

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The great European bankers' manifesto appeared according to plan last Wednesday. Tariff walls, they say, are the cause of Europe's penury, so Europe must adopt Free Trade. Politicians must realise, they continue, "that trade is not war, but a process of exchange." Europe must become a single economic area corresponding to the United States of America. But such a correspondence would involve something not dealt with in the manifesto; namely, that Europe must become a single credit-area as well. That, in turn, implies a central bank for Europe under a single management; and already the *Daily News* is giving prominence to the idea of forming a *League of Nations Bank*. Whether existing national currency notations would be abolished or preserved is a matter of small consequence; they would all be correlated and administered by the central bank in accordance with a supernational policy. This policy would be, in effect, a rationing policy. It would decide what share of general European trade was to be done by each participating country.

Hitherto this rationing policy has been attempted by means of fiscal tariffs by politicians. That its outcome has been unsatisfactory no one need deny. But what guarantee is there that the new method will be any more successful? None at all. Even the City Editor of the *Daily News*, although endorsing the tenour of the manifesto, points out that it deals with fiscal methods as if they "single-handed" had caused Europe's bad trade, and that it ignores the question whether tariffs themselves have "real economic roots." Every student, he comments, of European trade "knows that there are other roots, as well as the tariff war, for the present lack of trade prosperity." He had better have said "one root"; for existing bank policy is the mother of tariffs. By decreeing that the only title of the individual to an income is his contribution of service to the economic

system, it makes tariffs inevitable, whether expressed in the form of trade union resistance to blackleg labour or national industrial resistance to blackleg imports. A European unification and consolidation of banking policy can do nothing to abolish these resistances. Customs tariffs may disappear, but only to reappear in the plane of finance. The new tariffs will be *Credit* tariffs. Any nation which kicks against its allotted quota of export-trade under the central bank's rationing system will be refused credit. And the same reprisal will follow its resistance to receiving imports. It will be urged that at any rate rationing by a European authority is likely to be just, whereas the old fiscal method was not. Allow that. But there is no modern industrialised nation that can afford to accept a just apportionment of international trade. To keep solvent it must have an unfair share. What else is the meaning of the ideal, preached (mark this) by the bankers themselves, of a "favourable balance of trade"?—or are we to assume that they have scrapped this doctrine in favour of an exact equipoise between the import and export values of each nation's foreign trade? Certain it is that no scheme on earth can provide every country at the same time with an excess of exports over imports. Therefore there must be equipoise all round, or else some countries must be forced to put up with an unfavourable balance of trade. And since it is sound banker's doctrine that "we live by our exports," what is to be done about those countries who are ordered to die by their imports?

"All trade is exchange" say the pundits. It is not. It ought to be; and the institution of Social Credit would make it so. Once give the population of a country the financial power to buy all that the producers in that country can make, then they can begin to talk about "exchanging" the part available for export. The incentive to send things to the foreigner without taking their equivalent from him

will have gone. But the banker does not wish to solve the difficulty that way. His principle is to deny as much financial power to the home population as possible so that their penury will keep them hard at work. The result is a constantly increasing unpurchasable home surplus, which must be sold, if at all, abroad for money, and not "exchanged"; for it is obvious that if the population is not in a position to buy the things the producers exchange abroad it cannot buy the things they exchange them for. And since there is a shortage of money in every home market, and therefore in a whole world of consumers, all cross-sales of export surpluses have to be effected with bank loan-credit. That is to say that international exchanges of goods do not promote prosperity, they merely perpetuate debt—debt owing to the international financiers.

This bankers' manifesto is the "Samuel Report" in international terminology. Its sponsors no more believe that European nations will agree on any practical application of Free Trade than the Coal Commission believed that the coalowners and miners could amicably obey its findings. Both schemes have been framed with the foreknowledge that they would accentuate controversy in the field of applied economics, and with the cunning intention of afterwards pointing to the fact of such controversy as a proof that the schemes are sound. It is so simple. "Look you; our proposals must be just, for everybody curses them." Mr. Churchill recently used this very argument when he said in a speech that there was one final test of the soundness of a financial proposal—namely its unpleasantness. Nothing is good if it is not disliked; and the more widely it is disliked, the better it must be. The couplet

"Where every prospect pleases,
And only man is vile"

expresses the idea perfectly. The banker is the tamer of wild men. He makes them damned wild, and then damns them for being wild. In truth, audacity of this sort is becoming the only means of defence left to the financial hierarchy. Its logic is being slowly but surely turned against its pretensions in all departments of public life. Knowing that the world can never settle down under its governance it has one preoccupation, to ensure that when war comes again men will once more look for the cause only in their own wickedness.

Happily, if Industry at present is a desolate house, Finance is a divided house. Some of its retainers are plucking up courage to question the wisdom of some of its acts and arguments. There were two instances last week. One of them appeared in the *Evening Standard*. The writer of the gossip under the title "A Londoner's Diary," discusses very frankly the fact that Mr. Montague Norman has held the office of Governor of the Bank of England for nearly seven years. He points out that Mr. Norman was a comparatively unknown man in the City at the time of his appointment, and that his firm was Brown, Shipley and Co.—"a British branch of the far more important American business." This suggestion of American affiliation is interesting in view of our own analysis of the Court of Directors of the Bank of England, coupled with the intriguing puzzle as to where the bulk of its stock is held. "The Bank," continues the writer, "as a public institution, is under private ownership and control. Its Governor has immense power and cannot be called to account by the nation." But immediately he contradicts himself by saying:—

"The public only tolerate the special and privileged position of the Bank so long as it conforms to their views. If the Bank got on the wrong side of the nation it could be called to account easily enough. It is the creation of Parliament and a breath can unmake it as easily as a breath has made it."

Yes, but whose breath? Certainly not the public's. The rest of this writer's remarks deal with the question of who will succeed Mr. Norman when he retires. It is likely to be Mr. H. A. Trotter, the present Deputy Governor, and a director of the Alliance Insurance Company, and of many other concerns. The only reassuring thing about Mr. Trotter is that his name is included in the "English Group" of the Court of Directors which we enumerated in our article on this subject in our issue of June 24. There is always this difficulty, however, in drawing conclusions from Press comments, that no one (perhaps not even the writer himself) knows where the emphasis is. But at least we are entitled to feel some satisfaction at seeing the internal economy of the Bank brought into the sphere of popular discussion, however much or little significance lies in the form given to any particular commentary. In this last connection a passage in the *Protocols* must always be kept in mind:—

"... among those making attacks upon us will also be organs established by us, but they will attack exclusively points that we have pre-determined to alter." (Our italics.)

That is to say, while the *Evening Standard's* "attack" may be spontaneous, it may as likely have been inspired from high financial circles. To decide which, one must seek confirmatory evidence on either side in other quarters. For instance, if, later on, Mr. Norman should be promoted to the Governor, Generalship of a sort of "Central Bank of Europe," the *Evening Standard's* restiveness about his long occupancy of his present post will not wear quite the same look of independence as it does now. In the meantime we may extract comfort from the fact (and it is psychologically important) that these commentaries, whatever their secret purpose, are gradually accustoming the public to consider bank policy as a subject on which they are entitled to exercise their judgment.

