

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

The experiment commenced at the Vauxhall Colliery, Ruabon, Denbigh, is to come to an end in two months. It will be recalled that the local miners took over this colliery under a guarantee to run it without loss to the owners. A guarantee fund of £700 was raised by the miners and the public. After three weeks' working the expenses were still being covered, and the guarantee fund intact. But in the meantime the North Wales Miners' Association got busy, with the result that it has now exacted a promise from Mr. J. T. Edwards, a delegate of the Vauxhall Lodge of the Association, that he will withdraw from the guarantee bond and endeavour to "rejoin the original price list" at the colliery. During the three weeks only two or three of the miners were on the minimum wage of 9s. 5d. a day; others were earning 13s. and 14s., while a few were getting 18s. a day. According to the official communication issued by the Miners' Association, it explains its intervention by referring to Press "attacks on trade union organisations," which it says are launched for the purpose of creating "distrust in local and national leaders," in order to "disintegrate" the Miners' Federation of Great Britain, and then to take advantage of its weakness by demanding a return to a longer working shift (repeal of the Seven Hours Act), and a lowering of wages (repeal of the Minimum Wages Act); also to substitute local agreements in place of the national wages agreement. No doubt there will be a great deal of eloquence in the popular Press on this episode. The Miners' Federation will be execrated as a brutal tyrant, trampling down constructive initiative on the part of its members. So it is. But yet it must be. Once it is conceded that a monopoly of capital can only be resisted by a monopoly of Labour, then nothing must be allowed to relax the tightness of the monopoly. The High Command, not regiments of the line, must control initiative. Nevertheless, the action of the Vauxhall miners was a good thing. It will supply a much-needed reminder to the general staff that centralisation of power, with its concomitant strictness

of discipline, is not an end in itself—it is a means to an end. That end is a tolerable standard of life for each member of the rank and file; and when, as everyone sees, that objective is not being perceptibly approached, is it to be wondered at that Vauxhall, not being able to get enough food in its mouth, takes the bit in its teeth? Mr. Edwards's "Vauxhallism" is the logical answer to Mr. Hodge's "Internationalism." Mr. Edwards prefers to try and get a bit on account at Vauxhall rather than wait five years while Mr. Hodges travels over the wide world to discover the Happy Miner. That Mr. Edwards's impulse tends to undermine the stability of the Miners' Federation is a stronger indictment of the Federation than it is of Mr. Edwards. No doubt Mr. Hodges could produce overwhelming proof that, however happy the material results of Vauxhallism might be at Vauxhall, the extension of that policy throughout the mining industry would fail to repeat them—quite apart from the question of the unity of the Federation. But the point is, what is the Federation doing to secure these or better results? Hunger is an insidious tempter, with its "Half a loaf for some is better than no bread for any—unity or no unity"; so it is imperative that the Federation produce a policy which will show that unity is worth while *in terms of commodities here and now*. Unless it does so, its disintegration will be inevitable, Vauxhall or no Vauxhall. The North Wales Miners' Association argues that Mr. Edwards's experiment tended to favour capitalist intrigues for creating distrust in the miners' leaders. We hope these leaders will realise that in the mere act of extinguishing the experiment they have presented Capitalism with a much more efficient polemical weapon for that purpose than it could have forged for itself. Strategically, the best thing for the Federation to do in these circumstances is to examine the possibilities of coal consumption in the home market, and to look for a financial method by which it can be profitably actualised. For the problem of Capital (and Labour, too) is a problem of *selling more coal*. Once a sound plan can be produced which solves this problem, then any opposition on the

part of federalised "Capital" to its adoption can be publicly indicted on the same grounds as those on which the Press is now indicting the Federation—namely, that it is suppressing the initiative of its members, and preventing the co-operation of master and man in matters concerning their common betterment. In this direction there is something to be done. And since higher potentates than any official of the Miners' Federation have not despised a confidential talk about the Social Credit theorem, is it too much to hope that some day soon there may be, say, a little dinner *à deux*—wine, cigars—just a chat "around things"—no obligations—and a strict pledge of secrecy? It is not far to the Temple; and the Temple is as close as an oyster. *Verbum sat sapienti.*

The *Daily Mail's* correspondent at Winnipeg reports some remarks made about recent fluctuations in wheat prices by Mr. D. L. Smith, the sales manager of the Canadian Wheat Pool. On April 11th the market advanced 11 cents, on the 13th it fell 7 cents, on the 14th it advanced 5 cents, on the 15th it fell 7 cents, and on the 16th it fell another 9 cents. "This clearly indicates," said Mr. Smith, "that the old theory that supply and demand is controlling prices at Winnipeg and Chicago has been a myth. Instead of these markets being of assistance in marketing wheat they have demoralised the situation in the importing countries. The tremendous break in wheat prices from 1 dollar 80 cents (to 1 dollar 50 cents) is entirely unwarranted." He said that on March 30 "we had acceptances from all parts of the United Kingdom and Europe totalling a million bushels on the basis of 1 dollar 62 cents a bushel," and that on that same day the Winnipeg market was forced down to 1 dollar 50 cents. These breaks in price he attributed to the work of "powerful interests" which are spreading "false reports" regarding the Canadian Wheat Pool. As an instance he quoted a cable from London which stated: "Winnipeg declined owing to heavy selling by Canadian wheat pools," whereas on the day in question "we did not sell a pound of wheat." These assertions, taken in conjunction with Mr. Robson's article referred to last week, are illuminating. There are some striking resemblances between Corn Control and Credit Control, between fluctuations in the price of wheat and fluctuations in the price of money. In both cases you have a system of professional market-control challenged by interests which have a better title to that control, and in each case the tactics used by the professionals in the struggle is to keep prices on the move, with the inevitable result that markets are demoralised because buyers and sellers do not know where they are. The only difference between the two cases is that while the farmers are more or less conscious assailants of the grain brokers, who fix prices over their heads, the assailants of the money brokers (i.e., national Governments) are not yet aware that they are assailing anything. These Governments are in difficulties with their budgets, are finding it more and more difficult to balance them; and there is always the danger that this difficulty will grow into a manifest impossibility. If this should happen these Governments will wake up to the fact that they must either repudiate some of their financial obligations or else create their own financial credit. The second alternative is the line of least resistance from a social point of view, for it would injure only a fraction of the number of individuals that the first alternative would. Now, whereas the grain trade waits until it is deliberately challenged before it takes measures to protect its monopoly, not so the money trade. That trade counter-attacks before the attack! Even before the attack is conceived. It renders untenable in advance the ground which it knows (and which its challengers unfortunately do

not yet know) must be occupied by the stewards of the community's interests. The recent crisis in France is an illustration of their procedure. All that the Government had done was to over-borrow from the Bank of France. Its real sin was not over-borrowing, but *borrowing at all* from a private institution. But the private institution was not going to wait for the Government to find that out: it started a scare inside France, and (in co-operation with its international partners) set the price of the franc fluctuating outside France. Hence a frantic slaughter of Finance Ministers. It only wants a national Day of Intercession throughout France to crown the absurdity of the situation. There is, however, no need for despondency on the part of intelligent onlookers such as our readers are. As has been indicated in our foregoing Notes, the leaven of Social Credit principles is doing its secret work, permeating the executives of all organisations from the bottom to the top of society.

