THE
NEW AGE
A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART.

No. 1446] New Series Vol. XXVII. No. 4. Thursday, May 27, 1920. [Registered at G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

NOTES OF THE WEEK.

It is not only true—of the Press at any rate—that, as Samuel Butler said, "mankind is ever ready to discuss matters in the inverse ratio of their importance," but, in the case of the sentimental Press, a section of mankind is ever ready to pretend that "things are not so bad after all," and to seize upon any dubious sign to announce that they are getting better. The "Daily News" and similar organs were, as we know, shouting the good news from the tiles only a week or two ago that "prices were falling," that the height had at last been reached, and that a continuous descent, more or less rapid, might now confidently be anticipated; and the "Daily News" continued to preach in this strain even after every possible excuse for hope had disappeared. It is plain enough to everybody after the experiences of the last few days that not only was the "Daily News" wrong, but almost criminally imbecile. Prices have not come down; the cost of living, as regards food alone, has risen from 8s. 4d. in 1914 to 19s. 8d. to-day. The Food Controller announces that we may be compelled to resume the use of the disgusting war-bread. And the *level* of prices, including that of food, shows every sign of continuing to rise as steadily as it has risen since the Armistice. During this month alone it has risen nine points. The folly of pretending, in face of this, that the level of prices has come down or is on the point of coming down can scarcely be conceived; and it can be equalled only by the folly which imagines that no serious social consequences are involved in the present cost of living. As we have more than once said, the cost of living in relation to income is the true measure of the stability of society. At the present level, the "temperature" is sufficiently high to make various delirious proposals, such as the establishment of Soviets, appear practicable to various more or less responsible Labour and Socialist leaders. At a slightly higher level, the supporters of such proposals will increase in numbers, and the "practicability" of Soviets or what not will appear more certain than ever. Raise the level to, let us say, 250, and it is highly probable that what is euphemistically called a "smash" will then be inevitable. Boiling-point will have been reached. That this is as certain to be the case, given the conditions, in England as in other countries, may be taken for granted. It may be true that the boiling-point of the English masses is considerably higher than of other nations; but there is a boiling-point nevertheless. Unfortunately the people who will least suffer from the "smash" will be those who are now stoking up the fires—the financial classes and their capitalist confederates.

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We have heard no more of the proposal of the Triple Alliance to assemble a Committee of Inquiry into the Causes and Cure of High Prices. Mr. Frank Hodges' plans of last December apparently hold the field; and we are still without any evidence that the Secretary of the Miners' Federation has brought any other ideas than his own to the notice of his Executive. On the other hand, it has now been announced that the I.L.P. intends to hold an "emergency Conference" on the whole subject, with the view, it is said, of formulating a policy to press upon the Government. Is the Conference, however, to be a real Conference or merely a register of the conclusions already arrived at by Mr. Snowden? For, in the latter event, we can safely say that the futility of this Conference is likewise a foregone conclusion. According to Mr. Snowden (or perhaps we had better say, according to a possibly inadequate report of his recent speech), the conclusions to which the Conference should come are that the remedies for the present high cost of living are a reduction of expenditure upon armaments, the expropriation of war-fortunes, and a capital levy—all of which devices have the two common qualities, apart from their possible merits in other respects, of having no bearing on the real causes of high prices, and of being, in a political sense, now impracticable. It is "heroic," no doubt, and splendidly principled, to put forward as remedies for a given situa-

tion (a situation, moreover, of unexampled seriousness) proposals perfectly consistent with the party's political past and practicable *only* upon the assumption that the I.L.P. is actually the Government of the day; but we confess that we do not consider it helpful. To be explicit, if no "remedy" can be suggested which, in the first place, is a remedy; and, in the second place, is immediately practicable *without* necessitating a prior "smash" of one kind or another—then the less said of remedies by the party in question the better. We believe ourselves that the remedy has been discovered; we believe that it can be applied immediately and without necessitating any violent upheaval of society; we equally believe that by easy stages it would nevertheless produce all the desirable effects aimed at by the various schools of reform. Finally, we cannot bring ourselves to doubt that we ought to do everything within our power to avoid a "smash," even if it means holding a free Inquiry into every proposal having this as its object. If, however, it were otherwise; if we believed, as many do, that a "smash" is not only inevitable but desirable (the Devil knows why!)—in that case, we should not call Conferences or hold Inquiries; we would not insult intelligence by pretending to be open to reason. We should get on with the Revolution.

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That the high cost of living can be brought down by human agency, and that, if the mere reduction of prices, irrespective of other considerations, were our only concern, the method of reducing prices is known—can be gathered from the most recent events in America, where, as the Press reported last week, prices have just been "cut" in some cases to the extent of 50 per cent. The method, our readers have no doubt observed, consists in "contracting bank-credits"; in other words, it operates by cutting down the supply of current purchasing-power. As the expansion of purchasing-power by the issue of bank-credits in respect either of commodities still to be manufactured or of non-consumable commodities is the real cause of high prices, it follows that the real cure of high prices is the reverse process, or the contraction of credit; and if, as we have said, nothing more were required than a simple reduction of prices by the most direct available means, the operation just undertaken in America might be regarded as a model. Unfortunately, however, for the commercial classes in America who are not "in" with the banks, and unfortunately for America as a whole, the contraction of bank-credits has other consequences than the diminution of the volume of purchasing-power and the consequent fall in prices. The issue of credit is for the specific purpose of further production: credit is, in fact, the goose that lays the golden eggs. It follows that a contraction of credit involves the contraction of the creation of means to further production: in other words, it discourages the creation of capital. An excellent object, it may be said, when capital is more abundant than goods; but, unfortunately for this argument, the contraction of the supply of capital is no guarantee of the enlargement of the supply of goods. *If* the credit hitherto issued in America on account of capital goods were now to be issued on account of ultimate goods; or if, as a result of the contraction of credit, more consumable goods at the reduced price were likely to be made, the operation might be said to be a popular success. As it is, as soon as the existing stocks of goods are sold out at the reduced prices, up will go prices again; and all that will have been affected in America will be the bankruptcy of those traders whose stock has been suddenly depreciated. We ought to be able to spare a little pity, indeed, for the "capitalists" now ruined by the action of the banks. It appears that like the general consumer the manufacturer is also at the mercy of the banks and financiers. When they issue credits and raise prices, the manufacturer profits by it, no doubt, but at any moment and without his knowledge the powers that raised prices can let them down with a jerk. Quite a number of American "capitalists" of the non-financial kind have lost during the last few weeks their gain of the last few years.

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If America has shown us how *not* to reduce prices, unless we wish to let the financiers off at the expense of the commercial men, the suggestion, sometimes made in our Socialist journals, that "burning Bradburys" would be effective may be regarded as about equally dangerous. It is essential to distinguish between currency and credit, between, that is to say, "legal tender" or "money" and the less palpable but quite as real purchasing-power which circulates without more than a fractional descent into currency proper. The inflation of the currency (or money-tokens) is a mere effect of an expansion of prices; it is not a cause at all. Other things being equal, the doubling of the figures of prices and wages (however brought about) would require the doubling of the currency figures as a matter of mechanical necessity; and the only direct effect of the burning of Bradburys, while prices and wages are at their present level, would be either that the Banks had insufficient "cash" to meet the needs of their customers, or more cheques would be used. The indirect effect, on the other hand, would be similar to that produced in America by other means; that is to say, the banks would be compelled to restrict their loans, to contract credit, and, in consequence, to discourage and strangle production. The reduction of prices, if it is to be brought about without disaster, must, in short, take other things into account than the mere reversal of the process by which prices are raised. The first cause of high prices, it is true, is (as matters now stand) the issue of purchasing-power in respect of intermediate products; of goods that do not enter directly into the cost of living; but the secondary cause, secondary in point of time but not of importance, is the fixing of prices by the ratio of Demand to Supply. The *first* cause is an essential of progress: it is desirable in every sense that capital should be constantly being created and improved by means of credit. But the *second* cause is worse than superfluous: it naturally undoes for society at large all the good of the first. We need an expanding credit-issue; but instead of allowing it to raise prices as now, we should employ it to reduce prices. The method is simple, and has more than once been explained in these columns.

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No doubt we have been suspected of alarmism for our efforts to call attention to the fact that our civilisation is on fire. It is distressing, in fact, to be serious English publicists in these days, for if we write of the situation as it really is, we are accused of exaggeration, while if we should not, we have no reason for struggling to continue in existence. The opinion of Field Marshal Sir Henry Wilson, Chief of the Imperial General Staff, and a man of as much intelligence as military distinction, may, however, be cited in our defence. Addressing the troops of the three services at the Union Jack Club on Tuesday last, Sir Henry Wilson said: "I hope you men will keep fit and ready for the time that is coming. . . . Except in August, 1914, our country and Empire has never needed you more. . . . We are living in ticklish and dangerous times, and our command on land, sea, and in the air is being challenged in various parts of the world. . . . I hope you will carry this—warning if you like—away with you from a very old soldier who knows what he is talking about." Even after this, howevr, we doubt whether the general reader can be persuaded to realise

what is actually going on in the world. With his eyes shut he is drifting into an era of wars the end of which may very well be—in all probability will be—the end of European civilisation. It is useless, we are afraid, to warn the nation: most of its leaders are mad from one cause or another; and the amount of "free intelligence" upon which to count for the propaganda of the "saving idea" is altogether too small to be effective in the time at our disposal. The responsibility of those who foresee the "smash" and have even a glimmering of the means of avoiding it is tremendous.

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The logical sequence of economic events in modern highly industrialised countries under the existing system is as follows. First, the wages and salaries distributed on account of production are increasingly unable to purchase that production at the price demanded for it. The "surplus" must then either be exported or production must cease. If exported, it creates and intensifies what is called foreign competition, the end of which is war. If production ceases, unemployment ensues, and the workers, having a purchasing-power only when "working," are compelled to starve. Now observe whether all this is not implicit and even explicit in the remarks of Mr. Farrell, the president of the United States Steel Corporation, and (almost as an obligation of that position) chairman of the National Foreign Trade Council. He had in view, no doubt, the newly proposed British Empire Steel Corporation—an open rival, that is to say, of the American Corporation. "Foreign imports," he said, "were coming into a market with power to produce a good surplus above its needs." [Note that the difficulty is not to produce enough, from which it follows that the solution is not to produce more.] "What is to be done with that surplus? . . . There are but two alternatives. Either we shall find markets for it abroad, even if we must extend our credits abroad to pay for it, or we shall cease to produce it. . . . The answer to our problem is foreign markets." It is, indeed, if the terms of the problem are taken as unalterable. If it be unalterable that an increasing technique of production should coincide with a decreasing ability to distribute at home that which is produced—there is no way to deal with the surplus of home production over home consumption save by export. But industrial nations of this kind have an increasing surplus as the result of a mere accretion of technique; simultaneously their possible foreign markets are contracting. The position is thus that two or more constantly expanding volumes of export are competing for a constantly contracting market. The temper of the competitors may be individually excellent; the friendliest relations may exist between them. When, however, the issue is life and death, the conflict will in all probability assume the same form. If it is a question which country shall suffer unemployment as a consequence of "failure" in the world-market, the answer will not depend upon sentiment. The "system" will demand another blood-sacrifice.

