

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

"Patrick Murphy, you are charged with being drunk and disorderly. Were you fighting?" asked the clerk.

"I was, sor," said Patrick.

"Whom were you fighting with?" asked Mr. Bingley.

"I don't know, sor," said Patrick. "I don't remember. But I was drunk and enjoying meself."

"Ten shillings," murmured Mr. Bingley.

"If your honour plazes," said Patrick.

Interlude at Clerkenwell Police Court.

* * *

"We were once—it seems like yesterday—the most sober and settled of Parliamentary communities. Now we are threatened with a public dog-fight every year amidst orgies of humbug in hysterics and the measureless exaggeration of false cries and false bogies." In these words Mr. Garvin opens his article in last Sunday's *Observer*. Yes; and the outcome of it all? "Ten shillings in the pound," murmurs the tax collector."

* * *

We shall not waste much space dealing with the circumstances immediately preceding the fall of the Labour Government. There are three observations only to be made on the "Campbell" case, (1) to call the article in the *Worker's Weekly* an "incitement to mutiny" was an hysterical abuse of language; (2) granting that it was an incitement, it was not circulated among the people who were to respond to the incitement; (3) granting it had been so circulated, there is no person of intelligence who would assert that it would have produced any effect. Add to these considerations the fact that if the prosecution of Mr. Campbell had gone forward the terms of the "incitement" would have been re-laid and broadcasted throughout the length and breadth of the civil population and the armed Services via the very newspapers which profess to find it so dangerous to internal peace, and the wonder is not why the prosecution was dropped, but why it was begun. And on the same reasoning, there was as much objection to an Enquiry as to the prosecution itself. In either case the "incitement" would have received a gratuitous advertisement. We hope we are not showing signs of *tête montée* when we point out that we ourselves have

provided a better foundation for a public prosecution than a dozen of such articles as the *Worker's Weekly* has published. Quite recently we commented on the subject of counterfeiting in terms which could easily be shown to be a constructive incitement to private individuals to forge Treasury Notes. Nothing has happened: and one is left to puzzle out which is the greater impropriety—drawing from a prosecution after entering upon it, or ignoring the occasion for one.

* * *

Then, again, with regard to the Russian loan, on which Mr. Asquith's "ultimatum," a fortnight ago, "left no room," according to the *Observer*, "for any adjustment not involving the Prime Minister's personal humiliation, and made a General Election inevitable," even though the inter-party quarrel about the Communist prosecution had been composed. What, exactly, was involved in this controversy? Assume the Government to guarantee the repayment of principal and interest in respect of goods supplied by private enterprise to Russia. What does that mean? It means that before the Government could be called upon to fulfil its guarantee, some business organisation must first have supplied goods or services to Russia on credit terms, and then failed to recover its money. In that case, it gets its money from the Government with interest; in other words, it gets its out-of-pocket loss back. But, and here is the point, it is nowhere stated that the firm would get compensation for loss of expected profit or for the purpose of adapting its works to an alternative output if its Russian market dried up. Unless that guarantee were given, one can be quite sure that business organisations would not indiscriminately go in for Russian trade merely because their disbursements would be defrayed in case of default. In all these cases of Government guarantees, the initiative lies with capitalist enterprises and not with the Government. To hear Mr. Asquith one would suppose that the Labour Government proposed to force business men to trade with Russia. Quite the contrary. They may do what they choose. If they decide to trade, it will only be after they are fairly well satisfied that there is something more remunerative in the deal than the scale of reimbursement implied under any Government undertaking. The Opposition picture of British concerns blindly casting goods into the warehouses of

unknown and irresponsible Russians is an example of that "humbag" for which Mr. Garvin expresses his disgust in the passage we have quoted.

But let us have done with these unrealities. The Dissolution has nothing to do with a default of Russian traders or a mutiny of British soldiers, but it is the penalty of an unsolved Unemployment Problem. "The last election was fought on unemployment," says Mr. Garvin. "It is the dominating issue now as then." He proceeds to recall how Labour appealed for and got millions of votes on its claim that it was "ready with a cure," and shows that "in office their performance has been impotent." Not only so, but Mr. Garvin goes on to prophesy that this unemployment "will accumulate until it becomes for ever irremediable if by any chance the Labour Party is continued in office as a result of the elections." Now, not even the most enthusiastic Labour supporter would deny the fact of this impotence in office, but every supporter is ready with the retort that a minority Government is bound to be impotent if its cure is opposed by the majority; and the lesson will be drawn that the fault is with the electorate for returning the Parties to Parliament in the proportions they did. For this reason we doubt the wisdom of the Liberals in their project of showing posters all over the constituencies with figures proving that unemployment has increased during Labour's term of office. After all, if Labour has not been able to abate the evil, neither were its opponents, when in coalition, able to prevent its appearance; and since prevention is easier than cure the Liberals and Conservatives come out of court with the deeper stain on their character. Be that as it may, our concern, and the concern of every thinking man and woman, is with the future. The accuracy of Mr. Garvin's prophecy is suspect. He bases it on the fact that the evil to be combated arises out of the clash of Socialism with Capitalism. "Labour's set prejudice against capital tends to paralyse the very heart of economic action in this country. We need above all things the utmost efficiency both of capital and labour. It is futile to separate them or to dream of eliminating one of them. It is economic death to separate them by theory and system." Quite so, but Labour has only to retort that Capital's prejudice against Labour can be made responsible for the evil in exactly the same terms.

There is a reply to this which Mr. J. St. Loe Strachey makes in *The Spectator* when he remarks: "All we want is to prevent the destruction of a system of society (i.e., Capitalism) which, at any rate, does make it possible for the majority of human beings to get their daily bread into their mouths and some sort of houses over their heads, until we are sure that we have a better to put in its place. We do not believe that such an alternative is offered us by Socialism." The Intelligentsia of Labour will doubtless make merry over the modesty and caution of this Unionist view, but it reveals the sure instinct which has so often enabled John Bull in his acquisitive career to get away with the horses while foreigners were cackling. All the same, Mr. Strachey over-estimates the power of Socialism when he sees in it an instrument for the "destruction" of the capitalist system. Socialism is a religion, and Christianity has had. As soon as Socialist principles come to the point of practical application to these problems they are seen to be identical with capitalist principles. Only a week or so ago we saw Mr. Hunter, the Socialist, at loggerheads with Mr. Bramley, the Trade Unionist, Mr. Hunter having reproved the Trade Union Congress with showing so much concern over its bread and butter. Could any capitalist have done better? Would the bankers

have put it otherwise—not to speak of their Socialist "Minister," Mr. Snowden?

There are only two ways of superseding an obnoxious institution. One is to persuade its upholders to the view that it is obnoxious. The other is to overthrow them and it. No one who understands the structure of capitalism and the place within it which the Legislature occupies, dreams for a moment that a mere victory in the House of Commons will do it any damage. That would be nothing more than a signal for the real conflict, which would take place in the fields of industry and finance. Now if there were any reality in the supposed designs of Socialism on Capitalism, one would have expected to see the Socialists taking steps to organise the forces which would have to take their part in the inevitable industrial conflict. But as a matter of current observation, not only are they refraining from any such action, but are excluding Communists from the Labour Party on the precise ground that they are attempting to perform it. At the Labour Party Conference just held, Mr. William Paul, a Communist delegate from Rusholme, said that it was "impossible to distinguish between the position of Hodges and that of Baldwin, Asquith, or Lloyd George." Answering an argument of Mr. Hodges he defended the Communist attitude in these terms:

"It has never until now been contended that it was wrong for members of the Labour Party to contemplate extra-parliamentary action when emergency demands it—witness the famous Councils of Action formed by prominent leaders and chief constituent bodies of the Labour Party and condemned by Liberals and Tories alike as contrary to 'constitutional democracy.' That such an emergency was bound to arise as soon as the Labour Party reached the point of being dangerous to capitalism, is shown by the reference in the last annual report of the Labour Party to the *power of finance and the extent to which it could sabotage a Labour Government*. Does Mr. Frank Hodges mean that the Labour Party must abandon all idea of being dangerous to capitalism? Mr. Hodges speaks of 'educating' the electorate. Does he realise the power of the capitalist Press to mis-educate—to delude, to deceive, to create an atmosphere in which all possibility of reasoned discussion is destroyed?"