The other instance of Press initiative to which we have alluded is in *The Times* of October 13. In its "City Notes" it comments on a book on banking, written by Dr. Walter Leaf, chairman of the Westminster Bank, for the Home University Library of Modern Knowledge. In that book he objects to the assertion that banks create credit, and seeks to dispose of it by quoting the aggregate average monthly figures of the Big Five for the first six months of 1925. The table he puts forward shows that while, between January and June, "Advances" rose from £745,859,000 to £775,384,000—an increase of £29,525,000, "Deposits" actually fell from £1,514,631,000 to £1,489,848,000—a decrease of £24,783,000. These figures, argues Dr. Leaf, disprove the idea that, so long as banks increase their loans, so long will their deposits grow in the same degree. So they do if you do not meddle with them. But the table he gives happens to contain other figures in addition to those he selects, namely those under the headings "Discounts" and "Investments." Now both these categories are as much a record of bank advances as the category "Advances" itself. In regard to them the table shows that in the period under review "Discounts" fell by £37,867,000 and "Investments" also fell by £25,079,000. Add these together and you get £62,946,000 which represents cancelled advances—withdrawn banking accommodation; which, in turn, under the theory Dr. Leaf is attacking, represents a decrease in "Deposits." Now, let us do the sum again,

Decreases in Discounts and Investments	£62,946,000
Increase in "Advances"	29,525,000

Balance, net decrease

£33,411,000

Against which Dr. Leaf shows a decrease in Deposits of £24,783,000. This is sufficient to show

the parallelism of the curves of "Deposits" and "Advances," and to confirm the proposition that bank credits increase deposits and the withdrawal of these credits decreases deposits. There is, it is true, a gap of about £9,000,000, but that is easily accounted for by reason of the fact that bank investment figures are arbitrary valuations and not accurate records of what credit goes to buy investments or is withdrawn when they are sold. Now we come to *The Times*. This old hen is either getting wily or else has a stiff neck, for behold when Dr. Leaf draws his hypnotic chalk line he cannot get her beak down to it. Erect and perky, she goes wandering away from his statistics to dig up worms in Mr. McKenna's poultry run.

"In Dr. Leaf's opinion these figures conclusively prove that banks are not creators of credit. In our view they merely prove that if banks create x amount of new loans and cancel 2x amount of banking accommodation in other forms, such as discounts, the total amount of deposits created will be reduced by x. . . . The difference between the amount of cash which the banks possess at any one time and their total of deposits is the amount of credit which they have created. The banks are creators of credit, and, generally, it may be said that the banks create credit to the extent of about ten times their cash holdings."

Leaving *The Times'* fluffy little brood of Conservatives tweet-tweeting over this novel diet, let us hasten back to Dr. Leaf with the consolation that although the bird looks like becoming an intellectual wanton, she still preserves sound instincts. She won't sit on anybody's eggs. Somebody tried to insinuate one in her nest—to be precise, *The Times'* advertisement department—last Monday week. It was an innocent little announcement for the "Personal" column, and it read as follows:—

"To Promote Peace and Prosperity in Industry. Sign or Support the Finance Enquiry Petition. Address, Abbey House, Room 303, Westminster."

It was to have appeared on the Wednesday, but did not. The sender, a lady, called to know why. She was informed that a letter had been sent to her asking further details, because a strict censorship is kept over all matter sent for advertisement lest, e.g., they should inadvertently publish "anything subversive." She went home, found the letter, and complied with its requirements; taking a copy of the Petition itself, the list of signatories, and also covering letters published by the Committee. A gentleman at *The Times'* office, after glancing through these papers offered the opinion that probably the advertisement would now go through. Nevertheless it did not appear till Monday morning. This nervous scrutiny is mystifying. As our informant acutely comments: "Are we more upsetting than the End of the World? Yet I think that *The Times'* has permitted references to that in its 'Personal' column fairly often." One would have thought that a journal which, as we have just seen, has found occasion to correct a high financial authority on his own subject, would have realised that it was itself encouraging the idea of a public inquiry into accepted financial concepts and policy. Or is it that such an Inquiry is to be a close preserve of *The Times'*—or of the Press? Which in turn suggests the further query—is the line of cross-examination of the bankers to be formulated by the bankers? Are they going to hold evening classes to train newspaper critics of the financial system?

It will be appropriate here to interpose a reminder to readers that October 31 is the last day for the issue of Petition forms by the Finance Enquiry Petition Committee. After that day forms should be returned to headquarters as quickly as possible. At the end of September nearly 20,000 signatures had

been received; and in addition Rural and Urban District Councils, representing approximately 1,200,000 people, had officially supported the petition and advised the Prime Minister and their local Members of Parliament to that effect. Letters have been sent to nearly every newspaper throughout the country, including all the London dailies (not forgetting *The Times*). No sympathetic publicity was afforded except by the *Manchester Guardian*, the *Daily News*, and the *Daily Herald*; and only two journals afforded even the unsympathetic sort: they were the *Banker* and the *Financial News*. The governing body of the National Citizens' Union refused support, and even declined an advertisement in their journal, in spite of the fact that one high official in it was personally sympathetic. The work at headquarters has cost just over £200, of which a sum of £25 has still to be made up by donations—which the Committee will be grateful to receive. The whole of the expenditure has been absorbed by rent, printing, and postages—no services having been remunerated. Additionally, the whole task of organising the Petition from London has fallen to not more than a dozen workers, nearly all of whom are engaged in business daily. All these circumstances must be taken into account in appraisal of the outcome of the effort. Looked at from the point of view of number of signatories it is of course negligible. But even if we assume that 20,000 signatures is the final total, their collection in spite of a general boycott is an achievement to be proud of. Nothing but an intuitive conviction that the objective of the Committee was vitally necessary would have led the public to respond so promptly to a proposition which was not only novel in form and difficult to explain hurriedly, but offered no specific advantage to any specific class of person. We shall have occasion to refer again to the Petition; but if any reader wishes for a full account of what has been done, the Committee will send him a report.

While in some quarters the Press is scratching its head about what ought to be said about the financial system in general, in others it is laying down the law regarding the merits of Social Credit in particular. And in most unexpected quarters too. Who would have thought of the *Passing Show*? However, in its issue dated October 23, the contributor of its society gossip page, who signs himself "The Showman," breaks out with the following:—

"Lady Cynthia Mosley informs me that Socialism, which started with some people as a fashion, has now become a habit. 'No one nowadays attempts to disprove our economic gospel,' she says, 'and our antagonists are merely those who have change of any sort, especially if it affects their own pockets.' I asked her if she had heard of the Douglas Credit Scheme, which is a smashing indictment of Socialism, and is attracting all the young brains of the country."