The Irish Free State Minister of Finance, Mr. Blythe, has recently issued a circular to the heads of all Government Departments, stating that the entire capital of the National Land Bank, Ltd., has become vested in him, and that the management of the bank is entrusted to a Board of Directors, whom he nominates. This bank was founded in 1920 with a capital of £406,636. The following particulars are given in "Thom's Official Directory" of 1925:—

Shares issued to Government.	£406,000.
Paid up	£203,337.
Assets (June 30, 1922)	£1,900,513.

The same Directory gives the Directors as—James McNeill, James G. Douglas, Ernest Blythe, D. McCarthy, and L. Smith Gordon. Mr. Douglas is Vice-Chairman of the Senate; Mr. Dan McCarthy was formerly chief Government Whip and one of the National Party who resigned from the Dail; while Mr. Blythe is the Minister mentioned above. This development was foreshadowed some time back when the Free State Government found its policy under the Trade Loans (Guarantee) Act being thwarted by the Irish banks, who declined to grant loans to prospective borrowers under the Act for longer than five years—even with the Government guarantee behind them. The Government therefore decided to lend the money itself through the National Land Bank, and last month the Dail voted £300,000 to the bank to enable it to meet approved applications. When this move was being debated Mr. William Hewat reminded the House of the danger of quarrelling with the banks, and he was answered as follows by Mr. Blythe:—

"The State has a good many shots in its locker, and anyone who wants to fight the State will get the worst of the contest."

Since that debate the Irish Press states that the intention of the Government to establish a "financial trust of the type indicated by Mr. Blythe has been an open secret." Quite recently another debate took place in the Senate in relation to the Shannon Power Scheme. This time Sir John Keane took up the "Hewat" attitude, calling attention to the "apprehension existing among the small section of the community that might be called on to play an important part in the finances of the scheme." Mr. McGilligan, the Minister for Industry and Commerce, in replying, charged Sir John with having hinted that if certain information was not given to certain people these people would not play their part. He could only construe that as a threat; if so—

"If it means any stand on the part of the banks and financial houses in regard to the financing of the scheme, it should be pointed out that the banks do not own any money except as trustees for the people who put it there."

I do not expect to have any trouble with the banks, but if there is, the Government will be in a position to meet it." We now come to the Circular now issued. After announcing the Government proprietorship of the National Land Bank, it goes on to say that

"The (Finance) Minister is desirous that, so far as is reasonably practical, the banking accounts of the Government Departments and authorities should be kept in the books of the National Land Bank."

The rest of the Circular asks for particulars of any such accounts as may be "required by legislative enactments to be kept at other banks," and for the reference to be given, in each case, "to the relevant statutory provisions." Needless to say, the Irish Press agree in their reports that the publication of this official document is the subject of "keen discussion in Dublin banking and business circles."

We need not state our opinion at length on this significant feature of the Free State Government. It was suggested by implication in 1919 when Major Douglas said, in "Economic Democracy": "Now, it must be perfectly obvious to anyone who seriously considers the matter, that the State should lend, not borrow. . . ." Further than that it will not be advisable for us to go until the situation becomes clearer. If the Government's intention is to monetize the Real Credit of the Free State, and at the same time to apply the "Social Credit" safeguard against inflation, well and good. But if the safeguard is omitted, no victory that it can win in the political field over private financial interests will stave off economic failure. There are, it is true, indications that the Government is watchful on the price question, for some time ago it introduced legislation to facilitate the financing of new production by "associations of producers and consumers," or "local authorities," on the condition that they should sell the produce "below the ordinary retail price." A manifestly sound intention was here, but no mention of any technique for realising it. Nevertheless, we must emphasise once more that it is not a bit of use wresting the function of credit-creation and the control of credit-issue from the bankers unless you do so with the deliberate purpose of reversing the bankers' policy, and with the exact knowledge how you are going to do it. Is the ordinary wage, salary, and dividend going to be supplemented by the Super-Dividend, or is it not? If it is, then by all means annex the powers over credit which are necessary for your purpose, assuming that those now in control of them persist in opposing your policy when you have made them understand it. But if it is not—if loan-financing and factory costing and pricing are to continue on the old methods, if the incomes of private citizens are still to be restricted to the aggregate amount of their earnings through their association with the industrial and commercial machine, then the transfer of credit-control from the banks to the "people" ought not only to be discountenanced, but actively opposed. Private Financiers know the reefs of the Old Economic straits better than anyone else; and if your policy is to keep on steaming impotently up and down them you had best retain your old pilots. So if any Captain of Politics proposes to drop them, let us first know why. And his answer must contain two "granite guarantees"—(1) that he is going to steam out into the "New Economic" ocean, and (2) that he holds in his hand the "Social Credit" chart of it.

There is one more point, of another nature, in regard to Free State finance. The Government must be assumed not to be bluffing in adopting such a provocative attitude towards the banks. It evidently feels itself able to ignore the opposition of its native financial institutions. But before any hats are thrown up in the air we advise our readers to wait and make sure that Uncle Sam and Pierpont Morgan are not

taking a hand in this game. It may be our fancy, but—do we smell dollars?

