

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

No. 1738] NEW SERIES Vol. XXXVIII. No. 9. THURSDAY, DECEMBER 31, 1925. [Registered at the G.P.O. as a Newspaper.] **SIXPENCE**

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	97	THE CENTURY OF THE COLOURED RACES.—I. By Ernst Schultze	103
Credit propaganda in 1925—The Board of Education's Circular 1371. Prohibition and bribery. Washington and the Irish Free State army. Iowa farmers—a large maize harvest threatens financial catastrophe—bank loans to keep supplies off the market. The Power and Traction Finance Company's £2,000,000 contract for electrical power equipment for Greece—industrialists working for every country but their own.		VLADIMIR SOLOVYOV AND THE RELIGIOUS PHILOSOPHY OF RUSSIA.—VI. By Janko Lavrin	104
THE AMERICAN MIND.—III. By John Gould Fletcher	101	SAND DUNES AND SUNSETS. By "Old and Crusted"	105
TOWARDS WORLD UNITY.—II. By Guglielmo Ferrero	101	SOCIAL CREDIT AND THE LANDLORD. By Arthur Brenton	106
THE DEATH AND RESURRECTION OF PHILOSOPHY.—I. By Giovanni Papini	101	REVIEWS	106
		The Economics of Overhead Costs. Secrets of a Showman.	
		ANSWER TO CORRESPONDENT	107

NOTES OF THE WEEK.

Two outstanding features have characterised the year just ended. One has been the acceleration of intensive effort through a multiplicity of agencies to instruct the public on finance. The other has been the quick development of the policy of diluting still further the control of the public over finance. Superficially surveyed, the policy of widening public knowledge would seem inconsistent with that of maintaining a secret financial autocracy. But upon analysis the inconsistency disappears. For what is this knowledge that is being disseminated so widely? In brief, that the control of monetary policy is the ultimate power of government. This is true doctrine, and might have been usefully disseminated before the banking systems of the world forsook their national allegiances to form an international trust with extra-national headquarters. Thus, while papers like the *Clarion*, the *Referee*, and the *New Leader*—to name a few of the more enterprising of them—are busily showing the British electorate what a beneficent change in the economic situation could be brought about under such and such new public credit policies, Mr. Montagu Norman is over in New York arranging what is going to be brought about under the old private policy. We are not saying for a moment that the world-trust of financiers is going to get its own way in the end: it is not; but we assert that there is nothing in the teaching being administered by the above journals which will have any perceptible effect on the trust's present power to impose its own policy. Even if they got the public to think and vote as one man they could not initiate any national scheme of credit until somehow or other the decentralisation of the international financial trust had been brought about. But they will never teach the public to think in unity. Only one thing can achieve that, if anything can, and that is the *fait accompli*. Economic emancipation, when it comes, will commend itself to the public, in that while they were yet at sixes and sevens some one acted on their behalf. Nobody was invited to vote on the question of the Crucifixion. The role of the public

is not to decide that they wish such-and-such an instrument of emancipation to be chosen, but to say whether they approve it when it has been chosen, and to show their approval by availing themselves of the opportunities it has opened up for their escape from economic death. Count Keyserling, in his article which was reproduced in this journal a few weeks ago, remarked how controversy exhausted the public—and certainly any controversy over rival credit schemes would do so before any other subject. To urge this is not to impugn the democratic principle, but it is to condemn the cunning use made of it to inveigle inexperienced people into expressing an opinion on questions of technique. "Is this objective right or wrong in your opinion?"—that may be answered by everyone. But: "Is this way of reaching the objective efficient or inefficient?"—that may not be answered but by a very few. We wonder, for instance, how the voting would have gone in respect of the adoption of the cheque system had that idea been made the subject of popular controversy. It was not. The device was seen, by competent investigators, to contain enormous potentialities for quickening and extending facilities for commercial progress; and was accordingly adopted. That its subsequent use has played the chief part in hastening the present economic deadlock is no indictment of the cheque system as such. Intrinsically, it is a device of the utmost beneficence: its apparent maleficence is due entirely to something else—namely, bad accountancy.

It is here that we come to a significant feature of current popular instruction on finance. With one accord the instructors explain the nature and power of credit and the necessity for plenty of it, but with the same accord they leave it to be assumed that the question of how it is to be reckoned up in costs and prices does not arise—that the principles of book-keeping now in force need not be altered. It is because of this situation that we gave recently what some of our readers may have regarded as too much notice to Foster and Catchings' *Profits*, for this book throws all its emphasis on the accountancy side

of the credit problem. We are also pleased to see that the editor of the *Certified Accountants' Journal** has allowed space for a long review of Captain Adams's *Real Wealth and Financial Poverty*, as well as for the author's reply, and further articles on Social Credit. This has extended over the issues August to December. The December number contains a reproduction of Major Douglas's correspondence in 1922, with Mr. Lloyd George on the American Debt, with Captain Adams's comments; and next month Captain Adams proposes dealing directly with the question of "The New Accountancy." We consider this a matter of great public importance. That credit is costless and can be created in any quantity and that the control of credit is the control of everything are truths which can easily be grasped by ordinary people. But when it comes to what use is to be made of them, the opinions of ordinary people are of no value. The opinions that matter beyond all others are those of engineers on the one hand, and accountants on the other. The former are the people to say with authority what production can be achieved by the use of so much money; and the latter, how that production can be priced. It would not occur to ordinary people that the merging of the functions of credit-creation with those of engineering and accountancy into a single national system, working under a common policy, could fractionise the present cost of living; but, as we have been emphasising recently, the accountant, far from overlooking the fact, would have to accept it as an inescapable corollary of the theorem that the beneficial ownership of financial credit resides in the community. In olden days land was held from the King, and its tenure was assured by the provision of personal services rendered to the King. In the same manner Industry as a whole enjoys the tenure of financial credit from the community. The King did not ask for rent, because he wanted service. Service was the delivery of consumable goods stands for the repayment of financial credit leased to Industry. Of course, the mechanism of buying and selling must enter into this transaction; but that does not affect either of two things to Industry: (a) "We'll buy all your product at *your* price by creating the necessary extra credit for ourselves," or (b) "You shall sell us all your product at *our* price, and we will create for you any deficit of financial credit that you incur."

As a contrast between what can be and what is, listen to the following extract from the *Daily News*' city article on Christmas Eve.

"The Money Market has shown unusual anxiety regarding the expected demands on its resources for the needs of the last few days of the year, and it has been especially anxious to know if the Bank would depart from its usual practice and allow loans to be borrowed from that institution for a longer period than the normal seven days. The market's chief object was to be able to borrow loans on Christmas Eve, which would not be repayable until the first day of the New Year." The Bank relieved the "anxiety" by assenting to the extra two days—so all is well. But what a mockery of all that is sane for there to have been an occasion for any anxiety as to a difference between a seven and nine days' lease of money presumably needed to facilitate useful service to be rendered to the community whose money it really is.

Circular 1371 was the subject of a hot attack made in the House of Lords on Lord Eustace Percy, the President of the Board of Education. "These (local) authorities," protested Earl de la Warr, * Price 6d. monthly. Published by the London Association of Accountants, Ltd. Temple Chambers, Temple-avenue, E.C.4.

"are in the dilemma of paying for their own schemes of development or of abandoning them," and Lord Gainsborough emphasised the fact that only last March local authorities were invited to submit schemes for five years ahead. "Now there suddenly comes the suggestion," he said, "that there will be no Treasury contribution for these schemes." Lord Astor found the proposals reactionary, and said they afforded clear evidence of the "dictatorship of the Treasury" which had dissolved the "partnership" between the Board of Education and the local authorities to the detriment of education. Lord Haldane and the Bishop of Southwark spoke more moderately; they deprecated the "undue haste" and urged "greater deliberation." The reply for the Government rested with Lord Somers. He asserted that education policy was the motive behind the circular, and not economy: children under five were better at home, and a block grant which defined and limited the Board's financial responsibility was more businesslike than the blank cheque of the percentage grant. The policy of the Government was to give better teaching to older children. Having said this, he cancelled it all out by remarking that the economies which were contemplated made it imperative to bring the scheme into operation as soon as possible. In the corresponding debate in the House of Commons more heat was engendered, according to the *Daily News*' Parliamentary Correspondent, over this circular than over "anything since the Naval Estimates." Heat; yes. But that is no effective answer to Lord Eustace Percy's assertions, one of which was that the forecasts of local authorities for next year anticipated an increase of £5,800,000 over the level of 1923-24—a figure closely approaching that for the peak year 1921. There is one answer, namely for the local authorities to demand some specified minimum grant under the threat, if not conceded, to refuse to continue the administration of education, and to throw the responsibility back on to the Board of Education. The precedent for this was set by the West Ham Guardians—which is a pity in one way, for it will scare off the "respectabilities" in other quarters. But there is no other way of stopping these financial "reforms." The breakdown of the "economy" policy will come as a result of a revolt against its consequences. The only question is how soon the revolt will be raised, and who will earn the honour of leading it. It has been announced, since the foregoing remarks were written, that the circular has been withdrawn. Whom the Treasury will now attempt to raid instead remains to be seen, but it is to be hoped that whatever bodies are threatened will be taking adequate measures to resist the attempt.

