NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1927] New Vol. XLV. No. 16. Thursday, August 15, 1929. [Registered at the G.P.O.] SEVENPENCE

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NOTES OF THE WEEK.

Mr. Snowden's outburst at the Hague was promptly and universally released to the Press for the information of the public. For that reason alone we could safely venture the opinion that the occasions for his violence have very little to do with the realities which are dividing the nations of Europe on the question of war debts and reparations. As a matter defend on the question of war debts and reparations. matter of fact the enumeration of his three points proves it. They are three pinpricks. We invite anyly the state of the anybody who understands the magnitude of the problem created by the necessity to transfer reparations at all to consider the relatively negligible dif-ference that Mr. Snowden's demands would make supposing they were conceded in full. He insists (1) that there must be no alteration in the percentages of the collection of the collection in the percentages of the collection of the co of shares in payments must not favour France, Italy, and Belgium: (3) that after 1930 Germany compete with British manufactures abroad, and that the receiving must discontinue payments in kind by goods which the receiving must discontinue payments abroad, and that the receiving nations must not re-sell such goods abroad. Now, it is of course possible to construct a table of monetary figures which will show an imposing total on one side or the other of the British account total or the side of the account over a long period of years according to the concession or otherwise of these demands, but the yearly average works out to nothing in particular. Moreover, the significance of any nation's future financial commitments diminishes in a geometrical retrogression as the date for fulfilment reannounced Italy's willingness to sign any nice-sound-What was at the back of his mind was something like this: Where is the harm in your agreeing on paper. paper to perform impossibilities in concert with your brother-nations? For instance, even to raise 1931—let alone 1940 or 1960—is to talk nonsense. periences this work will decide what they will be periences this year will decide what they will be doing next. International agreements on money

matters are scraps of paper before a single signature is written, because the signatories themselves have no control over money. And even supposing such agreements reflect the policy of the interests who do control money, there is still no guarantee that they will not have to be revised. For reasons perfectly familiar to most of our readers the policy of the credit-monopolists sets up economic reactions which defeat its objective. The logical end of this policy would be a situation in which all production would be capital equipment, and no production consumable products. It is therefore inevitable that at some point or other the policy must be renounced; and the greater its initial impetus the quicker its downfall. In circumstances like these Mr. Snowden—to borrow from his diplomatic vocabulary—cuts a "grotesque" and "ridiculous" figure. He is setting ten or a dozen ignorant populations in a turmoil of vague suspicions over a paltry twopence which, if he picks it up at the Hague, he will lose before he gets back to London.

On the general question of debts the British Government has itself to blame for the difficulties it complains of. It was all very fine for Lord Balfour to announce that Britain wanted from Europe only so much money as she was obliged to pay America; but unfortunately Britain had previously incurred her own formal obligation to America without consulting Europe, and therefore, in prospect, was party to fixing the amount of Europe's obligations under the Balfour principle. Again Britain agreed to pay her debt in dollars, but neglected to insist on the same sort of privilege as has been accorded Germany in respect of part of the reparations-debt, namely to pay in kind. The most obvious and direct method of raising the necessary dollar-credits to pay dollar-ore debts is to deliver goods in the dollar credit-area where the debt is due to be paid. That course was not adopted; and, precisely because it was not, Mr. Snowden is obliged to resist the continuance of German payments in kind. The less direct method of raising dollar-credits is to sell goods to countries

to whom America owes dollars, and who hold dollaracceptances which they can transfer to the exporting country, which in turn can transfer them to America to cancel debt. That is what Britain left herself under the necessity of doing. But to fulfil that necessity the prices of the goods to be exported had to be competitive against those of other nations seeking the same market. But what is the use of Britain attempting to sell goods made by her manufacturers against goods originating in Germany and handed over gratis as payments in kind to other nations who can then re-sell them at any prices that will fetch the orders? And so it will be seen that another British grievance at the Hague was originally created by Britain herself in New York. One thing is plain enough, and it is that if receiving nations are to forgo the right to re-sell reparations in kind they must refuse to accept them on pain otherwise of creating or aggravating an internal unemploy-ment problem.