We remember an occasion during the war when we attended a Federation meeting of the I.L.P. in the East End, and have a vivid recollection of a Socialist delegate's complaint of Communist activities within his branch. "It isn't," he said, "that they are able to vote down the other members, in fact they are a very small minority, but—I don't know how it is—somehow they take the lead in everything and our members often find they have passed resolutions which they didn't mean to." After the above example from Mr. Paul, few of our readers will wonder at the uncanny experience of that I.L.P. brother. And they will better understand the hasty dropping of the Campbell prosecution if they remember that Socialist Ministers were to have been subpoenaed to stand up against Communist cross-examination on the subject of extra-parliamentarism.

We will return to Mr. Garvin. The "set prejudice of Labour against capital" is a flimsy basis for his prophesy of "irremediable unemployment" in the event of Labour coming into power. The only distinguishable prejudice we have seen is that of Labour M.P.'s against Liberal and Conservative M.P.'s—a totally different thing, and quite compatible with identity of policy on all the essentials of capitalism. Their quarrels in the House and in the constituencies

have meant nothing more profound than the controversies that were carried on between the two capitalist parties before the advent of Labour. As the *Workers' Weekly* points out in an indictment of the Government:—

It betrayed the most ghastly timidity on all questions affecting the workers. The unemployed question was not tackled in a serious and comprehensive fashion. The Government refused to bring forward a minimum wage bill safeguarding the workers from starvation wages. It refused to impose fresh taxation on the rich for purposes of social reform. On the other hand, it held the Emergency Powers Act over the heads of workers on strike, while the official organ of that section of the movement with which the Prime Minister is most closely associated, the I.L.P. *New Leader*, attacked the striking locomotive-men and tramway-men.

It is in matters such as these that any real anti-capital prejudice would have revealed itself. It may be replied that, although not revealed, the prejudice was still there, but could not be translated into action while the Government was in a minority. Well, we must wait for Labour's election manifesto before we say anything more on the point.

But the main error of Mr. Garvin is to mistake effect for cause. Anti-capital prejudice, wherever it exists (most markedly among the Communist victims of the Labour boycott), has arisen from the fact that capitalism is failing more and more to employ and feed its workers. The ordinary workman does not get "fed up" with capitalism until he is ill fed by it. Mrs. Margaret Cole has an article in this month's number of the Labour Research Department's Circular, in which she proves that the standard of life of the English workers has dropped steadily since 1900. By an analysis of wages, retail prices, and unemployment figures she shows that "real wages"—i.e., wages represented by the amount of food that can be purchased with them—have declined as rapidly as capitalism has developed. She provides a chart, in which she shows that not once since 1900 has the rise in working-class wages come near the rise in food prices. As an instance of the kind of thing that is going on, there is a letter in this week's *Workers' Weekly*, in which the writer, a Mr. C. Brooks, refers to the sugar refining industry in his native town—Greenock. He says that a year ago all the sugar houses were on full time and refined a little over 5,000 tons in a certain week. Last week 4,578 tons were refined. Yet last week "the Berry yards were working a shift short, Niel and Dempster men are sent home, and the Orchard Sugar House has been closed for four months." A "90-ton melt with twelve men per shift" will take place one week and the following week a "120-ton melt with ten men." Wages are "15s. 6d. below the rate in London and Liverpool." Then, elsewhere in the same journal reference is made to the Kent cement industries. The quarry gangs which dig the chalk from the face of the quarry are being replaced by steam navvies, one of these navvies doing the work of about 150 men. Again, two girls writing from Bow are in the Confectionery Co., where girls of sixteen are employed to wrap up toffees. Hours are 8.30 to 6.30 with one hour's break for dinner. The rate of wage is, they say, 3d. an hour. It is certainly, as Mr. Garvin says, "economic death" to antagonise capital and labour by theory and system; but, as it so happens, not theory or system, but "steam navvies" and "3d. an hour," are creating the antagonism. Mr. Garvin says, "Capital must be more and more humanised and liberalised in its relations with labour. . . . We have to encourage positively the utmost strength and enterprise of capital. We have even to raise it to a higher power. There is no escape from this. If we will not do this, then our disadvantages in trade, and our consequent unemployment, must accumulate until we are sunk beyond redemp-

tion." And, if so, what? If Labour's anti-capitalism will not produce the desired result, will Capital's pro-capitalism?

The nature of the true remedy for our industrial and social troubles is such that it will command the assent of the vast majority of the electors directly it is put before them. This remedy is the New Economic policy. It gives to the capitalist, to the worker, and to the consumer, all that they are now fighting each other for. It ensures a stable and permanent economic reconciliation, thus removing nearly all the causes of political antagonisms. We therefore take this occasion of setting out briefly the main features of New Economic theory and practice, with just sufficient argument to make out a prima facie case for them. Everyone who will read the statement carefully will be in a position to test the programmes of the candidates for whom he is asked to vote. Very few will openly stand for the remedy in the explicit terms with which we describe it, but a good number will manifest a tendency in that direction. As a general rule, the candidates to vote for are those who advocate a positive, *spending*, policy as against those who hang back with a negative, *saving*, policy. Select those who confidently say that Britain *can afford* this and that, and reject those who timidly plead that she *cannot afford* those things. Preachers of *thrift* should be vetoed instantly. Other things equal, a candidate who stands for an investigation into the question of credit, and especially the methods of the financial system as they affect the health of industry, is a man to note. Prefer an "inflationist" to a "deflationist": they are both off the line, but the former can be "jacked" back more easily. Put a bad mark against every one who suggests that high wages, salaries, or dividends are the main cause of high prices. Turn down the candidate who charges the "middle-man" with being the cause. The prices of what the public buy can be sensationally lowered without cutting anybody's private income, however derived. Prefer the candidate who talks of developing the *home market* to him who insists that we can only live by getting back our export trade. The latter (though he may not know it) is a war-monger. Particularly watch for and support the candidate who puts British agriculture first in his programme of home development. Disregard the question of Parties altogether. The right man may appear under any banner. Bear in mind that no Party, as a party, is going to do what is necessary. The remedy will come about through a coalition of selected men from all three Parties. It is for the reader, probably by intuition, to select these men.

The Social Credit Movement.

NOTES AND NOTICES.

Major Douglas and the Conference at Swanwick. As Major Douglas will be unable to attend the Conference arranged by the Committee on War, and the Social Order, to be held at Swanwick, October 24 to 27, the address intended to be given there by him will be given at the Social Credit Conference at a later date.

Forthcoming Meetings.

The next meeting of the London Area Committee will be held at the office of THE NEW AGE, on Thursday, October 16, at 7 p.m. It will be open to anyone to attend who is interested in the movement. The conveners will be pleased to see as many as possible on that evening at Slater's Restaurant, 55, High Holborn, from 6 p.m. onwards, at the far end of the room as before.

Future meetings of the Hampstead Group will take place on the first Thursday in each month. Will everyone take a note of this arrangement and keep those dates open? Announcements will appear, with more particulars, from time to time.