A sidelight on the Prohibition question is afforded by evidence given at a court-martial at Atlantic City. The commander and six men of a coastguard patrol boat have been implicated by a negro cook, who has confessed that he and they actually helped to transfer 750 cases of whisky from the British schooner *Alicante* to their patrol boat, the two crews working together; and that the patrol boat afterwards took the liquor up the river and transferred it to motor lorries. Each of the men, he said, was presented by the coastguard commander with 350 dollars. Seventy odd pounds for a night's work is not to be lightly declined even in such a prosperous country as the United States. And how many such nights' work had been going on before the disclosure one is at liberty to guess. The moral is plain. It is that legislation carried by the intrigues of a minority against the general sense of the community will have to be administered in the end by that minority if administered at all. As we have said once before, when subjects of legislation are generally approved, such as, for instance, penalties for theft or murder, every citizen voluntarily takes part in making them

effective; the publication of the description of a "wanted" murderer will set millions of amateur detectives at work. But who, without tangible inducement, is going to stir a finger to facilitate the apprehension of a rum-runner? Only a convinced and aggressive Prohibitionist; and there are very few of him. And now that bribery comes into the question, the task of the administrator is harder still. His only hope of purifying the coastguard service is to outbid the rum-runner in terms of pay—to make his hired crime-detectors impervious to the best bribes of the criminals. This will need some money if the above sum of 350 dollars is a typical bid on the part of the hunted. No doubt Uncle Sam can find it, but since he imposed Prohibition as a money-saving device he will find this logic rather tough to chew.

In view of the position of Ireland as the strategic key to Great Britain's back door, the following extract from *The Times* of December 15, is significant:—

As a result of an arrangement between the Government of the Free State and the United States War Department, six junior officers of the Free State army, none of them above the rank of lieutenant, will leave Dublin early next month for a course of training in the American military colleges. Some of them will study in Washington and the remainder will be distributed among the other colleges. The party will be under the charge of Major Hugo MacNeill, Adjutant-General of the Free State army.

We have said that the problem of a disunited Ireland is due to the strategic necessity for Great Britain to "occupy" Northern Ireland. If there had been no Ulster our Authorities would have had to improvise one in order to possess themselves of guarantees against what Mr. Bernard Shaw once described as the violation of Ireland's neutrality in the next war. It will be remembered that when Free State Ministers were showing such a bold front to the British financiers not long ago we speculated on whether this independence was not founded on dollar finance—or the promise of it. The above move must be interpreted in much the same manner as the collaboration between British and Japanese air-service technicians. These arrangements are much more truly indicative of international policies than the speeches of Foreign Ministers. In conjunction with this episode we may quote a recent cablegram from New York:—

The Canadian Trade Commissioner, Mr. Frederic Hudd, addressing the Pan-American Commercial Congress banquet, said this was the first occasion Canada had participated in a Pan-American meeting.

"No conception of Pan-America is complete," he said, "without including Canada, because it is an integral part of economic America. We hope this meeting will mark the beginning of the active participation of Canada in all such conferences."

It has been a favourite argument of pacifists to point out that there are no fortifications anywhere along the entire length of the boundary line between the United States and Canada. We do not recollect the precise bearing of the argument, but we can now see that a good deal of needless expenditure has been saved by not building them. What good would they be in the middle of Pan-America?

While our credit-reformers in this country are busily assuring the public that increased credit facilities, by enabling industry to produce more, will automatically bring about lower prices and therefore increase everybody's purchasing power, producers across the Atlantic are showing us how this result can be avoided. A *Times* communication dated December 2 from New York states:—

The Washington Administration yesterday came to the aid of Iowa farmers, who are threatened with financial catastrophe by the bountifulness of nature. Iowa has this year one of the biggest maize crops in her history, but so have other maize-raising States, and there is trouble.

Faced with the prospect of having to sell their maize here and abroad at the ruinously low price of 50c. a bushel, Iowa farmers have called upon Washington for help, and not in vain.

Mr. Gardine, the Secretary of Agriculture, was sent to Chicago by the President. There he held conference yesterday with bankers and representatives of the farmers, and the outcome was the organisation of two agricultural credit corporations each with a capital of \$250,000. These, by granting loans secured by maize or livestock on the farms, will enable the Iowa farmers to withhold their maize from the market indefinitely, waiting for satisfactory prices. These two credit corporations have power to borrow up to \$5,000,000 from the Federal intermediate credit bank, which is partly owned by the Government.

When producers, the banks, and Governments can combine like this to deprive the consumer of what should be his good fortune under the natural law of supply and demand, how can the automatic certainty of its operation be relied upon? Will everybody please note that under the existing system a high production—even when not the result of extra work and expenditure, but a free gift from nature—threatens "financial catastrophe." Something is rotten in the state of—nature!

Modern Transport publishes an announcement which we commend to the notice of Lord Rothermere, who has been so eloquent about the backward state of this country in respect of electric power—which is true—and the lack of the experience among our electrical experts necessary to organise such power on business lines—which is untrue. The announcement says that the Power and Traction Finance Company of London, in conjunction with the *Greek National Bank and other financial interests* is likely to secure a contract for the carrying out of important electrical power works in Greece. This will involve a loan of no less than £2,000,000 under the Trade Facilities Act. The above company was floated in April, 1922, under the auspices of Sir William Arrol and Co., Ltd., Cammell, Laird & Co., Ltd., the North British Locomotive Co., Ltd., the English Electrical Co., Ltd., the North British Locomotive Co., Ltd., and the *Prudential Assurance Co., Ltd.* We see here a combination of engineering and financial interests resident in a country whose electrical power equipment relatively to population is the worst in the world—for that is the position of Great Britain—about to supply such equipment to some other country. We need the power, and our unemployed need the work; yet, no; for some reason a Little England spirit forces us to work for every country but our own. The only reasonable explanation we can think of is that there has been a sort of gentleman's agreement between Threadneedle Street and Wall Street, that the United States shall have the contract for our own equipment when we decide to have it. Or has it been decided that this country won't need it since it is going to relapse into a nation of shopkeepers, as an American ex-Ambassador is prophesying? The scandal is heightened by the reflection that the borrowing powers of the Prudential Company, by which the loan for this work for Greece will be raised, are derived mostly from the regular weekly contribution of poor men's coppers, many of whom have probably had to surrender their policies through lack of employment. They ought at least to be able to rely upon their savings being used first for their own welfare.

Another threat to the "Constitution."

"Half the population (of Abertillery) are either drawing relief or on the Dole . . . poverty seriously affecting shopkeepers, who cannot sell goods . . . many on the verge of bankruptcy. Meanwhile, pathetic faith is being reposed in the Coal Commission . . . perhaps, next May, something may happen. Unless a miracle happens, the town will be as dead as Ninevah! In case Mr. Baldwin should fail them, the people are flocking to the chapels and are praying for Divine intervention."—*Westminster Gazette*.

The American Mind.

By John Gould Fletcher.

III.—RELIGION AND EDUCATION.

As a consequence of the dollar democracy which prevails in America, nowhere on earth is there more desire for religion and education, and nowhere has religion or education a lesser hold upon the people than in America.

The Puritan founders of New England were actuated by the desire, common to the seventeenth century reformers, of making the "commonwealth of the saints" an earthly reality. Their aim still exists, latent but unexpressed in all parts of the country, except in a few sections of the backward South, whose aim was rather the "noblesse oblige" of an ordered aristocracy. The desire to make the world better, to uplift, to do good is nowhere stronger than in America. But this desire is not left to private enterprise. It is organised by the community, as everything else is in the United States.

The theory of dollar democracy, as I have pointed out, is that everyone must work for a living. The logical outcome of this theory is that every poor man is a loafer. In consequence, no country has so few beggars. If a man will not work, he is jailed as a criminal. The vagrant, the tramp, is the most dangerous member of the community—as the financial magnate who, despite his millions, lives and works in the simple style of his forefathers, is the best. The ideal of America is the "good citizen," and the "good citizen" is the man who pays his taxes. This, incidentally, goes far to explain the American dislike of Whitman, Thoreau, and Poe. Whitman lived for the greater part of his life on the free-will offerings of his admirers. Thoreau refused to pay taxes to the State. Poe signed promissory notes which he had no ability to repay.

When I attended Harvard College, now twenty years ago, and was moved by some European strain in my temperament to protest to the college authorities against the intellectual laxity of the curriculum which enabled any fool capable of the memory feat necessary to pass examinations to add a degree to his name, I was met with the remark that ninety per cent. of the college graduates were successful men of business. Since then, all the Eastern colleges—including Harvard—have added to their curricula schools of Business Administration, where one can acquire a degree in the only pursuit that has worth and dignity for the American mind. It does not matter that anyone knows who won the war of Troy, or that anyone can appreciate "Hamlet" as a play. What matters is that one can obtain a job readily.