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The fundamental element in the debt-situation is that the commitments of the Allies largely cancel out, leaving America and Germany as the ultimate creditor and debtor respectively. Britain assumes the position of a disinterested loan agent who borrowed from America and lent to the Allies during the war, and who now, although she lent more than she borrowed, is content to scale down her loans to equality with her borrowings, and thus in essence becomes a collecting agency for what she regards as an American claim on Europe. That America insists on regarding Britain as liable for the money irrespective of whether Europe pays up does not affect the equation, though it is of course politically important. So we have three key countries to consider, America the creditor, Britain an agent, and Germany the debtor. Now the Court of Directors of the Bank of England is composed of representatives of these same countries, and no others. The appointment of these three groups entitles us to assume that there is a financial policy behind it, and that the policy presupposes or is to be instrumented by an exclusive economic and political alignment of the three countries. To what end? One consideration is obvious. The only effective reply to a country which repudiaces its debt is military compulsion. The mere hammering of that country's exchanges may be a good enough initial reprisal, but the defaulting Government (which, in common with all Governments, may be presumed to have been studying the credit question since Major Douglas transfigured it ten years ago from a plaything of financial technicians to the primary implement of political power) could take steps to avoid its intended consequences and even to turn its edge the other way round. Therefore it is necessary for a creditor combination to control a preponderance of armed force. An objection to the application of this hypothesis to the present case is that, other things equal, repudiation is most likely to be resorted to by the country which is the ultimate debtor. But Germany, which is that country is here seen in allience with the ultimate debtor. is that country, is here seen in alliance with the ultimate creditor, America. What are we to make of it? Must we reject the hypothesis. Not necessarily.

It will be remembered that Bismarck said, after the Franco-German War, that if he won another war he would insist on paying an idemnity instead of demanding one. The economic equivalent of that threat, if it had been carried out, would have been that the defeated country would have been forced to accept goods from the victorious country. The attendant financial transaction would have taken the form of a loan from the victor to the vanquished. France, for example, would have been forced to raise a loan in Germany and use the marks to pay for imports from that country. Also, the

loan would have remained permanent, and would have been secured by a perpetual mortgage on certain French capital assets. Take as an example the provinces of Alsace and Lorraine. Supposing that Bismarck, instead of taking them away from France, had made her pladge their resources for a France, had made her pledge their resources for a German loan, he would have secured a much better practical bargain than he did, and without outraging French patrictical. ing French patriotic susceptibilities. Instead of the expense, trouble and provocation arising out of the military occupation and the disciplining of Alsace and Lorraine, he could have sent an "observer" to the Bank of France and a few "advisers" and auditors to superintend the administration of the key assets which had become which had been pledged for the loan; and he would have been in affine have been in effective occupation of the provinces, and the more effective because it was invisible. The French public need not have known that anything had been pledged. had been pledged; for even to-day the British public do not know whath do not know whether any British assets have been pledged to America.

Now the same policy which Germany might once ave adopted have adopted apropos of France, can to-day be adopted by American adopted by America apropos of Germany. And in fact there are plain indications that it has been and is being carried is being carried on. It has been much more oblique in method than the constructions that it has been much more oblique in method than the one we have been describing, but it is the same in principle. Its obliquity consists in the fact that while France. Its road Relgium have the fact that while France, Italy and Belgium have been pressing for the same in principle. Its obliquity consists have been pressing for the same in principle. Its obliquity consists have been pressing for the same in principle. Its obliquity consists have been pressing for the same in principle. been pressing for indemnities from Germany, America has been preparing to pay them. method of preparation has been by dollar purchases of German assets, the agriculant of the hypothetical of German assets—the equivalent of the hypothetical Bismarckian perpetual Bismarckian perpetual loan that we have just speaking of. The consequence is that Uncle has got inside the Junker's cloak. Once in his man disguise his political game is easy. Once in his of resistance he keeps France, Belgium and white hot on the exaction of reparations, knowledge. white hot on the exaction of reparations, knowing all the time that to the extent they enforce policy they will be creating work for American owned interests in Germany who will dump goods owned interests in Germany, who will dump goods either in those countries themselves or in There markets which they have hitherto supplied. markets which they have hitherto supplied.
is no escape from this dilemma. Notice that comparatively recently have the true reasons for its inevitability because the processed by authority. comparatively recently have the true reasons for its inevitability been popularly presented by authoristive writers like Mr. J. M. Keynes and other whereas they have been fully realised since produced in the minent is easily intelligible if one reflects what if effect would have been on French public opinion they had been advertised in 1918. Far Army acquiescing in the withdrawal of the French from the Ruhr, it would have rioted for the occupy from the Ruhr, it would have rioted for the occupy tion of Berlin. To-day it is too late. To occupy Berlin now would be much the same thing as occupying New York.