"No one can understand the Douglas Scheme," said she, "and I have yet to meet anyone who can explain it clearly." But I don't think the Socialists want it explained clearly, for when it was explained to Mr. and Mrs. Sidney Webb, the latter said: "I dare say there's a great deal in it, but whether it's sound or not we cannot support it." Which proves that Socialism is now accepted by its followers as a dogma—no article of its creed must be questioned." (Author's italics.)

Much as we appreciate the tone of these paragraphs, we should have regarded the compliment as more slashing if the writer had chosen another adjective to qualify our public criticisms. If there is one thing we try to avoid it is the appearance of indiscriminate attack on anything or anybody. However, one must not look a gift-horse in the mouth. If what has been said leads people temperamentally hostile to Socialism to consider Social Credit as a constructive alternative to it, they will discover other things as well. They will find out that the same things which

make them dislike Socialism will make them dislike Capitalism. However, this episode is a cheerful one. We shall begin to peep hopefully into *Punch* soon.

The *Daily Express* reports that there is a great deal of dissatisfaction in industrial circles with the Government's new Factory Bill. Under existing Factory Acts the provisions relating to the sanitary conditions of workshops are enforced by local authorities. The Bill now lays it down that these provisions are to be enforced by Government inspectors. In clause after clause the Home Secretary has power to make a special order, and, as one prominent industrialist said in an interview with a *Daily Express* reporter: "One has only to look at the vast number of statutory rules and orders that have been made, to realise that the government of England is passing out of the hands of Parliament into those of officials." Let us hope that industrialists generally will realise this tendency and its implications. That it will duplicate functions, and increase the number of officials, and will remain, a negligible evil until industry gets so busy that it needs their services for something more useful. They have to be kept, anyhow. The main indictment is that these officials owe their allegiance not to the electors, but to State Departments, which override Parliament with the connivance of the Treasury. It may be retorted that sanitary regulations are not so likely to be obeyed by employers under the present system as under the new, for the reason that the sanitary inspector is the servant of a local body upon which these employers are strongly represented, but that a Government inspector is outside this sphere of potential local coercion. That an outsider will be more independent is true enough. But in the end he will not improve matters. Under the present system of credit accounting it is a demonstrable fact that industry as a whole is incurring costs faster than the population can meet them. Every regulation, therefore, which adds to the expenditure of industry without guaranteeing the return of that expenditure will and must of necessity be resisted. That is the whole reason why builders go on Councils and trust magnates into the Commons. For them public service is a means of self-defence. They must try to restrict regulations as legislators, or, if they fail, try to dodge them as private citizens. We will concede to moralists that this is very wrong. But the point is how to put it right. The answer is, paradoxically enough, not to attempt to. That is to say that as fast as you force an increase in sanitary amenities inside industry, so fast you decrease the same or other amenities outside. That is because at present industry is the sole disburser of personal incomes, and any increase in its other expenses means a corresponding decrease in its power to pay wages and salaries. The remedy for the trouble cannot be found other than in the adoption of Social Credit, which alone guarantees that industry's customers will continuously be able to meet industry's costs. Sanitation begins at home. The solicitude of our bureaucrats for the provision of factory water-closets, shower-baths, air-space, and so on for adults whom they leave to sleep every night three or four to a room in dirty tenements reveals them as being without any understanding of what sanitation means. It is low incomes and long hours which clog all the sewers of society.

PRESS EXTRACTS.

"American productivity and efficiency is increasing so rapidly, it is bringing on an industrial revolution affecting the entire world, according to a survey made by the Bureau of Labour statistics. The survey shows that, taking the output per man in 1914 as a base of 100, the output in 1925 for the iron and steel industry was nearly 150, and for the boot and shoe industry 117. The output per man in the automobile industry in 1925 was three times as great as in 1914."—*Monthly letter, from the American Exchange Pacific National Bank, August, 1926.*

The Imperial Conference and the Bankers' Manifesto.

By C. H. Douglas.

Probably two of the most important considerations to be borne in mind by anyone who wishes to understand contemporary events are, firstly, that there cannot be such a thing as a new force, and secondly, that evolution is from the simple to the complex.

If these are remembered, it is not difficult to recognise that modern problems are merely more complex forms of the interplay of forces with which history has dealt, and the same considerations will enable history itself to be read as something continuous rather than as a patchwork of disjointed events. Viewed in this light, history is not bunk, as the artless Mr. Henry Ford would have us believe; it is merely Mr. Henry Ford's method of reading history which is bunk.

In the evolution of man and force from the simple to the complex, a process similar to processes with which we are familiar takes place. Out of a mass of iron, a hatchet is made. Out of a field we grow potatoes. Nobody would deny in these and many other instances that the object of the mass, viewed from the human point of view, is to produce the particular. To say that the mass has to be sacrificed to the particular is perhaps a wrong use of terms, but it is incontestable that if the mass does not produce the particular, human interest in the mass is bound to disappear.

There is, I think, no doubt at all that this simple idea affords a clue, and perhaps the most important clue, to history and politics during the past 2,000 years.

It can be seen as a logical explanation of the emergence of Christianity out of Judaism. Judaism is a philosophy of a "chosen" people, a mass. Christianity is a philosophy of the emergence of the individual from the mass, and viewed in that light we can have no other paternity than Judaism. If we invest groups or masses with something that for want of a better word, we call a soul, and recognise as an objective fact that there is a constant and persistent conflict between this group soul and the individual, we have a good explanation of certain recurrent phases of history.

Now these aspects of Life have embodied themselves in two sets of influences which for convenience we may call Roman Catholic and Jewish.

It is not suggested that this grouping is fully descriptive or exhaustive (in fact, it is subject to wide reservations) but it has a real basis in objective fact. These two influences are constantly reacting upon each other; and they influence and are influenced by something for which the English language does not provide an adequate name, but the German name for which—*Zeit Geist*—is sufficiently well understood.

Every nation and every Government is subject to these influences, and in Great Britain they can almost be geographically identified. The Foreign Office is a home of the Roman Catholic interest, and the Treasury that of the Jewish.

These two influences, as again might be expected, have separate methods of manifestation, that of the Jewish being financial, and that of the Roman Catholic being administrative and diplomatic.

The bearing of this on the Meeting of the Imperial Conference and the appearance of an Anti-National Manifesto signed by International Bankers will now perhaps be clearer. Nineteen twenty-six is one of those years, similar to 1898, which can be recognised without much difficulty as being in the strict and scientific sense of the term critical. In 1898, the United States emerged out of the Spanish American War as a world power with Imperial ambitions, and became a competitor with Germany for world hegemony. The immediate reaction of Germany to this

was an attempt to compose her differences with France and to put herself in the position to deal with Great Britain before having to deal with America. Probably under German influence, the Czar of Russia issued his famous Peace Rescript which would have disposed, by drowning, of the Alsace-Lorraine problem. It was, I think, Princess Radziwill, who, speaking in Paris, expressed the opinion that there was nothing in the Franco-German situation which could not be composed, but that composition with England was impossible, and moreover that all Continental Nations should combine against pretensions of the United States. France was rent in twain by the Dreyfus Case, and England was on the verge of the South African War, whose secret history is still unpublished. South Africa has become a centre of Jewish interest.