The outcome of such a system of education is that education exists for every other purpose except that of culture—the aim of getting on, of being a commercial success, is ranked above that of culture. In America there exist schools of good manners, of etiquette, of social deportment—because this, too, has a practical cash value, which culture has not. The outcome of such a system, with its stress on "success first, culture later," can be seen by the fact that whenever a new oil region is discovered, or a new piece of swamp ground seems likely to reap a rich harvest by being sold as real estate, a vast migration to the favoured locality takes place. Such migrations reveal the tragic thirst of the American to be ranked as a commercial success. It was an American who coined the phrase "time is money." It was an American who spoke of the "almighty dollar."

The American University dreads but one thing: the revolt of the radical, who is always a member of the old Anglo-Saxon remnant, bent on destroying the naive faith that dollar-hunting is good, or that God has specially favoured the masses of mankind who happen to inhabit the United States. The American Socialist is a Socialist because he hates

wealth, not because he admires the working-classes. The American atheist denies God because he obscurely realises that the God which his people worship is the mammon of cheap and common success. Transport the American Socialist to Europe and he becomes the ultimate aristocrat. Transport the American atheist to Europe and he becomes a mystic of the Middle Ages.

Through education, we arrive at the question of religion—which is indeed the result of all education. As organised education in America exists only to create commercial success, so organised religion accepts as its first and last commandment, "Be a good citizen—a taxpayer, a successful business man—and all will be well." The most successful, the most popular churches since the Civil War have grounded themselves upon this appeal. It has even conquered, though not openly, the Church which should have died rather than surrender its right to maintain the gospel of the poor—I am referring to the Catholic Church. The Catholic Church in America is run upon the strictest "business methods." Perhaps that is the reason why it has not produced a Saint Francis, a Saint Theresa, or even a Newman. I know of one American Catholic who refused to enter St. Patrick's Cathedral, New York City, because the seats in that cathedral are sold, Sunday after Sunday. There is a ticket office in the nave. That Catholic is, of course, looked on with suspicion by his fellow-religionists, and has had a hard struggle in existence.

The fact that the Christian Churches have sold out to mammon is so commonly observable in America that this fact alone explains why Americans long for some religion, and are always ready to try a new one, in the hope that somewhere one may be found that will miraculously bring about the lost realm of the saints and Kingdom of Heaven on Earth that their ancestors went into the wilderness to establish. Nowhere have so many different religions been tried as in America. Mormonism, Christian Science, Doweism, Theosophy, Zoroastrianism, Bahaism, Spiritualism—the list of pseudo and exotic cults is endless. A new religion, a new Messiah—this is what America is hankering for, and it is given one of sorts—every day. But each gives way to mammon-worship or breaks down before the Puritan mentality which cannot recognise that some degree of sexual excess has played an integral part in all the great religious systems of the world.

Behind all this striving, this tragic desire for something to believe in besides dollars, is the grim faith of the American backwoodsman in the approaching end of the world. Only a few months ago a pet Long Island farmer sprang into prominence in the world's Press through the fact that he had sold his property and was urging his followers to accompany him to the nearest hilltop, where they would await the end of this planet's existence. That belief—call it superstition or what you will—is the last hope of the ignorant American poor man. It exists just as clearly among the negroes as among the poorer whites. Every now and then it breaks out.

It may be that such a situation as this may lead, as a thoughtful Catholic, Mr. Belloc, recently declared, to an altogether new religion. It may be—but to an American who has learned to love and respect the traditions of European Christianity—or to an American who has learned to love and respect the ideals of the yet older East—the situation is one that calls not for expectation and hope, but for tragic despair. For America as a country is entirely lacking in what Henry James called the "sense of the past"; and without that sense no new religion is possible. For every religion that has ever existed has developed from some germ latent in the past: and the three most revolutionary religious founders amongst men—Buddha, Christ, and Mahomet

—only upset the older belief that surrounded them to come to terms with it later. Of old beliefs America has none except that the democratic ideal as expressed by her statesmen and books of public opinion is perfect. Against this a whole generation of American artists, following Whitman, have revolted. Perhaps Walt Whitman is the nearest thing to a religious leader our country has produced.

Towards World Unity.

By Guglielmo Ferrero.

(Translated for THE NEW AGE from the *Europäische Revue*.)

II.

Somewhat after this fashion might an optimist express himself—one who must be taken seriously and yet a rather melancholy optimist. While discovering in the present misery so great a promise for the future, he would not deceive the masses, as does the cheerful but frivolous optimist, who assures them every day that all will come right again, though, to be sure, without revealing how or why. The hopes of the former, however, are at least based on true views of history; and if their realisation is not yet assured, they are nevertheless no empty dream, of which a prophet might declare with certainty that it can never be fulfilled.

It is a fact that the two opposite views, optimism and pessimism, contain two possibilities, between which the future will have to choose; for mankind seems once more—as its fate is from time to time—to be faced with a decisive crisis. No body can flourish when in it there are dwelling two souls which are at variance, indeed hostile. Will the world which in the last 400 years of exploration, colonisation, emigration, by war and revolution, by trade and diplomacy, by the railway, the steamship, the telegraph, has gradually been unified, will the world really live to see the day when from this struggle for unity a culture of universal character will blossom forth? One single soul in this single unified body? A world-culture in which the purest and noblest elements of all former cultures should be blended—Christian morality, the industrial development and scientific power of the West, the wisdom of Asia, and the flower of European and Oriental arts?

The experience of our descendants would then resemble that which was the lot of the subjects of the Roman Empire in the first and second centuries A.D., in the regions surrounding the Mediterranean Sea—but in proportion how much vaster. One culture, absolutely unified in its leading principles, would dominate the whole earth. How empty would seem all our strife and our misery in face of the incomparable greatness of this achievement—if it ever should become an achievement of humanity! But will this humanity have the power to attend to this? And to what violent rupture must we again be driven by all these feelings of hate and fear which are devastating the world to-day, if they are not the blind tools of a power working for unity?

History seems to favour both prospects equally, the optimistic and the pessimistic. A time of confusion and disorder is just as likely to lead to a great and growing unity as to a long and slow dissolution. The peace of the Roman Empire and the common culture which all nations around the basin of the Mediterranean possessed during the first centuries of our era, were preceded by 100 years of war and revolution in Europe, Asia, and Africa. On the other hand, the wars and revolutions of the third century actually led to the division and the final break up of the Roman Empire, and to the decline of its western provinces, and so threw Europe into the depths of barbarism in which it was for so many centuries to

lie buried. Ours may be the portion of the generation of a Cæsar, of an Augustus, or the fate of the Diocletian, of the Constantine age. In order to see into the future one must know the true nature of the occult powers, which are acting in the midst of the present confusion.

But what these powers really signify, none but a prophet could declare to-day, for their nature and their effect as regards unification or division will everywhere depend on the leading spirits who are at the helm in the great States of Europe, America, and Asia. If in the first century A.D. the "Roman" peace could become a reality and could give one culture to so many nations, a culture which to them seemed universal, this was possible because the leading spirits of the Greek and Roman world wished it, because they willingly made all the sacrifices of ambition, power, wealth, and hatred, without which the destructive conflicts of the previous century would have continued to the point of complete annihilation. Shall we be in a position to ensure the victory of the sacrificing spirit necessary to bring about this world-unity towards which for four centuries mankind has unconsciously been working? Or in the destructive spirit of a Nero shall we bring our work to naught in the moment when it is near completion? The future will show. The generations of the human race go on their way in darkness, they work and little know what they do. But whatever the fate before us, let us not forget that it depends on our own will. Peace, order, unity, will prevail in the world if we wish it. But our will must be undivided, undisguised, not allowed to wander after a hundred chimerical goals; we must direct it, this time with full consciousness, to that goal which for 400 years has been the great unconscious dream of so many generations of men.

Death and Resurrection of Philosophy.

By Giovanni Papini.

I.

(Translated from the Italian by Delphine Seaman.)

INTENTIONS.

Hitherto the criticisms made with regard to philosophy have been partial, limited to a theory, a system, a school, a tendency. On the constructional side more attention has been given to the building of a new system than to transforming all philosophy, fundamentally to the making of something definite rather than something initial.

I have several purposes:—

- (1) to examine into the value of philosophy, and not of philosophies;
- (2) to take fresh stock of the subject and its matter, preserving the name of philosophy simply for the convenience of verbal tradition.

In addition to these aims it is necessary:—

- (1) to recognise the nature of the aspirations and essential characteristics of philosophy;
- (2) to examine the data, the means, the instruments of philosophy to see if its aspirations are attainable.
- (3) to study the results to find out whether they might have been attained (critical researches into the three great philosophical problems: cosmology, gnoseology, and ethics).

THE ASPIRATIONS OF PHILOSOPHY.

After an exposition of the principal types of definitions of philosophy, I shall demonstrate two facts of great importance:—

- (1) that philosophy lacks a character of its own, a special *quid* which contra-distinguishes it from other forms of human activity.

As to its object (the knowledge of all), it has it in common with all the sciences; aspiration to unity,

to synthesis, is to be found in the arts and sciences also. As to means and methods, we see that the use of analysis and of hypothesis is really proper to science; the employment of fantasy and imagination to art; the tendency to set standards is common to the practical arts, to technology. In general it takes its aim (moral postulates) from life, and its forms and methods from the arts and sciences.

