

# THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

A reader in Scotland sends us the following passage (and comment) from Mr. Baldwin's speech at Douglas recently:

"There are international changes in progress, industrial—and financial; changes which may be, in the long run—salutary' (the dashes mark slight pauses), a statement to the disinterested of the pious-aspiration type, but fairly significant to one so well-posted in the trend of current events as a reader of your Notes finds himself."

There is a lot to be learned by listening to speeches by leading politicians that cannot be gathered from published reports. This is one of the cases where the "wireless" is of benefit, for not only can one hear in the quiet of his own room what the speaker says, but how he says it; and, more important still, can measure the differing emphases of the bursts of applause he succeeds in evoking. On occasions it is most exhilarating to hear some majestic oratorical climax miss fire, especially when (as has happened in our own experience) it has taken the form of a passionate enunciation of some "sound" financial principle, followed by a pause for applause which never came—except perhaps from one or two gentlemen behind who had probably just tip-toed back to the hall exuberantly moist from an interview with that ubiquitous celebrity who is "Still Going Strong," whatever happens to the fortunes of politicians.

"Candidus," a regular contributor to the *Daily Sketch*, makes use of an argument, against the Labour Party's new taxation proposals, that we have seen repeated in many other quarters. It is to the effect that a tax on a person's unearned income is a penalty on *that person's* thrift. There are, of course, cases where it may be; but to generalise on the basis of such instances is unwarrantable. Let us look at the Labour Party's proposal. It imposes a graduated tax on unearned incomes rising from a minimum of £500. Now, we would very

much like to know how many persons are in the least likely to save sufficient money out of their earnings to produce an income of £500 a year before they die. Assuming a dividend of 5 per cent., the principal invested out of earnings would have to be £10,000! If "Candidus" cares to narrow his proposition and say that the effect of the tax will be to discourage people who happen to possess a sum of money approaching £10,000 from saving further sums to complete it, his case would look more plausible, although even then it must be remembered that the tax does not take more than a small fraction of the unearned income while it remains in the region of £500 a year. As it is, "Candidus" and his fellow scribes must admit that on the present scale of incomes generally nearly everyone with £500 a year dividends has probably inherited a substantial part of the invested principal. Once they admit that, their case fails—and fails by their own admission; for they subscribe to the principle that recipients of money who have not earned it "have not a right to the full amount" (this is a quotation from "Candidus's" article). We have our own objections to the Labour Party's idea; but fair's fair; and we shall drop on these loosely thought-out criticisms whenever we encounter them. They are evidence of bias as well as of ignorance. Attacks on thrift! Why, it is not two months since Mr. Churchill himself carried private firms in the Finance Act compelling them, in two months since Mr. Churchill himself carried private firms to distribute profits instead of reinvesting them, in an attempt to gather more Supertax revenue from the partners. That was "treating" private firms as a vice—*the charge* which "Candidus" brings against Labour. The principle that "money saved is money tainted" is "something quite new in our financial policy," remarks "Candidus." It is. But for all that the principle he impugns is being promulgated under auspices and supported by evidence that he would find it difficult to ignore if he investigated the subject.



Press opinion on Sir Arthur Keith's address on Darwinism is consistent with the first canon of Press policy—to evoke by any means the greatest gratification in the greatest number of people with pennies to spend. Because a small but influential proportion of newspaper readers feel a need to believe that man was the object of special creation, every leader-writer goes out of his way to encourage them by adducing the irrelevant consideration that, after all, "science" can't explain everything. There are gaps in the evidence for the Darwinian theory, says the *Star*. Quite so. And there were gaps in the evidence that hanged the reputed murderer, Robinson. There are circumstances where it is important to emphasise gaps. But these are concerned with practical issues involving demonstrable risks. The larger the risk, the closer must be the chain of evidence supporting a new policy. But the question here is simply this: what hypothesis of man's origin shall be accepted as the most probable? It does not matter a brass tack to the life and happiness of ninety-nine in one hundred of the population which is true. Here, then, is a case where the balance of probability should be quite sufficient to calm all controversy—especially at a time when the economic life or death of this country is at the mercy of people who have not yet begun to investigate relevant facts which have been exhibited under their noses for seven years. "Did God take an already created ape, and fashion from it—Man?" is a pleasant conundrum for an Age of Leisure. But its importance is nothing to, for instance, the conundrum: "Do banks accept created credit as deposits, and fashion from them—Loans?" Moreover, the first problem will be irrevocably solved—when? The second is solved already.

Under existing conditions neither bankers nor industrialists can pursue their respective policies without frustrating each other's purposes. The alternation of inflationary booms and deflationary slumps are at bottom the outcome of clumsy attempts to achieve temporary working compromises between these two fundamentally irreconcilable policies with their conflicting mechanisms. Herein lies the explanation of the mysterious phenomenon called "the business cycle." One of two developments would reveal it: either the absorption and administration of industry as a whole by the banking system, or the absorption and administration of banking as a whole by industry. The reason is that in either case, in order to codify the two sets of laws, financial credit would have to be accounted on a national scale—an attempt would have to be made to establish a method of calculating *not merely* the individual costs (and therefore prices) of multitudinous firms and combines as now, but the *total costs (and therefore prices) of the nation as a producing and distributing unit*. As we tried to make clear in our article "The New Accountancy" some time ago, any committee of trained accountants would arrive at the startling result that the total cost of national production was only a fraction of the figure obtained by adding together the separate costs of all the constituent business organisations. They would find out that the higher of these two estimates of cost was no longer a valid basis for pricing articles for domestic consumption; and that its previous apparent validity had depended, not on inherent physical factors, but on the special conditions imposed on the industrial organisation by an *external* financial organisation. In a word, a self-financed industry can fractionise its ultimate domestic prices without prejudice to the prosperity of sellers or buyers. But directly that fact is established, the practical question of whether industry should or should not absorb the function of banking would depend simply upon

whether the bankers agreed to co-operate in administering the new pricing policy. If so, the need to merge the two functions of making things and financing the making of them would disappear.

But at present the banking system shows not the least sign of modifying its policy. Now, if our analysis is correct one should expect sooner or later to see, in the instinctive efforts of industrialists to patch up the situation, a tendency (however unrealised by them) to travel along the lines of the remedy we have indicated—much in the way in which a plant in a cellar will reach for the manhole through which the light peeps. Nor will one's expectation be disappointed. In a general sense, acute students will agree that the bankers have been on their defence for a considerable time against the criticism of industrialists. Even the Federation of British Industries itself has occasionally shown a disposition to question the Bank of England's monetary policy. The *Statist* is objecting to the secrecy which invests Mr. Montagu Norman's arrangements with Mr. Benjamin Strong. And, through the activities of credit reformers of all schools, there is growing a *popular* notion that somehow or other "the trouble has something to do with the banks." All this sort of thing is encouraging so far as it goes. But this week there is something a little more definite to record.

There has been a five guinea book published dealing exhaustively with the electrical industry in England, and its prospects. It is issued by the British Electrical and Allied Manufacturers' Association, which speaks for a group of trades employing 180,000 persons. According to the author British electrical industries have two years in which to prepare to meet intense competition from American and German combines. In order to withstand this approaching shock he advocates the tightening up of production methods, and the control and stabilisation of prices. The day, he says, of unregulated price-haggling is over, and the day of price-fixing has come. Cut-throat competition is out of date. We may note, in passing, how the idea of controlling prices over wider and wider sections of production is gaining ground everywhere, even though the advocates do not know what is the true objective and the right mechanism for making their policy permanently beneficial to all the parties concerned—consumers as well as producers. Their only concept is an upward, not a downward, regulation. This, however, is by the way. The idea to which we wish to draw particular attention is contained in a review of the book appearing in *The Times Trade and Engineering Supplement* of August 27. Here is the passage:—

"Finally, it is suggested that financial policy must change if prosperity is to return to British industry, or it will be actually necessary for industry to evolve its own financial system to meet the needs of the situation. The electrical industry is ready to co-operate with finance when conditions are favourable to co-operation, but the realisation of favourable conditions must mean a fundamental change in the policy not merely of financial institutions, but also of the Bank of England and the State."