These attempts at re-orientation by Germany, failed, and they were succeeded by the Entente Cordiale, Agadir, and August 4, 1914.

(To be continued.)

On the Bummel.

It was a stroke of genius, though likely enough dictated by entirely utilitarian considerations, to build the railway station at Cologne so that the traveller emerging is awed and thrilled by the gigantic mass of the Cathedral. If the mystery of night be added, its twin towers pass up to infinity. The whole is unbelievably lofty. Here is the Gothic supreme. The height of the unbroken arches is ecstatic, the plainness and intensity of the aspiration are noble and ennobling. What of the people that so expressed themselves in the past? It is impossible to tread the wide thoroughfares of the town, to experience the sense of industry and cheerful orderliness, the sanity and thoroughness; to see the quality and style of the architecture of today, and to feel the deep kindness of the people, without realising that here is something still having kinship with the creators of that mighty church. It may be kinship with the workmanship rather than the aspiration, but it is something worthy. If the terrible stress of the war; if defeat and the occupation of their land; if revolution, suffering, humiliation, have left these people unsubdued in all these values, with the best of their former characteristics strengthened and only their vices crushed, the world may well look to them now for gifts in life comparable to their supreme gifts of last century in music and philosophy. To pass from the hectic atmosphere of Britain to-day to this steadiness is more like recovery of that indefinable quality we cherish in our hearts as "English" than anything that feels "foreign" to English blood. Here the essential characteristics of the Teutonic race seem released in the blood stream of the people. It was Maeterlinck who wrote: "I know not if I would dare to love a man who had made no one weep. . . . To be good we must needs have suffered; but perhaps it is necessary to have caused suffering before we can become better." This is a mysterious saying. I wonder whether it has any application to Nations.

"Bitte, haben Sie Americanische Zigaretten?" "Nein, mein Herr." For three days he wailed his plaint at every inn and tobacconist's until, becoming finally convinced that the valley of the Rhine has no taste for "Gold Flake," he abandoned the quest and submitted to the momentary whiffs of saltpetre and Turkish weed with which that country shows its disdain for the frivolities of cigarette smoking.

His long, youthful figure, gaunt and strained, yielded in a few days to the pervasive geniality of the people, the solid assurance of the buildings, and the modest beauties of the wooded heights whose

sides are covered with vineyards and whose feet are steeped in the swirling waters of the fabled Rhine. Who can resist the glamour of the Rhine? Who desires to do so? Lucien's face rounded, his gait loosened, his voice filled.

What a walk that was in the rain all day through aromatic woods high above the river! Wasn't Perdita delighted with the fat black and yellow lizards; and wasn't the beer good at the village inn on top of the hill, where idleness, enforced on the villagers by the downpour, was spent pleasantly in the skittle alley! What fine youths, brown, sturdy, and good humoured! And little Fritz carrying the beer to quench the thirst of the bowlers. How we sang—for grace after meat—when black bread and cheese and the ineffable had made us forget the squelch of wet shoes and the little rivers running down our backs. Then on again, until the sun broke through and beneath his level rays we came down from the hills and passed under the portcullis into a little town, all colours and corners, on the bank of the Rhine. Baedeker but names it and passes by; the obedient tourist follows. We took it to heart and were accepted by it. Mariechen removed our sodden garments to hang in the roof. The contents of the rucksacks were only wet in parts. When four happy tramps descended for *Abendessen*, Araminta and Perdita were beautiful to behold in festive garments. Prodigality was mine and Lucien's in the clean shirts intended for the day after to-morrow.

What a meal was put before the travellers! And what shocked regret that appetite was unequal to the gargantuan repast. Was it not to our taste? Indeed, yes, "*sehr schön*," but we could not eat so much. We were sitting near the small bar in the corner; gay, friendly faces filled the room, and artizans, shop-keepers, clerks, soldiers, policemen came and went. Songs began, dances were interspersed. A word to mine host that we should love to hear some of the songs of the country, and eager whispers were given by him to the man in brown at the piano and to certain of the singing company, and "*Die Wacht am Rhein*" was given us and many another song in which even the card-players stopped to join. We la-la'd the choruses to swell the volume of sound, and our hosts—two brothers—caught eyes and served the inner being with a swift and jolly alacrity that was delightful to behold; whilst Mariechen, called upon to perform twenty actions at once, achieved them all with smiling equanimity, and never missed any of the by-play for all her service.

When the little old fellow came in, crowned with a black straw hat of his daughter's and smoking a pipe a yard long, we were ready for anything—even for the daughter. Carmen by the Grace of God, if an adored Ursula by conquest of the vivacious little man who proudly acclaimed her his wife. How he sang, how he juggled with imaginary balls, how he wound a glass of beer until you saw his arm as a corkscrew—and never spilt a drop. How he pledged Lucien's health in drinks to be swallowed at one gulp, how he called upon the whole company to toast the English visitors! How we besought the *genädige Frau* to sing, and audaciously arranged the red dahlia in her dark hair; how she sipped everybody's glass within her reach. How the man with the hedgehog came round to show everyone his treasure and let them feel its "fretful" quills. The name of this delectable place? Linz. Why should I keep Linz from you or you from Linz? But the hostelry? No, that you must find by the inner light. I'll give you a hint. "The spirit in your town from the hills and yield to "the spirit in the feet" where the road divides. Everyone in the place came to bid us *auf wiedersehen* in the morning, and Perdita put mine host in the centre of the photograph.

THE FOURTH.

The Telepathic Myth.

By George Ryley Scott, F.R.A.I., F.Ph.S., F.Z.S.,
F.P.C. (Lond.).

II.

Telepathy is a myth. The proof of its existence is not a whit stronger to-day than when first it received serious attention thirty years ago. The talk of communications from mind to mind as a practicable and workable thing like wireless telegraphy, to which it is frequently analogised, is twaddle. The theory is based on the fact that exact similarity or duplication of thought in two or more brains is possible. It exists in the highest possible form of development in insects, hens, cows, idiots, babies, and to a lesser degree, in savages, twins and those in the final stages of senescence. But there is no transfusion of thought.