(2) that through all the manifold definitions appear constantly three aspirations of philosophy, three characteristics or aims that it believes or wishes to possess—namely:—

(a) *universality* (which concerns itself with all things existing—the all);

(b) *rationality* (that is, unsentimentality, impersonality, "un-nationality," independence, fixity, etc., etc.);

(c) *reality* (the philosopher believes he can understand and express the real reality, that reality of which the common conception, vulgar, chaotic, and changeable, is but the deceptive appearance).

An examination of the *data* of philosophy will serve to show me if these wishes have been, or can be, satisfied.

SENTIMENTAL DATA.

Philosophers are influenced as much as other men by sentiments and instincts. Philosophy is nothing but a *sentimental, vital reaction, which assumes externally rational manifestations* (classical ex-theoretical justifications of the instincts). There is always, in every philosopher, a *pre-philosophy*, made up of vital and effective elements.

I will here indicate some of them:—

(1) the instinct of individual and social preservation, which gives rise to various moral formulæ which, in their turn, are the origin of metaphysical constructions);

(2) æsthetic feeling (love of symmetry, trinitarian mania, use of metaphor, etc.);

(3) the need to dominate (with rationalism by keeping a firm hold on particular things);

(4) pleasure in contention (discussion, confutation, the feeling of superiority);

(5) pleasure in that which is new, obsolete, rare, secret;

(6) love of pure ideals (which implies a fairly keen sensibility);

(7) love of representation (ex., Spinoza—pleasure of an architectural and musical character);

(8) love of separation (philosophy, like all aristocratic activities, dissociates itself from the others);

(9) sloth (which gives rise to two aspirations):

(a) to unity: (by making less effort of concentration towards the understanding of facts, by uniting them into simple groups);

(b) to definitiveness (by not making too many changes).

Since feelings are *personal, variable, multiplex*, the practicability of the chief characteristic of philosophy, which is rationality, disappears.

RATIONAL DATA.

These are: the *mind* (intellectual activity), *concepts*, and the art of grouping and organising *concepts*; *logic*.

In the mind there are to be observed:—

(1) immobility (the transformation of this has not yet been thought of, to make it more fitted for its functions, to open up new channels, etc.);

(2) the tendency to crystallisation (mental habits);

(3) narrowness (it is not yet sufficiently broad, open, expansive; we have not yet fully explored it);

(4) its radical contrast with things (things are changeable, varied, capricious, multiplex, abundant; the tendency of thought is towards fixity, unity, immobility, simplification).

As to concepts, they are of two kinds:—

(1) general (man, star, etc.), and they are but the *verbal signs* which recall a single individual, a type, a model, of the class conventionalised and impoverished;

(2) universal (several terms to which universality can be attributed: energy, spirit, etc.), which lose all significance and become inconceivable, since every concept is comprehensible and recognisable inasmuch as it differentiates and distinguishes itself from others, whilst in the case of universal concepts, the condition being declared to be the only true one, that from which proceeds every manifestation, assumes every characteristic, and in consequence, possessing them all, it is impossible to find another state to which it can be opposed, and from which it can be distinguished, by our power of comprehending it.

To transform a group of intuitions into a general concept is to deform and impoverish them; to transform a general concept into a universal one is to arrive at an empty symbol, an inconceivable absolute.

Logic, in spite of its appearance of absoluteness, conceals two perilous snares which lie in wait for the works of the philosopher.

Logic is:—

(1) *relative* (each individual has his own logic, at every stage in his life, and that which for A is the inevitable consequence of a given proposition will not seem so to B (Newman), and it is relative to the race (comparisons between Aristotelian logic and *nyāya*) and to language (differences between Greek logic and English—which is founded on the diversity of languages, cf. Tannery and Peirce). The logic of sentiment and the logic of the imagination: Bergson);

(2) *contradictory* (every reasoning includes a begging of the question, because we must assume as existing or characterised or resolved what is to be demonstrated, characterised, or resolved (cf. Agrippa, Hegel, Bertini, Nietzsche). This necessity in thought tends to the setting of inconceivable problems, such as are the majority of philosophical ones; ex., origin and cause of the world, noumenal and unknowable, real or false knowledge of the world, etc.).

Rational data do not allow us then to attain either to *universality* (inconceivable) or *rationality* (relative, incomplete), or *reality* (impoverishment, insufficiency of the mind).

EXPRESSIVE DATA.

Besides being an interior germination (vital and sentimental) and an exterior construction (logical and rational), philosophy is really a complex of words and symbols, that is, of *expressions*. Philosophy, in so much as it is the communication of thoughts, is a language. Now, all philosophers (from Plato to Vailati) have lamented the imperfection of language which, having been formed in pre-philosophical epochs and among primitive races, is not fitted to express the new discoveries of the world and of the mind. The chief criticisms which can be brought against it are:—

(1) that it is incomplete (it does not allow of the communication of single, special, or personal characters, it does not give the transitions, the nuances, the novel. It is a levelling and democratic instrument: Bergson).

(2) It creates belief in the existence of a thing to correspond to every symbol (there is the word,

there must also be the thing. Negative, inconceivable terms, etc.).

(3) It creates belief in the non-existence of that which has no symbol.

(4) It causes relationships to be retained between things when they are simple relationships between words (separation, fusion).

(5) It creates belief in the multiplicity of things where there is multiplicity of symbols.

(6) It causes one to assume as unique that which is expressed by a unique symbol, etc., etc., etc.

Thus one does not express everything that one thinks, nor does one think everything that one says.

The criticism of language leads us to deny to philosophy the attainment of *reality* inasmuch as it would like to be the expression and communication of the real.

In short, we have seen that the data of which philosophy makes use in no way accords the satisfaction of that threefold desire to be *rational, universal*, and the revealer of *reality*. Philosophy has deluded itself and has remained discomfited.

(To be continued.)

The Century of the Coloured Races.

By Ernst Schultze.

Translated from the *Europäische Revue*.

The earth is trembling with anxiety. In China the most numerous, and, at the same time, the most patient, people in the world are for the first time arming themselves energetically against the encroachments of a white nation. In Morocco, in a territory of quite small extent, an Islamic people is heroically struggling for its independence against the strongest military Power of Europe. Full of strained attention, the eyes of the coloured world are directed on these two points, at which is taking place a fight with the white, hitherto the paramount, race. It is taken as a sample of the coming great development which must decide whether almost the whole earth shall belong, as hitherto, to the whites, or whether the coloured races shall succeed in winning a greater share of it.

We ourselves feel that now the century of the whites—which was the last hundred years—is coming to an end, and will be succeeded by a century of the coloured people. It is one of the most noteworthy facts that in the last three or four generations every region of the earth (perhaps with the sole exception of the Polar regions and the innermost parts of Africa) has been industrially opened up and brought into relation with the European world. Until then a national industry existed only in the various States of Europe and Asia, in some narrow strips of the coast of North America and of Africa, and in the Spanish and Portuguese possessions in Central and South America. On the other hand, by far the greater part of the North American mainland and of Africa was economically quite undeveloped, all Australia completely lacked a national industry, and even of the regions industrially taken over, South America and large parts of Asia and even of Europe, exhibited industrially very little activity. If on the map of the world one indicates by colours the territories which at the beginning of the nineteenth century possessed their own national industry, the greater part of the land of the globe must remain uncoloured.

What a difference a hundred years later! In the meantime the white race had rapidly taken possession of the North American mainland, annexed it politically, settled it, and transformed it industrially to one of the busiest regions of the earth. In Central and South America the formerly very weak industrial life of the Spanish and Portuguese possessions has, after manifold vicissitudes, also attained to considerable strength, although the development that has taken place in North America can, for the most part, be expected here only in the course of the next hundred years. In Africa the white race has everywhere pressed forward, at first but slowly, but in the last generation with greater rapidity, annexing politically, exploring industrially, and then productively dictating. In Asia, population and industrial activity have multiplied. Finally, Australia in general has only been opened up to the economic life of humanity during the nineteenth century.

I.

How has it come about that in the nineteenth century all these territories have been industrially overrun? It is a

basic fact of world economics, that a national industry then sprang up in all the vast—and a hundred years ago preponderating—regions in which until then only a few lonely human beings had lived on the edge of the wilderness, or which had been used industrially only by the coloured native races, who in their search for food gathered up, now here, now there, what the earth spontaneously yielded.

To later generations the most important fact of the nineteenth century will perhaps seem this industrial conquest of the whole globe, which left very few spaces free except the deserts and the steppes, and indeed sought to open up even the arid regions by means of irrigation works.

How did it happen that this conquest of the industrially useful areas which were then in hundreds of thousands of square kilometres opened up to mankind took place not till the nineteenth century, and that for the most part it was the work of the white race?

The answer to the first question is generally sought in the enormous advances in transport, which not only in certain cases enabled distances to be overcome which to earlier ages seemed impassable, but which repeated such achievements regularly, and above all so reduced their cost that production and consumption of goods increased, because now practically all parts of the earth were included in the world's commercial relations. Also emigration, and finally, indeed, periodic migration, was now for the first time able to cross almost any desired space.