"The industrial situation is so desperate that one must hesitate before rejecting any scheme that has the germs of something valuable in it." This admirable sentiment of Sir Josiah Stamp's has been evoked by Sir Alfred Mond's proposal that the money now being paid out as a dole to the unemployed should be used as a subsidy to firms who are able as a result to employ them. But with all the will in the world to get fond of this project, not only Sir Josiah, but many other publicists have been obliged to recognise some, let us say, inconvenient features about it. He, for one, "cannot see how you can stop a tendency for the subsidised employment to grow and the unsubsidised employment to go down." Again, he is worried to know the "true economic point at which the scheme in any particular industry shall disappear." Mr. W. L. Hichens cannot see that the scheme would reduce "unemployment in the aggregate"; it would only transfer employment within the system. Personally, he is opposed to subsidies in any form, holding that each industry must be self-supporting and not be "a burden on the rest of the community." Next comes Mr. Frank Hodges. He agrees with Sir Alfred Mond's main generalisation that "money paid as wages in productive work is infinitely to be preferred to money paid merely as maintenance without work." Subsidies for wages are "of no permanent advantage to industry." The better way, he maintains, is to "scrap obsolete and extravagant methods of production," especially "in the basic industries of our land." "Subsidising sugar beet, for instance, is a cruel irony in a purely industrial country where the vital basic industries are languishing. . . ." Mr. Hodges' method would be to pay good wages so as to "increase the spending power of the productive worker," while allotting a "bountiful credit from the State" to set the unemployed on to works of permanent reconstruction and development. Mr. J. J. Mallon fears that the subsidy might "stimulate the wrong industry"; one might witness "the brewing industry getting a subsidy from public money." Sir William Noble denies that the money in question is public money, and doubts "the right of the Government to appropriate the unemployed fund in this fashion, seeing that it is not wholly its own." What he suggests is the elimination of the "more objectionable features of modern trade unions," so that there would be "greater freedom in the employment of unskilled as against skilled Labour." Sir Walter Runciman holds that "both doles and subsidies are equally vicious in principle and practice," and calls for a "relief of super-taxation" as a better alternative. Mr. Herbert Tracey, of the Trade Union Congress, does not like the prospect of "subsidising employers largely at the expense of the workers and the State, both of which have contributed to the Unemployment Insurance Fund." Lord Aberconway writes a long letter to *The Times* of April 23, in the course of which he says that "artificially-created employment" in the shipyards "would be disastrous," for "it would mean the production of tonnage which is not wanted." He advances the alternative proposal of a wider application of the Trade Facilities Act, so that manufacturers or shipowners could get cheap loans for effecting up-to-date replacements of buildings and plant.

Let us leave these objections for the moment and look at the matter broadly. What is this Insurance Fund out of which the "dole" is paid? It is a fund derived from the taxing of dividends on the one hand and wages on the other. Employers as such pay so much; employees as such pay so much; and both together, as citizens, pay so much more. For convenience let us call the total £100, and assume that Capital and Labour have contributed £50 each. The

"State" as such is now eliminated; the term is only a complicatory figment in these calculations. Now, on what grounds was Labour induced to acquiesce in the deduction of this £50 from its wages? First, that if it did so, Capital would put up another £50; and, second, that the whole £100 (neglecting expenses of administration) would be available for maintaining unemployed workers. Imagining a situation in which the whole revenue of the fund were needed to finance existing unemployment, one can see that the ultimate effect would be that Labour and Capital between them would be subsidising unemployed Labour to the extent of £100. But since the unemployed belong to Labour, the net effect would be that Capital was subsidising Labour to the extent of £50. That this is just will not be denied, considering that, whereas Labour has no legal power to insist on being employed, Capital has the legal power to dismiss Labour from employment. In these circumstances Sir Alfred Mond comes along, proposing in effect that Capital shall use its own £50 and also Labour's £50, so that it shall employ Labour; that Capital's £50 subsidy to Labour shall be withheld. But, if so, the two grounds upon which Labour has been contributing for insurance are no longer tenable. In fact, the whole *raison d'être* of unemployment insurance is challenged. If it is said in reply to this last consideration that the new scheme may not permanently end unemployment, that is equivalent to saying that Labour's £50 is being gambled with. Imagine a fire insurance company investing the funds of the insured in private enterprises engaged in the production of fireproof materials or fire-engines; or a life insurance company subsidising doctors, hospitals, and so on with its members' contributions. In all these cases, what is to happen supposing that these precautionary investments do not produce the expected results? The whole principle of insurance funds is that they shall be kept in as liquid a form as possible; that in so far as they are not in the form of money they shall be in forms readily exchangeable for money. But in the present instance the funds are to be given (not merely loaned) to private enterprises—enterprises which are, by admission, in a weak position!—with no guarantee of any lightening of the general burden of unemployment. In fact, we have just quoted Mr. Hichens' opinion to the contrary. Then, again, supposing his opinion wrong; then in so far as unemployment appears to be likely to fall, so will the insurable risks; and Labour would want a reduction in its premiums.

* * *

In our opinion the objective behind such a scheme as this (we are by no means saying that Sir Alfred Mond is conscious of it) is to enable the Unemployed Insurance Administrators to farm their risks. Under the present Act the fund is liable to produce cash to every individual whose enforced idleness gives him a claim. If the total claims exceed the available resources, they have to be met just the same. But if, in the name of the people, the fund can be put at the disposal of Industry, then no one can claim cash from the fund, he can only claim a job from Industry. But Industry cannot and will not, in the extremest case, pay more wages out of its "subsidy" than it receives. If it pays more, it can only be out of its own surplus resources (of which it appears to have none) or else from the proceeds of fresh loans from the banks. That means price inflation at once. Again, who is to guarantee that Industry will deduct from its price the amount of the subsidy? We are not indicting the *bona fides* of the industrialist, we are simply referring to his situation as between two claimants to his earnings—the banks and the general public. It is too often forgotten that Industry is not, as it were, "starting fair." It is at this moment burdened with unpaid arrears of rates and taxes; it is even more

threatened with foreclosures on mortgages and recalls of overdrafts. Before it can even think of functioning as a disburser of purchasing power to the public, either by the distribution of dividends or by reductions in prices, it has got to clear off its overdue debts. Those business men who are most deeply involved in these burdens naturally say nothing about them. We are, therefore, left to guess the magnitude of these arrears from general comments in trade journals. Taking such indications of the situation into account, and then adding to them the known facts about the indebtedness of Municipalities and Boards of Guardians, such as we instanced some months ago by the case of Sheffield, we feel entitled to suggest that even if the proposed insurance subsidy were distributed as an unconditional free gift to Industry, the whole sum could be swallowed up in debt repayment for some year or two to come before any positive advance could be made in the direction desired by Sir Alfred Mond. From the bankers' point of view (a point of view accepted uncritically by nearly everyone in the country; so let no one cast stones) the immediate duty of Industry is to employ labour-saving devices, sack workers, keep up prices, earn large profits, and distribute low dividends, all for the main purpose of repaying debt. And since the banks' power is greater than that of workers, shareholders and consumers put together, the banks' policy will win. The moral is "Let well alone." At present the "dole" does mean a distribution of personal income, and Industry gets it in return for goods and services rendered to the dole-drawers. How are you going to improve on that? We can only say that if we were dole-drawers and we knew that our former contributions towards this dole were being used to put us in jobs, we should employ a barrister to develop the case that we were entitled to the market price of the job—*plus the dole*, or at any rate a part of it. Or, to put it generally, to the extent to which Labour's contribution to an insurance fund is diverted to finance revenue-producing enterprises, Labour is entitled to a shareholding interest in those enterprises with all the benefits arising therefrom. Surely it is demoralising to the Capitalist to live on a dole from Labour.

British finance is more astute than American. While Wall Street is openly conducting a campaign to rebut attacks which have been made against banking policy, Threadneedle Street quietly organises a "get-together" movement to side-track them. Behold the "Industrial Institute" for the "Study of the Fundamental Problems of Industry." Let us pick some names out of the 120 or so Vice-Presidents and Members of the Council.