Through Consumption to Prosperity.*

"We have such a reserve of productive power in this country [U.S.A.] that the possibility of raising the real wages of labour to the point where the means of well-being shall be realised for all classes remains no longer a mere dream. It has become a possibility."

"If the full promise of real wages is to be attained this factor [i.e., this something that keeps the amount of production so much below the capacity to produce], which inheres in our industry, must be eliminated. The war cast it out for a period of three years. If we can discover the secret of war's effect on industry, we may indulge the hope of institutionalising it and adding permanently to our annual industrial output."—(Prof. David Friday's statistical summary, *Profits, Wages and Prices*, 1920, pp. 234-5, 244-5.)

"I believe that we have to-day an equipment and a skill in production that yield us a surplus of commodities for export beyond any compensation we can usefully take by way of imported commodities. . . . To me there is only one remedy, and that is by the systematic, permanent investment of our surplus production in reproductive work abroad. We thus reduce the return we must receive to a return of interest and profit."—(Mr. William Hoover, Secretary of Commerce of the United States. *New Republic*, December 29, 1920.)

"Only about 50 per cent. of our industrial machines (U.S.A.) are actually operating during the time they are expected to operate; and on the whole the machines, during the time they are being operated, are producing only about 50 per cent. of what they are expected to produce. This brings our production results down to about one-fourth of what they might be if our machines were run all the time at their highest capacity."—(The late H. L. Gantt, the well-known industrial engineer, 1918, quoted in *Current Social and Industrial Forces*. Lionel D. Edie.)

"If we take the whole field of British foreign investment, we shall find that every year England has returned in loans more than she received in interest, and the balance of the world's indebtedness to her has been steadily growing."—(Rt. Hon. Regd. McKenna. Address before the American Bankers' Association, New York, October 5, 1922.)

Synopsis.

The purpose of an economic system is CONSUMPTION. The co-existence of Poverty and Unemployment unscientific. The cause financial. The nature, function, and control of money. Modern industry carried on by means of bank loans. Bankers' monopoly of money creation means control of industry. Our fortunes depend upon bankers' policy. Their policy has been "Produce More and Consume Less." Hitherto unchallenged. Major Douglas has now challenged it. The correct policy is "Increase Consumption." How to apply it. Income must rise without raising prices, or prices fall without depressing incomes. Bankers say that it is not possible. Douglas says that it is. The NATIONAL DIVIDEND. Its rationale. REAL CREDIT FINANCIAL CREDIT. Can be transmuted into the "Inflation" objection. The answer. The case of Germany and Russia. Price Regulation different from Price Fixing. The "Price Regulation Factor." Precautions against Bureaucracy. The Application of the Factor. The "Just Price." Practical implications.

The true purposes of an economic system are (1) to bring into existence the largest possible quantity of consumable goods; (2) to transfer them out of the industrial system into the homes of private individuals as fast as they are made. All production, of whatever things, must necessarily end in the appearance of consumable articles or services. If not, the efforts put forth in producing are meaningless waste. Therefore, whatever lessens the consumption of consumable things, lessens the production of everything else, whether it be some constituent of them or is simply a means of making them. No Consumption, no Production. The only reasonable

* This article will be reprinted immediately in pamphlet form.

economic excuse for a pause in production would be either (a) that the industrial system was already working to its fullest capacity and could produce no faster, or (b) that the customers of that system—i.e., the community in their rôle of private individuals—had already got all the things they desired and did not want any more. If industry is delivering to the people as a whole as much as it is able to produce, the requirements of the economic system as such are satisfied, even should (say) a quarter of the people take three-quarters of the goods and the other three-quarters go short. But if industry is working at less than full capacity, and a quarter of the people are getting all they want and the rest less than they want, the requirements of the economic system as such are not satisfied. Not because of the "injustice" (that is a concept which has no place in economics), but because of the inefficiency revealed by that situation. To the true economist, it is simply "uneconomic" (if you prefer it—unscientific) that a need for more should co-exist with the ability to produce more. In a word, the existence to-day of Poverty (unsatisfied need for goods) side by side with Unemployment (unused ability to make goods) is primarily a scientific problem, whatever anyone may have to say about its "morality." It suggests much more of obtuseness than of wickedness. In a primitive community who simply gathered, say, coconuts and shared them, nobody would stand idle and go short while there was a single nut to be gathered. There would be no quarrels about the sharing if there were enough for everyone. But under modern conditions of industry, it is as though nuts were growing all round us, but something prevented some of us (the "unemployed") from gathering any at all, and even the rest of us from gathering all we needed. That something, as will be shown, is the department of the economic system which we call the Financial System.

It now becomes necessary for a few statements to be made about Money. They are as follows:—

Money and Financial Control.

- (1) Money is a licence to acquire goods. The term "Goods," used here and subsequently, must be understood as including services. Since man lives by acquiring goods, money is really a licence to live.
- (2) Money is composed (with the trivial exception of coins) of paper and ink, and its intrinsic cost is practically nothing. Money has no value in itself.
- (3) The creation of money is entirely in the hands of the banking system. The amount created and the conditions of its issue to industry are decided by the banks, and by no-one else.
- (4) When the banks issue money it is always issued as a loan, and must be repaid.
- (5) The time of repayment for these loans is also subject to the decision of the banks, and of no-one else.
- (6) Modern industry has to be carried on almost entirely with money borrowed from the banks.

Anyone who will reflect a little on the significance of these five statements will realise that the financial system exercises unchallenged control over the industrial system, and, through the industrial system, over the life of every member of the community. We have referred to Money as a "licence to live," and if that definition is accepted as true, the people who hold the monopoly of making and issuing those licences hold our lives in their hands; and, because of the power which they thus exercise, they can make us all—master and man alike—obey whatever policy they choose to impose on us.

The Conflict between Financial and Economic Policy.

Now, in all economic controversies, all industrial disputes, until Major Douglas published his Credit Theorem, no-one ever breathed a doubt as to the

scientific soundness of financial policy. Bankers were (as they still are) men of integrity, men with a wide knowledge of business conditions, and undoubtedly men who knew better than anyone else how to use the mechanism of banking. They were in the best position to know what was good and what was bad for industry. But now, Major Douglas has challenged their policy in terms and with proofs that, sooner or later, will have to be answered by the highest authorities of the banking system. And a quick answer is imperative, for if their policy is wrong, everybody else's policy—all accommodations between the parties to production (Capital and Labour)—all attempted political reforms—will be futile.

Is there a *prima facie* case against financial policy? Let us inquire. We have said that the true purpose of an economic system is to evoke the largest possible production and consumption of consumable goods. This common-sense proposition will undoubtedly carry the reader's assent. But financial policy directly conflicts with this objective. It can be summed up in the well-known formula "Produce More and Consume Less." To this Major Douglas opposes the assertion that the low standard of consumption by the community is the prime cause of industrial stagnation. "Consume more, or else you cannot produce more," he says in effect. Yes, but how? Well, the only way for the community to consume more is for something to happen which will either put more money in their pockets or else make their present money go farther: in short, will give them higher incomes without higher prices, or else lower prices without lower incomes.

Costs and Prices.

Now we come to the very centre of the conflict between the New and the Old Economics. The bankers say that it is impossible to give the people more money without raising prices; and conversely that it is impossible to lower prices without asking everybody to accept lower incomes. Put shortly, their arguments amount to this: "Every personal income, whether it is a wage, a salary, or a dividend, has to be reckoned into the cost of goods when it is paid out by the industrial system. The total of all these incomes is equal, and must be equal, to the total of all costs. And since all these costs must be included in prices, how can you expect to draw more income out of industry and pay the same prices, or pay lower prices and draw the same income?" This argument is used with deadly effect both against the employee who wants a rise and the consumer who wants things to be cheaper.