In interpreting phrases met with in works of this kind propagandists are prone to stumble over their own enthusiasm; but there is no room for mistaking the meaning of the words "evolve its own financial system," especially in the context quoted. This is the bell-ropes we have often tried to pull, but were not able to reach. It is heartening to see a taller influence laying a hand on it.

The book in question is entitled "Combines and Trusts in the Electrical Industry," and a particularly good summary of it appears in the *Financial*

*News* of August 25. But accounts of it and leading articles on it have appeared in all the important London newspapers. One noteworthy view expressed by the author is that:

"Even if all tariffs were swept away and Free Trade established throughout Europe, the British electrical manufacturers would benefit only very slightly." "The entire market would be so completely controlled through the finance and trade associations that no enquiries would reach them."

This is a direct challenge to the famous Bankers' Manifesto. Among the markets which the author says are definitely closed to British makers are Belgium, France, Italy, Germany, and Switzerland, together with another group of markets closed "through the affiliations of American electrical manufacturers," namely, Japan, Central and South America, the West Indies, and Mexico, "as well as Canada." Only British Dominions other than Canada appear unaffected. The report in the *Financial News*, speaking of the methods of foreign trusts, emphasises that in addition to forming finance and holding companies they have—

"leagued themselves with the banks, which have used their power in ways that would amaze the British banker with his views on free trade and non-interference with industry."

The *Financial News's* implied disparagement evidently refers to the British bankers' tradition of non-co-operation in industrial administration: their "interference," in the sense of controlling industry in general, is too well established a fact to be credibly denied nowadays. In another passage the article just quoted from speaks of the British financial principle of "the separation of banking from industry," and points out the startling fact that it is the "general infringement of this principle" that has given foreign competitors their advantage. The ultimate meaning of this and much other comment in the book and Press reviews is that finance as an institution is inevitably being sucked into the industrial competitive vortex which its own over-riding policy has created. In a fight to the death no referee is tolerated: the combatants become their own referees, and their will to conquer is their only law. The banker must now come into the trenches with his industrial client, and stand waist-deep with him in the chilly watered capital with which he has flooded them. There is grim irony in the reflection that the whole war is an attempt on the part of all the parties to capture dry trenches from each other. If they knew it, the weapons they want are not guns, but pumps. Let them make their home markets comfortable, and the fighting will fizzle out.

Another sign of the tendency just described is the announcement that the Lord Mayor of Manchester has summoned a meeting at Manchester Town Hall for September 6 to try to end the Lancashire slump. The *Manchester Evening Chronicle* remarks on the fact that in this meeting representatives of the leading banks will take part for the first time. It quotes the opinion of a local bank official: "The conference will do some good, and open things up a bit: a heart-to-heart talk might be very useful." This shall be our comment in the meantime. Anything that promises to "open things up a bit," is laying some road to Rome.

The banks' solicitude for the health of the Cotton baby, however, is probably due to its having kept them awake at nights. Industrialism once could afford to pay for the cremation of its corpses; but not now. A bankruptcy anywhere in Lancashire might start an epidemic of insolvency involving wholesale default in overdraft-repayment. So when we see Mr. J. M. Keynes starting a heresy-hunt after concerns which may decline to come into the

Cotton Yarn Association we naturally wonder where the original idea came from. He certainly knows what he wants and has the courage to say it. Writing in the *Nation*, he advocates *Coercion*—coercion by legislation, by public opinion, and by retaliatory measures, against the independent 'bus—no, we mean cotton spinners. He is willing to allow these fellows to state their case for undercutting the Association's protected prices, and would allow the same opportunity to cotton operatives and "consumers" to state their views. But since he holds that the impregnability of the Yarn Association is the sole means of salvation for the industry the final judgment seems certain. He would give the Board of Trade powers to protect the Association's protected price-list. He would "mobilise opinion" among shareholders, presumably with the view of working up an investors' boycott against the cheap outside firms. Thirdly—

"There is coercion by retaliatory measures taken by the Association or by others interested, particularly the banks. It is evident that the banks could do a good deal if they chose. The powers of the Association in this direction are seriously limited by its lack of financial resources." (Our italics.)

There was an outcry once—whether in this life or in another we cannot say—about the tyranny of trade unions. And there seems to have been a tale once about a tale of bricks; and there was a joke about a bricklayer. And—but why try to remember? Are not the spinners of yarns always with us?

The trouble about Mr. Keynes's policy, even if one could accept its principle, is that it does not extend coercion far enough. There are much larger snakes than independent British cotton firms who will warm themselves at the Yarn Association's camp-fire. Let the *Daily Chronicle* itself indicate them:—

"The American cotton-growers talk of planting 25 per cent. less area next year. The Egyptian Government has announced officially that it will bring in a Bill to restrict Egypt's cotton acreage to one-third for the next three years." "Cotton . . . even now, has only fallen to the price of 1921 . . ."

As fast as the Yarn Association restricts cotton-spinning and raises prices, other interests will re-strict cotton-growing to the same end: and the Yarn Association will pay. No Board of Trade, no British banks, no British shareholders can affect that development. However, we and our readers, who know what will eventually have to be done, may sit back comfortably and watch these people press the independent costing and pricing of the old system will facilitate the costing and pricing policy of the new. They are performing the most difficult of all the tasks which have confronted the New Economist, that is, the psychological task of accustoming the public to the idea of price-regulation on a wide basis. And insofar as they do this under a régime which is ninety per cent. penalties and ten per cent. prizes, one can only faintly imagine the transfiguration of the situation when the new system comes, imposing no penalty and giving everybody a prize. Britannia is sick of her cave-men wooers.

Forth, ballad, and take roses in both arms,  
Even till the top rose touch thee in the throat  
Where the least thornprick harms;  
And girdled in thy golden singing-coat,  
Come thou before my lady and say this:  
Borgia, thy gold hair's colour burns in me,  
Thy mouth makes beat my blood in feverish rhymes;  
Therefore, so many as these roses be,  
Kiss me so many times.  
Then it may be, seeing how sweet she is,  
That she will stoop herself none otherwise  
Than a blown vine-branch doth,  
And kiss thee with soft laughter on thine eyes  
Ballad, and on thy mouth.



Manchester cotton policy is at present a policy of restricting production, cutting costs and establishing minimum prices. But across the Atlantic Mr. James J. Davis, Secretary of Labour, is advocating its opposite to his large American audience. In a magazine called *The Executive* (July issue) he contributes an article which Manchester might read with a good deal of profit. Let us quote a few extracts:—

"The implication inherent in this line of reasoning—that industries now said to be over-produced have therefore actually passed the uttermost limits of their potential benefits to the public is to my mind a far greater menace to our national well-being than all the unsold and seemingly unsalable stocks in the country."

"Curtailement may be justified . . . only when it may be shown that all human need for a specific product has been gratified, and when industry is willing to accept the inevitable consequences of limited employment."

"More and more business men whose first inclination was to accept what was told them have started to think out the problem for themselves, and now they are asking whether we really do not mean under-distribution when we say over-production."

"The other morning I was walking into my office in Washington when I saw a labourer raking up leaves and other debris of the winter from a lawn in front of a fine old residence. He appeared to be a fairly healthy specimen, but his trousers had been patched so often that on certain parts no trace of the original material was visible. His coat, which hung upon the fence, was in almost as bad a state of wear. His shoes consisted of a badly-battered pair of uppers and mere shreds of sole. His hat was full of holes and had lost all semblance of shape."

"Now, it is possible to explain this in several ways. The man may have been shiftless, working only when he was compelled to work. He may have been a miser, refusing to buy often enough to keep himself respectable. If either of those explanations is true, however, he was an exception. What is far more likely is that he was unable to earn enough by spasmodic employment—for which he was not responsible—to clothe himself as every American worker ought to be clothed."