Mr. Henry Bell...Late General Manager, Lloyds Bank, Ltd.
Dr. Walter LeafChairman, Westminster Bank, Ltd.
Sir George PaishLate Adviser to the British Treasury.
Mr. J. E. McCulloch
Head of Economic Section, Westminster Bank, Ltd.
Mr. Ernest SykesSecretary, The Institute of Bankers.
Mr. Philip H. WadeDirector, National Discount Co., Ltd.
Mr. Arthur CollinsFinancial Adviser to Local Authorities.
Lord AshfieldChairman, Underground Electric Railways.
Viscount BurnhamPresident, Empire Press Union.
Sir Auckland Geddes
Chairman, Royal Commission on Food Prices.
Sir Robert HorneChancellor of the Exchequer, 1923.
Hon. F. V. Willey
President, Federation of British Industries.
Sir William Beveridge
Director, London School of Economics.
Mr. Albert Mansbridge
Chairman, World Committee for Adult Education.
Hon. Bertrand Russell
Author, "Principles of Social Reconstruction."
Dr. Ernest Jones
President, International Psycho-Analytical Association.
Mr. W. T. LaytonEditor, the *Economist*.
Mr. H. J. A. Wilkins
President, Co-operative Wholesale Society, Ltd.

Mr. Charles S. Myers
Director, National Institute of Industrial Psychology.
and so on and so on, running through many other trades and professions and hobbies, and including J. R. Clynes, George Lansbury, J. H. Thomas, W. A. Appleton, Ernest Bevin, C. T. Cramp, George Hicks, Frank Hodges, W. H. Hutchinson, Frank B. Varley, A. G. Walkden, and Robert Williams, representing variously themselves and the Labour organisations with which they have been or are associated. Among the ordinary members are Miss Margaret Bondfield, Mr. J. M. Keynes, and Lord Rhondda. Rule 6 of the Institute provides that in the first Council the following points of view shall be represented:—

- (1) Statesmanship, i.e., the art of government.
- (2) Industry.
 - (a) Production.
 - (b) Distribution.
 - (c) Finance.
 Including in each case "owners, administration, technical science, and labour."
- (3) The Consumers.
- (4) Science—historical, psychological, social, biological, and physical, and its applications to jurisprudence, medicine, hygiene, ethics, education, aesthetics, and the fine arts, as well as to industry.
- (5) Philosophy.
- (6) Religion.

The rule has been carried out well in every respect—unless there be any caviller who sniffs at the Co-operative Wholesale Society's President as the only colourable representative of "The Consumers." That the Institute is a "sound" body in every "Old Economic" sense of the word goes without saying. In fact, no one is accepted even as an ordinary member without first being approved by the Council. Who elected the Council is not stated; in the terms of the Athanasian Creed, it was "neither made, nor created, nor begotten, but proceeding." However, there is no harm in trying; and if you are accepted all you have to do is to send a guinea to the Director of the Institute, at 102, Belgrave-road, S.W.1. Besides its "let-us-all-be-friends" policy, it is to function as a "clearing-house" for information and "to arrange for the publication of papers, without prejudice, on all sides of any question of industrial relations, and to issue from time to time, under its own authority, summary statements of its own conclusions in regard to any such question." Considering that every conceivable angle of mind except the Consumer and the left-wing of Labour is represented, it would be interesting to know in what way these "own" conclusions of the Institute are going to be arrived at. For our own part we cannot conceive of even an approach to unity on any kind of proposals—except principles. We have devoted space to this Institute because we shall certainly hear of it frequently. For one thing, it represents the final attempt of the "Old Economic" system to keep itself alive. After it, the Deluge—or Douglas.

Our readers will see what is moving by reference to a Memorandum presented to the Council. Mark, this is not the autocratic pronouncement of the Institute's officials, but a democratic plea from what the "Director" calls "a group of our members," which the Institute merely passes out to the Press—and, incidentally, to the Prime Minister. The democratic signatories include Miss Bondfield, Mr. Clynes, Mr. Cramp, Mr. Hodges, Lord Burnham, Dr. Walter Leaf, Lord Rhondda, Sir Josiah Stamp, and the Hon. F. V. Willey, and ten others. The Memorandum contains twenty-one clauses. After two introductory statements it promptly damns itself in Clause 3:—

"Is not the most fundamental of all the problems of industry the question of how it may be conducted so that the employment of our people may be less subject to interruption?"

We proceed to Clause 4, and read therein on the "grievous burden of unemployment which saps the manhood of our people and overtaxes our natural resources . . ."

We note that he is no man who does not work at something which will fetch a "price"; and we wonder how "our natural resources" managed to keep five million soldiers unemployed during the war. But now the signatories strike a little more hopeful note,

"... during the last thirty years . . . (trade) fluctuations have apparently tended to become less violent . . ."

And why do you think that was?

"... in part, due to the pre-war adoption of the gold standard by the chief industrial countries."

In short, fluctuations in private prosperity were smoothed out by the simple method of lopping off the peaks and "stabilising" the valleys of purchasing power. For proof see the Labour Research Department's statement about the steady declension of real wages during the period in question. But our democratic friends have not finished with the Gold Standard. They proceed,

"this made for monetary stability, and gave the central banking authorities greater control of industrial conditions"

—which did not prevent our being blooded in a war of industrial rivalry and bankrupted in a peace of the same. Next, our friends get a trifle mixed, for, having said in effect that greater financial control gave more stable conditions, they now reverse the reasoning as follows,

"It is probably true, also, that when stable conditions have returned, the greater power of those central banking authorities . . . will . . . tend towards the stabilisation of industry the world over."

Not content with this, the Memorandum takes pains to explain how the "greater power" is to be attained; it is not the development of each nation's credit system that the signatories look forward to, for they link the world stabilisation up with

"... that closer co-operation between them (i.e., the central banking authorities) towards which current events appear to move,"

and towards which the influence of the Industrial Institute will be used for all it is worth. We must hurry through the remainder of this pious document. It deplores "limitation of output." It says that the problem of unemployment is rendered more difficult because "the world's population is increasing." In Clause 7 it manages to emit a confident assertion, something the puzzled business over-drawer could cling to,

"Industry is able to develop by reason of the investment of savings,"

only it so happens that industry is unable to develop because it depends on the investment of savings. In Clause 15 "co-ordinated effort" is called for "as distinguished from unco-ordinated, unlimited competition." (What kind of animal would co-ordinated competition be, we wonder?) The kind of co-ordinated effort desired is

"the gradual merging" of smaller unco-ordinated organisations into larger ones, "whether of bankers, manufacturers, distributors, or workpeople."

In other words, let us all pool our deficits and we shall get a surplus! And now, we can imagine the poor little Labour signatories to this effusion beginning to fidget about where their clients were going to come in, so we are not surprised to find a sop for them in Clause 20,

"The world-wide development of Socialism may be regarded as an expression of the desire to escape from the method of 'trial and error' into the method of planned development. This desire, in itself, is not peculiar to Socialism, which suggests its own solution of the problem. Perhaps all may find common ground in careful inquiries as to the practicability of certain experiments in the direction we have ventured to suggest."