"Real Credit" and the National Dividend.

A detailed demonstration of the fallacies in this line of reasoning is outside the scope of this preface to the New Economics. It will be sufficient to say that Major Douglas has proved that the community can receive incomes in addition to those which are paid to them for their service in the industrial system, and that therefore the community's stock of money can be increased without swelling the industrialists' costs. Each member of the community can get, so to speak, two incomes (a) his wage, salary, or dividend, as the case may be; and (b) a share in what may be called a National Dividend. In explanation of this latter term, if the reader will reflect for how long a time the people of this country have been working under a policy of "Produce more and consume less," he will realise that if Douglas is now right in his statement that that policy was wrong, and that the building up of the production at which they have slaved ought to have been accompanied all the time by constantly increasing consumption—if all this is granted, then there must be an enormous unclaimed balance existing in some form, and somewhere, representing these generations of under-consumption. And there is. We do

not mean that there are twenty billion very stale loaves waiting to be eaten! The accumulation of the unconsumed articles is not actual and visible, but it is potential and available. It is represented not by mountains of finished goods but by an immense unused Power of making those goods. The measure of this power Major Douglas calls our Real Credit, meaning by that term a correct estimate of our ability to produce the things we want as, when, and where we want them. He then proceeds to say that we can draw upon that Real Credit by turning it into Financial Credit, which means that we (or the banks on our behalf) can issue fresh "licences to acquire goods"—i.e., extra money—in any amount up to the limit of the Real Credit behind it.

The Reserve Power of Production.

And what is the "limit" or "correct estimate" of our present ability to produce consumable goods? Well, an accurate estimate would be so high that nobody would believe it if stated. We will limit ourselves to the statement that a volume of output four times as great as is now being consumed is a very cautious estimate. In terms of money, our Real Credit would justify a quadruplication of the personal income (i.e., Financial Credit) of everyone in the country. It is a startling idea—this of every-one drawing four times as much money as he or she is getting now without injury to our financial stability. But it is true. Keep constantly in mind that money is a costless licence to acquire goods, then the problem is not "Where is the money to come from?" but "Where are the goods to come from?" In the terms of the New Economics—if the Real Credit is present, the provision of Financial Credit is a mere matter of printing. Thus all theoretical impediments to the free distribution of a National Dividend are seen to be disposed of.

Danger of War.

Moreover, the practical consequence of delaying the distribution will be to undermine the stability of all British industries. For reasons which Major Douglas gives in his analysis of the banking system, these industries are unable to recover all their costs by selling in the home market. Hitherto they have made up the deficit by selling abroad. But a large part of these overseas sales have been machinery and parts. In the hands of foreigners this machinery is now being used to compete with Great Britain in the diminishing number of world markets that are still left open. Hence, every day, our industries are being more and more reduced to the necessity of making both ends meet by their home trade. If they fail, there will be no alternative between a general close-down amid unprecedented social disorder or a desperate effort to force an entry into some foreign market—which means another war. It is to avoid such a failure that the National Dividend is necessary. With it, our industries can proceed to make as much as their plant is capable of producing, in the confident knowledge that after they have exported a sufficient quantity to exchange what they need to import, the home population will have enough money to buy the rest from them.

But the bankers have another argument; this time a practical objection. It runs like this: "Granted that you can justify the creation and free distribution of a great sum of extra money, and granted that you can, as you say, pass it to the consumers direct and not through the industrial system; and granted again that by doing so you avoid increasing industrial costs; yet you will not be able to prevent a rise in prices. For in all experience it has been observed that, whatever his costs may be, the seller of goods always fixes the price at 'what the goods will fetch'—not at a fixed margin above his cost. So the only result of your increasing the incomes of consumers will be to make them victims of profiteer-

ing, and in the end your objective of inducing a larger volume of consumption will be defeated." This is what is called the "Inflation" argument.

Avoiding Inflation.

Again, the detailed answer to this must be left for investigation elsewhere. But the general reply is as follows:—Given assent to the *policy* of increasing consumption by means of the National Dividend, the banking system, acting on behalf of the community, could approach the producers with the following proposition: "You are now producing 100 units of consumable goods a week. Your profits represent 10 of those units—leaving 90 for the rest of the community. But your plant *could* make 400 units of these goods if you got the orders and payment. So if we get you the orders and guarantee the payment for the extra 300 units, what will you do them at? Will you be content with taking your usual 10 units out of every 100?—or less?—or do you want more?" Now supposing the producers said "Neither. We prefer to get all we can. We're not open to deal with you." The reply of the banks would be: "Then it is no use our guaranteeing the payment, for if you raise prices up to 'all the goods will fetch' the total consumption of our clients, the community, will remain at the present level of 100 units, however much money they have. But we should have thought that as business men you would have made a deal. For you *yourselves are consumers* as soon as you go home from your factories; therefore our policy of multiplying consumption by 4 ought to appeal to you. As it is, you will now, we suppose, go on with your 100 units of output and get 10 for yourselves, whereas if you agreed to a definite figure as your profit—say, it were 10 per cent. (as you are getting now) there would then be 40 units of comfort and enjoyment for you instead of 10, while the community generally would divide 360 units instead of 90. Further, as your factories are already in existence and involve you in fixed overhead charges, however much or little you turn out, the more goods you make the less your cost on each article, while the extra *trouble* involved is negligible.

Is it a reasonable supposition that producers would refuse to listen to a proposition like this from a body able to make good its monetary promises? If so, it is for financial authorities to explain on what ground.

Price Regulation.

The troubles that befell Germany and Russia when they printed their marks and roubles are beside the point. Their Governments did not attempt to make their issues of new money conditional on a price-bargain on behalf of the consumer: they deliberately expanded currency and left the consumer to fend for himself, and he found prices being raised against him as fast as the printing presses turned out the money. Price regulation—quite another thing than price fixing, let it be well noted—is of the essence of a sound monetary policy. Without an understanding of the advantage of money cannot be used to no use superseding bank control of money by Government control ("Nationalisation of Banking") unless the new controllers are prepared to use that control for the purpose of promoting Consumption. Money, as we have said, is a licence to acquire goods. But Price is, as it were, a clause in the licence which specifies *what quantity of goods*. And it is the quantity of goods that matters, and not so much the amount of money. (Halve all prices to-morrow, and the pressure all over the country for increased wages would die out.) So it is obvious that the same body which issues the "licences" must enter the "price-clause" on them if it is going to improve industrial and social conditions.

The Price Regulation Factor and the "Just Price."

"But who is to say what prices shall be? One cannot trust that function to any body of persons. They would turn into a bureaucracy at once." That is a sound criticism. The danger involved is averted by what Major Douglas calls the *Price Regulation Factor*. We shall not explain here *how* it is calculated, or the exact method of applying it, but simply state that it is a figure—really a fraction, a proportion, a ratio—which is calculated from statistics taken from industry itself, i.e., figures derived from sources out of the reach of the would-be bureaucrats. When calculated out, this figure, or ratio, tells the controllers how much money in the form of the free *National Dividend*, may safely be distributed in addition to the money already being drawn from industry as wages, salaries, or dividends. The figure would be calculated periodically, and it would be determined on each occasion by comparing the amount of production with the amount of consumption which had taken place in the previous period. Thus the *Price Regulation Factor* would be automatic, almost like a speedometer, and not subject to errors of judgment by the controllers.