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The State Department charged with the duty of examining the oil supplies of the United States has reported to the Senate that the policy of Great Britain is designed "to bring about the exclusion of aliens from the control of the petroleum supplies of the Empire and to secure some control over oil in foreign countries." Already American oil interests are excluded from a considerable number of foreign oil areas; and in the race for new sources of supply "Great Britain has far outstripped America during the last few years." It will be a matter of pride, we have no doubt, to our senseless Chauvinists that "simple John Bull" has managed in his simple way, even during the war, to steal a march on his rivals; but outside the infantile psychology of this type of regression, the current dispute about oil cannot but appear as inflammable in the highest degree. Oil is power in its most modern form; it is almost a condition of any industrial future whatever; and still more absolutely of the industrial future of the United States. Six million internal combustion engines are already dependent upon oil in America; and we are told that in ten years' time the number will be more than fifteen millions at the present rate of extension. Where is the oil to come from, since of the American-controlled resources, forty per cent. are already exhausted? The Mexican wells present several difficulties even if they are not "controlled" by non-American interests; and, in any case, it is doubtful whether the addition of Mexico to America's resources would equalise matters as between the two great competing industrial rivals. We hope that nobody will say that America can "buy" the oil from England. It is true that she can at a price and subject to the consent of the British (or so-called British) control; but anybody with the smallest imagination must realise that a "Great Power" cannot be dependent upon the good-will of its chief rival for the wherewithal of its self-maintenance. We have said nothing if we have not convinced our readers that the root of all the trouble is the *domestic* policy of modern capitalist countries—the failure of the financial system to distribute goods at home. But it would be most unfair to blame one country more than another for the consequences of a system they all alike maintain and cherish. In other words, England has no right, as a capitalist country, to deny to America the "rights" consequential to capitalism; or to assume moral superiority when capitalist America objects to being forced into a situation which would not be "good enough" for capitalist England. English capitalists would find it intolerable to know that their future was dependent upon an American monopoly. They must allow American capitalists to feel the same about a British monopoly. Whether, however, they allow it or not, the fact will not be otherwise.

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It is obvious what the "system" will say when it begins to criticise the remedy we propose. Major Douglas' analysis of the evil finds the root of the trouble in finance, and his synthesis, it follows, must include a financial operation. But how dangerous, the financial fraternity will say! "You are going to tinker with the delicate machinery of credit—the system that has served us so well during all these years"—and so on. Any of our readers can continue the protestations! Besides the answer that the system has actually well served only about 1 in 10 of the population, the rest having to work harder and for less, progressively with its development; and another answer that intelligence is at least quite as competent to interfere with the delicate mechanism of finance as with the delicate mechanism of physiology or psychology—the final answer is that our choice is between such an interference and the bloody end of civilisation. Thanks to our financial system—in brief, the private control of communal credit—nine in ten of the population of every industrial country are not only denied a fair share in their own production, but the fruits of their self-denial, in the form of a "surplus," are set into competition with the fruits of the self-denial of consumers elsewhere with the necessary effect of wars for trade and for existence. Such wars have been occasional and intermittent in the past because the industrial nations have been few and elementary. In the period immediately before us, in a matter of a very few years, the war will be as continuous as it is universal, until either one Empire "governs" the world or the whole earth is thrust back to barbarism. That is what the financial system means now, whatever it has meant in the past; and an operation upon it is necessary to our lives.

The Led.

By Hilaire Belloc.

I HAVE sometimes been reproached with an undue contempt for the intelligence of what is called "the Socialist movement" in Europe. I mean the led herd: not the hidden masters; and certainly I have long ago concluded that it had at least this mark of unintelligence: it was attempting something quite impossible and was therefore getting results very different from what it expected.

Now as things have developed in enormous acceleration through the Great War, I find my attitude confirmed. The Socialist movement is unintelligent because its outstanding doctrine denying the right to property in land, stores and implements is inhuman, and the proofs of its lack of intelligence are more clear since the War than they were before: not only the proofs but the examples. It is clearer than ever before that, however well it is managed as an unconscious instrument against our civilisation, by those who hate us, it is, in itself, in the mass so urged, stupid to a lethal degree.

Let me take three cases present before our eyes at this moment, all of them small details, all of them things that will be forgotten in a very short time, but all of them highly symbolic.

There is the French railway strike. There is the refusal to load the cargo upon the "Jolly George." And there is the speech on Taxation recently delivered by a Mr. Blum in the French Parliament.

The French railway strike was undertaken at the orders of the small group of men who are the open chiefs of a highly disciplined body. They are sincere men: but, Lord! their brains! This small body of men proclaimed their aim to be the nationalisation of the railways. They said: "We of the Guild are going to strike. We are going to refuse our work until the railways shall become State property and shall be owned by the politicians." They were accused by certain of their enemies of a desire to get hold of the railways for themselves. People said: "Oh, we know what this is. This is Syndicalism. This is a strike with the object of putting the railways into the hands of those who work the railways." Had the accusation been just it would have been a tribute to the intelligence and the constructive power of the Socialist movement. But it was unjust. It was as unjust as accusing a modern English politician of wasting his time reading Homer. The mouthpiece of these worthies repudiated the impeachment with indignation. "We are not asking," said he, "to get the railways into our own hands. All we are asking for is to make them become national property."

Were they, then, striking in order to have the capital of the railways confiscated? This step, though it would leave the railways in the hands of the politicians and would therefore be still as vilely anti-democratic and corrupt in its effect, would at least have had the merit of relieving the burden of economic inequality against which the Socialist movement is directed. The whole theory of Socialism, the only thing that gives it any meaning, is the proclamation that profit is unjust.

But that also was repudiated. No, they were not even asking for the confiscation of the money the investors had in the railways. Still less were they asking for the confiscation of the particularly large sums which the millionaires had in the railways: the Nord, for instance, is the Rothschilds. Then what in God's name were these stupid people asking for?

The parrot cry came back: "We are asking for the nationalisation of the railways."

Talk of dogmatic stupidity! Talk of taking your deductions from a set phrase without examining the meaning of the phrase! If ever there were an example in the history of the world, it is this.

Already the greater proportion of the railways in France are in the hands of the politicians, that is, they are national property over which the politicians can exercise their infinite power of giving jobs and lining their pockets. But because it was written in a book once that property being nationalised all would be well, therefore did these people order a strike for the nationalisation of the rest of the railways. They are so blind to reality that they do not even praise the results on that part of the railways which is nationalised. They do not say: "Look, here is a heavenly thing already achieved! A Paradise on earth! A State railway! Are we not justified in striking to make all railways like it?" No, they will have none of this. They do not even (oddly enough!) seem to regard the railways already nationalised as a satisfaction of their ideal. (No more do the Socialists here in England, I notice, regard the life of a postman as perfect in its citizenship.)

For this object, this idiotic object, alone, to extend the already enormous sphere of corrupt influence possessed by the professional parliamentary politicians, a small minority in the nation put the majority to every kind of discomfort, and within that small minority a good deal more than half are themselves reluctant to obey the order given them. Could anything be imagined more regimentally unintelligent?

They had a sort of humble scheme for *management* (not *ownership*) of the lines, not by the men, but by boards with a majority of men's deputies. But *that*, the only vital, interesting and feasible part of their effort they carefully hid under a bushel. What they advertised was the power of a clique running a small minority to compel an angry community to—— what? Impoverish the rich? Start a Guild system? No——to Nationalise—blessed verb!—the railways.

Now take the case of the "Jolly George." The "Jolly George" was loading with munitions of war which were the property of the Poles. The "Jolly George" was to take these arms on board. They were, I repeat, Polish property, and property of a particularly vital kind: and necessary to the very life of Poland as a nation in her struggle against the anarchy which only a few weeks ago was threatening the destruction of Catholic Poland.

If there be one cause in Europe which poor but still civilised Western Europeans having any care for their own freedom and right living should support, it is the Polish cause. It stands for the recovery of all they have lost and are blindly groping to recover.

Lo and behold! A certain number of very poor English working-men, who know absolutely nothing at all about Poland or Russia, who probably (by a pretty irony!) when they hear of a Pole call up the picture of some startling East End Jew such as those whom the Poles are fighting, get orders not to help load the ship. They obey like sheep. Why? Because they had been told (on the authority of "the Socialist movement") that Poles are naughty quarrelsome people waging an aggressive war against some splendid democrats called "Russians." Who told them this ineptitude?

We all know how the thing was done, we have all met and laughed at the agents of international propaganda, and I perceive *their* motives clearly enough. They are the discontented international Jews whom we have all experienced and whose diseased psychology we all understand. We know how they took advantage of the intolerable strain in Russian affairs to break up the Russian State. Nine Russians out of ten used the break-up for the establishment of a peasant proprietorship in which system they now securely repose. The remaining tenth is insecurely and rather despotically run by mainly Jewish committees. That is what we are taught to call the "Soviet system." I say *we* all know these things. We the few who travel, read and know men: but, my word! look at the dupes!

Your "Socialist movement" in its rank and file

knows about as much on this matter as on the other side of the moon. It envisages the Soviet Jews as Moujiks with trousers tucked into their boots and shirts outside, kindly-faced and with a fraternal manner. Of the bitter hatred felt against Catholic Poland by the people who make up the Soviets it knows nothing. It is blackly, totally, ignorant of the problems of Eastern Europe. All it knows is that it is being told: "Good Russians: Naughty Poles": that these "Russians," a grand people, just realising freedom, are faced by a certain wicked type called the Poles who are trying to take away that Heaven on earth which the "Russians" have erected. It believes all that—and it refuses to allow the Poles to have their own property on the "Jolly George."

And now let us take the case of Blum and his speech, for it is typical.

On a certain day the Press of the Socialist movement throughout Europe, and the journals in sympathy with it but not strictly of the Socialist movement, received and published a report of a great oration made in France by a great Socialist. His name was Blum. We were all told at a given moment to admire the great Socialist, Blum. I know not how many worthy English people reading their papers in the big towns went away with the impression that some fiery Frenchman, very passionate for human equality, had stated the Socialist case to the admiration of all hearers. But who is Blum?

Blum is an exceedingly rich Jew whose special point is not oratory but the reputed possession of the finest private collection of plate in Paris. He speaks lucidly and well, as befits an old Government servant and a man of ample leisure due to ample wealth. He stated, as I know not how many other Jews have stated, the puerile, simple arithmetic of the Collectivist formula. He protested against a Budget framed upon the French national tradition of private property, and then he sat down again.

It was not a remarkable speech, and the man who made it was exactly the kind of man whom Socialists are always attacking—that is when he is a Socialist of European lineage and tradition. Blum was a typical, undiluted capitalist, standing for everything capitalism means. But Blum being Blum all these disciplined millions had to repeat everything about him *except* that he was immensely rich, that his whole point was riches, and that, but for his "private control of the means of Production" no one would ever have heard of him.

I have called this typical. For if there is one thing that marks Collectivism all over Europe it is this connection between immensely rich international finance and the cognate idea of international Collectivism. The two things are two branches of the same movement. They have the same mentality, their leaders are closely intermixed and the Jewish element dominates the whole.