"The point I have in mind, however, is the significance of this man, multiplied by millions, to the textile and shoe industries, both of which have been experiencing trouble with what is casually described as over-production. I do not mean to imply that these industries are responsible for this condition, but, on the other hand, I cannot understand how they can say they are over-produced while we have so many men in the country almost as poorly clothed."

Of course our mutual friend Dickens has done it better. Look at his portrait of Reginald Wilfer—

"So poor a clerk, through having a limited salary and an unlimited family, that he had never yet attained the modest object of his ambition; which was, to wear a complete new suit of clothes, hat and boots included, at one time. His black hat was brown before he could afford a coat, his pantaloons were white at the seams and knees before he could buy a pair of boots, his boots had worn out before he could treat himself to new pantaloons, and by the time he worked round to the hat again that shining modern article roofed in an ancient ruin of various periods."

(Dickens, by the way, is an author of whom Mr. Arnold Bennett confesses that he has never had patience to read all through any one of his novels.)

Mr. Davis then proceeds to give the following facts from the Bureau of Labour Statistics.

The head of a family who earns less than 1,000 dollars a year will buy a new overcoat once in ten years. If 1,500 dollars to 1,800 dollars, once in five years. If 2,000 dollars, every two years. If 2,000 dollars, every year, or more.

He comments: "For approximately two and a half times as much wages . . . he becomes ten times as good a customer for the textile industry," and so much better proportionately for other industries. He explains this apparent "mathematical impossibility," by pointing out that—

"every cent. of the lower wages must go to the absolute necessities of life, and new clothing is not a necessity until food has been provided for." (Our italics.)

The article concludes as follows:

"Our demands only increase as the standards of living rise. We have more prosperity here than any other country because our people need and demand more. But millions of them have yet to get beyond the existence line, and when we get them beyond that stage we shall not have to worry for the present over the problem of over-production. Eventually that may be a grave problem, but it is not yet."

All these sentiments are admirable. But as yet Mr. Davis appears to have no idea of how his ideals are to be instrumented within the limitations of existing allowable practices. For instance, it is one thing to tell textile manufacturers that low wages mean few orders. But it is quite a different matter to ask them to pay higher wages unless you can guarantee that their workers will spend the increased amount on textiles exclusively. The only way to overcome this obstacle is to devise a means of *supplying the worker with an extra income that does not involve an additional industrial cost*. It is amusing to hear Mr. Davis speaking of the "grave problem" of over-production that may re-emerge when he has got all his Americans consuming "above the existence line." Either they will then be getting less than they want, or all they want. If less, there is no over-production problem. If all, what is wrong with the idea of slowing down production to the pace of their demand, and translating the threatened surplus of goods into an extension of leisure? Meanwhile the only problem would be how to leave on your plate what you could not finish. Mr. Davis had better go to his mother and ask her if she stopped taking gruel when she weaned him.

### Current Political Economy.

Mussolini sometimes appears to have conceived a tyranny that displeases everybody—though nearly everybody chooses to go on putting up with it. He and his advisers show an uncanny wisdom in deciding what is good for people and seeing that they take it. In some ways his system is practically the reverse of what is proposed by social credit, in which credit is to be administered that men may be free, and in which the political state would develop under the influence of liberated individuality. The Fascist State takes hold of the men, each one of whom has either to regard himself as state-property or to have a bad time. Reflecting on Mussolini one thinks of a child with a box of building-bricks and a pattern of the sort of building they are capable of making; the people are the bricks and the pattern is the Marinetti-Mussolini architectural design for a logical state. Mussolini is like the child in another respect; he is quite ready to throw aside any brick that doesn't fit where he would put it. He is no more a respecter of persons than was Lenin. In that Fascism is state-building to a formula it is more logical and—if not therefore—more tyrannical than Bolshevism. When he destroyed the trade unions and forced the workers into Fascist syndicates he appeared to be on the verge of pleasing the employers. By similarly forcing Fascism on the employers Mussolini spread the displeasure over more acceptably. "The Corporative State amalgamates companies, fixes prices, wages, and hours of labour. It determines the number of men that ought to be employed by this or that master, and, if necessary, takes upon itself the direct management of the factories." No wonder the Marinetti group has just inaugurated a society for preventing cruelty to machines; the state itself is a machine, almost the apotheosis of machinery.

It is hardly to be believed that the indomitable will of one man is the entire moving force, and that it takes notice of no considerations whatever except the contribution of any proposed measure to the completion of the mechanical state. Yet he often

appears willing to learn from experience as though he had no other end in view. His decision, for example, that the approach of the lira to gold parity had already proceeded far enough in view of its effect on unemployment, followed by appropriate statute and penalties for anybody—home or foreign, banker or speculator—who interfered to approach any nearer was almost the first sign of sanity in deliberate action shown by any European Government. Italian trade flourished between 1922 and 1926, partly because of lower wages and partly because of less intense English and German competition; and partly, as Mussolini has not only observed but noticed, because of the depreciation of the lira. During the period of deflation, with the lira appreciating, the course of prices in Italy has been beyond Mussolini's control. Wholesale prices have come tumbling down because the draught was first felt in manufacture; retail prices have fallen, but only very slightly. Wages and salaries have fallen considerably. In calling a halt to deflation, Mussolini has set an example to Europe of learning by hard knocks which can scarcely be duplicated without going to the research experimenters on animal intelligence.

Should Mussolini be able to revive the flourishing trade which "maintained public confidence" in the final benefit of his tyranny he will be in possession of a state-mechanism with which he can do almost anything. He could even make a reasonable experiment with social credit, gently endeavouring to stimulate industrial expansion and agrarian intensification as the sensible—and logical—antidote to threatened inflation. All said and done, the depreciation of the lira is merely the result of unscientific and disproportionate issues of credit which accidentally becomes socialised. It ought to occur immediately to every Government in Europe that there must be a way of regulating financial credit so that the prosperity caused by a depreciating currency should be brought about without entailing the aftermath of the depreciating currency. Though the problem of getting such an idea into twenty million heads, including a threat of some millions of young girls in addition, is beyond the immediate power of reason, persuasion, and prayer, it ought not to be an insuperable problem to get it into one head with the power to bully the rest into trying it.

Most English collectivists would repudiate Mussolini as their patron-saint. Yet his activities will not allow one to put by the analogy of State Socialism. In these times of relative time, if one could imagine the Fabian prophecies accelerated, in other words, a quick-motion film of them, there would be a stage on the way to the collective Utopia very much like Fascism. Mr. Ramsay MacDonald went so far as to say that trade unions would be unnecessary under Socialism, and seeing that they could scarcely all be dissolved together one New Year's morning, it seems reasonable to assume that during the collectivist coercion of not yet nationalised industries the trade unions would have become State-controlled bundles corresponding to the State-controlled bundles of employers. Mr. Philip Snowden seems almost a Mussolini out of a job, except that judging from his expressed views he would be even less socialist and even more imperialist. No nineteenth-century free-trade Conservative was ever more an advocate of the policy of conquering the world-market and share in the employer's prosperity. Goodness knows that if we want bananas, oranges, cigarettes, wine, and attar of roses, we shall have to manufacture something in return, as also for rubber and petroleum; but under the particular cost-reducing system which automatically brings down the consumer's purchasing power we cannot buy the bananas, etc., which the foreigner is ready to send us.

Mr. Snowden has heard an echo. After a long statement that would not have disgraced Sir Alfred Mond, he categorically states the changes needed once more to double wages as they were doubled between 1850 and 1907, between, in short, almost the nadir of all times and the zenith of industrial times experienced by the working classes. "One is a new trade union policy." Good! Mr. Snowden, and now we await your next work in the new trade union policy. The Birmingham Municipal Bank, which finds it worth while to manage an accumulation of currency on behalf of very small savers, may give the first hint of such a policy. "Others are the public control of the 'key' industries, like land, mines, the transport services, and electric power, and also the control of prices." Just when the student of credit and price-control, however, sits up, like Barnum's dogs, with his tongue out in expectation, Mr. Snowden starts a fresh paragraph:

"But, above all else, it is important to watch industrial and scientific progress, and to secure public ownership and control of every new industry and scientific process. Simultaneously, the use of the potent weapon of finance must be employed."