"But why do you call it a *Price Regulation Factor*? It appears to be merely a money-issue factor. Where do prices come in?" We have purposely laid ourselves open to a question of this sort. Our reason was that we wished at first to connect the "regulation" idea with that of the National Dividend. Having now done this, and shown that the amount of this dividend is determined impersonally and scientifically, we will now go on to connect the regulated dividend to prices. Let us revert to that imagined deal between the banks and the producers. Once an understanding is arrived at that the producers (including the retail traders) will take some definite specified profit above their actual costs, the banks can fulfil their part of the contract (which was to guarantee the payment for the 400 units of goods) in one of three ways: by issuing the money to the manufacturers, or to the retailers, or to the consumers. In principle it does not matter which; but in practice the second alternative is held to be preferable. Let us suppose the case of a baker. He has hitherto been selling 100 loaves at 6d. each. Total £2 10s. The banks now guarantee him the payment for 400 loaves. Assume (for it doesn't matter what the figure is) that his costs remain proportionally the same on the larger quantity as on the smaller. In that case he will want to receive £10. The banks can say to him: "Sell the loaves at 1½d. each, which will bring you in the usual £2 10s. from your customers, and we will give you the other £7 10s." The result is clearly the same as though the bank went to all the trouble of distributing the £7 10s. round the neighbourhood. The consumers have got what they *really* want—a lot more for their money: the retailer has got full profits on the larger turnover; and all the suppliers behind him along the chain right back to the tiller of the soil get each his agreed profit out of this £7 10s. Now the *Price Regulation Factor* in this instance is the fraction ¼. That is to say, the baker sold at ¼ of his normal price of 6d.—namely 1½d. And the 1½d. represents what Major Douglas terms the *Just Price*. Thus by the application of the *Just Price* the community receives its National Dividend in the form of extra goods—which is the objective of a sound economic system, that of promoting production and consumption of the largest possible quantity of consumable goods.

Practical Implications.

To conclude let us examine the practical implications of the New Economic Theory. There is nothing to prevent its immediate inauguration by the Government and the banks.

It begins by doing what all other policies merely promise to do—abolishing want.

It can support in comfort every person whose services are not required by the industrial system; and therefore eliminates the Unemployment problem.

It encourages the use of every labour-saving device that Science can offer, and adequately rewards the inventor.

It solves the problem of harmonising the interests of the capitalist and the worker within the industrial system.

It abolishes the conflict between the parties to production on the one hand, and the community (as the "consuming" party) on the other.

It affords a means of enabling the citizens of this country to pay all necessary taxation.

It does not conflict with any political principle. It underlies all politics and unifies them.

It frees politics from all sordid elements, and attracts back to Parliament the "Best Men."

It wipes out crime in broad sweeps.

It leads to a short working day for everyone.

It expands the home market and enables industry to recover all its costs and keep solvent without being obliged to press its surplus products on foreigners, as now.

Therefore it is the most powerful of all factors in maintaining Peace.

It establishes *willing co-operation* in the place of sullen compulsion as the basis of society.

It sets free funds for the development of every cultural and spiritual objective, and provides leisure for their pursuit.

The Current Conflux.

In each country, the influence of the home market on industrial activity would seem to be more important than that of foreign markets. It would seem that the restoration and the regular growth of purchasing power of the mass of consumers in proportion to the growth of production itself would be capable of preventing. . . business stagnation.—*Report of experts on unemployment and economic crises to the International Labour Office.*

Labour Government has not brought financial ruin anyhow. Indeed, *The Bankers' Magazine* states that since January 365 representative stocks have gone up in value by £169 millions.—"Scissors," in *The New Leader.*

Our cotton industry is feeling the competition of the United States.—*Daily Mail.* Cotton manufacturers in America are undoubtedly becoming alarmed at the large imports of piece goods, especially from England.—*Economist.*

If people will not learn to be patriotic on their own account, the Government should make it mandatory.—*Representative Bloom, of New York, introducing a Bill to make it a penal offence for civilians to omit tipping or removing their hats when the national flag is carried in parades.*

The steel plants and the shoe industries of the U.S. can produce twice as much as the country can consume.—*New York Correspondent of the Manchester Guardian Commercial.*

We should avoid the danger of being stampeded by these oil revelations into carrying out the carefully laid plans of the Pan-German group operating in this country.—*Mrs. H. Lund, member of the staff of Secretary Fall. (With acknowledgments to The New Republic.)*

Life and Letters.

Perhaps the most striking of all Mr. W. K. Haselden's *Daily Mirror* Reflections that I can remember is that which depicts, first of all, a row of sheep of exactly similar proportions, each facially indistinguishable from the next, and beneath it a succession of monotonous looking men, attired in the sub. fusc costume of a City man, that made them appear so many standardised Robots. Beneath it ran the comment: "How the sheep appear to us, and how we appear to the sheep."

It was such an analogy that rose to my mind as I laid down Mr. H. J. Massingham's "In Praise of England" (Methuen, 7s. 6d.), which is very largely a collection of contributions to the more spacious order of periodicals, and, its author claims, "if there is a link between them, apart from one's own point of view, it lies in the general indication of man's relationship with Nature."

It seems very doubtful whether it is possible for such a miscellany to be gleaned ("reassembled," I understand, is a phrase exclusive to the motor-car industry), without the unifying element of "man's relationship with Nature," depending almost entirely upon "one's own point of view."

In the final chapter in which Mr. Massingham discusses, knowledgeably enough, on London birds, he remarks: "But to find the 'stonechat' in London at Christmas is an eye-opener. Just one bird, and what a pretty toy for the theorist!" That is the danger that is ever lurking behind the rediscovery of Nature by our modern connoisseurs of the countryside; it is no longer that, as Mr. Chesterton complains, of the decadent element in Nature Worship before Christianity came—we see blood and lust in every flower, though, no doubt, even the most modest plant is grist for Mr. D. H. Lawrence's mill—but rather that we see our benevolent inquiry reflected, our theory of creation corroborated and our rule of thumb philosophy substantiated in the shape of every petal.

If our common sense constantly revolts against the exaggerated importance which the characters of the more sensational film-plays attach to their petty passions in view of the throes in which all civilisation is struggling, how much more do we rebel against carrying the cult of our own personality into those confines of Nature which should promise, for a time at least, self-forgetfulness.

Otherwise we lay ourselves open to just that reproof contained in Mr. Haselden's cartoon, and we should worse than envisage ourselves, we peering pedants, as Nature must see us.

Then might the "flower in the crannied wall" remark to the poet in tones almost bordering on sarcasm:

"... If I could understand
What you are, root and all, and all in all,
I should know what God and man is."
"ST. BERNARD."

THE PALACE.

By the end of the pier
On darkest nights
A fairy palace
Is full of lights.
With yellow blaze
It glows so gay,
It cheers the mariner
Home to the bay.

When cruel cold
With cruel hand
Comes creeping up
Behind the land
The fairies go.
Their palace gay
No more can guide
Men to the bay.

O. M. W. W.

Contemporary Criticism.

By C. M. Grieve.

THEORIES OF LIFE AND ART.—II.

It is particularly interesting to compare the attitudes to Christianity in these books. In "A Note on Friedrich Nietzsche," Edwin Muir has said that "the belief, prevalent for some time in a little circle, and held by Nietzsche himself, that Christianity had sustained an irreparable reverse, a defeat which would alter the fate of the world for the next two thousand years, in 'The Will to Power' and 'also Sprach Zarathustra,' is for us now only a curious piece of literary criticism."