Now I would ask anyone who cares for reality, and who does not take for reality the phantasms called up by printed paper, whether these three examples do not betray a dreadful unintelligence in the new herd? The real cause of strength in the movement we all know perfectly well. Where Europe has lost its faith it has grown diseased and discontented, and when men are discontented they will seek an issue. As one of the consequences of the breakdown of religion has been the partial establishment of Industrial Capitalism, that is, the despoiling of citizens and the making of them to work for other citizens, there is a natural desire to undo that result and to stop working for the advantage of other men. The obvious short cut is to get rid of private property altogether; just as the obvious short cut out of an unhappy life is suicide, or as the obvious short cut out of marriage is divorce. The short cut of Collectivism is in itself unintelligent. But I am not dealing with that. I am remarking rather on the unintelligence of the movement at the present moment. I think that these three examples, which one might multiply to hundreds, are a proof.

I might have taken better known and larger examples: the type of men chosen by "Labour" for its "Leaders": the enthusiasm with which "Labour" welcomes bad chemical beer at a prohibitive price and restricted to rapid drinking at set hours: its passion for the consequent vast increase in the brewing and distilling fortunes: its merry acquiescence in cutting its own throat with the Insurance Act. . . But that would be to slay again the slain.

It would seem that the Socialist movement had now got into a state in which you can make the proletarian and urban mass obey any orders provided them by the international and secret control, and, in some vague way believe anything, however monstrously silly, told them by these same masters.

I say that a movement which has got into that condition will certainly not attain its ends, even if those ends were humanly attainable.

Credit-Power and Democracy.

By Major C. H. Douglas.

CHAPTER X (*continued*).

IT is vitally necessary to be clear as to the difference between what actually takes place under an economic system based, essentially, on currency, and the position which would result from the modification to the financial system which we are discussing; which would be based, essentially, on the economic capacity of Society to achieve its desires. Where metallic gold is the ultimate basis of value, and therefore the ultimate currency, and all credit-issues are made on the assumed necessity of some theoretical or empirical relationship between the amount of gold in the Banks and the total credit-issues, and we assume that there is an average period over which credits operate, and that credits are the means of financing production, then total credits, multiplied by average time, are a measure of the *rate* of production. It has been pointed out by Mr. Arthur Kitson, and others, that since this credit structure is based on gold which bears no conceivable relation in quantity to any human requirement for goods and services, gold production exercises a totally disproportionate effect on the mechanism of prices and credit. But the difficulty goes much deeper than that. Not only does the gold basis of the present financial system shift, but the ratio of the credits erected on it also shifts—sometimes violently. This is, of course, due to the vital fact that *the public even under a gold basis of credit can utterly destroy the whole credit structure by demanding gold in payment of their cheques on the Banks,* because the basis of present cash credits is that they are convertible into currency on demand, and there is, of course, not a tithe of the gold necessary to cash them. Engineered, no doubt, to a large extent by the enemies of this country, that is what nearly happened in August, 1914 (and would always happen under similar conditions), with the result that in order to defeat the manœuvre, the financial system was shifted from a gold to a paper credit basis in a few weeks': time, never, let us hope, to return to so fertile a source of misery.

But although the gold basis has gone, the simulacrum of it still lingers in the shape of a credit system based on an unregulated paper currency, with the result that a sort of Druids' Dance of credit issue, rising prices, currency stringency, currency issue, more credit based on more currency goes on, the only possible redeeming feature of which is to take the whole cycle right away from the fetish of gold. Apart from this one point, everyone suffers except those whose business it is, in the most literal sense of the words, to

make money. So much for the conditions brought about by a financial system which attempts to base its *credits* on the *currency*, and yet allows its prices to rise with both. The alternative shifts the credit basis still further.

We have already seen that the only possible basis of *real* credit is a belief, amounting to knowledge, in the correctness of the credit-estimate of a society, with all its resources, to deliver goods and services at a certain rate. If we make this basis our *financial* basis then the credit-structure erected on it can only be destroyed by Social suicide—by the refusal of the community to function. Now, one of the components of the capacity of a Society to *deliver* goods and services *is the existence of an effective demand* for those goods and services. It is not the very slightest use, under existing conditions, that there are thousands of most excellent houses vacant in this country, when the cost of living in them totally exceeds the effective financial demand of the individuals who would like to live in them. The houses are there, and the people are there, but the delivery does not take place. *The business of a modern and effective financial system is to issue credit to the consumer, up to the limit of the productive capacity of the producer so that either the consumers' real demand is satiated, or the producers' capacity is exhausted, whichever happens first.*

This can obviously be done by making issues of purchasing power to cover the whole estimated productive capacity, and taking it back to the extent that this capacity is diminished from any cause whatever, a state of affairs which rapidly results in making everyone "rich" in the current sense of the term; which, it should be clearly borne in mind, does not at all mean that an individual's real consumption is large —very often quite the contrary—but that the individual in question has the mechanism at hand by which to obtain what he does want.

It is, of course, frequently, in fact, generally argued that there is not enough wealth to go round, and all sorts of absurd and misleading statistics have been evolved to prove that if all the accumulated wealth of the nation were evenly divided up, the average wealth per head would only amount to a very small sum, say £50. The right understanding of exactly where this fallacy arises is probably one of the shortest cuts to an understanding of the whole position, which involves a recognition of the difference between *claims* on capital, and *administrative ownership* of capital.

Financial wealth can only be placed on a solid basis by selling something to the public—it is, for instance, no use owning a factory only suitable for the manufacture of high-explosive shells if the public taste for high-explosive shells has completely departed.

But further than that, even if the public wants nothing but high-explosive shells in the largest quantities (which, from the behaviour of its "representatives," seems highly probable), it would be necessary that an effective demand, that is to say, a demand backed by "money," should be forthcoming from the public. Now, *the value of our hypothetical shell factory would vary from zero when there is no effective demand, to infinity, when there is no demand for anything else, and no other means of supply.* That is to say, to drop the metaphor, the capital value of the plant of civilisation is as much dependent for its value on the existence of an effective demand for its product, as it is on its capacity to meet that demand. If this is grasped, it will be clear that the distribution of the *credit-capital*, the power to draw on the resources of *real capital* (the leverage of civilisation on the work of Society) increases the value of capital by the ratio which the new output bears to the old output, a proposition which clearly has nothing to do with the administration of the plant itself. The only way, therefore, to get that increased production, of the things which individuals really want, which as here defined everyone may agree is desirable, is to get increased effective demand, which, as we have seen, we do not get under the present financial and price system by any general increase in manufacturing.

(*To be continued.*)

Smith and Jones.

(*A sequel to "Boots,"* THE NEW AGE, *May* 6.)

SMITH : I have been thinking over that plan of yours, Jones, to bring prices below cost by the Government's making up the difference to the manufacturer, in Treasury notes. I have talked to two or three people about it; and though they are as doubtful about its effectiveness as I was, I must say they agree it would be quite possible.

JONES : You mean, possible from an auditor's point of view, assuming, as we said, that the plan is meant to apply to all the industries of the country as a whole?

S. : Yes, though I suppose there would be no objection to beginning in a small way with a single industry?

J. : None, but of course it isn't designed for a single *business*.

S. : Naturally; and the audit of the industry would seem (so my friends think) to be a fairly straightforward piece of work, provided it weren't done too often. But they thought that a special department would be required to collate the audits of the different businesses.

J. : Of course it would, and a Government department too, as it would be also the Government's business to determine the proportion that the total consumption bore to the total cost of production. It was on this basis, if you remember, that the price of goods was to be fixed in relation to the cost.

S. : Oh, you mean that the fixing of prices is to be taken out of the manufacturers' hands altogether, and given over to the State? I don't think my friends realised that consequence.

J. : It wouldn't affect them if they did, as they would make just as good a living as they do now. I thought we settled that.

S. : Well, I'm not complaining. Provided we get at least as good a living as before, the Shah of Persia may fix the prices. But shall we? . . . You ended by saying that the ordinary wage-earner—Robinson, for instance—through being helped by the community to pay for his boots and the like, would be able to command more goods than at present, in other words to make his wages go further, and so "live a better life all round." Now, you don't create goods by your financial juggle any more than (as you said) the banker does by giving loan-credit. So there will still be the same number of goods as before to be divided. And it occurred to me that if Robinson and the rest are going to get more for their money, some of us are going to get less.

J. : You forget one thing—that there would as a fact be more to be what you call " divided " (though I don't like the term), merely because forced export would largely have ceased. Many goods are exported, as we said, because the people who want them here can't pay for them. Now if, by a redistribution of spending-power, they are suddenly in a position to pay for them, the goods will remain in the country, and the only people who get less will be the foreigners; and they often don't want the goods anyhow.

S. : But if we export nothing, we also get nothing from the foreigner, unless we pay for it in money. The value of the pound is low enough in America as it is.

J. : I never proposed that we should export nothing, but merely that we should not export things which were necessities for us. I have no objection to exporting motor-cars or cinema films (if such a thing were possible)—I would rather export them than import them—but I do object to exporting cotton goods merely to

stimulate the production of millionaires in Manchester. . . . But, apart from questions of export, there is another answer to your notion that Robinson's getting more means that you will get less. Are you not assuming in your phrase "the same number of goods to be divided" that production would be largely the same as before both in the quantity and class of things produced? You manufacturers are too apt to regard production as travelling along a fixed course unaffected by the requirements of the consumer.

S.: Come, Jones, we are not such fools as all that; of course we know that demand controls supply—if a thing weren't wanted, we shouldn't make it.

J.: And if it *is* wanted, you make as much as you can out of it. In other words, price as now constituted means the highest amount that you can make people pay for a thing they want; if you fix the price too high, the demand will cease, as it can't be satisfied—you will have killed the goose that lays the golden eggs. I admit that in that sense demand controls supply. But in all other respects you are continually trying to control demand, either by advertisement (which often means forcing something on people who don't want it by persuading them that everybody wants it), or by actual restriction of output in order to send up the price—or to keep it steady when a glut seems to threaten a reduction. More often than not, the "law of supply and demand" is just a catch-word to soothe people who feel they are being overcharged.

S.: And you think that by your simple plan all that would be altered? You can't change human nature so easily.

J.: I'm not trying to change human nature, except in so far as you may be said to turn a swindler into an honest man when you have taken from him his reasons and opportunities for swindling (I need hardly say that I am not implying anything personal against you or your friends). And surely, if by a different system of price-fixing a large number of people find themselves able to satisfy wants that they could never satisfy before, the character and even the rate of production will be absolutely transformed. Production will be stimulated in a healthy way, by a universal demand which will now be an effective demand; and you will be too busy in providing the stuff that is really required, to need the quack tonics of shoddy advertisement. Further, a large amount of work and material is at present diverted to luxuries, simply because most of the purchasing power that "counts"—I mean that yields the big profits—is in the hands of a small fraction of the population, that fraction in fact which directly or indirectly controls the fixing of prices and the issue of credit; and their appetite for necessities is not greater than anyone else's. I anticipate that a smaller proportion of productive power will be applied to luxuries than at present, though it may well be that with the growth of production the actual amount of luxuries put on the market may not be greatly affected. Of course, "luxuries" is a comparative term, and I'm not drawing any hard and fast line; I'm not looking forward to a "city of pigs" any more than Plato did—quite the reverse, for I should like to see the general standard of comfort far higher than it is. Still, everyone knows the difference between something that really adds to the amenity of life and something that's merely waste. Even a thing that serves for amenity may be a waste if it's over-produced, especially as its over-production tends to send up the price of everything else. Chocolates and motor-cars are altogether admirable in themselves; all the same, Messrs. Tyger and Tyger's plea of the shortage of sugar for the tea-table is rather weakened by the chocolate-boxes burning bright in the window, isn't it? And, between ourselves, does Brown really need three motor-cars?