But why was it just the white race which took possession of almost every part of the earth? Numerically, it was even a hundred years ago far from equalling the coloured races. In almost every other respect, certainly, it was superior to them. The immense impetus which it gave politically and economically to all areas yet free, and also to no slight portion of those already occupied, depended mainly on the superiority of its military technique, its transport technique, and its economic technique. If one wishes to examine how the domination (political and economic) of the earth will perhaps be transformed in the next hundred years one must glance at the causes which during the last hundred years gave the whites their superiority in these respects. In the eighteenth century they dominated out- side Europe only some strips of coast of the other continents: the year 1900, however, almost the whole world, with the exception of Asia, of which barely half was subject to them.

Nevertheless—was this dominion not perforated and undermined even before the world-war?

II.

In the matter of military technique, the zenith of the superiority of the whites was perhaps reached in the battle of Omdurman in the year 1898. Later, coloured people were not so absolutely inferior to the whites in war technique; in fact, as early as the Russo-Japanese war the whites often got the worst of it. Incontestable superiority over the coloured race was proved for the last time at Omdurman. In close order the columns of the Dervishes rushed against the English troops, who received the enemy—in places formed ten deep—at 2,800 metres with machine-guns and cannon. The Dervishes were mown down in troops. Cannon and rifles annihilated the death-defying attackers. A slaughter, not a battle, it should have been called.

This machine massacre was executed with such certainty, in such a matter-of-course way as is only possible to the machine technique of our time.

But this will not be repeated. In many areas the coloured people have been extirpated by these perfected means of annihilation, in others forced hopelessly into the minority, in others (as in many regions of Central and South America) become apt pupils in the armament technique of the whites, and now they on their part are striving for possession of that mysterious art, the mechanical annihilation of one's adversaries.

For military technique, also—and that in particular—is easier to acquire than the whites believe. What arrogance was shown in the prophecies of the greater part of the European Press and of public opinion when, in 1904, on the outbreak of the Russo-Japanese war, the Japanese were warned that they would be crushed by the Russian Colossus!

These people would not see that mass alone does not do it, not even when it bristles with war machines. When Japan emerged victorious from this war, in which it is true she had the important advantage of greater proximity to the scene of action, the *nimbus* which military technique had conferred upon the whites was destroyed. Forthwith it was whispered throughout all Asia that the white man was after all not invincible, and at once in other parts of the earth also movements began which demanded for the coloured races rights which could scarcely have been wrung from a white dominant race of unquestioned superiority in war

technique. Full of menace the "yellow-peril" and the "black peril" raised their heads.

Finally, the world-war shattered the belief in the white monopoly of war technique. Even the world-dominating England in alliance with countless States of Europe and of the rest of the world could not master her opponent without causing the Japanese to attack the small German land force in Kiantschan, and without seeking the support of the Japanese fleet upon the seas. And when in Europe Hindus side by side with the negro troops and Tonkinese of France had to be sent against the German defences, the impression was unavoidable that the whites, if in the struggle against other whites they had to use the help of hundreds of thousands of coloured troops, had given up all claim to their unassailable position in war.

The coloured movement throughout the world was thus greatly strengthened. In particular the Negro Congresses, which since then seek to organise the African movement, owe their birth entirely to this frame of mind. It is not unthinkable that sooner or later a Negro rising in some French-African possession would use just that war-technique which the blacks on European soil in the world-war had before their eyes, and which had been taught to them in detail by France in her methodical militarisation of the native population of Africa.

In the nineteenth century there was only once a similar rising of coloured soldiers against a White Power: the great Sepoy mutiny of 1857, which brought English rule in India to the edge of the abyss, and which was suppressed only by the tenacity of England and the exertion of all her strength. In consequence it was then decided that in the Anglo-Indian army the proportion between white and coloured troops must for the future be altered, and that the superiority of the white officers and men must be carefully maintained. In the last decade this precaution has been abolished (in the French possessions in Africa and Asia). The consequence cannot fail to appease.

(To be continued.)

Vladimir Solovyov, and The Religious Philosophy of Russia.

By Janko Lavrin.

VI.—SOLOVYOV THE MORALIST.

I.

One of Solovyov's most important achievements is his book on moral philosophy, *The Justification of the Good*. This work is interesting, not only because of its conclusions, but also on account of its being one of those rare books on morality which do not make you yawn while you read them. As a whole, it certainly is a daring attempt at formulating *dynamic* Christian ethics—ethics which, instead of avoiding or denying civilisation, would be strong enough to accept and absorb it. And, in addition, it represents—between the lines—a valuable polemical work against the so-called amoralism of Nietzsche (whom Solovyov did not care to understand properly), as well as against the one-sided and static moralism of Tolstoy.

Solovyov's moral system is above all a synthesis of his metaphysical principles and their practical application on the plane of that universalism, or pan-humanity, in which alone he saw the possibility of a complete self-realisation: individual and social.

Being aware that the social principle in its deepest roots is not the opposite of the individual principle, but its necessary complement, or even its necessary condition, he repeatedly pointed out that true universalism expresses and must express the fullness of both impulses.

The possibility of such fullness he found in what he called true Christianity. And true Christianity expresses, according to him, "a perfect synthesis of three inseparable elements: (1) the *absolute event*—the revelation of the perfect personality, the God-man, Christ; (2) the *absolute promise*—of a community conformable to the perfect personality, that is, the promise of the Kingdom of God; (3) the *absolute task*—to further the fulfilment of that promise by regenerating all our individual and social environment in the spirit of Christ. If any of these three foundations are forgotten or left out of account the whole thing becomes penalised or distorted. This is the reason why the moral development and the external history of humanity have not stopped after the coming of Christ, in spite of the fact that Christianity is the absolute and final revelation of truth. That which has been fulfilled and that which has been promised stands firmly within the precincts of eternity and does not depend on us. But the task of the present is in our hands; the moral regeneration of our life must be

brought about by ourselves. It is with this general problem that the special task of moral philosophy is particularly concerned. It has to define and explain, within the limits of historical fact, what the relation between all the fundamental elements and aspects of the individually social whole ought to be in accordance with the unconditional moral norm."

II.

In his search for this unconditional norm, Solovyov goes back to Kant's view that morality is autonomous. Yet, while modifying and amplifying Kant's ethics, he also points out his contradictions and veiled subjectivism.

Kant, who in his *Critique of Pure Reason* had disproved the existence of soul and of God, began to "postulate" later on both God and immortality of the soul, the existence of which he had deduced from the fact of conscience. However, as Solovyov shows, these "postulates of practical reason" and "objects of rational faith" move in a vicious circle. For, on the one side, Kant deduces God and the immortality of the soul from the fact of our moral imperatives, and on the other he justifies those very imperatives by the postulates of the existence of God and an immortal soul. But if pure morality be based upon the existence of a God and immortality which (according to Kant) cannot be proved, then the absolute morality itself cannot be proved either.

There are only two possibilities with regard to our conscience: either man's moral conscience is only a psychological epiphenomenon, or it is something more (i.e., a transcendental factor). In the first case, our moral imperatives can have no compelling force except that of individual self-preservation with all its utilitarian impulses. And in the second case, the moral law must have its foundations, not in our conscience only, but also independently of it and all its "postulates."

In other words, "if the moral law has absolute significance, it must rest upon itself and stand in no need of 'postulates,' the object of which has been so systematically put to shame in the *Critique of Pure Reason*. But if, in order to have real force, the moral law must be based upon something other than itself, its foundations must be independent of it and possess certainty on their own account. The moral law cannot possibly be based upon things which have their ground in it."

III.

Kant deduced God and immortality from the existence of the moral law or the "categorical imperative" in our conscience. Solovyov makes the reverse; he *a priori* proclaims God and immortality as the necessary condition for the very existence of that moral imperative which is involved in all religious experience and "contains the complete good (or the right relation of all to everything), not merely as a demand or an idea, but as an actual power that can fulfil this demand and create the perfect moral order or the Kingdom of God in which the absolute significance of every being is realised."

A discussion of Solovyov's theory of Free Will and its bearing on morality is beyond the scope of this brief sketch. Suffice it to say that he tries to make a subtle difference between the Free Will and the Moral Freedom. In his early work, *Criticism of the Abstract Principles*, Solovyov still adheres to Kant's view that man is free only in so far as he belongs to the transcendental world; in the *Justification of the Good*, however, he keeps to St. Augustine's opinion that also in the world of phenomena man is free to choose evil without being free to choose good—since the good is given, that is, revealed to him as an imperative. "The subordinate our will to the principle of good there is no arbitrariness in our submission, but inner necessity. 'The good determines my choice in its favour by all the infinite fullness of its positive content and reality. This choice is therefore *infinitely* determined; it is absolutely necessary, and there is no arbitrariness in it at all. In the choice of evil, on the contrary, there is no determining reason, no kind of necessity, and therefore infinite arbitrariness."