But, first of all, at any rate, it may be observed that advocacy of orthodox conceptions of Christianity to-day almost invariably afflicts the intelligent reader with a sensation as of something ridiculous and high incredible. Consider, for example, the amazing confession of the Rev. A. E. J. Rawlinson in his essay on "Psychology and Theology" in "Psychology and Sciences," viz. :—

"I do not personally attach much value to any of these attempts to solve psychologically the problem of the person of Jesus Christ, whether from the side of speculative dogmatics or from that of the historical study of the Gospels. With regard to the latter I believe the final word of wisdom to have been uttered by Dr. Burkitt when he wrote that 'our Gospels are very far from being a sort of psychological novel with Jesus Christ for hero!' . . . I do not believe the Kenotic Christology to have been anything more than a piece of mediating mythology which paved the way for the fuller recognition of the genuineness and reality of that the Incarnate Christ possessed, as it were, a divine capacity side by side with a human capacity and acted alternately, now in the one capacity and now in the other. I believe that henceforward those of us who accept the doctrine of the Incarnation will have to be content to say simply that Jesus Christ is as divine as God and as human as man; and that for any further account of the ultimate mystery of His Person we are constrained to fall back upon the language of religious mythology rather than of speculative metaphysics, and are unable to improve upon the statement of the Creed which describes Him as the eternal Son of God 'who for us men, and for our salvation, came down from Heaven and was made man.' Before leaving this part of my subject I would refer in passing to the attempt of the late Professor Sanday to formulate a theory of the person of Christ by suggesting that the *locus* of His Deity was to be sought rather in the sub-conscious than in the conscious region of His mind—a bold and original application of a current psychological conception, by which, however, the majority of students have not felt that the problem of the Incarnation was very greatly illuminated. The same may be said also of Miss Evelyn Underhill's attempt—in the judgment of most readers a very strained and unconvincing attempt—

(How can Mr. Rawlinson say that? It is surely an example of the workings of his typically ecclesiastical mind which vitiates his whole essay, and should put him finally out of court in any intelligent discussion. Intellectual integrity is utterly absent from his essay as from the orthodox Christian mentality it expresses.)

—to interpret the life of Christ, in her book, 'The Mystic Way,' in terms of a psychological scheme based upon her study of the psychology of the greater mystic saints. The most recent attempt of all to apply psychological conceptions to the study of the Gospels is contained in a book by Georges Berguer, of the University of Geneva, translated into English under the title of 'Some Aspects of the Life of Jesus, from the Psychological and Psycho-analytic point of view.' . . . We are not spared the application of the psycho-analytic conceptions of our Lord's religious life, or to the interpretation of certain elements in the *paternal imago* to the interpretation of the *Edipus' complex* and Gospel story (elements which the author, following the 'liberal' convention, regards as legendary or mythical) as products of the dream-psychology of the corporate mind; born of a psychological conflict in the depths of a people's soul.' . . . It is possible that it may prove to be the forerunner of quite a number of similar works purporting to

shed fresh light on the Gospels from the psychological point of view. I believe personally that such a literature, if it is produced, will be likely to prove ephemeral, and that very little of any value will result from it."

Mr. Lindsay is at the opposite pole, as I have already shown. It is true that for all higher minds any beliefs in Christianity, even as a police court formula, were already dead. But Nietzsche affirmed the unspoken conviction of these minds. And it remained for him to complete his gigantic labours by killing God. If God had been even as great as man, he could not have survived the withering derision with which Nietzsche pictured his end—seated by the fireside, withered, grieved because of his weak legs, weary of the world, weary of will, and one day suffocated by his all-too-great pity. . . ."

Or again: "The impulse of Hatred is from a sense of inferiority, a poverty of human cheerfulness, Chance only selects its direction. The Christian, the Bolshevik; these animals are haters first, fanatics or demagogues after."

Or once more: "All belief in life begins by denying a belief in God. For God is the emblem of man's irresponsibility, his childishness, his cowardice. It represents his desire to shelve the problem of life, to thrust the burden of it from his own shoulders. . . . Belief in God is only a trick for shelving the problem of belief."

But Mr. Kingsland's book provides conclusive proof of the absolute untenability of Christianity in its conventional acceptance by any mind worth considering. The importance of Nietzsche in this connection—the extent to which he subverted the spirit of revulsion from Christianity in the two books named—is debatable: but if they did not deal, they certainly typify, the irreparable reverse Christianity has sustained—not, albeit, so far as the populations of Western Europe as a whole are concerned, but as far as the intelligentsia in whose hands lie the future of European life and letters is concerned, although it perhaps only affects the man with the slowness of change in metamorphic rock. I think this is what Muir meant—not that Christianity had established or re-established intellectual defences.

"It will probably be thought by some that I am prejudiced against and opposed to 'Christianity,' says Mr. Kingsland, "and if by that term is meant the traditional creeds and dogmas of the Church in their *exoteric* presentation, then I must certainly plead guilty. That traditional 'Christianity' is a perversion of the real spiritual truth, of which it ought to have been a *re-presentation*, is a conclusion which is rapidly gaining ground on every hand. That the Church has no real spiritual hold on our common life is a fact which the Great War has brought into startling prominence. The world has suffered so much at the hands of the professors and exponents of 'Christianity' that it is difficult to forgive them; and in so far as the same spirit is manifested by them to-day in their attitude towards progress in knowledge, and their treatment of those whose only desire is for *truth*; one is compelled to declare oneself to be their implacable foe. This one may and can do without for one moment detracting from the value of the 'simple Christian faith,' which has been, and is to-day, a real inspiration, and the natural and only available spiritual food for so many who can only take their religion on an authority which they have not the natural capacity to examine for themselves, and which they have been taught from childhood it would be a sin to question."

This is putting Christianity in its place—and in other passages Mr. Kingsland completes the process in the most detailed and unanswerable way—and it will be less to the liking of the orthodox than Mr. Lindsay's invective.

The intellectual status of Christianity is steadily falling.

The Psychology of Plays.

By Peter F. Somerville.

There appear to be few playgoers who understand exactly the working of human nature. Theatre audiences will insist on playwrights observing certain elementary rules of human conduct—a stage mother, for example, must not ill-treat her stage children as a general practice—but on the finer points of psychology audiences will accept anything that is not dull. If the heroine should be made to cry when by all the laws of human conduct she ought to laugh, the gallery will not "boo." On the contrary, galleries have been known to stand up and cheer for minutes while the curtain went slowly up and down on some absurd climax to an impossible psychological development.

One of the most notable examples within the recollection of the present generation of playgoers of a playwright's disregard for probability occurred in "Hindle Wakes." It will be remembered that a mill girl had an affair with the son of her employer (I think it was). The usual agencies set to work to induce the man to marry the girl. The girl settled the question by refusing to marry him. Magnificent! Very ingenious on the part of Stanley Houghton. But not a bit like human nature. The author took his stand on the circumstance that the girl, since she earned good wages, had no need of marriage as a means of livelihood, and could afford to be independent. But marriage is not entirely a question of economics.

Love to women is not the casual positive affair that it may be to men. Rather is it latent and negative. It has to be awakened. And once a woman has committed herself she tends instinctively to cling desperately to the partner of her indiscretion. Mr. Houghton made the mistake of assuming that, economics apart, women's attitude towards love is much like a man's. It is quite different. The man's interest centres in the moment. The woman is less interested in philandering for its own sake: she is looking ahead. For all the skill with which she is otherwise portrayed, the heroine of "Hindle Wakes" is really a man dressed in woman's clothes. In her main features she is expressed in terms of male psychology.