S.: Just what I said! Somebody *will* get less.

J.: So far, perhaps, yes; and I admit that a hundredweight of chocolates might conceivably have to be distributed over a larger number of flappers. In fact, the price of certain luxuries might even rise higher than at present (though I don't think it would), either through restriction of import or through diversion of labour and raw material to other objects.

S.: I see; so restricting production will still raise prices, just as it does now.

J.: Naturally, for the relation of prices to costs is fixed by the ratio that the cost value of consumption bears to that of production; and so as production is lowered (in other words, as the denominator of the multiplying fraction is decreased) prices will rise.

S.: What precisely do you mean by the "cost value of consumption," and what on earth is the multiplying fraction?

J.: By the "cost value of consumption and production" I mean the cost to the manufacturer of the goods, etc., respectively consumed and produced; and in comparing "consumption" with "production" I am always thinking of these values. And as for the "fraction," I was merely looking at the proportion, for the moment, in the terms of our school mathematics. Let p equal price, c cost, P the value of total production, C that of total consumption. Then $\frac{p}{c} = \frac{C}{P}$, and so $p = c \times \frac{C}{P}$; p will thus vary inversely with P and directly with C, and of course with c, provided the other factors remain constant.

S.: I've forgotten all my mathematics, so I haven't the slightest idea what you mean. In plain English, what about the special restriction of production due to the shortage of raw materials (owing to the war), which is still affecting prices on all sides—for example, the shortage of fat still keeps up the price of soap? That cause would still operate, in spite of your plan.

J.: Of course; I don't pretend to be a wizard. The rarity of an article or the difficulty of obtaining it will still tend to raise the cost, and so the price, of any other article into whose manufacture it may enter; that is legitimate enough, and you will still get "fancy prices" for things that are unique and irreplaceable, such as Stradivarius violins. But this, after all, is a comparatively small element in the fixing of prices to-day, and it will be largely adjusted by the saner direction of productive power which I anticipate. I'm against artificial restrictions, not natural ones.

S.: Even so, won't there be other occasions when prices rise under your system? Suppose that, having this greater spending power, people consumed more and more of what was produced; for with a higher standard of living their demands would continually expand. Would not prices tend more and more to overtake costs, and even to be equal to them—in which case you would have exactly the same thing happening as to-day, when prices always equal costs—including for simplicity manufacturers' profits in costs, as you suggested?

J.: You are still looking at production statically; whereas, in fact, new demands would naturally create new means for their satisfaction. But apart from that, I quite agree that if more goods are consumed in proportion to what is produced, prices will rise in relation to cost—though if the cost of any article were cheapened, its price might not rise absolutely. And this might even have its good side, by stopping extravagance, which under the present system of high prices and higher profits is encouraged. But the moment consumption is checked, prices will fall again; they won't be kept up artificially as they are now, for when price and profit are separated, to maintain a high level of prices will no longer be in anybody's interest. . . . On the other hand, if, as more goods are consumed, still more can be usefully produced, whether in the form of actual goods or of machinery—then the ratio of price to cost will not rise at all, but will tend to fall;

and so increased production might be immediately reflected in a higher standard of living, spread over the community and not confined, as at present, to the few who benefit by improved processes. . . . Finally, even if (through the relative rise of consumption) prices tended to approach costs, matters would never become so bad as they are to-day, for prices could never actually catch up costs; or to put the same thing in another way, consumption could never overtake production, even if all the goods made were consumed to the last mouthful. When you say it could, you forget that these goods represent only a part of the whole production-value which would be considered in our assessment of price. They are only the " ultimate products " into which the raw material and the labour have been absorbed; but the cost value of production itself includes, besides these, the machinery and the improvements made in it, the bank-credits, and all the other assets—in a word the capital values of the industry.

S. : You speak very complacently of bank-credits now; I suppose that in your enthusiasm for the new Utopia you have forgotten your objections to them—how they would inflate the currency, and raise prices, and the rest of it.

J. : Not at all; though I freely admit that credit is essential for extending a business. But I do object to it, so to speak, before its teeth are drawn. Make it harmless by actually distributing its fruit to the ultimate consumer, and you can have as much credit as you like—you won't want so much as before, anyhow, as you will find you won't need to " water " your capital to the same extent.

ADRIAN COLLINS.

Indiscretions; or, Une Revue de Deux Mondes.

By Ezra Pound.

I.

It is peculiarly fitting that this manuscript should begin in Venice, from a patent Italian inkwell designed to prevent satisfactory immersion of the pen. If the latter symbolism be obscure, the former is so obvious, at least to the writer, that only meticulous honesty and the multitude of affairs prevented him from committing it to paper before leaving London.

Whereafter two days of anæsthesia, and the speculation as to whether, in the development and attrition of one's faculties, Venice could give one again and once more either the old kick to the senses or any new perception; whether coming to the belief that human beings are more interesting than anything possible else—certainly than any possible mood of colours and footlights-like glare-up of reflection turning house-façades into stage card-board; whether in one's anthropo- and gunaikological passion one were wise to leave London itself—with possibly a parenthetical Paris as occasional watch-tower and alternating exotic *mica salis;* and whether—the sentence being the mirror of man's mind, and we having long since passed the stage when "man sees horse" or "farmer sow rice," can in simple ideographic record be said to display anything remotely resembling our subjectivity—and whether—to exhaust a few more semicolons and dashes—one would—will now that I am out of a too cramped room at the Albergo Bella Venezia, and into a much too expensive one at this hostel which bears the hyphenated conjunction of a beer (Pilsen) and the illustrious—but to the outer world somewhat indefinite saviour of his country, Mazzini—whether the figures in the opposite windows of the Cavalletto—à la Matisse—with faces that *ought* to be painted à la Matisse, a streak of nose and two blobs of eye-shadows—adequate recognition, presumably, of their claim to individual existence; or the Kirchner cuts emerging from the archway from the Piazza S. Marco, and skirting the Bacino Orseolo and thence progressing inspectably from my window and balcony along the Fondamenta Orseolo; or the possible "picturesque" of roof-tiles, sky-tones, mud-green tidal influx, cats perched like miniature stone lions of balconies, etc., is going to afford a possible interest—after all that has been "done" about Venice; and whether the Kirchners—let us say the female who advances with just the least suggestion of being at guard in a fencing match, the knees seeming to be just slightly, yet obviously, in advance of the rest of her person, her attendant being and remaining both on the way to, and on the return from the Piazza, about half a pace to the rear; or the exaggerated turban, or the transparent very wide hat brim, united, all three, by a certain thinness of tone, not, let us say, an exaggerated preoccupation with their basic unmaleness, but by a consciousness of this fact outweighing any possible modifications of that consciousness by the personal element, as if, indeed, the whole of their mental content might be emptied out of the current number of "Femina," or even of some Roumanian publication illustrated and produced on that model, for gratuitous distribution in Sleeping Cars.

Or whether, in place of these very general observations from this altitude—to augment my collection of human forminifera I shouldn't have stayed in London, where, in the vastly greater concurrence of specimens, one has so much better a chance of finding a "good one," a higher demarcation, a wider divergence from human cliché.

However: Venice. Der alte Venezia, with lurking suspicions that the cursed noun is feminine and demands a different approach, but that the sometimes sentimental tone of the Herzreise must be recalled to oneself if not to the reader, and that some sort of salvo must be allowed the habitat where one's first recueil was printed—for it is, after all, an excellent place to come to from Crawfordsville, Indiana, whatever it may be as a point of arrival from London—with the old gardens of the Rue Jacob as intermediate impression, and with San Bertrand de Comminges, and Rocafixades fresher in the mind than any inculte circumjacence.

Let it therefore stand written that I first saw the Queen of the Adriatic under the protection of that portentous person, my great aunt-in-law, in the twelfth year of my age; and that my European inceptions had begun a few weeks earlier with the well-donkey at Carisbrooke Castle, and very large strawberries served with "Devonshire cream" at Cowes, and that the chances are I had "seen" Paris, Genoa, Rome, Naples, Florence, and probably the leaning towers of Bologna (these last from the train) in the interval. Or it is possible that I had not "seen" Paris, but Brussels, Cologne, Mainz, Nuremburg. The exact order of these impressions, seeing that I was to revisit half of them four years later, is now somewhat difficult to recall; and I do not know whether I have been twice, or been only once in Pisa.

My "Great Aunt" had, however, danced with General Grant. She believed that travel broadened the mind. I am unable to record its effect upon her own cerebration; I know that at the instance of her nieces, who owed, or should, on this theory, have owed, a part of their mental latification to her purse and incentive, she consented to admit that the one adjective, beautiful, was not universally applicable to all European phenomena, from Alps to San Marco and Titians (or even Murillos) to the glass filagrees of Murano; but she continued to use it, with apologies. And her wide and white-bodiced figure—as for example perched on a very narrow mule in Tangiers—is an object of pious memory as she herself is of gratitude. Without her I might not have been here. Venice struck me as an agreeable

place—as, in fact, more agreeable than Wyncote, Pa., or "47th" and Madison Avenue. I announced an intention to return. I have done so. I do not know quite how often. By elimination of impossible years: 1898, 1902, 1908, 1910, 1911, 1913, 1920.

Drama.

By John Francis Hope.

It is one of the misfortunes of art that English poets fail so often when they essay the dramatic form. We have an array of epic and lyric poets that do honour to our nation; we have in Browning a psychologist of the first water with the added gift of biographical characterisation in monologue, well on the way to the objective creation of character that drama demands. But of poetic drama for the theatre, our supply is meagre indeed. If verse were ineffective on the stage, there would be nothing to regret in its absence; but it is the most effective form of dramatic speech, as a whole host of quotations from Shakespeare, ranging from Hotspur to Hamlet, would prove. No one who heard Ainley deliver the threnody over Cæsar's corpse: "O mighty Cæsar! Dost thou lie so low!" etc., could doubt that here was a form of speech which, in addition to its expression of character and emotion, and its advancement of the dramatic action, allowed the expression of the greater gift of song, called for the more exalted manner, and elicited the more exalted mood, of poetry. I mention that as the most recent instance; Forbes-Robertson's whole history as an actor adds confirmation to the contention that poetry is the most dramatic form of speech. Then why do so few of our poets succeed in the theatre?

I have not the space to argue the question, because I want to say something about Mr. Murry's play* in this article. That English poets are usually ignorant of dramatic technique is obvious; but that is a fault so easily remedied (particularly by such sensitive, experimental artists as poets) that it quite clearly is not a sufficient explanation. One would like to attribute the defect to the insular nature of Englishmen resulting in pre-occupation with their subjective emotions, which obviously can only be expressed in lyrical form. I think it was Sir Philip Sidney who told the poet to "look in thy heart, and write"; Browning's Andrea del Sarto lamented the fact:

> I, painting from myself and to myself,
> Know what I do, am unmoved by men's blame
> Or their praise either.