Thus is the Socialism of the lowly worker transfigured in the Super-Socialism of the high financier.

Currency and Chartism.

I.

The issue of a second edition of Mark Hovell's competent account of the Chartist Movement,* comes at a most appropriate time. Covering, as it does, the period of the Industrial Revolution—of the rise of Anti-Capitalist Economics, it is, in its nature the book to engage the interest of everybody who is involved in the turmoil which surrounds us to-day.

As to Mark Hovell himself, his main bent was towards social history. He was elected in 1911 to the Langton Fellowship of the Arts Faculty of the Manchester University. In 1912 he was offered an assistantship in Professor Karl Lamprecht's Institute in Leipzig, where he spent a time of intense enjoyment and activity. By the summer of 1914 he was back home again ready to put together his work on the Chartists. Then, of course, that damnable war. He joined up in 1915. "I don't think," he wrote to Professor Tout, "I shall dislocate the economy of the University by joining: what troubles me is my book." Well—he was not troubled very long. Twelve months afterwards a friend writes to his mother . . . "and the men of his battalion carried his body reverently down the trenches . . ." The years of this man's life were one score and eight. "He has fought and died in the noblest of all causes," continues the letter, "and though now perhaps we feel that such a brilliant career has been brought to an untimely end, by and by we shall realise that his sacrifice has not been in vain." His sacrifice helped to win the war. That is nothing. But his book may help to purge the victory of vanity. That is everything.

The feature in Hovell's history that will be of the greatest interest to our readers is the copious information he gives about the rise and fall of Attwood's currency agitation. Thomas Attwood was a Birmingham banker. He had been a prominent member of the Birmingham Political Union, which had been an active body in connection with the Reform movement of 1830-32. It declined afterwards, and dissolved in 1834. But events were to bring it into action again. In 1836 came indications of an economic collapse, a powerful factor in which was the enormous increase in the number of power looms in the cotton industry. To show the pace at which this increase had been taking place, the number of these looms in operation were—in 1803, 2,400; in 1820, 12,150; in 1829, 45,000, and in 1835, nearly 100,000. This was, of course, accompanied by unemployment and lowered wages. Operatives had been earning 20s. to 24s. in 1803, were earning 12s. to 16s. in 1820; and, by 1835, about 6s. to 7s. Up to 1836 the consequences of development of productive power at the expense of purchasing power were offset by "good trade and enormous business with the United States," but in that year, as stated, the inevitable collapse began. Birmingham trade suffered severely.

In these circumstances the leaders of the old Birmingham Political Union felt obliged to take measures for the relief of their fellow townsmen. They set up the Birmingham Reform Association with this object. Before long, however, the object was widened to cover a remedy for the evil generally. The remedy selected was Thomas Attwood's proposal to repeal the Corn Laws and the Money Laws—especially the latter. In the words of the author: "Peel's Act of 1819, which authorised the return to gold payments, and the 'restriction' of the currency, must be repealed, and proper measures taken to regulate the currency according to the state of trade. The great panacea was the 'expansion' of the currency by the issue of more paper money. As

blood to the body so currency to trade; more blood, better health. Paper money would increase business, destroy unemployment, increase wages, decrease debts, in fact make everybody happy." In a later "Note" on Attwood's currency theories the author says: "The soundness of Attwood's economics may be deduced from the fact that he assumed that it was a matter of no consequence whether prices rose through development of trade—i.e., of demand—or through depreciation of the currency. It was a distinction without a difference, he thought." Our readers will bear in mind that this criticism was written before the "Social Credit" method of dealing with inflation was announced, hence his wrong assumption that an expansion of currency and trade was bound to be accompanied by higher prices.

However, the Birmingham Reform Association began its agitation, both inside and outside Parliament. In April, 1837, in order to achieve quicker progress, it was decided to enlist working-class support. So the Reform Association became again the Birmingham Political Union, and under these auspices tacked on to its currency scheme proposals for Household Suffrage, the Secret Ballot, Triennial Parliaments, Payment of Members, and the Abolition of the Property Qualification. "It was a fatal step," for whereas the leaders of the Union thought that their later political progress was due to their currency scheme the working classes were concerned only about the vote. The split was to reveal itself later, but meanwhile there was a great meeting held in June, 1837, at which 50,000 people are said to have been present, and it sent a deputation to Parliament asking for relief. "The deputation went there and urged its currency scheme, suggested action by Order in Council as being more expeditious than by Bill, and came away satisfied that Melbourne was a convert." A little later Attwood was re-elected to Parliament "on the monetary question—as he thought." In the following November again there is a deputation led by Attwood, who "harangued Melbourne and Spring Rice, the Chancellor of the Exchequer, for two hours, but unfortunately for their success the speakers had the most diverse opinions upon the remedy to be adopted, and as all the members of the deputation spoke, it is not surprising to find that Melbourne was not prepared to act upon such discordant advice." Following this rebuff, three of Attwood's associates, Muntz, Hadley, and Salt, advocated the shelving of currency reform in favour of Universal Suffrage, and on November 7 carried this proposal amid "some uproar." This led to wider working-class support, but only piled up difficulties for the future.

The Birmingham Political Union quickly got busy. On December 7 it called upon all Radicals to unite with it in a national agitation for reform, but in rousing them to political action it had "stirred up a giant which was destined to turn and rend it." The first response was from the London Working-Men's Association; and the two organisations began to agitate on a much larger scale. Attwood, "carried away by excitement and disappointment, on December 19, 1837, denounced the Radicals in the House for their unspeakable dullness in remaining unconvinced by his Currency eloquence, and voted them a dogged, stupid, obstinate set of fellows, from whom the people had really nothing good to expect. He was for extreme measures and substituted Universal Suffrage for Household Suffrage in his political creed. He would get 2,000,000 followers—a force to which Government must bow." This speech was the raw material of the National Petition, as it came to be called, which, in its final shape, demanded the repeal of Peel's Act and of the Corn Laws.

On August 6, 1838, there was a meeting at New-hall Hill which marked the official beginning of the

Chartist Movement, that is, of the union of all working class Radicals in one movement. Besides the Birmingham leaders there were present Feargus O'Connor and H. J. Richardson, representing Yorkshire and Lancashire respectively; Wade, Henry Vincent and Henry Hetherington, representing the London Working-Men's Association; Purdie and Moir, representing Scotland. Two hundred thousand people lined the side of the hill. Attwood was the principal figure. He "improved the occasion with a speech which lasted, on a moderate computation, two and a quarter hours," and dealt with the Corn and Money Laws, the Poor Law of 1834, and the Factory System. The meeting adopted the National Petition and Charter amid great enthusiasm. It was the climax of Attwood's Radical career. Some of his associates expected two million people to sign the Petition, while Muntz talked of six million! But, as time revealed, "when Attwood and his colleagues transformed a more or less local and harmless currency agitation into a national political movement, they found that they were not the only agitators in the field, and that their reputation was as nothing, amongst those whom they aspired to lead, compared with that of mob orators like Stevens, Vincent, and O'Connor." In fact, "the Birmingham Political Union died in giving birth to the Chartist Movement."