With that last pregnant sentence Mr. Snowden starts a fresh paragraph again, a very brief paragraph that rounds off his article and adds nothing. It is fair to Mr. Snowden and to ourselves that we should say in reference to two important sentences that jut out into the air like the steel beams of a new building before the masonry is added, before the purpose of the building is known, "What do you mean, Mr. Snowden?" "Price-control" and "the potent weapon of finance" are not two phrases which, having uttered, you can leave on the summer air as evidence that you have subscribed to something very modern in a very diplomatic and political way. If they do mean something, something worth communicating to your critical and expectant comrades, let us get to know one another better by a more explicit and more detailed account of what they imply in practice. We pause with Brutus.

Labour is certainly encouraged by its educators to employ the potent weapon of finance. In the same issue that contained Mr. Snowden's hints of economic esotericism, the following appears under the heading "Affairs in the City."

"The numerous readers who have acted upon the frequent recommendations in these notes to buy Argentine rails have done well."

In the same article the writer advises Austin Motors for the investor who can wait and Stevens for those who prefer to get rich quick. The only previous hints we have had from him, not having studied his column regularly, are rubber, and, in this wet summer, raincoat manufacturers. By investing in the latter one can buy a raincoat and send up one's dividend, being on a good thing at the same time as having a good thing on. There can be no possible objection, to be sure, against the *Daily Herald* for advising all its readers, the middling man who can not venture beyond dogs, the tiny capitalists who can go to horses, the big noise who has capital enough for the exchange. The last-named, however, is buying more than excitement or relief from the monotony of unemployment. But is he investing his reserves where they will be of greatest social benefit, or of greatest benefit to labour? Is there any policy in the advice, such as exporting capital from the country to show the Duke of Northumberland that two may play at that game? Does the purchase of Argentine rails include the condition that Argentine rolling-stock be purchased where it will provide work for British labour? We suggest that the *Daily Herald* follow the example of other journals in still another respect, briefly, that it devote its leaders to comment on its City column occasionally.



## Coal Versus Water.

(Editorial.)

Sir Alfred Nimmo's reply on behalf of the coal-owners to Sir Herbert Samuel has been reprinted as a pamphlet. We commented on it when it appeared in the *Observer* recently, and need not subject it to further analysis now. Our reason for mentioning it is because while British coalowners are puzzling their brains how to dump coal abroad, people abroad are using theirs to avoid using coal. A case in point is Canadian hydro-electric power development. Dr. Brysson Cunningham, writing in *Nature* on August 27, gives some significant facts about Canada's potential water power. On a conservative estimate he puts this at 40 million h.p. Of this, existing turbine installations yield only 4½ million h.p., about 11 per cent. of the possible maximum.

"The value of the 4½ million h.p. already developed may be gauged from the fact that it is found that each installed h.p. is capable of effecting an annual saving of six tons of coal, or a total of 27 million tons of coal per annum."

On this calculation it appears that Canada's yet undeveloped power represents a potential further saving of 213 million tons, making 240 million tons altogether per annum. When, *per contra*, it is realised that Britain's internal water supplies are of "relatively of negligible proportions," it needs no sagacity to appreciate the danger of our Coal policy. Far from trying to export coal, our policy should rather be in the direction of prohibiting its export. We are undermining our physical competitive resources in order to balance the ledgers of the coal industry. In an endeavour to live a life of financial rectitude we are condemning ourselves to a life of economic decrepitude. It is a scandal that this glaring anomaly—this pull-Devil-pull-Baker contest between the financier's law and the physicist's common sense—is so continuously ignored by statesmen of all parties.

The more the world outside learns to do without coal the better for this country. What we recently said about world-competition in agricultural products applies equally to mineral resources of all kinds. That is to say that under a reformed financial system Britain could market her *home* production at home irrespective of the price of similar products elsewhere. The fact that at present the producing country which wins the race for cheap production threatens all its competitors with ruin is no evidence that this must of necessity happen. It happens at present because the credit-resources of internationally organised finance are loaned to the cheapest country and denied to the others. There are no consolation prizes for the less "successful" nations.

Consider what this "successful" cheapening really means in terms of physical measurement. The "cheapest" country is that which distributes to its inhabitants the least measure of the means of life relative to the measure of its total production. A country producing ten things and consuming one is a cheaper country than one producing ten things and consuming two. But on what commonsense ground need a country consuming one-fifth of its production necessarily be put out of work against its will by one consuming one-tenth of its production? Or to give this a practical application: why should England stop making and consuming coal-energy production in the ratio of, say, 10:2, because Canada may be making and consuming water-energy production of similar character in the ratio of 10:1? If the ultimate purpose of *all* production is consumption (it can be no other)—if *all* production is destined eventually to become consumption—why should a country be put out of business merely

because its inhabitants initially consume a little more on account than those of another?

A little reflection will show that the difference in cheapness between two such countries is at bottom a divergence between two economic policies. A population cannot consume that which is not yet consumable. Hence, if you see two countries, A and B, simultaneously producing ten things each, but A consumes 1 while B consumes 2, that is proof that they have been dividing their productive powers in different proportions as between non-consumable and consumable products. It is as though A had said, "I will devote nine-tenths of my power to making the first and one-tenth to the second"; while B said, "I will devote eight-tenths of my power to the first and two-tenths to the second." Now, in current jargon, country B would be held the "less efficient" of the two. But in the name of commonsense why? With one reservation, to be mentioned in a minute, country B is manifestly the more efficient, because it is achieving the purpose of production, i.e., consumption, at twice the rate of A. There is only one way of resisting this conclusion, and that is to lay down the governing principle that the true end and purpose of production is to accumulate and not use the product. We come now to the reservation. If country B, by permitting consumption at the rate 2 this year, were demonstrably undermining its power to repeat the process next year or in following years, the criticism we are attacking would be justified. But who is going to submit a demonstration? Consider what an attempt to do so would imply. It would imply the proposition that the production which country B had refrained from consuming this year was going to diminish its power of production next year. What? We work a year and make ten things. Two of them we eat, and the eight others are designed by competent technicians to increase our total productive power. Next year, with the extra help of the eight, we are in danger of making fewer than the ten things we had managed to make without them! Anyone who considers himself able to sustain this proposition ought to read a paper before the Royal Society at once.

But no financial expert would dare to submit himself to such an impossible task. Nevertheless, the policy of finance in general is framed as though that proposition were true. Hence arises the "Conflict Between Finance and Scientific Industry"—a title chosen by Major Douglas for one of his lectures. Finance looks for the lowest ratio of consumption to production which it can find existing in any part of the world, and makes that its maximum standard of efficiency. It then proceeds to reward that efficiency by feeding it with financial credit. And under the pretext that the total of available credit is a fixed quantity, it withdraws credit for that purpose from countries showing a lower standard of "efficiency." This it is able to do by reason of its organisation as a world credit-trust, to which all national banking-systems have signed an oath of allegiance. The denial of a continued subsidy to the Coal Industry which precipitated the Miners' Lock-out and the ensuing General Strike, was part of the process of draining British credit to Canada, where, Dr. Cunningham tells us, the capital now involved in exploiting water-power "cannot be put at a less figure than 270 million dollars." There is a remedy for this deprivation, but it seems that before it can be extricated from the British banking system and set free to serve first the requirements of British industry. To this end the growing agitation led by Mr. McKenna for an Inquiry into Finance in this relationship is the only political issue that counts at the present moment.

## The New Palestine.

By Samuel F. Darwin Fox.