It must be admitted that English poets generally excel in this self-sufficiency, in this indifference to the effect of their work on others which amounts practically to a monomania. But the very beginning of the dramatic mood is the recognition of the existence of the audience; one may pray in secret, read in secret, sing in secret, but one cannot act in secret. It is not enough for poetic drama that a poet should have something to express, and the ability to express it in a manner intelligible and perhaps satisfactory to himself; he must consider how he is to convey his mood to an audience, how he can most effectively play upon their emotions until the total effect produced is equivalent, although not necessarily identical, with the mood in which he created. The self-revelation of the lyric poet, the direct utterance of his emotion, has to be superseded in drama by the indirect utterance of the conflicting characters; the dramatic poet is revealed in the whole of his play, and seems a fugitive person to those who have failed to obtain a synthetic grasp of his work. If we may take an analogy from science, we may regard the work of a lyric poet as an undifferentiated ray of light; but a dramatic poet is like a prism, and projects that ray in a series of different colours which, incidentally, enable us to understand more clearly and minutely the nature and constitution of the original illumination.

Mr. Murry in this play has not developed beyond the lyrical mood; worse than that, from the dramatic point of view, he is not wholly in the lyrical mood. There is manifest whimsicality in naming his characters and places from the ingredients of a spice-box; Prince Cinnamon of the Peppercorns, Princess Angelica of the Cloves, Mace, Marjoram, Caraway, Vanilla Bean, all these are names of fantasy, at best, and merely whimsical fantasy, too. These characters of the spice-box merely suggest the diminutive drama of the doll's house, they are literally child's play. It would require a Hans Andersen to maintain that mood—and Mr. Murry is an English lyrical poet concerned directly with the tragic emotions of love and war. Drama requires that the poet should embody his emotions and conceptions in personal forms adequately suggestive and expressive of them; and war between the Peppercorns and the Cloves (the latter armed with the Garlic gun) cannot sustain the tragic burden of Mr. Murry's mood. Love and war are no fairy-tales to man, they are fatalities that have perplexed and oppressed the human reason since at least the beginning of literature with the sense of mystery or futility, according to the mood of the person who suffered either. It is doubtful whether anyone can say anything new of either love or war in the lyrical mood; spiritual things are not only spiritually discerned, but are eternally the same, and these have been so often expressed that what is called poetry is chiefly a repetition or manipulation of a conventional form of speech. A genuine emotion will always find new phrases to express itself in, a characteristic form of utterance; but Mr. Murry, when he is not writing prose in verse form, is simply manipulating the clichés of lyric poetry.

Take, for example, a passage quoted by a critic which, he says, proclaims Mr. Murry poet.

> How the city sleeps
> Beneath the still lake of the silent moon.
> See how the great, cool fishes poise their fins
> Within the shadows of the silver rocks
> Of the night-drowned houses and the coral trees,
> For love has made her lovelier, and I
> Do love her still, for still I am the same,
> Only more true, more constant, and more woman.

That is certainly lyrical verse, familiar to every reader of lyrical verse; practically every epithet has been passed and approved for centuries. To ask how, looking from a hill, one could see fishes within the *shadows* of the silver rocks would be to suggest that Mr. Murry was writing of what he could not observe—and certainly he adds nothing to this picture evolved from his inner consciousness. But this passage occurs at the crisis of the play; the troops of the Peppercorns and the Cloves are opposed to each other in the valley below; here, on the hill-top, Angelica and Cinnamon have met, declared their love, revealed their identity, and made peace—and all that Angelica can do is to utter lyrical clichés about the scenery! Surely, in the circumstances, a certain absorption in each other's personal influence would be permissible. Othello's

> O thou weed,
> Who art so lovely fair, and smell'st so sweet,
> That the sense aches at thee.

is, of course, too strong for a Prince who accuses himself of anæmia; but we cannot accept even as a lyrical expression of anæmic love such interrogatory passages as this:—

> Was ever love like this? If verily
> There was, why was it not set down
> In story or in song? Or were they dumb
> On whom it did descend? Or has it been
> That lover's speech is like the nightingale's,

* "Cinnamon and Angelica: A Play." By John Middleton Murry. (Cobden-Sanderson. 3s. 6d. net.)

Heard, but for ever lost to mortal ear
Till yet another angel-voice uplifts
The earth into the sky. Or are we twain
That last conjuncture of the human soul
The patient world has waited since the dawn
First rose on chaos, and the creeping things
Began their slow ascension thro' Time
To this appointed end——Angelica
And Cinnamon? Has not a mystery
Entered our linkéd names?

The answer to all these questions is in the negative. But here we see that even in a passage where the lyrical expression of passion would be dramatic, Mr. Murry evades the task by substituting the easier statement of wondering self-consciousness. Anæmia, of course, will explain it, but that explanation is shattering to the illusion of lyrical fantasy that Mr. Murry has attempted to create. I have left myself no space to deal with the plot, but any reader can rasp it on a nutmeg-grater.

Epistles to the Provincials.

XI.

I CONCLUDED my last letter by saying that in the universal anonymity of London lay the source of the decay of manners. Nobody knows you and you can do what you like. You move among men and women as if they were "trees walking." The necessity for constant social adaptation which one experiences in a small community where one knows everybody is absent. Without the necessity for adaptation, however, subtlety in adaptation declines. If one can "do what one likes" in any case, where is the need for ingenuity in doing it? The sphere in which you can do what you like in London is, of course, the sphere of manners. If you commit a crime, you are as likely to be arrested as you would be in the provinces; if you are guilty of a moral offence, the private opinion of your immediate friends will be as hard upon you as public opinion could be; but in the space not covered by these two provinces—for any intelligent man an extensive one—you can be as anarchistic as you please. The presence of a group of pleasure-loving people in a small town, where in enjoying oneself one must, as it were, persuade the more sober—in other words, must charm them—in the end gives a tone of gaiety to the whole place. In London, on the other hand, pleasure leaps up into the maddest extravagances, leaving the remainder of London life as drab as possible. Qualities here are purely anarchistic; they reach only their extremes; and the mean, alone, does not exist. And the reason why it does not exist is that there is not the social life which alone can incarnate it. Existence in modern great cities is distinguished from that in the cities of bygone times by this very characteristic. In London one's manners can be as lawless as one's morals can be in a West African settlement.

There are disadvantages, of course, in the submission of the provinces to the communal unwritten law; disadvantages, however, it seems to me, which arise out of a lack of suppleness, and could be overcome by a little intelligence. In the provinces which I know I have found, for instance, that even the most intelligent men value "goodness" more, and intelligence less, than they are worth. "Be good, sweet maid, and let who will be clever" is actually still the motto of the provinces, and the motto, moreover, of the best in the provinces. Intellectual London has reversed the precept. It is a just transvaluation, although it has not been made in the spirit of justice. For cleverness is, as a social quality, almost as valuable as goodness; and among the English, who are generally as ashamed of their cleverness as they are good, it is for the moment a quality of the very first value. And in London, alone of the cities in this country, people are at last not ashamed of their cleverness—in fact, to be just, the fault is a little on the other side. However that may be, cleverness is cultivated here; it is completely enfranchised and without a bad conscience. How refreshing that must be to a provincial who has just discovered it, you, who know the provinces, must know. In Birmingham or Edinburgh you are permitted as great originality of thought as you like, it is true, but you must not express it with originality. If you clothe either your thoughts or yourself elegantly you are eyed with saturnine humour. It is one of the worst faults of the English—worst because it is the complement of one of their most solid virtues, scorn of ostentation.

Now cleverness seems to me to be at once the cure and the satisfaction of this vice, and combines, therefore, the pleasures both of virtue and of immorality. The characteristic of the Englishman is that he expresses his qualities by concealing them. He hides his bravery, his generosity, and his tenderness of heart even at the moment that he is exercising them. What more, then, is needed, for the perfection of the English as a type, than sufficient cleverness to conceal their goodness, and on the top of that again sufficient more to conceal their cleverness? We are all good people, and goodness is to us at present far easier of accomplishment than cleverness. The precept "Be clever, sweet maid, and let who will be good" should therefore by its very difficulty attract the English and seem to them to be actually more *moral* than its opposite.

The benefit that society would derive from the cultivation of cleverness—a suppleness of mind and of manner—is, of course, so evident as to need no exposition. Human intercourse requires for its success ingenuity almost as much as good will; and the more ingenuity it can command the more pleasurable it will be. For one quality, then, London provides the standard, but, unfortunately, it is not a standard which London herself observes. Cleverness, in other words, is as irrelevant to social life in London as are the excesses of pleasure; and if it is to leaven the community it can only do so in the provinces. In the chaos of London cleverness is as erratic as a dancing star, but in the ordered life of Edinburgh, assuming for the moment that cleverness is possible in Edinburgh, it would be as steady and as radiant as a supply of electric light—I am all on the side of modern inventions. But, alas, this is a Utopia.

In every country there should be—and with this I leave the subject—what London is not, a city the very pattern, for that country, of cities. By visiting this paragon of cities one should be able to observe the model of national manners, national art, and national literature. And the unique thing about it would be that you would find in it nothing that could be caricatured. That is the final test of manners, literature and art of the centre. The man who cannot be caricatured is the man of manners; the poem or the statue that cannot be caricatured is the work of art. I do not deny that caricatures can be made of some of the greatest works; but they cannot be made of works that are perfect. Perfection is invulnerable. Some scenes in "King Lear" can be parodied, it is true, but it is because Shakespeare's art was not equal to his genius. Sophocles and Phidias cannot be caricatured; their art and their genius were equal, and the conjunction was perfection. Caricature is not only the scourge of vice; it is also the instrument of perfection, and when perfection is attained it can do no more. The nations which in art have most nearly attained perfection—whether the perfect thing be a small or a great one—are the least susceptible of caricature. Russia and America, for example, are, perhaps, to-day the most easy to caricature, and France the most difficult. The artists of the former, with great latent powers, have the least control over their inspiration and their subject-matter; the artists of the latter have the greatest measure of control—a measure of control sometimes, indeed, disproportionate *on the other side,* to their inspiration. Yet, although, the creative power of Russia is at present greater—

and there is little doubt that it is—than that of France, it is just that the former should be subjected to caricature and that the latter should escape it. For all that caricature can do is to satirise qualities which are humanly remediable. It cannot create except in that sense. It cannot bring to birth within this country, for instance, half-a-dozen men of great natural powers; it cannot add a single natural power to those which they possess; but, given the men of genius, it can point them on the road to perfection. And all that a model centre of culture can do is the same. The ideal city which is not London would be such that beside it the towns of the provinces would appear caricatures. It would be to the advantage, indeed—or, rather, it would not be to the advantage—of the government to create such a city. Culture would advance by several steps at once. And the project is so far from being impossible that it is not even difficult. To accomplish it all you need do is to banish a hundred London men of letters, artists and musicians to Oxford—or, as I should prefer it—to St. Andrew's, for life. Had any of our millionaires had a little imagination it would have been done long ago. The exile, I am sure, would not be an unhappy one.

HENGIST.

Freud's Censor.

I HAVE passed from time to time some impolite remarks on the matter of the "endo-psychic censor" that Freud wishes to postulate. Let us now consider this censor in some detail. It is a natural growth from Freud's theory, for he started by saying that dreams were the imaginary fulfilments of repressed desires, and then, of course, had to find some explanation of why, if this were really so, it was so difficult to fit in dream-symbolism with this statement. And so he produced a censor, a term for the sum total of repressing forces that prevented the naked desire from appearing. And these forces were the emotional affect of pain or shame connected with the desire, and the moral feelings of the dreamer—a sort of herd-instinct according to Freudians—that between them censored the desire, and so engineered things that it appeared dressed in quite harmless symbols; by which means all three elements, desire, affect, and herd instinct, were satisfied. The final ingredient of this theory was that the function of dreams was to induce the dreamer not to wake up to the cold world too soon. Had the desire itself appeared, then its emotional affect would have caused a nightmare, and the sleeper would not have been able to go on sleeping. At this point we must make two observations, first that there indubitably are nightmares; and again, seeing that most of the dreams we remember occupy some small fraction of a second of this world's time, it does not seem likely that it would make much physiological odds whether or not this fraction of a second were added to a night's sleep of several hours. This alone should have been enough to set the Freudians on guard. Freud was, of course, looking at the matter from an altogether physiological standpoint.