Although it is true to a degree that in the main men and women think alike in so far as they may be depended upon by politicians, evangelists and other emotion peddlers to grasp whatever brand of nonsense is put before them, this is something altogether different to exact word-for-word thought repetitions. Every mental perception is influenced in a hundred different ways. Illusion is induced by the mind of the percipient distorting, amplifying or eclecticising the simplest impressions; this falsity of perception being conditioned by the mentality of the observer as evidenced by the total of the associated cerebral registrations available at the moment of perception. Even in an individual this will never be precisely the same at different times and in different conditions. The impression gained of one's brother, for instance, is different on the occasion of his arrival with a Christmas turkey as a peace offering from his request a week later for the loan of £10. The verdict on *Treasure Island* as a boy of fifteen is unrecognisable on re-reading it at thirty. With half a bottle of whisky flushing his guts the amatory youth sees an infinitely greater degree of charm in a hussy of easy compliance than he would in normal moments. In times of stress, of ecstasy, of sentiment, of fatigue, the distortion is great and on occasion continuous and cumulative. It may be individual, as in the ecstatic visions of St. Paul and the Lourdes girl; it may, through the contagious influence of suggestion, affect many, as in the visions of the Angels of Mons; it may become well-nigh ecumenic, as in time of war, when whole nations distort murder into heroism.

It is, therefore, through the incidence of this huge number of varying circumstances that every person does not duplicate, granted similar conditions, the thoughts of every other person. If conditions and mentality were absolutely equal, impressions and resultant thoughts would be as stereotyped as gramophone records. To realise the truth of this we have only to consider lower orders of mentality. Throw a bone amidst a pack of hounds and every one will make a grab for it. Amongst the measure of corn for the fowls, place a lump of meat and watch every bird make a dive for the meat. On a dish place half a dozen apples and let one of the half dozen be bigger and more tempting to look at than the others: to this epicurean feast give access a few infants of tender years with no visions of parental control and through the key-hole watch every one of them, granted the liking for apples, grab for the solitary Brobdingnagian. These examples are crude it is true. But it is only in crudity of thought that we can ensure the absence of modifying or distorting circumstances. They may be multiplied by the thousand. And one and all show beyond doubt the similarity to an ineffable degree of primordial cerebration. So much so is this a fact that in ninety-nine cases out of a hundred animals and birds think precisely alike. So

too do babies. So too, in all cases of similar physiological and pathological conditions, do idiots. So too, in equal degrees of decadence, senescents. In addition there are for the finding thousands of individuals, who in an equal or a lesser degree, exhibit permanently or on occasion the same trait. The development of mentality, naturally enough, results in the atrophy of this similarity of thought. One can imagine a million men and women thinking of everything that a Lloyd George is capable of thinking: one cannot imagine any but a decidedly limited duplication of the cerebration of a Huxley or a Nietzsche. The aim of education is the reverberation of thought, *ecce iterum*. So is the result, if not the object, of newspapers, cinemas, radios and to a lesser extent novels and books generally. Thus the popular, the successful, the admired is of necessity hall-marked with the thoughts common to the enormous bulk of mankind; in other words, the nearest approach to the mentality of infants and quasi-idiots. Out of this huge accumulation of stereotyped thought it is not unnatural that often enough one runs across pairs of individuals who agree in the very details of their thoughts to the extent of being coincidental, as are those of two infants in arms or a couple of piddling dotards. Everybody is familiar with instances where two persons in response to a common stimulus have thought of precisely the same thing at precisely the same time; sometimes both expressing the thought in words coincidentally. In members of the same family the thing happens frequently: in the case of twins it is manifested to a striking degree, for here physiological conditions are duplicated to such an extent that in no small number of instances similar pathological states are in turn induced. Galton investigated many such cases. Here, granted the same environment and education, mentality is duplicated and, given similar stimuli, the resultant impressions and thoughts will be both incidental and duplicated. In addition, in twins it is safe to assume that even in educated persons there may be cases where every mental condition is repeated, and in such cases, given similar stimuli the result will be exact thought duplication. And, as we have seen, in an even greater number of cases are there possibilities of the duplication of ideas or emotions such as Sir William Barrett mentions and erroneously classifies as processes of thought transference. The more general or wider the thought the greater the possibility of its duplication amongst the educated and intelligent. Synæsthesia also have a good deal to do with these matters. Where two persons are of a synæsthetic nature similarity of thought to a considerable degree must automatically and unconsciously arise; while similarly it presents possibilities of elaborate coding which would almost certainly defy detection. The lower the mentality the greater the chances of exact duplication. It is cases such as these that have given birth to the telepathic idea, which is precisely why there is no such thing as thought-transference.

SHELLEY AND THE MACHINE.

"The cultivation of those sciences which have enlarged the empire of man over the external world has, for want of the poetical faculty, proportionally circumscribed those of the internal world; and man having enslaved the elements remains himself a slave. To what but a cultivation of the mechanical arts in a degree disproportioned to the presence of the creative faculty, which is the basis of all knowledge, is to be attributed the abuse of all invention for abridging and combining labour, to the exasperation of the inequality of mankind? From what other cause has it arisen that the discoveries which should have lightened, have added a weight to the curse imposed upon Adam? Poetry and the principle of Self, of which money is the visible incarnation, are the God and Mammon of the world."—(*Defence of Poetry*, 1821.)

Views and Reviews.

EPITAPHS.

Individualism as expressed by the head of the house of Benn has blossomed in a series of risky but praiseworthy adventures in literary publication. Strong faith in the potential culture of democracy, not to mention in its immediate response, was wanted for the issue of a series of sixpenny poets, mainly contemporary; especially in view of the quality of most present-day poetry. On top of this Messrs. Benn have lifted the literature of drama, by the publication of a varied series of good plays representative of the world, from poverty to wealth. Except to congratulate Messrs. Benn, and to wish them due reward for these and similar good works to come, I am not concerned with these publications immediately. Just at the moment that Mr. Wells has chosen for throwing at a weary public Mr. Clissold's review of the universe, Messrs. Benn have counteracted the bad results for Mr. Wells's reputation by launching a cheap edition of the author's works*; the first twelve volumes of which have appeared. The volumes are excellently presented, well printed and bound, and of a handy size for carrying. It leaves nobody whose like or dislike for Wells still flickers with any excuse for failing to fan it.

At this moment also, it happens either by Darwinian accident or Lamarckian design, Mr. Wells is personally attracting as much public attention as he can by a crusade against nineteenth century theology and certain adherents of Roman Catholicism. It is accordingly an opportune moment for looking backward at Mr. Wells and his generation. I am certainly not going to join the controversy between Mr. Wells and Mr. Belloc. There is no issue between them, but an insurmountable barrier, apparent in everything that the two have uttered. For some reason or another Mr. Wells has never learned to play. He comes of the generation which bound the gospel of work in gold, and his whole life represents frantic striving to a throne of philosophical and scientific pre-eminence under the torture of an inferiority complex. Mr. Belloc and Mr. Chesterton, the latter more than the former, have over developed the play-spirit as Mr. Wells has neglected it. Mr. Belloc, of course, has been in earnest again and again, with admirable results. The wretched condition of political life and of a herded proletariat has never allowed him to play as Mr. Chesterton has played. Every sentence by Mr. Chesterton is a game of word-building, every verse a charade. Wherever men have played and danced together, at the squire's hall or on the village green, Mr. Chesterton looks back there with longing and joy. The Garden of Eden for Mr. Chesterton was a garden where a man and a woman played together; and Heaven, where they will play again. Mr. Chesterton has challenged the work state in one respect more fundamentally than Mr. Belloc did in painting its miserable consummation as the servile state; for Mr. Chesterton, in precept and example, has endeavoured to convert work itself into play. Ask Mr. Chesterton's detractors why they do not enjoy his work, they will at the best confess themselves tired of his game. Most of them, scratched, will betray the Puritan attitude that carrying a cross is a grim business; and that all work and no play makes Jack a good boy.