It is the ethical fact of this "one-sided" choice which Solovyov calls Moral Freedom, as distinct from the Free Will, that is, the unconditional freedom of choice. Yet he seems to be somewhat wavering with regard to this point, for he himself adds: "Given a full and clear knowledge of the good, can a rational being prove to be so unresponsive to it as to reject it utterly and unconditionally and choose the evil? Such lack of receptivity to the good that is perfectly known would be something absolutely irrational, and truly only an irrational act of this description that would truly come under the definition of absolute freedom or arbitrary choice. We have no right *a priori* to deny its possibility. Definite arguments for or against it may only be found in the obscurist depths of metaphysics. But in any case, before asking the question whether there can exist a being, who—

with a full knowledge of the good—may yet arbitrarily reject it and choose the evil, we must first make clear to ourselves all that the idea of the good contains and involves."

IV.

With such an evasive attitude Solovyov begins to investigate the contents of the good in human nature, in human history, in the whole of life. As his book on these problems is accessible to the readers also in an English translation,* I can limit myself to a few brief remarks.

In his quest after the primary data of the unconditional moral imperatives in man's consciousness, Solovyov proclaims *shame, pity, and reverence* as those fundamental feelings whose growth and interaction determine the aspects of our individual and social ethics. In the primitive man and society their expression is bound to be primitive. But these crude beginnings must needs develop through the human history until they reach that stage which is capable of realising the absolute good in humanity as an organic whole. For in the same way as the spirit of man can find its perfect expression only in a perfect physical organism, the spirit of God can be manifested in mankind only through the most perfect social body, and such a body ought to be the task of true Christianity.

"Christianity has revealed to us our absolute dignity, the unconditional worth of the inner being, or of the soul of man. This unconditional worth imposes upon us an unconditional duty—to realise the good in the whole of our life, both personal and collective. We know for certain that this task is impossible for the individual taken separately or in isolation, and that it can only be realised if the individual life finds its *completion* in the universal historical life of humanity."

The chief aim of history—according to Solovyov—is to transform the "natural" organisation of mankind (which involves continuous strife and division) into a spiritual organisation based upon the values of absolute good. And "the description of this moral organisation, or of the totality of the moral conditions which justify the good in the world, must be the coping-stone of moral philosophy."

(To be concluded.)

Sand Dunes and Sunsets.

The whole panorama may be vibrating with beauties man has not yet the soul to see. Some already living, no doubt, see beauties that we ordinary men cannot appreciate. It is only a century ago that mountains were looked upon as hideous.

Even now we suspect ourselves of possessing wing-like faculties of the mind whose use we do not know, and to which we are as yet afraid to trust. But the period of our infancy is over. The time to let ourselves go is approaching. Should we not look confidently out into the future and nerve ourselves for bold, unfettered flight?

(Sir Francis Youngusband.)

Sir Dighton Probyn . . . revealed an amazing story to me of the perplexity caused to him by her unrestrained benevolence. She had no other extravagance.

(Mr. Lloyd George on the late Queen Alexandra.)

The above excerpts were culled from Sir Francis Youngusband's beautifully illustrated book on Kashmir, whose pages I was idly turning over one evening after dinner, whilst the rest of the party were indulging in a recitative of recrimination and post-mortem exculpation they call "playing bridge." This along with the rules of golf and a few trashy novels has been my intellectual fare for the last three weeks—the justifiable relaxations of a belated holiday. After a lamentable interlude of two years I have been vastly enjoying myself knocking chunks out of the "rough" of one of the many sporting courses between the Wash and the Humber. Now, according to the illustrated society papers golf is a game played down the fairway and on the greens by immaculately dressed youths and maidens, whereas this hardy adventurer visits the waste places at the back of beyond, where he can play a game of his own, and indulge in lurid soliloquies without offending the ears of his partner. Moreover the links are not overcrowded, and the audience on the finest days is but sparse; for November is not usually accounted a holiday month, although it has its advantages, as a dear companion of my early days always insisted. He said, with justice, that there was no "beastly crush," that mine host gave you a hearty welcome and the best bedroom; he had time to attend to your personal comforts, warm the claret,

*Vladimir, Solovyov, *The Justification of the Good*. Translated by Natalie Duddington (Constable).

and retail the local gossip—also, there were fewer "mistakes" in the bill.

Then there were the sunsets, wonderful crimson and golden symphonies with delicate turquoise and coral echoes over the yeasty eastern sea—and all over and done with nice and early, leaving ample leisure for a warm-up and a rubber before dinner. Wherein I agree with the dear man, who, alas, is no longer with us and has left a gap in Fleet-street and elsewhere that will never be filled in the lives of one or two I wot of. 'Tis true that years often passed without a meeting, but it is the hall-mark of true comradeship to be able to take up the threads where they were dropped, without a hitch, just as if we had parted only the night before at the "Yorick" or the Cheshire Cheese. May he rest in peace.

Off the line again—like my tee shots—and reverting once more to sunsets and the charm of "hollow space and sky." Let those who have not yet succumbed to the lure of the fen lands and sand dunes of East Anglia take the word of one who has often stood spell-bound between a waste of sea and a stretch of marsh at the close of a still November day, and turn North-East instead of West or South for the next week-end "four-baller." They will not regret it—besides, "it is so bracing."

The other day, in the interval between topping iron shots in the morning and seeing the sun safely to bed, a long stroll along the sea-front and through the town, finishing up at an old inn—once the resort of smugglers and where the skeleton of a revenue officer, recognisable by the buttons that once adorned his uniform, was discovered in a bricked-up cupboard during recent alterations—revealed certain facts that made one ponder and speculate. There were rows of boarding houses, with all the blinds down, neat bungalows, obviously untenanted, and, to crown all, this ancient hostelry absolutely empty—not a single guest, in spite of the fact that the beer is about as good as any as has come my way since 1914, and not forgetting the courteous landlord, a past master in looking after your creature who, when not occupied in relieving you of odd half-crowns comforts, is quite willing to relieve you of odd half-crowns in the neighbouring links. And this is not the only mismanaged island similar conditions prevail. For at least six months in the year thousands of rooms are dragging out a and an untold number of landladies are dragging out a dreary existence in back kitchens, who would be only too glad to welcome winter guests on "off-season" terms—if they could get them. What an opportunity for putting in circulation that fifty millions of new currency which Mr. Authur Kitson assures us would have little or no effect on prices! What a chance for toning-up the unemployed! Give them the two months' holiday in the strong East Coast air—the deliv- cate might be sent to Wales or the Cornish Riviera—and the result would pay cent. per cent. in renewed health regarded merely as a business proposition. As for those empty bungalows, do we not all know cases of struggling professional men and their families to whom a quiet home, sea air, and all expenses paid for a few months would mean life itself?

"And a nice mess you'd make of it if you had your way," quoth one to whom this scheme was mooted. Well, well, a change of mess is preferable to a monotony of muddle, say I, and if "the time to let ourselves go is approaching," why should not our first fling be the disbursement of fifty millions in "unrestrained benevolence"? Moreover, it would be a fine national memorial was the despair of Alexandra, whose "simple kindness was the gracious lady, who, those responsible for her household," the gracious lady, who, "When anyone wrote to her with any tale of woe or suffering, never made any inquiry, never sought advice, but instantly put a five-pound note in an envelope and sent it along."

Which is social credit as royalty understands it. After that it was idle to protest that I was neither a Bolshevik nor a Communist—not even a Fabian Socialist: but I had not long to wait for a kindred spirit who understood. Whilst plodding round the course, from disaster to disaster, my squire of clubs—a dear old gentleman, with one arm and an impediment in his speech—tactfully disguised his contempt for "my game" by favouring me with his views on life and things in general. He confessed that his two ambitions were "to go 'unting on a 'oss," and be "a Conservative agent." He deplored his physical disabilities, but, tapping his forehead, said, "I've got it all 'ere." I believe he had. Further confidences brought the fact to light that my true-blue tee-marker belongs to the landlord's class. He owns a boarding-house!

Thus do we old Tories instinctively foregather and "keep the common touch." It matters little whether we tee the ball or top it; social demarcations have no terrors for us;

we are all brethren. Some come into the family estate and "consort with kings," others, the descendants of younger sons of younger brothers dwell in cottages and follow the plough or toil in mine or factory—but all are born above the salt; all have a touch of the grand manner. The only man I ever met who really looked like a duke was a coal-miner.

Social Credit and the Landlord.

By Arthur Brenton.

II.

A little reflection will show that it does not matter what money the landlord exacts. You can call it £10,000 millions. The larger the amount paid him, the larger the discount knocked off the resulting apparent "costs" of production to arrive at the Just Price. Consider the community as pigs at a trough. You can give one pig access to two-thirds of the trough and restrict all the rest to the other third. But the favoured pig would stagger away in painful repletion long before it had made any perceptible impression on the total supply of mash, and in the end the other pigs would get as much as if you had thrown the whole trough open equally to all. In paying the landlord such and such an amount of money, all you do in a fundamental economic sense (i.e., in physical reality) is to license him to occupy so many places at the trough of the "Means of Life." But when you lead this "pig" to the trough you cannot fill him more than once. Eleven thousand "places" does not mean an eleven-thousand-fold cubic capacity of stomach. There is only one catch in this argument. If there be not enough mash in the whole trough to fill every pig full, then, of course, the pig with the freest access will leave the others short.

