.—External," at Caxton Hall, Westminster. Time, 6 o'clock. Tickets as above.

Saturday, February 13.—THE NEW AGE Annual Dinner. At the Florence Restaurant, Rupert-street, Piccadilly, W. Tickets, 7s. 6d. (See advertisement.)

Sunday, February 14.—Lecture by Mr. D. Mitrinovic. Particulars later.

THEOSOPHICAL SOCIETY LECTURES.

Mr. C. F. J. Galloway will be lecturing on Social Credit as under. His titles are "Towards a New Social Order," and (at Folkestone) "Theosophy and Economics."

Thursday, January 28.—Derby, Unity Hall, 7.45 p.m.

Tuesday, February 2.—Middlesbrough, Temperance Institute, Woodlands-road, 7.30 p.m.

Thursday, February 25.—Maidstone, The Old Palace, 7 p.m.

Friday, February 26.—Chatham, Masonic Hall Library, Marrion-road, 7.30 p.m.

Sunday, March 14.—Folkestone, "Adyar," 58, Shorncliffe-road, 3 p.m.

"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.

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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.