That overmastering conviction of one's superiority, amock among the conscious evidence of one's inferiority, perceptible in Mr. Wells throughout his works, not only leads to his distrust of established

* The Collected Essex Edition. (Ernest Benn and Co., Bouverie House. Cloth 3s. 6d., leather 5s., per volume.)

figure-heads like the King. It led to his distrust of the universe. Such distrust has led to illuminating work at times; at the moment it is not the subject of inquiry. Suffice that play is impossible in its atmosphere. The child who sets out in deadly torture to unmask Santa Claus or to settle the animality of human beings, or to go beyond the hills to satisfy himself whether it really is fairy-land, has forsworn childhood. For other children at various stages of growth he may be an initiator into the minor mysteries or a dangerous infidel. Mr. Belloc and Mr. Wells are two such children; one is free to play by reason of cherishing the old faith; the other cannot play, for he cannot leave the wilderness of disillusionment.

Mr. Wells is explicitly concerned with ascertaining the latitude and longitude of Eden; with the length and tongue of the whispering serpent; with the babu Latin for the fruit of the tree of Good and Evil. The report which he demands of the thrilling events which cost man and woman their innocence and left them ashamed, is a police-evidence report, amplified by a special correspondent. Just when science is trembling on the edge of poetry, when the truth of Cinderella becomes manifest to the intellect as a drama enacted in every country, Mr. Wells entrenches himself in prose. His thoughts like his works are in prose, and poetry is for him an ogre-land of disenchantment. His central figures are obsessed by power not beauty; by omniscience, omnipresence, and omnipotence, as is Mr. Wells.

It would be absurd to deny the power of Mr. Wells, but it would be equally absurd to affirm his beauty. He belongs to a group of thinkers for whom beauty perished, as it almost perished in their environment. Mr. Shaw, Mr. Sidney Webb, Mr. Wells, never experienced the revelation of Socialism as, say, William Morris experienced it. They were Fabians. By throwing a little of their heaven through their neighbours' windows, and then hiding behind the wall, they expected the dough to go up like a balloon, with free bread for everybody possessing a certificate of work. Mr. Shaw then became the thinker of the future, but inevitable, Socialist State; Mr. Webb became its politician, Mr. Wells its teacher. Having given the machine the first push, they all went to the bottom of the hill to wait, where they still wait.

Mr. Shaw has handed his plan for the world's thought as far as thought can reach to the Life Force for guidance; Mr. Wells has produced Mr. Clissold to judge the dead; Mr. Webb has produced the remodelled British Constitution to shame the existing rag-bag. Mr. Shaw has seen his despotic commands interpreted as the rational foundation of chaos and indiscipline. Mr. Wells has witnessed the re-writing of the history of the past behind Mr. Clissold's back. Mr. Webb has witnessed a period of political reaction that makes his model constitution for a Socialist State look like Fabian self-betrayal; as though they had frightened the birds away. The vanguard of mankind has utterly abandoned the work-state whose idealisation inspired them all, leaving them like three ghosts who failed to reach cover before the cock crowed.

All that was wrong with machine society was that the machinery was still primitive. Such was the Fabian attitude, and Mr. Belloc and Mr. Chesterton in revolt against it—by no means alone as National Guildsmen remember—helped to preserve for society the power of growth, whether it now has vitality enough or not. When Mr. Wells demands of Mr. Chesterton, "was the fall an event in history? Or is it something that is happening continually? And if so, cannot it be expressed in current psychological language?" Mr. Wells, whether he knows it or not, is lamenting his own poetic defini-

fore all the bliss which could possibly be conferred on man is concentrated in this love.

Swedenborg differs from the orthodox theologian, as much as the New Economist does from the Old, for he exalts marriage to the highest pinnacle in life, whereas orthodox views marriage as a weakness of the flesh, allowable only to those for whom celibacy is too exacting. He affirms that chastity cannot be predicated of those who have renounced sex conjunction. That would be to confuse chastity with celibacy. Those who believe marriage to be unchaste do not know what chastity is or that it exists. Chastity cannot be applied to children before they feel in themselves the love of the sex.

The inclination to unite one man with herself is constant with the wife, but conversely fluctuates with the man. The wife has a perception of the affections of the husband and intuitively knows how to govern them. This perception is the wisdom of the wife, and is not present in the husband.

Truly Conjugal Love is a union of souls, a conjunction of minds, and an effort towards conjunction in the bosoms, and hence in the body. These things cannot exist except in the marriage of one man with one wife.

The Bedroom is the heart of humanity.

J. M. EWING.

Art.

Paintings by Henri Rousseau (1844-1910) at The Lefèvre Galleries. Open until November 6.

The exhibition of twelve of Rousseau's oil-paintings (in the room where recently hung Seurat's "Les Poseuses") is interesting in itself and particularly valuable as furthering knowledge, in this country, of outstanding French painters of yesterday.

Much nonsense has been written of Rousseau, who, until he retired from work as a *douanier*, was able to give only scanty leisure to picture making, but the words of Mr. Roger Fry, in his note on the French Group in the catalogue of the Second Post-Impressionist Exhibition at the Grafton Galleries in 1912, point to the truth: "Indeed, one may fairly admit that the accusation of want of skill and knowledge, while ridiculous in the case of Cézanne is perfectly justified as regards one artist represented (for the first time in England) in the present exhibition, namely, Rousseau. . . . Here then is one case where want of skill and knowledge does not completely obscure, though they may mar, expression."

The sentimental remarks by Monsieur Roch Grey, in the catalogue of the present exhibition, might well have been curtailed and space given to a dated list of works. Those shown are very unequal in merit and, while indicating the direction of Rousseau's development, probably give an imperfect idea of the vitality of his personal contribution to painting. The twelve pictures may be roughly divided into three groups. Nos. 1, 2, 10, and 12 are of that spontaneous and often joyful kind most appropriately seen on inn-signs, ice-cream barrows, swings, and roundabouts; Nos. 5, 6, 7, 9, and 11 may be related to those unnecessary disfigurements which too often hang on the walls of suburban lodging-houses, and in a more critical *milieu* the five would surely not have been hung; Nos. 3, 4, and 8 are serious paintings, good in colour and design, but I feel that age and growing sophistication killed the childlike joy of which there is a hint in the first group, but which would have been clearly seen had it been possible to show such a composition as "Un Centenaire de l'Indépendance," an animated group of peasants dancing round a tree under fluttering pennants, painted in 1892. As it is, "La Foret Equatoriale" (No. 3), a large design in blue-greens with notes of pink, grey, and brown, is the most complete thing here: it is dated 1909, and it may be looked at, respectable performance as it is, as the toilsome labour, on the road to an imagined ideal age might have been usefully employed decorating articles of daily use for the joy of himself and his fellows.