(To be continued.)

Studies from Ten Literatures.*

By C. M. Grieve.

Mr. Boyd writes for a large public—a much larger, more cosmopolitan, and, on the whole, more intelligent reading public than is available in this country. The average level of the class for which he writes is slightly higher than that which, in this country, reads *T.P.'s Weekly* or *The Bookman*; and adequate sections of it are interested in practically all the literatures of Europe, and not, as readers of the above-named periodicals are, predominantly, indeed almost exclusively, in literature written in English or, worse still, merely English literature. Mr. Boyd's work, therefore is literary journalism of a somewhat similar kind to that to be found in *T.P.'s* or *The Bookman*; but much better of its kind, and with a far wider range, and by no means so largely publicity work for advertising publishers. It eschews fundamental considerations, then, and is seldom, and then only superficially, concerned with pure literary criticism. It deals rather with aspects of—generally contemporary—literary history, supplying interesting biographical and bibliographical details, and discussing the careers and influence of various sizeable writers in relation to the political, religious, and other conditions of their countries and the times generally. The limitations of Mr. Boyd's public as a whole are always kept in mind, and he gives particulars as to available translations, productions of foreign plays in this country and America, and so forth, calculated to make his articles as useful as possible to those of them who do not know any given language. He always writes interestingly, sometimes very effectively; his style is simple and straightforward, and devoid of idiosyncrasy; and, occasionally, when he trenches on deeper issues, one regrets that he should not write now and again for a smaller specialist public on this theme or that or, at least, forget for a paragraph or two the limitations of his big public. Work on this popular plane by no means enlists his full knowledge and critical powers, and we would fain follow him beyond the essential, and sometimes engaging enough, preliminary points of which he usually disposes and grapple with deeper considerations under his guidance. It is very ques-

* "Studies from Ten Literatures." By Ernest Boyd. (Messrs. Chas. Scribner's Sons. 12s. 6d.)

tionable, of course, whether there is yet a public of more than two or three hundred in Great Britain, and perhaps thrice that in America, sufficiently *au fait* at first hand with half-a-dozen or more different literatures to follow really deep *welt-literatur* studies and speculations; and until such a public (internationalist as against merely cosmopolitan) can be mobilised critical work of real moment must in the main continue to be written by those who specialise in two or three literatures only, and even they must be content to be read by but comparatively small bodies of readers, which have only an exceedingly small proportion in common.

In the present book Mr. Boyd deals with—*France*: Flaubert and French realism, Anatole France, André Gide, Jérôme and Jean Tharaud and Proust in English; *Spain*: Miguel de Unamuno, Pío Baroja, Ramón del Valle-Melán, Jacinto Benavente, Azorin, Martínez Sierra, Ramón Pérez de Ayala, Concha Espina, Ramón Gómez de la Serna; *Italy*: Gabriel D'Annunzio, Giovanni Verga, Luigi Pirandello, Giovanni Papini, G. A. Borgese; *Portugal*: Eça de Queiroz; *Switzerland*: Carl Spitteler, C. F. Ramuz; *Germany*: Expressionism Without Tears; *Scandinavia*: Georg Brandes, Johan Bojer, Gustav Wied, J. A. Larsen; *Poland*: Wladyslaw Reymont; *Canada*: Canadian-French fiction; and Hyphenated Poets—Vielé-Griffin, Stuart Merrill and T. S. Eliot. A subsequent volume of "Studies in Nine Literatures" will deal with leading contemporary or recent figures in France, Germany, Russia, Sweden, Netherlands, Hungary, Finland, Ireland, and Roumania. All these articles are for the most part obviously written for people who know little, if anything, in advance, of the writers or literatures in question. The facts, however, are ably and on the whole very fairly marshalled, and the comment, while as a rule elementary, is never jejune and seldom captious or tendentious. Confining himself to *liaison* work of this kind, Mr. Boyd is only giving us the ephemeral when—along certain lines—he certainly has it in him to produce the perdurable; to effect syntheses instead of mere introductions. He is fairly well balanced, inclining, if anything, to the right wing—but his position in this respect is taken up in the international and not in the British line; a very different matter—as is to be seen from his attitude to the literatures of racial minorities, for example, and from an occasional amusing exposé of French and British coteries.

It may be taken for granted that few, if any, British reviewers of this book will quote or refer to the following passage—which in itself is a good enough reason for reproducing it *in extenso* in these columns, while it is a fair specimen of Mr. Boyd's writing at its liveliest, and may be compared with work of a somewhat similar, but much more condensed and pungent order, formerly contributed to these columns by Mr. Arnold Bennett ("Jacob Tonson"):

"When the *Nouvelle Revue Française* received 'Swann's Way' from the original publisher for review, it was not noticed by either André Gide or Albert Thibaudet, who were then reviewing all the books of outstanding importance. It was then reviewed by other miscellaneous fiction and recommended noticed with other miscellaneous fiction. But once Proust in terms of very moderate enthusiasm. But once Proust had become the property of an enterprising firm, with a very influential review at its disposal, and his books had been doubled in price in response to the publicity of the Goncourt Prize, then Marcel Proust suddenly emerged as the greatest genius of our time. When he died in 1922, he was at once elevated to the position of an idol—an idol so jealously guarded that the huge tribute to him, printed in the *N.R.F.* in January, 1922, did not contain one word from such critics outside the charmed circle as Paul Sunday, who actually saluted 'Du Côté de chez Swann' with great enthusiasm and at length on its first appearance under the auspices of another firm. Needless to say, this astute advertising soon accomplished its purpose by creating a branch of the cult in London, where the first edition of 'Du Côté de chez Swann' passed unnoticed by those who subsequently announced themselves

* "The Chartist Movement." By the late Mark Hovell, M.A. Edited and Completed with a Memoir by T. F. Tout, M.A. (Longmans. 317 pp. 6s. net.)