Now let us try to go a little deeper. Speaking neither of gods nor of animals, but of men, it is perfectly certain that there are such things as desire and repression of desire. "Freudian slips" are innumerable, and by as much as the Spectre is energetic, by so much are the slips numerous. A man, for example, will describe how, after his lunch, he climbed on to the tram that took him to his work, and discovered himself actually on board the tram that took him home. He had on this occasion some extra work waiting for him, which he knew was really unnecessary and due to a mistake. But there are other activities of the unconscious to be observed in the waking life, besides these slips. If one loses a thing, for instance, an infallible means for finding it is not to look for it. And so also in the dream life, desire is only one factor in a composition. And dream symbols are not a disguise, but only the language of the unconscious. If repressed desire is part of the dreamer's psychology, then it will, of course, appear in its proper place in his dreams; either a prominent or a not prominent place, according as the desire is important or not important for him. For what the majority of dreams appear to be, are mirrors held up to the dreamer, in which he can see especially those matters that he overlooks in the waking state. And as I say, if one of these matters is desire in the Freudian sense, then it will appear in a man's dreams in the symbolism best fitted to elucidate both its under and upper aspects. And it is by the method of free association of ideas that dream symbols can be translated into terms of waking life. Free associations are, it is true, also symbolic, but, examined in conjunction with the dream symbol itself, they are invaluable for the right interpretation of that symbol. But there is no trace of any such thing as Freud's censor in all this.

Now let us examine a couple of not too complicated examples, both anxiety dreams, and both first dreams brought by two patients for analysis. Speaking generally, I believe it may be said that the first dream brought by a patient simply reveals why he has become neurotic; and it is only later, when he sees this and when the unconscious finds attention is at last being paid to it, that other matters begin to appear. Putting it another way, analysis clears the field for synthesis. Or, looking at it diagrammatically, the unconscious may be compared to a pile of pictures, and as one is lifted off, so another appears. The reason why I have chosen two first dreams is that here, if anywhere, the Freudian censor ought to be found most plainly at work. Let us see what we can find. The first patient was a man of fifty-six, who had been a farm-bailiff before the war. He joined the Royal Engineers in December, 1916, and had ten months in France, where he was blown up no fewer than three times with an ammunition dump. On admission he was in a state of general tremor, confusion, and stammer. The first dream he brought was that he was in a field with a grand lot of pigs, when there was thunder and lightning, and he woke up in a great fright. Matters were complicated at the start, because he was very well grounded in a popular dream-book, and said that pigs "denote prosperity," and thunder and lightning "success, especially to a man who's farming." But he was puzzled over the affect of fear, and so gave some free associations. His farming experience made him set great store upon pigs, and these were an exceptionally fine collection; so that eventually he said, "I have some good abilities about me." The thunder and lightning were a sudden flash of lightning and a sudden clap of thunder. This took him *via* an explosion to his dumps. I am not for one moment pretending to have exhausted the whole content of this dream, but merely to have drawn from it a personal application to the dreamer. That there was this personal meaning for him is best shown by the fact that after this analysis, his tremor went, his stammer improved, and his next dream showed him getting away from his fixation to the war. But now, I quoted this for the sake of the thunder and lightning, because at the first glance, it appears very much as though the Freudian censor had been working here to camouflage the too painful ammunition dumps, and convert them into a thunderstorm, which, of course, would be up in the sky, and incomparably less dangerous than an exploding dump. But let us take a second glance. To those who are willing to accept the idea of symbolism by analogy, it must be plain that any given symbol *must* contact a dreamer's past experience at some point or other, in order to be comprehended. And also it is too late in the day to accuse the unconscious of presenting what is uselessly incomprehensible. Now, supposing a man to have been blown up by an ammunition dump, and supposing him to have survived it, his conscious memory of it can only be a blank; and therefore his unconscious can only present this event to him by

an analogous symbol. And also there was the affect of fear, which the censor is supposed to remove, so conspicuous that the patient apostasised from his dream-book and made his own associations. So Freud's censor need not be postulated here at all.

Now let us take our second example. This patient, aged 26, also Royal Engineers, was blown up and wounded superficially in France in the summer of 1917. He was not sent to France till the August of that year, and met his shock almost at once. On admission he stammered rather badly and was in a generally nervous condition, partly the effect of a recent examination by a medical board, which had re-awakened his war affects. His first dream was that he went over to Ireland, where he was taken prisoner by the Sinn Feiners and locked up. To Ireland his associations were, "I would never think of going there at all—would sooner stay at home—Russia—wouldn't go there, because of the state it's in—France—never thought I should have gone there—I'm a proper home-bird—I had a holiday in Ireland when a youngster, a nice holiday—I wouldn't care to go over now." To Sinn Feiners, "A lot of revolutionists—the war—don't want any more of it—it's out of place to-day." An anachronism, he meant. To being locked up, "Caged—can't have your own freedom—speech and condition." Now, setting aside the stimulus to this dream, which was probably the action of the medical board in sending him to hospital, let us consider the subjective meaning. Were we Freudians, we might have stopped his Irish associations at France, and said that the censor had distorted the painful France into the comparatively harmless Ireland. There was, however, an affect of much anxiety in the dream; also, we learn, he once had a most pleasant holiday in Ireland when a little boy. In view of this, it might be more satisfactory were we to leave the censor alone, and say that Ireland is a symbol much more appropriate to the occasion than France could be. For firstly with regard to the medical board experience, Ireland is still disturbed while the war in France is at a stop. Medical boards are still an ordeal for our patient. And as for the subjective side, Ireland contains something that an actual memory of fighting in France could not contain. It embraces two sides of a conflict, the pleasant and the unpleasant. Patient is a home-bird. He loves his home, so he goes to fight for it (he enlisted on September 7, 1914); but the Sinn Fein, revolutionary, eruptive, explosive (he was blown up) element in the fighting is too much for him, and he gets locked up, i.e., develops a stammer and anxiety neurosis. This is the conflict between love for country and fear of brutality (mother complex) of which I was speaking some weeks ago. And seeing that Ireland furnished both side of this conflict (pleasant and unpleasant thoughts), whereas France could only now give him unpleasant thoughts, where is the necessity for postulating any censor here? Ireland was not a *censored* but an *appropriate* symbol for the purpose of the unconscious at the time of dreaming. At any rate, after analysis on the lines here sketched, patient's stammer had vanished. It is doubtful, however, whether he will ever be fit for any more wars. He is, after being blown up, an incurable home-bird, and should be left at home, where he can work most usefully.

I hope these examples are not too crude. It is very difficult to find brief and pertinent examples for the illustration of psycho-analytic points. But they do show, I think, that it is not necessary to postulate any "endo-psychic censor," and that it is a little nearer reality to say that any dream symbol is at the moment of dreaming the most appropriate means of expression for the unconscious—with regard, that is, to the dreamer's experience and knowledge in the waking state, with regard to the advice, criticism or mockery offered him by the unconscious, and with regard to the fact that the language of the dream state *is* symbolism.

J. A. M. ALCOCK.

The Treachery of the Eye.

By Jan Gordon.

THERE is a proverb which says "Believe nothing that you hear and only half of what you see," and like most proverbs it contains a good percentage of truth. Before we can go further, the powers and limitations of the sight must be examined and analysed. Some years ago Mr. H. G. Wells discussed in an article our powers of coherent thinking. He showed that, due to the use of words, error can easily creep in. He used the illustration of a scientist who was reported to have cut a molecule in two with a knife. Now a knife is an object in the world of visual reality, a molecule is in the world of physical reality. In the world of physical reality the knife itself is a swarm of molecules which is obviously incapable of cutting a molecule in two. The mistake has arisen from an overlapping of two regions of thought, which can be no more completely separate in nature than the inside of a cup is from the outside. To some extent every human faculty is unreliable.

Not one is more untrustworthy than the eye.

As everyone knows, the eye is a sort of camera. The rays of light from an object pass through the lens and fall upon a focussing screen called the retina. This creates a stimulus in the nerves which is carried to the brain, where it is transformed into vision. Now this vision is in the brain, the world we see is projected by us as by a magic lantern. This must be clearly understood. When we are dreaming we see objects which are not there; when we are delirious, the same phenomenon occurs, while drunkards in delirium tremens see pink frogs and blue rats and similar objects. These visions, as they are called, are quite obviously projections from the person who sees them, they are due to stimulation of the brain at the centres which deal with vision. Under stress of terror or of exaltation the person can stimulate his own brain and project visions also, and we recognise all these as hallucinations. But we do not recognise that our vision of the outside world is of a like nature. Instead of the stimulation coming from within it comes from without, but the world as we see it is but a projected response to these stimulations of the retina and the retinal nerves. Philosophers have spent much time and ink arguing whether there is good evidence that the objects which we project really correspond with those which send the stimuli, but this does not concern us here. The point to remember is that vision occurs in the brain and not in the eye. From this results a curious fact about vision: that we do not see what is, but what the brain is looking for. The Art of the conjuror makes use of this. The crafty suggestions of the professor of legerdemain suggest to us what we shall see and what shall be invisible. The card which flicks from finger to finger flicks also across the retina of the eye. The mechanical cinematograph which has no controlling brain will pick it out, but the brain will not respond to the message of the nerves. There are also optical illusions of parallel lines crossed by slanting ones, so that the parallel lines appear to converge, and others, which also illustrate the fact that the eye does not see with inherent precision.

This sycophancy of the eye to the brain results in the phenomenon which Whistler summed up in the paradox: "Nature imitates Art." It may be expanded into: "The effects of Nature are visible when the artist has depicted them, that is to say, after the brain has been instructed to look for them." Why we can see more clearly in pictures than in nature will be considered later.

As an illustration of this there is a story of a Chinese Mandarin. He wished a European artist to paint his portrait. Half-way through the sittings he inter-

posed. "He was a cleanly man," he protested, "but the painter was making the one half of his face dirty." The Painter pointed out to the Mandarin that it was not dirt but shadow which caused the darkness upon the one side of his face. But the Mandarin's brain, educated in the shadowless pictures of the Chinese, could not be brought to see in the dark paint anything but dirt.

The facts of nature are permanent. They only await perception. But without this perception they are *invisible*. They are seen to the extent that they record upon the retina of the eye, but they are invisible because the brain takes no notice of the message of the nerves. They are never re-projected as vision. The Indian tracker who tells from the signs in the grass how many persons have passed by the road receives on the retina no more than the average man. His perceptions are widely different.

It can now be realised how pregnant must be the effects noted in my previous article. The complete commercialism of all objects which daily surround us and in which we have the most intimate interest naturally reacts upon the brain. The continual perception of ugliness at last numbs the brain's sense of beauty, and beauty is no longer looked for or desired. It thus inhibits the eye when it is looking at beauty, and so beauty becomes *invisible*.