From one point of view, apart from the merely monetary aspect, the paintings of Henri Rousseau have been inefficiently exploited, good and bad indiscriminately gathered together and all praised for qualities present only in a few. It was as impossible for the uncultivated Rousseau to remain simple in his use of line and colour as it is in expression. The first could not withstand what he learned, the second cannot unlearn, or even deliberately put aside, what he knows. The unassailable naivete of a Giotto is as rare as is the self-control of such a ubiquitous artist as Picasso, which impels the single-minded utterance of those drawings made solely in pencil outline of uniform thickness.

In art, integrity of purpose is too often baffled by the machinery of knowledge. It is the absolute control of a scientific instrument to his will that makes Seurat so important a figure in modern art. Rather than a neo-impressionist he is the impressionist, for the vision of impressionism and everything for which it stands are summed up in "Les Poseuses," by no means a masterpiece of wall decoration, as this is understood by reference to ancient art, but a true picture giving a singularly pure impression of three-dimensional form through the medium of colour dissolved in light. Where may be found so complete an expression by any post-impressionist?

ERNEST COLLINGS.

"The Age of Plenty."

The October issue of this journal is a great improvement on the previous issues. Major Douglas contributes an article, and so does Professor Soddy. The first instalment of a serial article, "Men, Machines, and Money," by "C. M. H.," also appears. All three are well done. In a journal for popular reading there must necessarily be constant repetition of first principles, but there can be constant variation in their enunciation and application. We like Mr. Ludlam's editorial particularly. His arguments on the mining crisis are discriminatingly selected, and their cumulative force is unimpeded by such gusts of sentiment as are so irritating a feature of the generality of reformist comment on economic conditions. An ounce of sarcasm is worth a ton of "sob-stuff." For instance: he quotes from a letter by the National City Bank of New York—"The humane sentiments of the time dictate this [i.e., ameliorative] policy, but the situation illustrates the difficulties with which modern society labours in dealing with groups who recognise no responsibility to the social organisation." On this he comments: "Now is it not a pity that humane sentiment should present difficulties in the way of getting a rapid appreciation of 'economic facts.' If this humane sentiment could be eliminated groups of citizens would no doubt readily realise their responsibility to the 'social organisation.' We could then toe the poverty line without protest." This is how it should be done. One thinks in terror of what Mr. Lansbury would have made of it. Sir John Falstaff boasted that he was not only witty in himself, but the cause that wit was in other men. But Mr. Ludlam can go one better and claim that without being sentimental himself he can release sentiment in other men.

Science Notes.

Mental Effort and Carbo-Hydrate Metabolism.

Professor Suk, of the Masaryk University, Brno, Czechoslovakia, has been experimenting with regard to changes in the metabolism of the human body during severe mental work. He kept groups of students under observation for three months, keeping a record of the amount of hæmoglobin and of sugar in their blood. There was a slight increase on the percentage of hæmoglobin in those undergoing physical training, while that in the brain workers remained stationary. On the other hand, while the blood-sugar remained stationary in those who exercised their bodies, there was a fall of 36-38 per cent. in the sugar content of the blood in the brain-workers. Severe and prolonged mental toil, he concludes, does interfere with the carbo-hydrate metabolism of the body. It is well known that brain-workers are particularly liable to colds, and Professor Suk suspects that this liability may arise from the reduction of their blood-sugar. (Report in *Nature* of July 24, 1926.)

Overlapping Generations and Cultural Evolution.

The conditions of [man's] cultural evolution are very strange—opposed to rather than in line with, the conditions of biological evolution. . . . The culture which a man acquires by education does not modify his nature; it is super-added to it. Man's wisdom is not the wisdom of the bee or the ant. It is artificial. . . . We cannot transmit our culture as a heritage to the succeeding generation. If we have the gift of expression and leave behind the works for those who follow us, all we leave is records which set a task for those who will enter into communion with us. Every individual must tread again painfully the path which their education tread. . . . The new generations must start their education not where the old left off, but where the old started. Our generations overlap. It might have been otherwise. Evolution might have produced forms of activity which can retain and preserve individual attainments across a complete breach of continuity. This is the normal case in the insects, but the reverse is the rule in the vertebrates. . . . Each individual starts *de novo*; and yet he can only develop under the guidance and influence of the overlapping generation. (H. Wildon Carr in *Nature*, July 24, 1926.)

Reviews.

The Tragedy of Waste. By Stuart Chase. (McMillan, New York. 10s. 6d.)

The pre-eminent American ability for the collection and presentation of data is again illustrated in this book. Unfortunately the author is not equally to be commended on his use of his mass of facts and information. It is, indeed, a bold enterprise to attempt to size up the totality of industrial waste, and even this zealot occasionally hesitates on the brink of recognition that one man's waste is another man's food. The title suggests a clue to his thesis—a grouse against capitalism from a collectivist point of view. Estimating the applied energy resources of the U.S.A. as equal to the labour power of 3,000 million men, Mr. Chase begins his inquiry as to "where this mechanical power has gone (*sic*) that relatively so little good comes from it." Not a bad start, it is true; the pity is the author has only a newspaper eye for his subject. He asserts (p. 112) that "industry has only a fixed and relentless number of dollars to play with," yet nevertheless can see no reason (p. 179) why "production should not move with population." He approaches enlightenment, however (on p. 176), where he deplores "the destruction of finished products which cannot find a hungry dollar, though there may be plenty of hungry mouths." There are masses of data to show the extent of excess (wasteful!) production in clothing, food, building, engineering, etc., but still the author wants more people working and a more efficient degree of efficient efficiency in the production of MORE. Then consumption is wasteful—the calories are not all turned to account—a functional society to a Tawney specification is wanted "to educate consumers" and with functionaries to regulate consumers' functions. The province of luxury is boldly extended to include most things that £500 a year would provide—jewellery, musical instruments, toilet soaps, automobiles, cakes, perfumery, cigarettes, cigars, etc., etc.—to demonstrate an appalling waste of labour. Next he figures out that despite luxury and ostentation an average of six million workers are idle every day in the year through various causes. Waste, of course! Then he shows how much labour could be dispensed with in various activities if full use was made of labour-saving appliances and standardised production ("There are 102 styles of men's shoes"), yet on page 105 he grumbles that "as the underlying industrial structure throws off more goods per man employed the result is only to release an ever accelerating group of overhead workers whose services to the community are dubious." In this extraordinary manner he proceeds to box the economic compass, until on page 277 he cannot find a way out. "A good many books have been written on the way out. Most of them are not worth the paper they are written on." At any rate, Mr. Chase demonstrates efficiency in achieving the same result without stopping to think. His book is a striking example of sifting scientific facts to satisfy sentiment. He uses his voluminous and useful data to grind all the reformist axes and goes a good deal out of his way to drag in quotations of fly-blown philosophy, such as the following from Shaw: "Man is the only animal which esteems itself rich in proportion to the number and voracity of its parasites."