The New Palestine—in other words, the Jewish Palestine—forms a sort of European enclave in the Levant. An experiment in colonisation, of a kind never before attempted on the ancient continent of Asia, is being carried out with signal success in the land of Israel. And the importance of this fact and of its many implications is well-nigh impossible to over-estimate.

With the single and doubtful exception of Siberia (which, in reality, is a mere extension of Russia, and where the native tribesmen were unable to oppose to the Slavonic colonists even the rudiments of a civilisation), old Cultural Asia—Arabian, Hindu, Chinese Asia—has never at any time been colonised, or even penetrated, by Europe. Saigon, Hong-Kong, Shanghai, and the rest are only hybrid combinations of stronghold and pleasure-resort, furnished with harbours and given over to export trade and to the profiteering of a floating population of merchants and officials: which certainly cannot be said of Haifa, Jaffa, and Jerusalem, for instance, with their University Faculties and High Schools. But that which above all marks out and distinguishes the New Palestine from Indo-China, Annam, or India is the establishment of the Jewish agricultural colonies. In striking contrast to the English, French, and Dutch, who go to Asia only as adventurers, hirelings, business-men, and industrialists, the Jews emigrate to Palestine in order permanently to dwell therein; and in a very real and literal sense do they "take root," by the intensive cultivation of that soil which their forefathers possessed. The Jewish colonisation in Palestine is, in fact, a transplantation.

The British or French colonist in Asia is a bird of passage and of prey. His one idea is to fill his greedy maw and to return to Europe with all convenient speed. He deems that the natives belong to an inferior race, expressly created by Providence to be exploited, plundered, and fleeced. The English, of course, have for this purpose invented quite an ingenious theory of the inherent superiority of the Anglo-Saxon race and its God-given mission to "civilise" the world and paint the planet red. And by divers methods, often ridiculous and often odious, and the inevitable support of

"A ram-you, damn-you cruiser,  
With a brace of bucking screws"

(to say nothing of airships, poison-gases, and bombs), they promptly proceed to give practical demonstration and proof thereof—to "larn 'em," indeed!

Not so the Jews in Palestine. They have no army or fleet of aeroplanes to deal out death and destruction withal. Downtrodden and oppressed for centuries in Europe, and particularly in "Holy Russia" (from which country the majority of the Palestinian colonists are derived), they regard Arabs as blood-relations and as equals. The Jewish workers' syndicates are thrown open to Mahometans as well as to Christian Arabs. No discrimination is made on the score of differences in religious belief. And that is the greatest popular force and influence in Palestine, over 14,000 are grouped in a General Confederation of Labour, or trades union.

The Jews, then, come not to Palestine as alien exploiters, but as immigrants with the will to settle permanently in the land and the determination to develop its resources to the utmost by bringing into continual play their genius for intelligent assimilation, their cunning and nimbleness in handicraft, and the tireless activity of their nervous energy. A new element, wholly conversant with Western mechanical progress in its most daring forms and manifestations, reasserts, in the ancient land of the Prophets, the

will to power of the Chosen People. And the activity of that element cannot but harmonise with the general evolution of the Asiatic peoples. The Jews in Palestine will operate as an electric power-current upon the relatively supine Arab mass, instead of continuing to disintegrate and destroy (as at present) all that remains of the classical culture and civilisation of Europe.

In the cordial co-operation of the Jews and Arabs, the union of the sons of Shem, and in their concerted resistance to British Imperialism, the only true and abiding solution of the Zionist problem is to be found. Superficial and short-sighted spectators may believe that the British Protectorate is a necessary evil, so far as the New Palestine is concerned. But this is a delusion as grotesque as it is mischievous. In the eyes of the Foreign Office, Palestine is merely a vantage-point on the way to India and the oil-fields of Irak and Persia, and a convenient base from which to dominate Egypt. The "Jewish National Home" and "Arab Independence" causes are shams which are expressly calculated and designed to keep the two peoples apart and in subjection, and to further British commercial interests. It is evident that this perfidious policy will not survive the day of Asia's awakening. But meanwhile the Jewish people will never possess in peace and security the homeland of their forefathers until they have established a *modus vivendi* with their Arab kinsmen of Palestine and elsewhere. At the World-Congress of Zionists, which opened at Basle on Tuesday, August 30, a motion is tabled that Palestine be henceforth divided into two parts: one part being set aside for Zionists as an independent political community, and the other being allotted to Jews who wish to live there without separate political or national rights. This proposal constitutes a serious and statesmanlike attempt to conciliate the interests of Hebrews and of Arabs alike.

To sum up. It is the co-operation and the peaceful rivalry of the Jews and Arabs that will regenerate Palestine and galvanise into life more abundant the Asiatic East. Now, the help of Asia is indispensable for the success of the vast struggle for freedom which convulses humanity to-day. Europe and America—that SYNTHETIC Europe!—have proved themselves unable and unfit to advance the interests of mankind by the achievement of a true, cultural civilisation.\* It is to Asia that we must look for help and renewal—to Asia, thrice blessed in its rich diversity of racial elements, with its Slavs in the north, its Turko-Persians in the west, its Mongols in the centre, its Hindus in the south, and its Chinese, Japanese in the east—to Asia, the primordial cradle of all the civilisation that we know: to the mystic Asia of Krishna and the Buddha, of Confucius and Lao-Tse. . . . Our world has been shattered to its very foundations, and, happily, it is quite impossible to patch the wretched thing together again. For we have contented ourselves with a purely material success; and there has been no corresponding progress in the things of the spirit, but cowardly capitulation to slave-values all along the line.

But to re-fashion our barbarous human society "nearer to the heart's desire" and to usher in a great Hazar, "the Zarathustra, a Kingdom of a thousand years," the simultaneous effort of Western technique and of Eastern idealism is imperative. Otherwise, the work of renovation risks to remain unilateral—that is to say, unachieved.

Thus will be consummated the union of the profound spirituality of the East and the scientific rationalism of the West.\* And from this synthesis

\* Manifestly so. The whole trend of Western Civilisation is in the direction of the entire domination of the social and individual lives of its "subjects" by Nietzsche's "coldest of cold monsters"—the Democratic Sovereign State. Mr. D. H. Lawrence has somewhere, with perfect justice, called this "Civilisation" a huge, obscene machine.



will arise a civilisation higher, deeper, broader, and richer than was ever known before. This new superior civilisation will comprise three racial families (Aryans, Semites, and Turanians), six great religions (Christianity, Islam, Judaism, Buddhism, Brahminism, and Confucianism), and six great races (Chinese, Japanese, Mongol, Hindu, Jewish, and Slavonic). And it will finally bring into being the harmonious higher synthesis of Asia and of Europe—which latter (the Europeans being all of Asiatic origin) is properly only an annexe of Great Asia, the mother and the mistress of us all.

## The Prophets.

### IV.—THE HISTORIANS.

By Hugh Ross.

John Drinkwater, in "Abraham Lincoln," rendered a very great service to the English stage. He reintroduced the drama of words when it was in danger of being ousted by the demands of flapperdom for inane spectacle. But "Abraham Lincoln" is only relatively a good play. It has no absolute value. And its author, unfortunately, has gained, by means of it, a reputation as a playwright altogether out of proportion to his deserts. Drinkwater is a competent technician, nothing more. His spiritual affinities are Alfred Noyes and A. S. M. Hutchinson: when the one is a great poet and the other a great novelist, then Drinkwater may be a great playwright.

Drinkwater's vision is a vision of the past. He has chosen to borrow his subjects from history and to lend his talents to the interpretation of the characters of the great ones. Abraham Lincoln and Robert E. Lee and Oliver Cromwell and Mary Stuart and Robert Burns have all been drinkwaterised. There is a legend that Shaw wrote "Saint Joan" in order to save the Maid from Drinkwater, and there is a rumour that Barrie is going to rehabilitate Burns. But "the three-times-married honeysuckle queen" still awaits an avenger.