But when the total possible supply of mash is given its economic interpretation, namely the latent productive capacity of industry, no one will see any practical problem. "Production is indefinitely expandable: consumption is not" is a declaration of Major Douglas's, the truth of which dominates the whole situation.

We will deal with one more point. It will be objected that the real injury caused by paying £11,000 to the landlord has nothing to do with what he spends out of it for himself, but upon what he does not so spend, what he saves; and that his power to apply his savings where he chooses gives him command over the lives of those who need to borrow his money. It is not alone as a consumer, but as an investor that the landlord is a danger.

That is a sound objection under the present system of financing. But it loses all force as soon as one postulates the New Economic system wherein the production process does not depend for its financing upon the savings of the private investor. Once envisage the Government and the banks (or a State Bank, or a series of local Credit Authorities—the mechanism does not matter so long as the right policy is being administered) freely issuing long-term new credits to industries at the "cost of the service"—say, 1 per cent., 2 per cent. (or nothing at all, if the electorate decide to abolish "interest" as such), then the landlord would have to lend on the same terms—if he lent at all. Far from his obliging the producers by doing so, the producers would be obliging him. Where there is "Free Trade" in money there can be no monopolistic strangle-hold resident in the private ownership of money. Further; under such conditions the landlord might easily come to see that investing for revenue was not a necessity for his personal happiness. If he were a man of culture he would use his money for the good of his soul. He would breed horses—not for profit, but as a pastime. He would make his own furniture—as a hobby. Or he could travel the world over, time after time, all his life. In short, everyone with surplus funds would soon be expressing his creative instinct by personal additions to the sum of real wealth. Except for food and clothes, there is indeed hardly anything which can be "consumed" in the colloquial sense which does not yet remain as an addition to the aggregate real wealth of the community. It is astounding to analyse consumption and to see what a microscopic fraction of concrete wealth is actually destroyed in the process.

We must clear up one more point. If Industry borrows £11,000, bringing its total costs up to £22,000, and has to sell at the "Just Price," thereby only getting £10,000 as revenue from food consumers, how can it repay the bank? Well, first, what is this "bank"? Under the New Economic system it is the Government. And what is the Government? It is the trustee of the interests and the property of the whole population as consumers. Now, these consumers, as individuals, have paid £11,000 short to Industry. On the

other hand, the loan made by the bank to Industry was a loan of the consumers' own property—i.e., financial credit. It was a creation of new credit based on the community's willingness and ability to work and produce things. So you arrive at the position that the consumers now owe Industry £11,000, while Industry owes the consumers £11,000. But Industry has in a real sense acquitted itself of its obligation to the consumers, because it has supplied them with food at £11,000 under cost. Therefore, the consumers must wipe out their claim for £11,000 of financial credit. In other words, the bank (i.e., the Government) presents Industry with £11,000—which, in the illustration we have chosen, is equivalent to cancelling the loan.

"But what about the landlord's £11,000? You have left that out of account," it will be objected. Precisely—and purposely. It is just floating around, and the community can ignore it. If he does not spend it on himself, neither industry nor the consumers need trouble a bit about him. He can go and bury his money. If he does spend it on himself, well Industry will be very pleased to execute his orders. "Production is indefinitely expandable."

Reviews.

Secrets of a Showman. By C. B. Cochran. (Heinemann. 25s. net.)

Most great examples of autobiography and biography have this advantage over Mr. Cochran's monumental essay in the art of confession, that they are undertaken when their subjects have already arrived at the height of their achievement. "C. B." with characteristic élan has chosen to write his book at a time when his enemies, if he has any, might well choose to rejoice. Ill fortune gave him the cue to take adversity by the forelock and his fountain-pen in his hand, and the result is this four hundred odd pages of entrancing and personal narrative. Here are the reminiscences of a man of action. They are as concrete as *Cæsar's Chronicles*, as direct as the first chapter of *Genesis*, as deliberate, almost as callous, as the writings of Napoleon, but without the latter's insistence on merely literary philosophising. "What doth it profit my brethren though a man hath faith and has not works? Can faith save him?" might have been the sub-title of this book—so little is Great Britain's master-showman concerned with ought but achievement—and its converse, failure. And what an entertainer he is. He more than any living man has added to the gaiety of a nation. He has been a music-hall proprietor, and as an impresario introduced scores of leading artists from all parts of the world, and fostered native talents by reason of his unerring instinct. The case of his star, Alice Delysia, is one in point.

"At the Olympia, Paris, where I had gone to see a star dancer, I noticed, playing a part of some half-dozen lines, a young woman, who appeared to me to be possessed of a curious magnetism. Her only chance was in a burlesque of a current play by Henri Bataille. She was impersonating Evonne de Bray in one of her emotional moments. This young woman had the 'tear in the voice.' That gift cannot be acquired. But you can sit with your eyes shut in any theatre and know that you are listening to a big artist directly the voice gives you a tremor down the spine."

One is apt to overlook in Cochran's more spectacular achievements that he has given a new impetus to the theatre of our time. Take for example Nikita Balieff's "Chauvouris," now the prime favourite of the British public. It was he who first brought them into the unintelligent plethora of our post-war theatrical world. The "Diaghilev Ballet," the Guitry seasons and other examples of French dramatic work, Continental and American plays of an extraordinary range and variety, the Duse season, and the most notable theatrical event of the current year, Pirandello's first London visit—these are but a few of his ventures and adventures. Cochran is no mere speculator in theatrical personalities and properties. He is the practical—and sometimes reckless—artificer of his craft. On his production in 1919 of "Cyrano de Bergerac" with Dulac settings he writes:—

"We found ourselves in a situation for which I take the entire blame. It was not Loraine's job to worry about the cost of things; it was only up to him to obtain what he felt was the right effect. When he required players or accessories, which necessitated an increase in my budget, I should have denied him, but it was not in my nature so to do. My main desire was to present a worthy production of this truly beautiful play. It was obvious that the exchequer could not long stand the strain, and I set about looking for a big theatre. Fortunately, after

playing at the Garrick only four weeks, I was able to secure Drury Lane at a rental of £650 per week. What a fitting arrangement it seemed! The idea of a National Theatre is, least of all, for it to be insular. Its spacious hospitality should be open to the very best plays of every country."

This book, written in a time of adversity, ends on a rising theme of hope, and now that he has, despite another unfortunate serious illness, triumphed anew at the Pavilion and the Trocadero, he may yet bring to accomplishment the truly National Theatre which so many desire, but which its most ardent advocates leave stranded in lofty nebulae of propaganda and talk. It is a task for which he is amply endowed.

Studies in the Economics of Overhead Costs. By J. M. Clark. Univ. Chicago Press. (England, Cambridge Univ Press. 20s.)

The University of Chicago, so Mr. Upton Sinclair has averred, under pressure of the overhead charges, once economised by closing up one ventilating intake pipe and connecting another with its drains. Appropriately enough, its Professor of Political Economy some time ago published a substantial book on "The Economics of Overhead Costs." He has thereby managed to join that very meagre company of economists who have something vital to contribute towards the re-orientation of our discontents. Pursuing the ramifications of his arguments and shy speculations, Mr. John Maurice Clark has marched definitely over the frontiers of heterodoxy. "The only level of prices which will surely call all available productive powers into use is a bankruptcy level" (p. 434). "As industry is in a chronic state of partly idle capacity, to insist that producers shall compete unchecked appears to amount to inviting competition, and private enterprise with it, to commit suicide" (p. 435). Notice, firstly, that he writes, not "profitless" but "bankruptcy" level; secondly, that the premises apply with equal effect to a nationalised industrial system which attempts to "produce for use and not for profit" under the current financial mechanisms; thirdly, that he damns the financial system, by first implication, if not by explicit decree, as being unable to cope with productivity. He has some hits at stabilisers of prices and devotees of Value. "Under perfectly steady prices there would still be great booms and depressions in the capital-making industries, and resulting booms and depressions in industry at large" (p. 406). "Are shoes worth less than usual in time of depression because the price is low, or are they worth more than usual because people are not so well shod?" (p. 30). This question indicates the chief and most praiseworthy notion which troubles the professor's peace of mind. It is that financial accounting will not square with social accounting. But he never seems certain as to the precise principles in which financial accounting is wrong. "Man," he concludes, "did not design the intricacies of our financial-economic machinery; they are rather the unintended by-products of the inventions which he did design to serve his supposed needs. . . . These unintended by-products he does not even understand. "They appear with all the force of living things with purposes foreign to those of mankind. . . . Yet we do not know enough to offer some prospect of controlling them. . . . Overhead costs are defined as those which cannot be put down directly to particular units of business, and do not vary proportionately with output. A machine, for example, whereas labour costs are variable. In England, too, efforts are in progress to turn labour costs into accountable overhead costs by taxing businesses more and more through insurance levies, and by raising money for "doles" and relief, so that the unavoidable "overhead" of the workmen's periods of unemployment shall be more and more chargeable in prices of the output obtained, instead of being met in a private fashion out of his "savings" and personal charity. The author approves of this process as a step up in social accounting. But he also has a notion which has not been broached in labour circles, though it promises, on the face of it, to be a most effective weapon of attack on the wage-raiders. Let the charges for unused capacity be eliminated from prices; cut "idle overhead" out of costs. Instead of output" and "normal sales" and then applying it as far as possible to actual sellable output, let firms find the "burden rate" which should apply to a permanently "maximum output," and allocate overhead costs on this finding. Then, given a fund by which the concerns doing it could be saved from bankruptcy, prices could be reduced greatly and depression ended. The particular form his recipe for depression takes repudiates standardised prices and endorses cut-throat competition. As "direct plus overhead"

costs do not usually increase *pari passu* with increasing output, when a firm can get anything for *extra* output beyond the *extra* costs arising from it, let it sell the *extra* output at anything above the extra costs which it can get, for it will be better off for doing so. This differentiation of prices has been the base on which railway rates have often been constructed, and is presumably the justification for insurance companies scrambling for premium income at "unremunerative tariffs."