Mon Autel. By Aylmer Strong. (Swan Press, Leeds. 5s.)

The perfect authenticity and completeness of the knowledge of foreign languages, and particularly perhaps of French, which is so comparatively widespread in the United Kingdom to-day—and with it our power of appreciating the literatures of the languages in question—will remain suspect until we find a much stronger tendency amongst us to creative expression in these tongues. There is probably a close connection between our general provincial attitude to European literature and the extent to which we are always behind-hand in our knowledge of its developments, and the paucity of experiments such as this of Mr. Strong's. The ability to write in a given language, either in poetry or prose, need not necessarily accompany the power to criticise writings in it, but, on the whole, it is extremely strange that so few Britishers should attempt the former and so many the latter. Mr. Strong's exercise, welcome on these grounds, is, however, only an exercise, and in form and content is of a kind which could not possibly have come from any young Frenchman of literary promise within the past thirty years or so. That is not to say that similar stuff, and worse, is not being turned out in reams in France to-day. It is. But no French journal of anything like the calibre of THE NEW AGE would spare half as much space as this, or, indeed, any space at all, to notice it. As matters stand, however, a French poem published in Leeds deserves a little attention. It may be added that the printing and format are exceptionally fine.

LETTERS TO THE EDITOR.

"LEAGUE OF NATIONS" PUBLICITY.

Sir,—In your issue of October 14 you refer to the fact that I have circularised certain newspapers offering them free articles on the work of the League of Nations, and you suggest that this is a matter for the attention of the National Union of Journalists and other professional Press writers who, as taxpayers, are levied upon for the upkeep of this institution.

May I make one correction? No one is levied upon for the upkeep of the League of Nations Union. It is a purely voluntary society depending for its maintenance on voluntary contributions. It is in no way connected directly or indirectly with the taxpayer. The League of Nations Union is always ready to receive newspaper interviewers and to give the utmost possible facilities to interviewers for securing interviews. This has been our invariable practice ever since the Union came into being.—Yours, etc.,

A. G. MACDONELL,
Publicity Secretary,
League of Nations Union.

[Mr. Macdonell has caught us off our guard. We apologise.—Ed.]

"THE PROTOCOLS."

Sir,—In view of your "Note on the *Protocols*," in your issue of the 14th instant, it is possible that silence on our part, as publishers of that book, might be misunderstood, and for that reason we ask you to insert this letter.

Firstly, in regard to the authorship, we do not agree that it is necessary to show that no one but a Jew could have conceived of the matters to be found in the *Protocols*. It is, of course, possible that a non-Jew could have done so, but he would have had to be possessed of such profound knowledge that he would have realised at once that there was no group with the attributes necessary to carry out the plan outlined, except the Jewish people, with its kinship, common religion, avowed hostility to Christianity, and so on. This non-Jew may have sold or presented his idea to the Jews. It does not affect the main point, which is: Is the plan being carried out, and if so by whom?

Secondly, in regard to Mr. Henry Ford's statement, and your comment thereon, he did not "inculcate the prophet," and we certainly do not.

Thirdly, we deprecate the term "Jew Hunt" being applied to a perfectly natural objection to the Jews having a finger in every Gentile pie, as the late Mr. Israel Zangwill asserted they had. The Jew is the hunter.

Whether by the title "Elders of Bethlehem" you mean the leaders of the Christian Churches or the leaders of their political parties, your three hypotheses would all show them to be the blackest-hearted of traitors. How could they oppose the plot, or decide that they were powerless to prevent it, without explaining the position to their followers and appealing to them for their support? It remains to be seen whether the rank and file can circumvent the plot when saddled with renegade spiritual and political leaders. We are confident that they can.

For The "Britons,"
J. D. DELL (Acting Secretary).

40, Great Ormond-street, W.C.1.

NEW SOCIAL CREDIT CENTRES.

Sir,—Numerous present happenings strengthen the belief that public challenge of first principles will not now be long delayed. This makes it the more necessary for us to redouble our educational efforts, while, very fortunately, it also facilitates them by opening the eyes of citizens to the blindness of the nation's advisers.

Herewith I enclose the prospectus of a "New Economic" Group which I am forming in South London. Readers in any district are invited to write for specimen copies of this prospectus, which has been drawn up in a form which should prove helpful to anyone desirous of encouraging keen students to build up a new centre of activity. Inspection of the new prospectus will show that provision has been made for the insertion of local names and addresses. Prompt application is desirable, as batches can be supplied at bare cost, but only while the type remains set up.

ERNEST A. DOWSON.

14, Dulwich-road, S.E.24.

THE NEW AGE is on sale at Henderson's, 66, Charing Cross Road (close to Leicester Square Tube Station) and at the news stand on the corner of Holborn and Chancery Lane (opposite Chancery Lane Tube Station).

Finance Enquiry Petition Committee

This Committee has been formed to organise the collection of signatures to a Petition for an Enquiry into Finance.

It is not connected with any particular scheme of financial reform, and its object can therefore be consistently supported by everyone who believes that the fundamental cause of the economic deadlock is financial.

Among eminent signatories are the following :

The Rev. Lewis Donaldson, Canon of Westminster.
The Right Rev. Bishop Gore, D.D.
The Rev. P. T. R. Kirk, M.A. (Secretary, Industrial Christian Fellowship).
The Rev. R. F. Horton, D.D.
H. W. F. Alexander, B.A., B.Sc., Chairman, Society of Friends Committee on War and Social Order.
G. K. Chesterton, Esq.
H. G. Wells, Esq.
J. St. Loë Strachey, Esq.
Miles Malleson, Esq.
Prof. Frederick Soddy, F.R.S.
Sir Oliver Lodge, F.R.S.
Prof. Julian S. Huxley, M.A.
Rt. Hon. J. R. Clynes, P.C., M.P.
Lieut.-Com. the Hon. J. M. Kenworthy, R.N., M.P.
Sir Henry Slesser, K.C., M.P. [Bristol.]
T. B. Johnston, J.P. (Managing Director, Poulteney Potteries,
Sir William Prescott, C.B.E., J.P., D.Litt., M.Inst.C.E.
Sydney W. Pascall (James Pascall, Ltd.), Vice-President F.B.I.,
President, British Rotary.
Montague Fordham, Esq. (Rural Reconstruction Association).
Arthur J. Penty, Esq.
F. J. Gould, Esq.

Copies of the Petition, together with leaflets and sets of instructions, are immediately available from

THE JOINT SECRETARIES, Finance Enquiry Petition Committee, 303, Abbey House, Westminster, S.W.1

The Social Credit Movement.

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

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

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

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