as belonging to the illuminati. In the excess of enthusiasm an English translation of 'A la Recherche du Temps Perdu' was arranged, and then someone made the belated discovery that the essential theme of that work is such that it cannot be published in English without a degree of bowdlerisation which would seriously mutilate. 'Swann's Way' was issued, and then 'Within a Budding Grove,' but the problem of 'Sodome et Gomorrhe' is unsolved, except that the American publishers of the first volume have prudently withdrawn from the scene, leaving the English translator to extricate himself and the London publisher as best he can. The humours of that problem were curiously illustrated in the English tribute which Mr. Scott Moncrieff brought together in emulation of the French tribute after Proust's death. The contributors included Joseph Conrad, Arnold Bennett, George Saintsbury, J. Middleton Murry, Arthur Symonds, Clive Bell, and A. B. Walkley, among others of less importance. Most of them shy away from the dangerous topic of Proust's own morbid personality, and close their eyes to the obvious implications of a work, which, had it been written by Wilde, would certainly not have secured the suffrage of such a group of Englishmen. Mr. Walkley, who, unlike several of his colleagues, actually does seem to have read Proust through, has recorded his utter abhorrence of the character of M. de Charlus, the central figure, of 'Sodome et Gomorrhe,' which is very much as if one were to declare one's undying enthusiasm for Dickens's 'Pickwick Papers,' but repudiate as intolerable Mr. Pickwick or Sam Weller. . . . The volume was, in short, a masterpiece of literary snobisme, and an appropriate comment upon the whole cult of Proust by people who show no sign of having read him, and most of whom would be horrified if they had."

"The Wherefore O' the Why."

By "Old and Crusted."

O, I wad like te ken—to the beggar-wife says I—
The reason o' the cause an' the wherefore o' the why,
We' mony anither riddle brings the tear into my e'e.
—It's gey an' easy spierin', says the beggar-wife to me.
(The Spaewife. R. L. S.)

It's strange that God should fash to frame
The yearth and lift sae hie,
An' clean forget to explain the same
To a gentleman like me.
(The Counterblast Ironical. R. L. S.)

"I was ever of opinion that the honest man who married and brought up a large family did more service than he who continued single and only talked of population."
(Vicar of Wakfield.)

Had the improvident Oliver, of whom his staunch friend, Dr. Johnson said, "Sir, Goldsmith never touches any subject but he adorns it," lived in these niggling days, it is doubtful whether even so truculent an advocate as the ursine Doctor would have prevailed on a modern publisher to pay so much as a beggarly sixty pounds—the sum reputed to have been received by the creator of the immortal Vicar—for a story beginning with a shameless incitement to reckless profligacy. Times have changed indeed. Nowadays 'tis evident that we can have too many of "this happy breed of men"—as far as the home market is concerned—but it is comforting to learn that there is an excellent business to be done in emigration, provided, of course, that the financial difficulties can be overcome. Australia, we are told, could do with fifty million men, and presumably lasses to match, a substantial figure which would keep our potential parents busy for quite a while—but, and here's the rub—what worries John and Mary is the steady piling-up of "on-costs" between the date of the arrival of the raw material and the departure of the finished product for Sydney some twenty years later. Now our neighbours across the channel are in much better case. Little Frenchmen are at a premium, and when smiling Marie has safely tucked up No. 3 in the cot, all the world applauds vociferously, gives her a handsome present, and, let us hope, stands worthy Jean a "demi-tasse," or the local equivalent of half-a-pint.

A pretty picture, but a sad contrast from our point of view, and one calculated to make an inquisitive

soul exclaim with R. L. S., "I wad like te ken the reason o' the cause an' the wherefore o' the why."

Can it be that sound finance has anything to do with a glut of babies on the one hand and a short supply of milk on the other? Is it possible that "he who rules the Bank wrecks the cradle? Is it envy or merely muddle-headedness that induces our ultra-patriotic Press to work up a qualified sympathy for France, assuring her that

"if her finances are in a worse position than ours, our industries are in a worse position than hers."

In other words, and regarding the problem from a slightly different angle, we have too much kiddy, she has too many bank-notes. We have an unemployment question, she has none. Query, which is the worse position? The answer is "a lemon."

Let there be added to these complexities the melancholy verdict of Professor Hewins that

"there is no hope whatever of translating into fact the delusion which affects so many minds that Great Britain can once more become supreme as an industrial country,"

combined with the haunting nightmare that we are compelled to bear a load of taxation which would be hardly tolerable under a condition of unexampled prosperity, and an overwhelming desire to discover "the wherefore o' the why" is pardonable.

Some impenitent cavillers may go so far as to suggest that our industrial hegemony was never worth the price paid for it, and that now since all our old customers are setting up in the "supremacy" business it might pay a practical people to withdraw from a sordid struggle which can only end in disaster, and concentrate on making things comfortable for John, Mary, and the children.

Someone might suggest this to Mr. Norman Wyld, the director of the Industrial Institute, which exists, so the Labour Correspondent of *The Times* informs us "for the study of the fundamental problems of industry," but on a perusal of the memorandum submitted to the Prime Minister, it is quite clear that all the well-known men and women who signed this document, either do not know, or deliberately ignore, the cause of the evils they are proposing to cure. However, as they probably saw in the same paper on Maundy Thursday that

"undeserved suffering, grinding toil, narrow lives, the loss of all that makes life dear" are necessarily "part of the framework of existence on this earth,"

and, as far as I know, have not protested against such blasphemous rubbish, it is only charitable to assume that they are merely ignorant—not deliberately unkind.

These good folk are also perturbed about the population question. They are careful to point out that "the solution of the problem of regularising employment (whatever that may mean) is made more difficult by the fact that the world's population is increasing."

Think of that now. Actually increasing! More customers for idle factories! What a nuisance!

Well, all I have to add is, that it is a thousand pities Dr. Primrose is not on the council of the Institute. He might have repeated to them his famous story of Count Abensberg,

"who, in Henry the Second's progress through Germany, while other countries came with their treasures, brought his thirty-two children, and presented them to his sovereign as the most valuable offering he had to bestow."

Thirty-two is certainly a liberal allowance. For an average household it might be considered excessive. The worthy doctor is careful to add:

"—though I had but six, I considered them as a very valuable present made to my country, and consequently looked upon it as my debtor."

Wherein I heartily agree with the dear old man, and also with his good lady, of whom he says "her vanity and satisfaction were even greater than mine." I know mothers to whom that might apply even in these days of pusillanimous procreation.

Reviews.

"Ireland." By Stephen Gwynn. (Ernest Benn. 12s. 6d. net.)

This book is the first of a series of volumes undertaken with the view of familiarising busy men and women with the astonishing political changes which have taken place in various countries during the past ten years.

Constituting a Survey of Historical Forces, the editor, Right Hon. H. A. L. Fisher, thinks no apology is needed for beginning this series with a Survey of the Historical Forces which go to the making of modern Ireland:—

There are, on the contrary, few countries where political controversy, monopolising public attention over a long period of years, has so successfully prevented a clear understanding of those national traditions and characteristics which must in the long run mould the life of any country.

As one who took a strenuous part in the political controversies which prepared the way for the form of government now achieved, Mr. Gwynn is inclined to over-emphasise the importance of mere political changes in Irish history. That economic power precedes and controls political power is an axiom of which Mr. Gwynn has apparently not heard, and yet the present condition of Ireland furnishes a glaring example of the truth of that assertion. A wide measure of political self-government has been obtained; taxes are levied and legislation enacted without any interference from the political "Saxon invader," and yet trade is almost at a standstill, and emigration has recommenced in alarming proportions.