Normally, however, we look at objects for use. But the artist is always looking at things for beauty. Even while examining objects for use he is weighing up their æsthetic qualities. Between two saucepans he will choose the one best proportioned. Following his passion, he reverses the processes of the normal man. The latter will admit beauty where there has been previous approbation; the artist gives approval where there is beauty. The vision of the artist thus differs from the normal. The more vivid is the artist's conception, the more widely does his judgment of nature diverge from that of the average man. I remember, years ago, a letter from an artist's wife warning young girls against marrying artists. She said that her husband would not eat a poached egg unless it harmonised in colour with the plate upon which it was served.

The Artist is the man who *sees* most clearly the world. He, in time, becomes so that his brain responds to his eye without governance. This detachment from preconception enables the Artist to discover in nature those beauties which he is continually revealing. The beauties of mountain, of marsh, and of lightning-blasted tree are such revelations made by the artist. Before he pointed them out they were useless, if not terrifying, objects, and were therefore shunned and despised. The Artist is continually enlarging the boundaries of the beautiful. Whistler's discovery of the colour of dusk or of fog is a recent example. The Impressionists have intensified our joy in the beauties of the sunlight. I forget whether it was Whistler or Turner who replied to the spectator complaining that he could not see eye to eye with the artist: "No, but don't you wish you could?" To-day the vision of Turner and that of Whistler has become, in dimmed state it is true, the property of almost everyone.

This subjection of the eye to tuition, this learning about nature from the Artist, explains a curious fact which we note all through the history of the Arts. The great Artist is always described by the generations which follow him as a great realist. As soon as the public has learned from him, he is called a great imitator of Nature.

But the imitation lies in us.

In their Period the Italians, whom we now call Primitive, were hailed as the very mirrors of nature. To-day we do not see them thus. But in Florence the vision of Giotto, of Ucello, of Botticelli, was accepted as very truth. Under their inspiration the men of the day sought from nature that which the genius had extracted for the purposes of Art.

The Painter reveals, but at the same time he may cloud the sight. The pure vision, which is untaught by pictures, is naturally not blind. It sees nature in its own way, when it realises it at all. It has then a clear-sightedness which many an artist would envy. The peasant is thus often at liberty to appreciate in a painting what the man half-educated cannot perceive. There is thus perhaps as much loss as profit in this pictorial education of the vision.

How great this loss may become we can realise by considering the education of the sight to-day. A hundred and fifty years ago the sight of the average man was either uneducated or else he had a vision formed by artists. Pictures were difficult to reproduce and were therefore carefully done. To-day we have the cheap photogravure, the coloured supplement and the photograph. Our vision on the whole is educated by machines. The chief instrument is the camera. Whereas the world used to be seen partly as fact and partly as vision at second-hand from the Artist, to-day it is seen one-third fact, one-third coloured supplement, and one-third photo. The camera has a vision far below that of the average man; it has a mechanical sight devoid of all sense of beauty. Even the most tenth-rate artist has some hint of the delectability of the world; the camera has none. It is the consummation of everything the artist has been warring against for so many centuries. It presents nature as it is, disorganised, unæsthetic. It is the prophet of ugliness. In time, due to the camera, Art *may* become quite incomprehensible to the Public. If one realises clearly the susceptibility of the eye to suggestion, one must realise how powerful will be the influence of the picture paper, illustrated with imperfect reproductions of photographs chosen almost solely for topical reasons. Even now the result of so much photograph-gazing is noticeable. The power is being lost of looking at sculpture. That is, the sense of space is diminishing.

Some while ago a sculptor was showing his work. After having exhibited his statuary, he drew out some photographs to exhibit some reproductions of work which had been sold. The visitors were more delighted with the reproductions than they had been with the reality. At last a lady exclaimed: "But this is an exquisite piece." "That one is standing over there," replied the sculptor. The lady looked from the photo to the sculpture and admitted that until she had seen the work in the flat she had been unable to appreciate it in the solid. I find that this is not uncommon. The sense of spatial beauty is being destroyed. The camera is the responsible agent.

This education of the eye by the camera is another reason why the intelligent study of Art is to-day a necessity. We can no longer take our Art for granted as they could two hundred years ago. If the camera becomes finally the tutor of the eye then the final degradation of the sense of beauty is assured. The world is daily becoming less lovely. It is becoming an organised factory, but even in the factories some modicum of beauty remains to us. If, however, the camera becomes paramount over the artist, two-thirds of the visual beauty of the world will disappear at a blow. This emphasises one of the important values of the Artist.

We must now return to our principal theme. We have endeavoured to show that the eye sees what the brain is looking for. This applies with equal force both to nature and to Art. In Art we see the facts which the Artist presents, but we do not see the beauty unless we allow ourselves to see it. The scoffers of Whistler's or of Turner's day refused to see the beauties of their work, but the facts of nature were still impressed upon their vision. The next time they saw fog or sunset their visions were more active. The profound effects of Art are often invisible because they are not sought for. The average man can educate his

appreciation of Art if he will but take the trouble. But without desire to learn, or application to the task, he cannot hope to receive from pictures the joy which they are capable of giving.

The vision must be rescued from the camera. Seeing must be re-educated. No vision of the artist must be rejected without honest study. To-day, blinded by the photograph, concentrated on business, sport or amusement, there is no reason why the Public should be competent to give an opinion upon Art; nor why the Artist should feel any respect for its opinion. The average man does not even "know what he likes," he has never given his liking a chance.

All is due to the treachery of the eye.

Views and Reviews.

ECONOMIC PERIODICITY.

THE very interesting lecture delivered by Sir William Beveridge at the London School of Economics on May 12 deserves wider publicity than even the "Times" report of it can give. It is an attempt to correlate periodical economic phenomena with periodical natural phenomena—in this case, barometrical pressures, which, as everybody knows, indicate the types of weather. Jevons, it will be remembered, attempted to correlate economic phenomena with the period of maximum intensity of sun-spots (which happens also to be approximately the period in which the planet Jupiter makes a revolution of the zodiac); but Sir William Beveridge says that " though more recent writers have done much to illustrate the connection between weather, crops, and industrial activity in particular countries, it has not proved possible to demonstrate the existence of any periodic harvest fluctuation of a general character, or to reinstate the sun-spots as an influence in our daily lives." I hold no brief for the "sun-spot theory," but the most elementary knowledge of astronomy (to say nothing of astrology) will convince us that the "sun-spot theory" has not been demolished. Celestial phenomena differ in appearance (and probably in effect) according to the angle at which they are observed; a total eclipse of the sun, for example, is not total all over the earth, and a specific effect of eclipses such as earthquakes does not occur universally. As Ptolemy put it: " It must be premised that as an eclipse occurring at any particular season cannot happen in all climates at the same temporal or solar hour, so neither will the magnitude of the obscuration nor the time of its continuance be equal in all parts of the world"—a fortiori, neither will its effects be equal. Neither dearth nor plenty is general throughout the earth at any time, whatever may be the cause of them; and the fact that the writers who "have done much to illustrate the connection between weather, crops, and industrial activity in particular countries" have not been able " to demonstrate the existence of any periodic harvest fluctuation of a general character" only suggests that the sun-spots, like the eclipses, affect different areas differently, perhaps according to their angular position at critical times.

Sir William Beveridge's theory (which seems to demonstrate " the existence of a regular cycle by which the general productivity of the world is lowered for one or more harvests, at intervals of 15 to 16 years") has extraordinary cogency because the phenomena that he has correlated have been observed or calculated with more than ordinary precision. The difficulty always is to get even practicable estimates of agricultural production in the world as a whole, to say nothing of precise figures—statistical science is only in its infancy; but it is always possible to invent a means of comparison, even in the absence of complete or precise knowledge —the technique of inquiry being not of the same order of reality as the knowledge of facts. Knowing some facts, it is possible to determine (and discover) others; "just as astronomers by the movements of a seen star can discover the movements and even the mass of its dark companion which they do not see, so there appear to be at least two methods by which fluctuations in the past agricultural productivity of the world can now be discovered and recorded. The first of these methods consists of an analysis of prices, the second of an analysis of the British export trade." It is argued reasonably enough that " long before the yield of harvests is recorded in official statistics, it is taken into account under the laws of supply and demand in the determining of market prices. Marked excess or deficiency of a crop in any year as compared with the normal will tend to be reflected in a marked fall or rise of the price." The wider the area that the market supplies, the more general will be the application and signification of the market price, until, " so soon as there is anything like a world market for any commodity, the price becomes a world price and tends to record excess or deficiency in the world as a whole. The price of most crops in modern times is thus a reflection of the world's harvest." It is true that the market price reflects other things as well, such as general conditions of currency and credit, or war and taxation and civil disturbance; but these general conditions which affect price may be sufficiently eliminated for the purpose under consideration by comparing one class of articles, such as crops (which are obviously affected by climatic causes), with another class such as metals, which are not so affected. What conditions are common to both will be eliminated if the price of food is divided by the price of metals; and any changes of prices which are peculiar to the one class will be thrown into relief. The demand for food is relatively steady; and if the index number of relative food prices fluctuates, it is a fair inference that it corresponds with a fluctuation of the supply of food—and any periodic fluctuation of this index is very difficult to explain except by reference to the periodicity in the yield of harvests.

Having discovered such periodical fluctuations, the next step is to correlate them with some series of recorded natural phenomena which are intimately (perhaps causally) related. If these phenomena manifest a similar periodicity, the inference that the two series are causally related is well-nigh irresistible—and what is even more important, prediction becomes possible, and with prediction the possibility of more efficient adaptation to forthcoming general conditions of existence is obvious. The classic instance of Joseph predicting that seven years of famine would follow seven years of plenty, and being given power to make preparation during the bountiful period to enable the Egyptians to survive during the period of dearth, is an indication of the practical advantage of such correlation of phenomena as that made by Sir William Beveridge. Sir William correlates his index prices with the fluctuations of mean barometrical pressure over a large part of the habitable globe from 1842 to 1913. There is an obvious periodicity of barometrical pressures, 1878, 1893, and 1909 being the years of lowest pressure during the last 42 years; and although the figures for preceding years are not based upon so many observations, they are still drawn from all parts of the world, and they show 1847 and 1861-2 as barometrically the most remarkable years of the period. There is, then, a cycle of low pressures which recurs every 15 or 16 years; and the economic records select the same periods for their extreme manifestation of fluctuation. Sir William is able to trace this cyclic fluctuation back for three centuries, and establishes his cycle of 15½ years as one of maximum effects. There are admittedly periods of dearth that do not fit into it—but "these other bad times generally prove on examination to be less severe or less general than those of the cycle. One may add that the occurrence of intermediate crises is in full accord with what seems to be the only possible ex-

planation of the cycle itself." No such cycle of 15½ years has been recognised by meteorologists, says Sir William; and the probability is great that, if it exists, it must represent the combination of at least two, and probably more, cycles of shorter length which at these intervals coincide to produce maximum effects, but may by themselves produce intermediate crises. There is another probability, that the cycle itself may be a division of a larger cycle that has not yet been examined; for instance, Saturn takes 29 years to go round the zodiac, and Jupiter takes about 12 years. These two planets form their geocentric conjunctions in approximately the same part of the zodiac every 59 years 3 months, a quarter of which is 14 years 9 months. This is an approximation which, taken by itself, may fit, because there is no reason to suppose that the effects of planetary action are immediately developed or exhausted—but I must return to the subject in another article. A. E. R.

Reviews.