There are, of course, moments in all the plays which are worthy. The sketch of Charles I. in "Oliver Cromwell," for instance, is incomparably the finest thing in the play, and even his more famous grandmother becomes credible when the author temporarily refrains from apologising for her actions. But the heights are more than compensated for by the depths. Imagine the mentality which, in a play on Burns, can introduce "Holy Willie" to recite, in all sincerity, "Holy Willie's Prayer" on an empty stage! The whole of "Robert Burns," indeed, is a most amazing collection of rubbish. In the course of its six scenes Drinkwater has contrived to introduce, by the violation of context and probability, extracts from no fewer than thirty-five of Burns's poems, but he has nowhere suggested with any degree of success what manner of man it was who wrote the poems.

Herein lies the clue to Drinkwater's real weakness. He is not interested in persons, but only in ideas. This, if you are going to write a philosophical treatise, is as it should be: if you are going to recreate the persons dramatically, it is apt to be fatal.

\* Both are illusions, necessary to the Drama of Becoming. There is no "God," no beauty, no truth, no "ideal," no happiness, no peace. These are simply ideas of the mind, created as guides. So much for Oriental spirituality. But the Western scientific rationalist is in the same boat. "Matter" is also an arbitrary boundary created by the mind for the purpose of comprehending the process of Becoming: the rationalist, no less than the idealist, is the slave of his mind.

"The problem of leadership," he wrote, "seemed to me to be of immense dramatic significance. And the problem presented several aspects—the leader inspired by a great moral idea to the vindication of a system, the leader inspired by a great moral idea to the overthrow of a system, and the leader for whom a system became a great moral idea in itself. And Lincoln, Cromwell, and Lee emerged from the diversity of my reading as figures precisely apposite to the dramatisation of these aspects. . . . My intention in these cases was not the exhaustive presentation of a character, but the dramatisation of a theme. If I have succeeded in dramatising the idea without falsifying character, I have fulfilled my intention."

In these words Drinkwater has uttered his own condemnation. To pick pieces out of a character to make it illustrate a thesis is the antithesis of the artistic method. It is a method extensively used in the pulpit and the religious Press. Falstaff, thus treated, would make an excellent text for a Prohibition address.

And it is, of course, utterly impossible to dramatise the idea without falsifying the character. To remark, as Drinkwater does, that the fact that "Cromwell behaved like a maniac in Ireland," is irrelevant to the thesis chosen, is to admit a prejudiced treatment. To call Cromwell "a leader inspired by a great moral idea to the overthrow of a system," is to misread history. Cromwell's greatness was not based on his indignation against what he wished to overthrow, but on his passionate belief in what he wished to establish. He was a rebel only incidentally. There are many ways of treating history on the stage, but the least satisfactory is that employed by John Drinkwater. A. J. Talbot, author of "The Iron Duke" and part author of "Churchill," adopts another method. He is interested first and last in the character: he is not in the least concerned with promulgating theories or apologising for eccentricities. He selects his scenes, not, as Drinkwater does, to reveal and emphasise the same aspect of his hero, but to reveal different ones. The difficulty which faces him is to escape the domination of his character. When he writes about Wellington, who was a deplorably dull person, he brings to birth a deplorably dull play. When he writes about Marlborough, the general, he does the same.

How far "Churchill" is the work of Rubinstein and how far of Talbot, I do not know. My own suspicion is that Rubinstein supplied most of the wit and that Talbot was responsible for the history. But, whoever wrote it, the fourth scene, which consists of a diplomatic conference between Churchill, William III., and others, is a masterpiece of historical drama, unequalled in contemporary plays. Authentic historical drama, that is: not the romantic situation nor the obsession with ideas, but the dramatisation of history. Each character is sketched to perfection, and the whole of the complicated policy which led to the war of the Spanish Succession is presented in terms of good dramatic dialogue. It is an achievement of which any author or co-authors do well to be proud.

H. F. Rubinstein has collaborated also with Clifford Bax in a semi-historical play, "Shakespeare." Again the exact nature of his contribution is not clear. But he deserves to be mentioned among the historians if only that these two plays prove that he can catch the spirit of the language of a past age. He can write dialogue for an historical play which is neither pseudo-poetry, like Drinkwater's "Mary Stuart," nor militantly modern prose like Shaw's "Saint Joan." And that, after all, is where most historical writers fail.

A third method is employed by Halcott Glover, whose three historical plays, "Wat Tyler," "The

King's Jewry," and "Hail, Cæsar!" are far less widely known than they deserve. In the first place he has gone where none of the other historians have dared go—to medieval history. The reigns of Henry II., Edward I., and Richard II. give more scope to the imagination. The facts are not so well known. Strongbow and Wat Tyler are, for most of us, creatures of but vague knowledge. Consequently, by choosing his setting he has made his method not only possible, but imperative. He has, in short, told us a story with an historical background, and given us imaginative reconstructions of a character, an episode, and a community. We surrender ourselves to him without question, and do not perpetually ask if what is dramatically right is also historically true. (This, of course, is because we are not also being convinced through half the plays that what may be historically true is dramatically wrong.) We are content to take his history for granted and believe that if "Hail, Cæsar!" does not portray the story of Eva and Strongbow it ought to. And there is no other historical play that I know which has in it such certain marks of intuition as Glover's account of the events leading to the killing of Tyler. Historians may sneer at impossibility (though the most modern would certainly endorse the view of Richard II.'s character as shown in "Wat Tyler"), but the sneer will only emphasise their inartistic pedantry. Drinkwater selects episodes to emphasise an embodied idea, and is interested neither in historical truth nor in dramatic personality; Talbot and his fellow-worker select episodes to emphasise a character and are interested in historical fidelity and not in dramatic suitability: Halcott Glover creates character. It is a matter of taste which you prefer. Specious arguments can be advanced for all methods. Personally, I prefer Glover, and believe that his method alone is worth considering, and that it will have to be followed if historical drama is to remain on the stage and not be driven to the screen. It certainly is the only one which shows any imaginative weight. But, at the same time, Drinkwater is incomparably the most accomplished craftsman and Talbot the most conscientious historian. So Glover must be content with the title of finest artist.

## The Golden Cockerel.

By William Repton.

He was a proud bird, nearly nine months old, and as he stepped round the garden he seemed to be a glistening, quivering, curved, and graceful part of the sun flung on the earth to command admiration. No broken heart for him if he straddled on the dunghill and found that the sun had risen without his lusty call. There was a sense of pride, of liberation, of dignity, as his yellow claws splayed out on the brown earth; the hollyhocks trembled slightly as he passed, the cottage dog turned tail at his approach, the pansies looked on him with awe and wonder, as the feathered lord of creation rustled sun dust from his plumage. In him was the repository of the past, since his forefathers had roosted in trees, and before the accidents of the wild woods had been exchanged for the security of the poultry run. He was entitled to every jot and tittle of office by birth, breeding, and immortality and that old market-place prattler, Socrates. Also, in this slight record of a glory that has departed, it would not be complete to leave out Peter, in which story, in some oblique manner, even a cock may be a clock.

Driven back to the pen he asserted his lordship over a White Leghorn, and the owner asked me if I knew anyone who wanted to buy this rooster—

he was not worth his keep. It is quite easy to ask questions. I remembered one day when I was walking up a country lane near Lichfield, lost in thought on the aphorisms of Patanjali, I was asked by a little boy, "Do you know anyone who has a broody hen for sale?" In some weird and mysterious way I was a nexus between buyers and sellers of poultry; change and time playing tricks with the body's location had shuffled me with fowl.

After consideration, I mustered up sufficient decision to reply to the barterer of the golden cockerel that, alas! I did not know anyone who required this veritable thing of beauty. "Then," said the owner, "I shall have to have him killed." My heart dropped into my boots; I hastily marshalled all my wandering thoughts. The bird must be saved. "Why?" asked the devil's advocate. "Because, don't you see, he is so young, so beautiful," replied the other thought, and the devil's advocate retired.