ANSWER TO CORRESPONDENT.

PETER S**E.—You should send name and address, as it frequently saves time for us to add our answers to the original enquiries and return them. In our article, "A Few Per Cent.," we were not putting forward any "proposals." We did not insist that the community should go to bed with £200 actual money, but that they should possess a legal title to draw money up to that amount as and when they required it in order to meet prices on the following and subsequent days. If the whole £200 costs on Wednesday were going to be required in prices on Thursday, the community would require to have the actual money at once: but in practical affairs these costs would probably be spread over the prices of many days afterwards. There is nothing "ridiculous" in this principle. In a sound financial system it should be possible for the community to be able to buy on Wednesday night everything that it had produced and which remained unconsumed at that time. It could obviously share up everything under a barter system of distribution, and our indictment is that it is unable to do so under the money system. Your point about the wages, etc., paid out on Wednesday by the maker of factory goods does not meet the equivalent cost to be met on Thursday. You must sit down with pencil and paper and work it out for yourself. You can take as many parallel chains of production as you like, but in the case of each one of them you must see whether it distributes sufficient purchasing power to constitute effective demand for the whole of its own output at the end of the chain under present costing and pricing methods. If not, you cannot blot out the financial deficit in any one of these chains by adding in purchasing power distributed by any other, for you will only close up one gap by widening another. Lastly, our "proposals" could not result in an over-issue of money, for the reason that the amount issued would be just sufficient to make up an ascertained previous under-issue of money. Wiping out a deficit does not create a surplus.

FORTHCOMING MEETINGS.

A Social Credit group is being formed under the auspices of the Ethical Church. Its inaugural meeting will take place as follows:—Tuesday, January 19, 1926, at the Ethical Church, Queen's-road, Bayswater. Mr. Arthur Brenton, on "Ethical Values in the Light of the New Economics." Time, 8 p.m. Open to visitors.

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

Saturday, February 6.—THE NEW AGE Annual Dinner. Particulars later.

Sunday, February 7.—Lecture by Mr. D. Mitrinovic. Particulars later.

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

Cheques and Postal Orders should be crossed and made payable to "THE NEW AGE PRESS."

All communications should be addressed, Manager, THE NEW AGE, 70, High Holborn, W.C.1.

Readers who are anxious to make THE NEW AGE more widely known can do so by asking their news-agents or book-stall managers if they will distribute free specimen copies to those of their customers likely to be interested. If so we shall be pleased to supply them free of charge and carriage paid. Applications should reach us at the latest by Monday mornings, so that the necessary extra copies of that week's issue may be printed. Address:—The Manager, THE NEW AGE, 70, High Holborn, London, W.C.1.

Credit Research Library.

The following books, issued by the Pollak Foundation for Economic Research in America, are being added to the stock of this Library.

They have not been written with the intention of supporting the Douglas Credit Theorem, but they bring into most lucid review facts and figures which will be invaluable to those who desire to see that Theorem related in detail to existing business motivation and practice.

The books are complementary to the literature sponsored by the Social Credit Movement, because of the fact that, whereas Douglas has isolated and synthesized the fundamental principles of Accrediting and Accounting production and distribution, these writers have assembled and presented just the kind of statistical information and practical every-day argument that will impel business men to seek for a constructive economic policy such as Major Douglas has propounded.

COSTS AND PROFITS. By H. B. Hastings, of Yale University. Price, 10s. 6d. Postage, 6d. This book offers a new analysis of the causes of business depressions. It attempts, by a process of accounting, to show precisely how deficiencies in consumer purchasing power arise in the course of business.

MONEY. By W. T. Foster and W. Catchings. Price, 15s. Postage, 8d. Mr. Foster, formerly President of the Reed College, is now Director of the Pollak Foundation for Economic Research. Mr. Catchings, formerly President of the Central Foundry Company and of the Sloss Sheffield Steel and Iron Company, is now a member of Goldman, Sachs and Company, and a director of numerous industrial corporations. This book attempts to show the fundamental difference between a barter economy and a money economy; to show how business depressions and unemployment arise out of that difference. It traces the circuit flow of money from consumer back to consumer, and the obstruction in the flow. It is a foundation for the work entitled "Profits," next quoted.

PROFITS. By W. T. Foster and W. Catchings. Price 17s. Postage, 9d. This book, in the authors' words, "is the only considerable attempt to present the statistical proof that industry does not disburse to consumers enough money to buy the goods that are produced." The following is a summary of their conclusions:—

"Progress toward greater production is retarded because consumer buying does not keep pace with production. Consumer buying lags for two reasons: first, because industry does not disburse to consumers enough money to buy the goods produced; second, because consumers, under the necessity of saving, cannot spend even as much money as they receive. There is not an even flow of money from producer to consumer, and from consumer back to producer. The expansion of the volume of money does not fully make up the deficit, for money is expanded mainly to facilitate the production of goods, and the goods must be sold to consumers for more money than the expansion has provided. Furthermore, the savings of corporations and individuals are not used to purchase the goods already in the markets, but to bring about the production of more goods. Under the established system, therefore, we make progress only while we are filling the shelves with goods which must either remain on the shelves as stock in trade or be sold at a loss, and while we are building more industrial equipment than we can use. Inadequacy of consumer income is therefore, the main reason why we do not long continue to produce the wealth which natural resources, capital facilities, improvements in the arts, and the self-interest of employers and employees would otherwise enable us to produce. Chiefly because of shortage of consumer demand, both capital and labour restrict output, and nations engage in those struggles for outside markets and spheres of commercial influence which are the chief causes of war."

The Pollak Foundation offers a prize of five thousand dollars for the best adverse criticism of this book.

THE CREDIT RESEARCH LIBRARY, 70, HIGH HOLBORN, LONDON, W.C.1. Telephone: Chancery 8470.

"Letters to the Editor" should arrive not later than the first post on Saturday morning if intended for publication in the following week's issue.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

The Social Credit Movement.

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

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

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

Attention is directed particularly to the following amongst the considerable literature on the subject:—

"Through Consumption to Prosperity," by Arthur

Brenton, 2d.

"The Community's Credit," by C. Marshall

Hattersley, 5s.

"Social Credit," by C. H. Douglas, 7s. 6d.

"Real Wealth and Financial Poverty," by Capt. W. Adams, 7s. 6d.

"Cartesian Economics," by Professor F. Soddy, 6d.

"The Flaw in the Price System," by P. W. Martin, 4s. 6d.

"The Deadlock in Finance," by A. E. Powell, 5s.

"Economic Democracy," by C. H. Douglas, 6s.

"Credit Power and Democracy," by C. H. Douglas, 7s. 6d.

"These Present Discontents: The Labour Party and Social Credit," by C. H. Douglas, 1s.

"The Solution of Unemployment," by W. H. Wakinshaw, 10s.

A preliminary set of five pamphlets, together with a complete catalogue of the literature, will be sent post free for 6d. on application to the Credit Research Library, 70, High Holborn, W.C.1, from whom the above-mentioned books may be obtained.

The undermentioned are willing to correspond with persons interested:—

Bournemouth: W. V. Cornish, 77, Maxwell Road.

Dublin: T. Kennedy, 43, Dawson Street.

London: H. Cousens, 1 Holly Hill, Hampstead, N.W.3; Major C. H. Douglas, 8, Fig Tree Court, Temple, E.C.4; E. A. Dowson, 14, Dulwich Road, S.E.24.

D. Wemyss Lewis, 176, Camden Road, N.W.1; E. Wright, 38, Bromar Road, S.E.5.

Manchester: F. Gardner, 24, Mansfield Avenue, near Blackley.

Middlesbrough: Mrs. E. M. Dunn, Linden Grove, Linthorpe.

Newcastle-on-Tyne: W. H. Wakinshaw, 12, Lovaine Crescent.

Rotherham: R. J. Dalkin, Wickersley.

Hon. Secretary, W. A. Willox, 70, High Holborn, London, W.C.1.

Published by the Proprietor (ARTHUR BRENTON), 70 High Holborn, London, W.C.1, and printed for him by THE AEGIS PRESS, LIMITED, Temple-avenue and Tudor-street, London E.C.4.