The Unsolved Riddle of Social Justice. By Stephen Leacock. (The Bodley Head. 5s. net.)

Whatever we may think of Mr. Leacock as a humorist, as a social theorist he is no more profound than a leader-writer in the "Daily Mirror." If McGill University gets no more profound thought from its Professor of Political Economy than this essay reveals, Europe at least can dispense with McGill University. The first part of the book is no more than a leader-writer's précis of Socialist criticism of the existing order; it develops from an inquiry into a criticism of the Socialist remedy—and the only scheme dealt with by Mr. Leacock is that outlined in Bellamy's "Looking Backward." The criticism of that is that it rests on compulsion, while under the present circumstances a man is free to starve if he likes. His positive proposals are "that the Government of every country ought to supply work and pay for the unemployed, maintenance for the infirm and aged, and education and opportunity for the children." The fact that it cannot touch the unemployment problem without shattering the economic system, and instituting that very form of "Socialism" that Mr. Leacock says will not work, reveals Mr. Leacock's inability to solve the problem.

Two Sisters. By R. H. Bretherton. (Allen and Unwin. 7s. 6d. net.)

It is a common observation that virtue tends to dispense with wisdom, to say nothing of simple goodwill; few, indeed, can have the consciousness of being in the right without becoming tyrannous. It was to, perhaps, the most virtuous House of Commons in English history that Cromwell pleaded: "Brethren, I beseech you to think it possible that you may be mistaken"; Hamlet, with more wisdom, having declared that his companions were "in the right," added the rider: "And so, without more circumstance at all, I hold it fit, that we shake hands, and part." But you cannot get rid of virtuous people so easily; they have come, as the German mistress of George I declared to a London mob, "for all our goods," and will you, nill you, they will benefit you. The two sisters, of whom Mr. Bretherton here makes a simple but convincing study, illustrate this common observation in common-place activities. The elder was in the right; she knew it; and for their own good, she would save her people from their follies. When the old folks had a nasty financial smash, she refused to assist them unless they accepted her condition—which was that they should leave the house which they owned, and had lived in all their married lives, and move into a smaller one. Certainly, it would have made the financial problem easier, but it would have complicated the vital problem; but against their sentiment, she set her certainty of being in the right—and left them to struggle along in the old house with the rest of the family, but without her assistance. But she became great, as virtuous women do, on a question of sex propriety; when her young sister, who had founded a music-school in partnership with a brother and sister, was left alone with an unmarried man by the defection of the female partner, The Virtuous One discovered that it was not right, that people would talk, and she set to work to save her sister from the consequences of her folly. Incidentally, she began the scandal; and if she did not immediately stoop to actual lying, she used the phrase of double meaning, "living with a man" with a clear perception of the interpretation that would be given to it by her correspondent. She certainly compelled her sister to return home, and by that time was so convinced that the truth was the worst that she herself had imagined or suggested that she had no need of evidence. She denounced brain fever as frailty; and was only brought back from the world of "absolute values" to that of reality by a very straight talk with the doctor. It is a simple but convincing study of virtue so rank as to be indistinguishable from rancour.

Light. By Henri Barbusse. Translated by W. Fitzwater Wray. (Dent. 6s. 9d. net.)

If, as we are told by some competent observers, M. Barbusse is truly representative of the changed spirit of France, this terrible story has an added significance. It is, in the most literal sense of the words, a spiritual agony, and the capacity for suffering shown by its chief character, Simon Paulin, is tragic in its extent, but redemptive in its operation. Simon Paulin went to the war a typical petit bourgeois, with the customary acquiescence in what seemed to be the seemly things of life; like most Frenchmen, he did not worship the Church, the Law, the State, he accepted them as the inevitable things of life for which one should be willing to die. But dying, in the late war, proved to be more than the heroic gesture of the imaginative picture; it meant meaningless work, appalling fatigue, a cumulative horror of desolation and decay. The battlefield scenes of this book are the nightmares of the men who knew them, as M. Barbusse, who fought as a private, knew them; they are so terrible that it is with a comparative sense of relief that we follow Simon Paulin through his delirium after being wounded, and observe the transformation of the suffering of the flesh into the conflict of the mind, and resistlessly advancing to the confines of the spirit. In every sense of the word except the obvious one, Simon Paulin died for his country; and rose again to live for humanity. With that terrible clarity of the French mind, he will suffer no illusion to obscure his vision; Church and State he abjures, and finds assurance at last only in the unity of humanity. "There is only one people!" he cries again and again; "but you do not press humanity to your bosom. Mutual solidarity is of the intellect—common sense, logic, methodical precision, order without faltering, the ruthless inevitable perfection of light." We have heard much in this country of the Catholic revival in France; but if M. Barbusse is at all typical of the younger generation who fought in the war, it is the France of Voltaire that the young men mean to restore. It is the coming of the Age of Reason that they await, and work for; "Yes, there is a Divinity," concludes M. Barbusse, "one from which we must never turn aside for the guidance of our huge inward life, and of the share we have as well in the life of all men. It is called the truth." It is the mood and the creed of Revolution; "Revolution is Order," cries Simon Paulin in his reverie; and this sombre picture of the effect of the war upon an average man in France becomes charged with the sombre significance of prophecy.

PRESS CUTTINGS.

"Economic Democracy." By Major C. H. Douglas. (C. Palmer. 5s. net.)

I agree that inflation, including bank credits, is the main cause of high prices, and that the community control of credit is essential. I agree further that National Guild Banks on the lines often suggested will do nothing to solve the problem, and that banks must be established, and credit "rationed," on a community basis. I agree further that the bulk of wealth produced is a "community" creation and not creation of any individual producer or group of producers, and that accordingly no individual or group has a right to the whole product of his industry. This is true, even if the view is accepted that a man has a right to his own individual product—a view which I do not accept. Where I fail to understand Major Douglas is not in his diagnosis, with which, on the above essential points I agree, but in his actual scheme for fixing prices, which seems to me to be not clearly argued in his book. I also entirely disagree with the view that the NEW AGE—Douglas scheme provides a possible form of peaceful transition, mainly for the two following reasons: (*a*) because, even if the disease is in the financial system, the power of the workers is not, and it seems to me that, before they can hope to deal with finance, they must seize industrial power; (*b*) because the capitalists, who control the State, will never accept any attack on their financial power until the workers can force them to do so, and the workers will not be able to do this until they have consolidated their industrial power.—G. D. H. Cole in "The Guildsman."

Of one thing we are convinced: Major Douglas knows his difficult subject from end to end. Obviously he has devoted time and thought to economics and politics—and for such an act of self-sacrifice, alone, he deserves our sympathetic interest—and has not blindly followed his guides, but is sufficiently versed in the subjects and observant of industrial and political workings to form theories of his own.

We are not entirely convinced (to be more precise we should say, not yet), but his is a sinewy argument and most formidable in its defences. Even its opponents are compelled to recognise in any step towards the mildest social melioration the necessity of making changes in the economic structure. That we have reached an epoch when change on the revolutionary scale is imminent is not doubted. Revolutionaries, reactionaries, and moderates all recognise or fear it. Major Douglas wants the change to be complete. He sees the cause of social wrong in a Prussianised industrialism. The present cry is for more production; but the world's need is not artificially to stimulate material requirements—which for the individual are limited—but to subordinate material to mental and psychological necessity: "the impulse behind unbridled industrialism is not progressive, but reactionary, because its objective is an obsolete financial control which forms one of the most effective instruments of the will-to-power, whereas the correct objectives of industry are two-fold: the removal of material limitations, and the satisfaction of the creative impulse." The evil root of the present system he sees as authority exercised through finance, "the constant filching of purchasing power from the individual in favour of the financier." He is fearful of the danger—Capitalism, as we know it, getting nearer to its grave—of burying one kind of tyranny only to create another in the form of a bureaucratic collectivism. Co-operation should be the conception of the coming age, but it must be a "co-operation of reasoned assent, not regimentation in the interests of any system, however superficially attractive."—"The Nation."

We shall return to this book, which is nothing less than a scheme for transforming the world's economic mechanism, and as such needs very technical and speculative consideration. For the moment we can merely indicate its purpose. First, the author diagnoses, and most serious economists will agree with his claim that an adjustment is necessary, owing to the want of inducement to Labour unable to better their slave conditions, and to the anti-social monopoly of credit, used not for the utility of the consumer, but for profit and power. In a word, what is wrong is the unequal distribution of credit which, with the war, has reached a point of unbearable pressure on the middle-class, which will grow worse as inflation compels artificial production and exports on further bank credits. Here Mr. Douglas hits the bull's-eye. He does not think that finance will "get away with the spoils." He insists that, as the new Labour movement progresses from within, from the bottom up, so industry, if it is to save itself, must deflate from within, from the top downwards. In other words, purchasing power is the key, and credit must be controlled if there is to be wider distribution, and production must be controlled if there is to be a wider and higher general purchasing power. His actual scheme is highly technical. But with his diagnosis we agree. And we advise all serious thinkers to get this little book, which is as remarkable for its criticism and suggestiveness as it is for its brevity. Much will be heard of it, here and in America.—"English Review."

The appearance of Major C. H. Douglas's new book, "Industrial Democracy," recalls his visit to the Oxford Labour Club in the early part of the term. Readers of THE NEW AGE have for some time past been familiar with his piquant style and heterodox theories, but very little attention has been paid to them. This is a vast pity, because in Major Douglas the Labour movement has a severe critic, who is yet as deeply opposed to the present system as any of our so-called Bolsheviks. If his case is demonstrable it will mean that an entirely new orientation is necessary.

The substance of his book is an exposition of the way that "Anarchism" can be applied economically even to a highly industrialised community like England. Starting out from the basic anarchist propositions—(*a*) that it is impossible to determine any just distribution of the product of industry on the basis of what each factor or man has contributed, and (*b*) that lust for power, in whatever way manifested, is the real enemy—he is as vigorously opposed to the Marxian position that all wealth is created by labour as he is to private ownership of the means of production. He claims that the potential wealth of the world is so great that the quarrel over the existing supply is beside the point. The Labour movement in its attempt to appropriate a great share of the product for the worker, and to secure control over administration, is merely tilting at windmills. The object of the struggle must be control over policy. Control over policy can only be obtained by gaining control over finance through the means of the banks. Credit is the property of the community, and should be administered by the community. [Note this is not necessarily the State. A State banking system is only jumping out in the fire of the second evil, centralised power.] Therefore the community, instead of collecting taxes, should pay dividends, so that we get the delightful and true anarchistic proposal that the community should issue credit to the consumer as such! The individual, in short, should draw an income for merely being a citizen.

For how this is to be brought about readers must be referred to the book itself, which is so compact that any précis of the economic theory is impossible in a shorter account. The importance of the book lies firstly in its bearing on the increasing centralisation which is obvious all around us. Financial amalgamations on the one side and triple alliances of trade unions on the other are but manifestations of a tendency to crush out the individual beneath some vast cosmic force—a force which threatens to become stereotyped for centuries in a League of Nations with a lie in its soul. The book is intensely worth study; even the unbeliever will be able to spend many a happy hour trying to detect flaws in the author's reasoning.—C. L. T.—"Oxford Chronicle."

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Published by the Proprietors, THE NEW AGE (A. R. ORAGE), 38, Cursitor Street, E.C.4, and printed for them by BONNER & CO., The Chancery Lane Press, 1, 2, and 3, Rolls Passage, E.C.4.