The people are disillusioned, but have not yet recognised that the fundamentally important control of credit has not been altered by these political changes, and that it is still issued and controlled from quiet bank parlours in London.

In 1920 the Irish farmer, who had to pay an annuity of £40, did so by rearing and selling one cow; to-day he must rear and sell two cows before he can pay his annuity. Some hidden power has intervened meanwhile and doubled his labour, in spite of political self-government, but this hidden power is not recognised by the author of one of the "Historical Forces which go to the making of modern Ireland."

Ignoring this factor, Mr. Gwynn has given a most readable survey of Irish history, and it is particularly valuable for the comprehensive survey of the various elements—cultural, religious, and national—which have made modern Ireland such a problem for statesmen.

Officially she dates from yesterday, and yet our author reminds us:—

Ireland was a State organised and civilised before England or France had begun to take on a shape of unity. Her native language goes back further in its literary tradition than any other now spoken in Europe, except the Latin and the Greek; and up to the end of the sixteenth century she preserved, and very largely lived under, a code of laws written down while Britain still belonged to the Roman Empire.

The national instinct which found self-expression in Brehon laws could not fit into the Roman and feudal conception of social organisation, more particularly as regards land tenure:—

If it is an over-statement to say that Irish law and custom regarded the land as belonging to the people, it is certain that they repudiated the conception which vested all in the King; and they never permitted the lord of the land to eject the occupier of land from his holding.

When to this inevitable clash of social outlook was added the antagonism between ruling Protestant and native Roman Catholic, and later between unscrupulously "planted" Protestant and ruthlessly dispossessed Catholic, we have the main causes which

make Irish history for the past seven centuries one of the most tragic in Europe.

Having sketched this background in a masterly picture, the author proceeds to fill in detail with an illuminating chapter on education in Ireland—"the black art," one of the most prominent Irish thinkers describes it!—followed by chapters devoted to the Irish language movement; the churches; industry and labour; and, finally, to the Irish Free State. Written with studied moderation, Mr. Gwynn's book is a most interesting guide to some of the obscure and primitive forces which, warring together, are slowly hammering a very special cultural influence into a homogeneous whole. In his moderation the author is very shy of apportioning blame where blame is due for the horrible events in Belfast in 1919, when religious bigotry, unparalleled in Europe west of Vienna for the past fifty years, made a breach between the two native cultures which many years will hardly heal.

But when shall we have a history of Ireland written by a competent psycho-analyst, who will trace the results of the savage repressions of national instinct, and the attempts, frequently made with the best intentions, to lead a people to find self-expression in a cultural mode foreign to their nature? If to that qualification this ideal historian is able to apply the ideas of the New Economics, to disclosing the obscure causes of otherwise inexplicable events, we shall have the ideal history of Ireland. Meantime Mr. Gwynn has earned our gratitude for a most interesting and readable account of one of the greatest tragedies which has been enacted in Europe.

The Isles of Wisdom. By Alexander Moszkowski. (Routledge, 7s. 6d.)

It is tiresome that a fictitious setting should be attempted to give weight or interest to criticism of philosophy, and even when that criticism consists of reducing ideal states to absurdity by extending human systems to their unpractical conclusions, introduction in the form of fables would be preferable to this Gulliver like voyage to the islands of illusion. Ideals are the guide to life, but not the aim of it. Here Utilitarianism, Pacifism, Buddhism, Hedonism, Perversion, and Fine Art are all ridiculed; the attempt to erect principles out of parts of life leads to conflict, and either the Principle breaks down, or, if enforced, becomes exaggerated to the destruction of life itself. Real principles, physical laws, cannot be exaggerated, but they may be equally destructive, as the law of economy of energy which leads to eutrophy-death, "the goal of universal mechanics." The criticism of mechanisation and complication, which though fundamentally opposed, are now made unnaturally complementary by the Corvée System of finance, is the most important at the present time.

"Mechanical progress cannot level, but in its ruthless pursuit of this aim it throws us back. The servants which we create to relieve us of our burdens deprive us of our feelings and of our time, and though they yield us their massed products in exchange, we are still wage slaves—of the machines. . . . Every need which has been satisfied by a technical expedient creates a greater So complicating the demands of life as to make it impossible even for genius to simplify them again The State had accomplished something that surpassed the power of nature: it had achieved a minimum of effect with a maximum of effort."

Moszkowski is occasionally epigrammatic, as above, and in denouncing the Blindness of impartial Justice and the arrogance of Virtue:—

"There are only two virtues which are of any use at all: the virtue of perceiving and the virtue of willing."

and often witty:—

"In old China a special minister of music blended acoustics and politics in such a way that he only needed to sound his special instrument to achieve unanimity among all the Chief officials,"

but his detail is rather wearying, and his style in the conversations excessively stilted.

moreover, that requires hard thinking before it can be assimilated and "put over" in simple form.

By arousing the interest of the rank and file, you make it imperative for the leaders to study the New Economics.

Labour audiences are not just mobs of thoughtless people; amongst them are always found some with inquiring minds, whereas a branch leader may only be a person with "his heart in the right place."

F. CHAMBERS.

LORD COLWYN'S COMMITTEE.

Sir,—I beg a little space to reply to K. O. G., whose letter appears in your issue of April 9. He is mistaken in thinking that two statements he quotes as being made by me in giving evidence on the proposed capital levy are mutually contradictory.

I made it quite clear, in my evidence, that, while a capital levy would not, of course, reduce capital in the sense of actually destroying the materials and commodities, which alone represent existing capital, it would, in my opinion, greatly deteriorate the exchangeable value of these. This is because industry would diminish and, therefore, the demand for the existing tools of industry—i.e., mills, factories, ships, manufacturing plant, etc.—would be less, and their exchangeable value would fall.

Answering another question on the effect of a capital levy on future trade and industry, I said that it would react upon wage-earners and others with small incomes by diminishing industry and employment, and by further raising the prices of all current production which a nation must have in order to live.

Thus, while the prices of those things already produced, which represent existing capital, would fall, the prices of those other things which must continue to be produced for current consumption in the future in order to enable the nation to live would rise still further.

P. D. LEAKE.

NOTICE.

PUBLIC MEETING.

A special meeting of the Central London Group will be held on Thursday, April 30, at 7 o'clock, at 70 High Holborn, to complete arrangements for a Public Meeting to be addressed by Major Douglas at Caxton Hall or Westminster Hall on or about May 21. Admission by ticket.

Will readers who support this project and who cannot attend the Group meeting write to Mr. W. A. Wilcox at the above address if they are willing to dispose of tickets, some of which will be priced at 2s. and the others free.

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