Robert, my friend, I was sure, could not do with him. He had, reading Gorki, come across a passage stating that all man wanted was a piece of bread and a woman, and he had drawn his pencil through the second of the two requirements as being superfluous. I mentally scratched out Robert. There was George—but he lived in a flat, and all his spare time was spent sitting in the sun. Baffled—no good. If I bought him alive, I could not give him the same surroundings that he would have to leave. Like the vibrations of a bell, the words still hung in the air, "Then I shall have to have him killed."

To be equal at all times, on all occasions to every situation—that is your perfect philosopher—another species of fowl that would make the world intolerable. All the thoughts struggling to save the golden cockerel were down and out. I wiped my forehead, walked away, and admired the nasturtiums clambering among the holly hedge—and left two women talking. We would call in a week's time.

On that visit, the owner came to the door. "Isn't he a beauty?" she asked, showing the bird's corpse that looked like marble. The two proud legs were tied together for transport facility; only a few feathers on his once arched neck were left. There was the tinkle of money, and the deposit of him in a bag. The dog on the garden path, while we were looking at the flowers, came up and sniffed. He knew that inside the bag there was nothing to be feared now. The clink of the latch on the gate was left behind, and we were walking along the country road. On either side the heather was gorgeously adorning the earth; little puddles of water reflected the white racing clouds overhead; through the trees there was a murmur of voices that only wise men can understand.

Gastronomy is the inevitable result of nature abhorring a vacuum. As the stomach is part of the man, the responsibility for its emptiness is not entirely his. "And now you are trying to find reasons," yelled one of those thoughts that exist like a rose-thorn that has been embedded in the finger for a week. "Well, suppose now that the bird had been allowed to live, and die a natural death! He would have gradually toughened, his feathers would have dropped out, and this chanticleer would have been an object of derision. As he is—paff—a scientific jerk of his neck, and he leaves the harem as a glorious memory only." The yelling thought blubbered and slunk away.

"Alas!" said Oscar Wilde, of some beautiful women, "that these pretty creatures should have to eat." "Alas! also," I echoed, feeling guilty and talking like a body-snatcher. "Hunger ought to be endowed with conscience," spoke one thought that had been quiet for weeks. "Throw it in the



ditch and walk away from it," said one silly braggart—I expect it was the same swashbuckler who spoke to Cyrano de Bergerac, when he threw his pay on the stage. "Confound and damnation to you all—desist! I didn't ask to come into the world. I don't know that I altogether comply with it. As a matter of fact, I heard one demented man say that he could make a better world with a match-stick and a putty-knife, but he was doubtless exaggerating. Avaunt! all the worthless tribe of you."

There was an appetising smell from the kitchen the next day. Cause had the effect of many leaves of parsley being cut. Is it possible that this was meant when Socrates sacrificed a cock? You can never tell from the fat books with two inches of text and four of exposition.

When going to bed a big moth, in anxiety to eat the light, rattled the green and yellow beads of the shade. You know the kind of moth I mean. He has a pair of lovely eyes containing secret fire. Aladdin's cave could not be half so lovely and mysterious as the glowing embers at the base of the pair of antlers that act as aerials to his kind. He has brown wings, and underneath they are the colour of ripe corn when the sun is setting on a clear evening. I tried to save him, and he dropped somewhere on the eider-down. "O dear, O dear," said one little squeaking thought, "Isn't it a bother keeping things right in the world?" The next morning, whilst getting up, the moth flew into the curtains, and I lifted him through the open window.

These two adventures had imposed a severe strain on me so that instead of walking I took a bus ride to my favourite seat under the pine trees on the hill. The wind had torn off branches so that, in gentle communion with these steadfast giants, I found that the best plan was to leave something for Providence to do, but I am still uneasy about the golden cockerel.

## Verse.

By D. R. Guttery.

### LOOK OUT, WEARY MAID.

Look out, weary maid,  
Draw not your curtains yet,  
For you in cloud the sun shall build  
Palace with dome and minaret.

As in a magic glass  
Transformed the world shall be:  
Golden the hills and all the sky  
Molten by sunset's alchemy.

Throw the casement wide;  
Hark! now the tireless thrush  
Tells you an antique lover's tale  
That breathes upon the evening's hush.

Clear your drowsy eye,  
See: 'neath that burning star  
Out of the pine trees' purple shade  
Your knight comes riding from afar.

### THE LABOURER'S WIFE.

The glossy grate is vivid with bright flame  
Upspringing from the fire's red heart that high  
Is heaped with spoil picked from the ash-tip nigh  
By child's chilled fingers ere a single game  
Or breakfast tea had warmed them; crooked, lame,  
The table harbours still cracked crocks that lie  
From the noon's stew, by clearing crusts wiped dry.  
The hearth is piled with clothes that till showers came  
Sought bright sun's bleaching out of doors; no shame  
Is there of unpatched hole to vex the eye.  
Grown children ramp, two grumbling infants cry  
Their sad world's woes and vainly supper claim.  
To tumbles blind, to wailing deaf and dumb,  
The weary wife toils till her man be come.

## Pastiche.

BRITON v. YANK.

### A SKETCH OF ACTUALITY.

"We Americans believe in freedom and we want all the seas to be free."

"The seas are free; the ships of all nations can sail where they like."

"If that's so—then what the hell do you mean when you sing, 'Britannia Rules the Waves'?"

"Would you mind telling me exactly what you mean by the freedom of the seas?"

"We mean that Gibraltar shall go back to Spain, Malta to Italy, Port Said to Egypt, Hong-Kong to China, and Cape Town to the Africander; then Americans won't have to dip their flags when passing those points."

"Of course, America will give up the Philippines and the other South Sea Islands which she's taken?"

"No, sir; certainly not; we retain those because they are commercially and strategically valuable to us."

"I do believe in freedom's cause as far away as Cairo is."

"Waal—who wrote that?"

"An American."

"The hell you say?"

"An American who was honest enough to admit that Americans' clamour about freedom is all bluff."

"We ain't bluffing about the seas."

"And yet you object to us keeping our possessions for the same reasons as you are going to retain yours?"

"What we object to is dipping our flag and admitting our inferiority as a sea power."

"So it is a matter of pride?"

"Waal—ain't we a bigger nation with more people and more money—and more progressive than you?"

"You may be bigger in all the things you mention, but in many other things you are smaller than the smallest nationality in Europe."

"Europe didn't think so when she prayed us to come and save her from the Huns."

"Europe didn't pray you to come—you came only when you realised that if Germany won it was your turn next."

"Do you mean that Germany would attack America?"

"I do; and she would have beat you too; you are posing and posturing now on the post-war position when the Hun is licked, and you imagine you are the big noise in the world."

"No, sir, didn't the President make the freedom of the seas one of his fourteen points, and didn't Lloyd George trick him out of the deal at Versailles?"

"Didn't the President guarantee, along with England, the security of France, and didn't America refuse to ratify the deal?"

"Why should we entangle ourselves with Europe?"

"Why invent the League of Nations and push it on to Europe?"

"We meant it for the good of Europe."

"What's so good to give shouldn't be so bad to take, especially when it's your own concoction."

"Europe is glad enough to take other things from us."

"What other things?"

"Dollars—plays—movies."

"She'd be better without them, especially the dollars which your bankers are so anxious to lend her; you are gorged to the teeth with blood-money extracted from the poverty of Europe, and yet you want to vomit it back on to us at a profit."

"We are only demanding what we lent."

"No, sir, on the strength of the tribute levied on Europe, you imagine you can dictate to your debtors how they shall conduct themselves socially, morally, politically, and financially, whilst your own utterly rotten."

"You are wrong, sir, America is great, free, and cultured: an example to the world."

"There is nothing like having a good conceit of oneself, but you are mistaken, sir. Ellis Island stands behind the Statue of Liberty, and is the first American institution to make the stranger realise that freedom ends at the east side of the lady, and that all west of her figure is oppressive, immoral, and corrupt."