It is difficult, of course, for a man to know the working of a woman's mind, and it is also difficult to write plays. The playwright has to think of something new, something dramatic; he has to find excuses for taking his people on and off the stage. Under the stress of these necessities he may pull his people about in a way that his conscience does not approve, and make the psychology worse than it would be if he did not require to arrange dramatic curtains.

Women playwrights are liable to take a correspondingly one-sided view of life. "Tiger Cats" supplies an illustration. At the end of this play the husband, whose intellect despises his wife, is at her feet, won over in some mysterious way by her physical attraction and swearing to put her first in his life and his work, hitherto first, second, or nowhere. The play ought not to end there. There should be another act showing that the husband on the following day had changed his mind.

A woman can attract a man in two ways, by her physical beauty or by the beauty of her mind. She will probably establish a permanent hold over him by the latter; if she depends on the former, as the woman in "Tiger Cats" seems to do, her hold over him will be fluctuating and uncertain. The newspapers are full of cases of beautiful women who have been cast off by their husbands. The argument in

"Tiger Cats" is theoretical and unreal. The author in writing about a man was handicapped by being a woman.

One might include Barrie in "What Every Woman Knows," as an example of the playwright whose lack of knowledge of the other sex has led him astray. It is untrue to suggest, as Barrie does, that as a rule successful men owe their success to a woman. Evidence to the contrary is to be found everywhere. A woman may help a man by wisely ordering the details of his life, and by correcting his idealism by practical advice; but she cannot help him at all in the big strokes that make him what he is. These are usually what attract her to him. There is really very little excuse for Barrie making this mistake.

For the author of "Fata Morgana" it is difficult to find any excuse at all. This is a play written by a man, and its main psychological defect concerns the construction of a male character. The author should know better. An innocent youth is seduced by a married and experienced woman of the world, and then cast aside when he would have married her. The purity of his love is set up as the central ideal of the play. Two observations might be made; if his love was as pure as the author suggests he would not have fallen; if he did yield to the temptation his idealism would have been in ruins the following day and he would have regarded the woman and himself with disgust. He might have persisted in his announcement that he would marry her when she was divorced; but it would not have been because of his love for her, simply that he meant to stand by his pledge. The experience would have changed his outlook. It would have been only the story of the soiling of a youth's character. He would have finished the play besmirched, on a lower moral level than he began. It would have been rather a commonplace story. The author, however, invites us to believe that the youth has been sinned against, and that his idealism is undimmed. The author leaves out the effect of the physical reaction, and the psychology accordingly is totally false.

These, of course, are all good plays, excellent plays, the psychological weakness apart. They are used merely as illustrations of a lack of discernment among playgoers as regards this aspect of play construction. Fortunately no great harm is done. There is no record of mill girls or any other girls following the example of the heroine of "Hindle Wakes," and refusing marriage after a false step. Playgoers seem to keep their views of life apart from their views of the play. Perhaps this is as it should be.

THE UNIVERSAL MAN.

(To Lady Astor, M.P.)

Helen's white breasts are leaping yet,
The blood still drips from Jesus' feet,
All ecstasies and agonies
Within me meet.

Centurion and Pilate I,
Cyrenean and Thief and Christ,
Still in a thousand shapes with Time
I keep my tryst.

Aphrodite, I rise again;
Eurydice, am drawn from Hell;
And lean across the bar of Heaven
The Damozel.

Yea, and I sit in Parliament
For Plymouth and the Sphinx
Who am what every newsboy shouts
And what God thinks.

C. M. GRIEVE.

LETTERS TO THE EDITOR.

The Gold Standard.

Sir,—I hope Mr. Dickens will pardon my stupidity, but I am still unable to understand why we should not let the poor bankers go to the devil in their own way. Mr. Dickens says that we cannot have a different standard from the bankers. But it appears to me that we can have any standard which we can persuade Parliament to legalise, and I see no reason why the bankers should not be allowed to trade in demonetised gold as freely as corn merchants may trade in corn, or coal merchants in coal. Mr. Dickens shows, no doubt, that there are many practical obstacles in the way of getting a satisfactory standard. He says, "the standard adopted by the bankers being also the national standard" certain difficulties present themselves. It is, of course, allowable for the bankers to adopt the same standard as the nation if they like to do so—that is their own concern—but it is not clear why the nation must accept the standard that the bankers have been pleased to decide upon.

It is about the theoretical objections that I am inquiring. The removal of mere practical obstacles which are unbacked by true theory is only a question of time, of the provision of sufficiently powerful levers, of the finding of fulcrums to rest them on, and the inspiring of a sufficient number of Lilliputian workers with faith that by using the levers skilfully and courageously they will, inch by inch, move these mountains of obstruction and eventually topple them into the sea.

What then, if any, are the theoretical objections to cutting the bankers adrift and running a State Bank under Parliamentary control, issuing its own tokens, based, not on the pretended value of gold in its vaults, but on the really useful assets in the possession of the people, on their energy, and, above all, on their honesty.

And if Mr. Dickens will answer my question, I implore him to answer it in language which the Simple Simons of the world can understand, for it is from them chiefly that the Lilliputian army must be recruited which is to provide the energy with which to work the levers.

SIMPLE SIMON.

As We are Seen.

Sir,—I have just had an unexpected call from an old friend—a Belgian—resident in the North of France, who developed a great interest in the rough and rapid sketch given from my thumb-nail (so to speak). Some of his impressions on current topics may interest your readers. Everyone on the Continent believes that Jews and Financiers are at the bottom of war and all other troubles. England alone does not see this, and gives toleration welcome and submission to these gentry to an extent that astonishes every Frenchman. England alone fails to see that another big war is impending and may break out at any time, and England is alone in making no preparation for it. French factories and industries have become three times more efficient and finding increasing difficulty in disposing of products, especially textiles. But French efficiency is far below German. German industries are ready to swamp the world with goods at prices with which no other nation (England in particular) can compete. Poincaré is a great man who fell because he would not submit to the Financiers. Herriot is an easy-going windbag of an idealist, a maker of nothing but promises, and like MacDonald, is sentimental and fit only to become a preacher. The banking monopolists are severely criticised on the Continent, but my friend was extremely surprised to hear that there was anyone at all in this country to reflect this attitude.

England is everywhere regarded as the chief support and the tool of the Financial interests (he had not realised that U.S.A. shares the honour), and he thinks that our industries will be completely sacrificed in the defence of thine holy ones. Selah! R.

Reviews.

Women Peacemakers. By Hebe Spaul. (Harrap. Price 2s. 6d. net.)

One would like to praise this little book with its attractive title unreservedly, and in so far as every effort on the part of women to promote peace is commendable, it is well that the public should know what direction this has taken and the good result that has eventuated therefrom. In their respective countries the subjects of this record—Froken Forchhammer, who represented Denmark at the first meeting of the League of Nations; Froken Jeppe, who organised the Home under the auspices of the League for deported women and children; Frue Kjelsberg, who represented the Norwegian Government on the International Labour Organisation—are all well known. There is also Madame Curie, who served on a Committee established by the League composed of great scientists and thinkers; and three English ladies, Dames Lyttelton and Crowdy and Mrs. Coombe Tennant, who all did very useful work. But with the exception of Madame Curie, who, as by far the most distinguished of the subjects, ought surely to have had her portrait given the place of honour, it is a little difficult to understand why a book should have been needed to record services, which though useful and admirable, are in no way specially remarkable, nor differing from the quiet unostentatious work of many scores of women who were and undecorated. This glorification of women who were given opportunities for which they are rather to be envied than admired seems to us—and the writer of these words is a woman—somewhat lacking in a sense of proportion, when we recollect the heroic work done everywhere by simple soldiers, who appear to think they only did their duty.