"You speak as if you knew America."

"I do from the joints down town to Shanley's up-town, and the only difference I discovered between the ups and downs was the price of the drinks: the same bluff, boost, and bunk is common to both."

CONCLAVIST.

## Reviews.

**Materialism Re-Stated.** By Chapman Cohen. (123 pp. Pioneer Press.)

"The essence of Materialism lies in the simple statement that every phenomenon in the universe is the consequent of a composition of natural forces." That is the position which Mr. Cohen examines and defends in his incomparably lucid manner. He says in his Preface that he is a believer in short books because they "concentrate the reader's attention" and also "compel the writer to clarify his thoughts under penalty of discovery." He recalls the episode when Queen Anne complimented the famous Bishop South on a sermon, but added, "It is very short." "Madam," replied the Bishop, "it would have been shorter had I had the time to make it so." Diffuseness, he comments, helps to cover defects in thinking. With this kind of opening, the reader may expect at least not to be bored by Mr. Cohen's method of treatment. Nor is he. As might be inferred from the author's above thesis, he designates its opposite as Supernaturalism. His main indictment of the Supernaturalist (elsewhere "Vitalist") is that he requires the Naturalist to explain all phenomena completely by reference to known natural laws; and when the scientist is obliged to say that some of them are beyond such methods of explanation, the Supernaturalist calmly assumes that his own theory is thereby established. "It is foolish," retorts Mr. Cohen, "to give to mental exhaustion the quality of a positive discovery." Water is wet. Can science explain how wetness gets into water? Oxygen is not wet; nor is hydrogen; yet the two in conjunction are wet. Is science to accept a "principle" of "aquosity"—some "spirit of wetness" which enters the body of water at its birth? This kind of reasoning is unlikely to fluster the Supernaturalist, but it is of great value to the busy man who wants to know what all the fuss is about. The battle rages most fiercely round the problem of Consciousness, and in this connection a passage from C. E. M. Joad's *The Mind and its Workings* seems apropos to the subject. He remarks: "The more trouble he [i.e., anyone] takes to find out what his conscious processes are the less likely is he to succeed. . . . The trained observer knows what to expect. For example, the naturalist, taking a walk, will see more than the ordinary country walker, because he knows what to look for" . . . "inspired guessing." But: "when it is your own mind which you are investigating, the objects at which you are looking form part of and belong to the very instrument with which you are looking at them. . . . The result is that it is exceedingly difficult to avoid seeing what you expect to see." This "has led many thinkers completely to deny the value of introspection as a method of obtaining information about the mind." To the present reviewer the dominating value of Mr. Cohen's book lies not so much in its specific argument as in its numerous incidental exposures of tricks of argument which controversialists on all subjects employ—in most cases unconsciously. Many readers of this book may never want to take part in the "Materialism" controversy, but by reading it they cannot fail to become more efficient in the art of controversy itself, and apply it in directions which may appeal to them to be more immediately beneficial to the world.

**Meanwhile.** The Picture of a Lady. By H. G. Wells. (Benn. 7s. 6d.)

**Short Stories by H. G. Wells.** (Benn. 7s. 6d.)

Of course, there have been foamings at the mouth among the critics of Mr. Wells's latest outline of history, though why it should seem necessary to any man who is supposed to be discussing a piece of literary craftsmanship to damn it because he cannot agree with the politics of the writer is one of those high mysteries which it would take Freud in a new manner, and hang his always interesting and defenceless characters, the only criterion by which to judge him is to decide whether or not he has produced a work of art. That he himself is making his favourite faces through-out the progress of the story is surely defensible if the faces are interesting. With a lesser artist they would impede the march of the story; but with him they do not. When it comes, however, to Mr. Wells's claim, which he has already made in "Clissold," that he has created a new genre in novel-writing, and one that matters two hoots, we can ignore it. He has not done so; but he has written another book filled with characters drawn to the life, and with ideas that wake us out of our greasy self-satisfaction. And so it is useful to compare this chronicle of *Meanwhile* with the collection of Wellsian short stories with which we are considering it now, to see what advance, if any, the fellow has made. Most casual commentators who have not taken

the books together will raise a howl of indignation, swearing that naught can touch the first fine careless rapture of "The Time Machine" or "The Country of the Blind." But "Meanwhile" shows up some of the little crudities of the tales which thrilled us when we were young, and six-penny magazines were fourpence ha'penny, and their collection and juxtaposition exposes even more. At the same time, H. G. Wells, however, and for whatever reason our little Frankaus may dislike him, remains a great novelist and a great writer of short stories, whose faults can be forgiven, and even forgotten, for the sake of the eternal spark that is in him.

**To the Lighthouse.** By Virginia Woolf. (Hogarth Press. 7s. 6d.)

Mrs. Woolf takes such a long time to reach her blooming lighthouse—she herself has to divide the pilgrimage into the Getting There and the Being There—that we soon lost patience with her carefully-drawn Golders-Greenish wanderers on the shore. It gives such a handle to the there-are-then type of literary tradesman to have to confess that conscientious and high-minded authors like these latter-day Hogarths of ours never seem to get anywhere, but take up all the time talking about it. There is, after all, such a thing as the Reader's Magna Charta, one of the clauses in which is that something ought to happen at some time in a book, or we ought to get our money back. With all due respect, it must be said that it is lucky there are not more publishers with a mission and the *cacoethes scribendi*. They can be—mind you, they're not, as a rule, heaven forbid!—just as bad in their way as the rot-gut merchants of Paternostria, who hope to recoup, in some blind lucky swipe, all the money they lose every year on the grisly rubbish they try to sell by fishing in the broad stream of pornography. But how terrible that the contemplation of such a decent and efficient person as Mrs. Woolf should lead us to any such reflections!

**Borneo, the Stealer of Hearts.** By Oscar Cook. (Selwyn and Blount. 6s.)

This is a book which was much too dear when it was first published three years ago. But now it is accessible to a host of readers who will appreciate the sound and sincere quality which makes it so attractive. Mr. Cook was a very young man when he first left his rubber estate to take service under the Government of British North Borneo, and he does not regret the youth and enthusiasm he gave, nor worry because it was accepted coolly and without any particular appreciation. Governments are like that, unless they think a man can make a fuss, in which case they hasten to shut his mouth with promotion. But just because this book is written without elaborate overtures of any kind, without any suggestion that it is the rather wonderful work of a rather wonderful person, it strikes home. The writing is first-rate, because the writer loved the country, set out to make a simple-hearted record of his heart's surrender, and put down what he saw and heard and smelt as his senses bade him.

## LETTER TO THE EDITOR.

### THE TIME ASPECT OF CREDIT.

Sir,—I congratulate you on the article in the lower half of column 1, p. 206, *NEW AGE*, of September 1, especially that part of it which is in small type. It is the first really clear and concise illustration of your principle that I have met with (so far as I can now remember).

It amounts to this: that producers have to pay up to the bankers before they have had time to produce. *Time* is the essence of the matter. It all seems to result from the desire of the bankers to keep their money "liquid," and this desire is itself the result of the original great banking swindle introduced by the goldsmiths centuries ago (which is half explained in the late Mr. Walter Leaf's book on banking—see last three lines of page 14 and the upper half of page 15)—of the "great discovery," the foundation of modern banking, of which the genius-inventor cannot be traced, that it was safe to lend coin which did not belong to the keeper provided that it was lent for a *short time only* and that the lender had an efficient hold over the borrower. That is to say, the till could be filched from so long as the boss could be prevented from looking into it at unexpected moments, and so long as one was always able to get coin from somewhere else wherewith to make a show if inspection were insisted on. The gradual legalisation of this original swindle is at the bottom of all financial confusion.

HAROLD W. H. HREBY.



## The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present un-saleable output, and would, therefore, eliminate the dangerous struggle for foreign markets. Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

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