This may be thought rather unnecessary criticism of a little book of excellent intentions, and these we readily admit. There is one serious criticism we feel bound to make. In the speech, which it is stated was made by Dame Lyttelton, after saying that "if women chose to combine they could disarm the world," she proceeds in the next sentence to say: "But you need not be afraid; I don't think they will do it."

What could be more discouraging than a remark of this nature from a woman who professes to believe that it rests with the women of the world to order that war shall cease. Why tell her hearers that they need not be "afraid" of this happening? If she does not "think" that women "will do it," what is the good of her oratory and propaganda and the rest of it? The book is embellished with portraits of the seven "Peacemakers," and there is an imposing illustration of the Palais des Nations at Geneva.

BOOKS RECEIVED.

- The Meaning of Dreams. By Robert Graves. (Palmer. 6s. net.)
- Creative Effort. By Norman Lindsay. (Palmer. 10s. 6d. net.)
- Plain Blooms. By W. E. Walker. (The Author, 85, Severn Street, Hull. 2s. 6d. post free.)
- The Rat Trap. By Noel Coward.
- The Man with a Load of Mischief. By Ashley Dukes. Contemporary British Dramatists. Benn. Cloth, 5s.; paper, 3s. 6d. net.)
- Mr. Punt of Chelsea. By Horace G. Hutchinson. (Murray. 3s. 6d. net.)
- Money in Fetters. By Henry Lowenfeld. (Murray. 3s. 6d. net.)
- The Modern World: Vol. I.—Ireland. By Stephen Gwynn. (Benn. 12s. 6d. net.)
- Living Religions. By Victor Branford. (Williams and Norgate. 5s. net.)
- The White Devil of the Black Sea. By Lewis Stanton Palen. (The Bodley Head. 7s. 6d. net.)
- On an English Screen. By James Agate. (The Bodley Head. 6s. net.)
- Count Lucanor. Translated by James York. Broadway Translations. (Routledge. 7s. 6d. net.)
- The Story of the Jewish People. By Jack M. Myers. Vol. II. (Kegan Paul. 3s. 6d. net.)
- The Joyous Adventures of Aristide Pujol. By William J. Locke. (The Bodley Head. 3s. 6d. net.)

Pastiche.

Hot Air.

AN ALLEGORY.

By A. E. Powell.

Scene: A sick room.

The Patient You
The Doctors Your Bankers
The Nurse Mistress Takses
An Oil Stove By D. Flation and Co., Ltd.
Air Can you Guess?

The doctors are grouped round the bed. The patient, a Mr. Bull, is pale and listless and seems paralysed down one side. The nurse has just spread another blanket on the bed and is tucking it in.

A young man, looking like a medical student in his first year, blurts into the room. "Whew; there is no air in this room. You are suffocating him."

One Doctor only, with a rather kindly face, smiling gently and looking over his gold spectacles: "Yes, young man; he needs air, and we are trying to find a safe way to give him some."

THE YOUNGSTER (looking towards the window, which is shut tight, sealed, and heavily curtained): "But why don't you open the window?"

The Doctors start perceptibly, some scowling, others sneering, most of them shuddering.

THE KINDLY ONE: "Young man, when you have progressed further with your studies, you will learn that air, although a good thing in itself, can only be used with safety in strictly limited amounts; it is not a thing for amateurs to dabble with. We, who spend our lives handling it, know of the difficulties and dangers. Were we to open that window, even by a mere crack, the disease we dread most would strike the patient—he would become Inflated, and his whole system would collapse."

THE YOUNGSTER: "But look at him; he is profusely hot and gasping for air: give him air . . ."

THE K.O. (a little sternly): "Young man, you don't know what you are talking about. We cannot give a sick man air; he must earn it himself, with his own lungs. He must learn to breathe out more than he breathes in; he consumes too much, instead of producing more; that is why he is short of air, and we are trying to train him to work harder at his breathing and to be more economical in the use of air."

THE Y.: "But . . ."

THE K.O. (stopping him with a paternal gesture): "Let me continue, if you please; we can only give him air which has been carefully warmed by us breathing it first. Why, out there," pointing to the window, "the air is at 58 degrees only; that kind of air would kill him."

THE Y.: "Rubbish; there is nothing wrong with the air outside. I . . ."

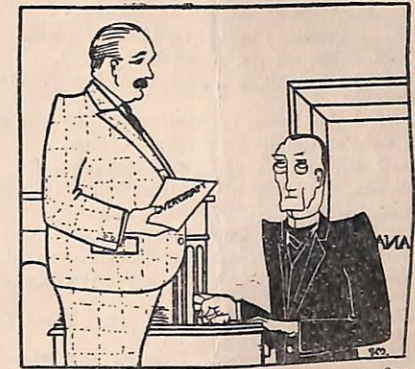
THE K.O.: "Not so simple as it looks, my young friend. It is not only the temperature, but also the kind of air that matters. Morning air is apt to be damp; at midday it is often too hot; in the afternoon it may be muggy; in the evening it is chilly; at night it is deadly. Besides, in the great fight from which our patient has recently emerged victorious—splendid fellow that he is—he used up vast quantities of air and has exhausted himself in the process."

The Y., now thoroughly worked up, unable to contain himself further and taking courage from a look he fancies he detects in the face of the sick man, almost shouts at them: "Look here, you are a set of musty old idiots; any fool can see that what the patient needs is air; it is air that keeps him alive, and the more he has the stronger he gets; air, and plenty of it, and fresh air too, air that you have not loaded with your own unhealthy emanations, or fouled with that stinking stove of yours. If you won't give him air, I will." He rushes towards the window; at the same moment one of the Doctors seizes the telephone and shouts, "Police."

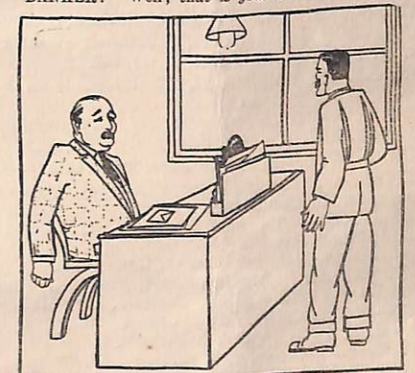
The young man, recovering himself, rushes out of the room. Mr. Bull, meanwhile, unobserved by any, has been sitting up and taking notice. It is now seen that he is broad, well-proportioned, and distinctly muscular, whilst there is a new gleam of hope in his eye. The Doctors and Nurse all make for him and force him on to his back again. Just as they succeed a huge stone crashes through the window, letting in a blast of cool air. The sick man takes a full breath, seems to recover as if by magic, and leaps out of bed, making for the window. The Doctors intercept him and a scuffle ensues. "Mind the stove," shouts one, but too late; with a crash it goes over and the room is filled with clouds of smoke. The scuffle becomes fiercer, and—

[But I can see no more because some one is jammed against the keyhole.]

Whose Business?



BANKER: "That is all I can do for you now. Our auditor advises us that you will have to get wages down or raise prices before he can recommend further accommodation."
PRODUCER: "I'll do what I can, of course; but it's a puzzle to know how—"
BANKER: "Well; that is your business."



WORKER: "We can't live on the present rate. We reckon we ought to get another 1d. an hour."
PRODUCER: "But where on earth is it to come from?"
WORKER: "Well; that's your business."



RETAILER: "Look here, old man, I'll have to reduce my order if you can't cut the price. My customers can't pay it."
PRODUCER: "But how can I cut the price, seeing that I've just had to—"
RETAILER: "Well; that's your business."



PRODUCER: "My business! It looks more like the Official Receiver's business!"

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