In these circumstances there is no incongruity in the inclusion of German representatives together with Americans on the Board of the Bank of land. The incongruity is rather the inclusion expenses. land. The incongruity is rather the inclusion explanation is that Mr. Montagu the policy, and has committed the British fits ment to co-operation on condition that British fits ancial interests participate in the eventual beneficial interests participate in the eventual beneficial interests participate in the eventual beneficial in the eventual bending in the eventual beneficial in the eventual beneficial in th ment to co-operation on condition that British ancial interests accruing from it. Another thing that becomes pertiligible is the prominent part which American experiences accruing from it. Another thing that becomes perts ligible is the prominent part which American expace played at the Reparations Conference. On affect of it, this Conference had to solve a problem and the moly America appeared to have no locus standi, formals especially since Washington has always ments the contingent on German reparations.

Americans came all the same, and quite appropriately so, because whatever sum was going to be fixed as the total which Germany was to pay was going to be a measure of the trade activity of American interests in Germany. The experts had to deal with America at both ends of the problem—on the one side the America who, as America, won the war and is a creditor of the whole world for debt, and on the other side the America who, as Germany, lost the war and is a debtor to the whole world for reparations.

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Between America the carpenter and America the walrus the poor little oysters of Europe are facing a grim fate. At one end of the scale America can regulate the flow of reparation goods out of Germany, and at the other can regulate their flow into America; and, as the flow into America can be regulated at the state of the state o lated down to nothing by means of her tariff, the world in between will be left with the problem of absorbing whatever reparation goods came out of Germany as best it can. How then can the Allies get dollars to pay America? Apparently only by selling to America what America chooses to buy namely their own manufacturing and transportation equipment. But to the extent that they do so their cwn opportunities for exporting will be regulated by America. Leaving Britain aside as a sort of dark horse the issue for the Allies is a plain one. They must adopt the policy of financing the internal consumption of their production and imports.

Without watching developments further it is not possible to say whether Mr. Snowden's tirade against the Vous Park Without watching developments further it is not possible to say whether Mr. Snowden's tirade against If the Young Report is a hopeful sign or otherwise. If the underlying intention is to prevent its adoption altogether it might be held to reflect a cleavage of opinion by the state of the st opinion between London and New York on fundamentals, because according to early reports the Press of the United States seems insistent on the adoption. On the other hand, one can never be sure that the Mansion House interests who instruct Mr. Snowden and prepare his brief are not perfectly satisfied with the Report as it stands, but have put him up to cause a sensation with the intention of creating a general impression that all parties are dissatisfied with it upon which, in accordance with the Churchill formula, everybody will assume that it is generally sound in a financial sense because it is generally disagreeable. agreeable in a political sense. Whether, in the process of putting it across, Mr. Snowden's three points are conceded a reactions. are conceded or not, matters nothing. If they are, we shall we shall assume that they were put in deliberately to be tal. to be taken out again after they had served the purpose of the new again after they had served the purpose of the new tree tree than the real pose of diverting popular attention from the real intentions of the Report, which, in our opinion centre round the Reparations Bank.

The National Citizen,* the official organ of the National Citizen,* the official organic issue an entire Powerlag in reply to certain issue an article by Major Douglas in reply to certain references which its Financial Expert made to him and his to the for April and May. and his theories in the issues for April and May. We commented on those references in these columns the time time to the time the time, and arising out of our doing so, Sir Montagu Webb, the Chairman of the Union, appears to have to have invited Major Douglas to reply. Major first being article is the second of two criticisms, the Biddulph. Mr. Biddulph's article covers three and a half columns, half Major Douglas's covers a little over one and a criticisms. There are four headlines referring to the dulph's. The first three refer to Mr. Bidof the other three refer to Mr. Bidof the other three refer to Mr. Bidof the other three refer to Major Douglas's. the other three—refer to Major Douglas's. The the other three—refer to Major Doughave respective lengths of the two articles have

* Published at 86, Victoria Street, S.W.1. Price 2d.

no significance, for Mr. Biddulph always requires plenty of room in which to express himself, whereas Major Douglas is content with little. One thing that intrigues us is that whereas the Financial Expert mentioned the names of Mr. J. Taylor Peddie, Major Douglas, Mr. Kitson, and Sir Oswald Stoll, he did not mention that of Mr. Biddulph. We should have thought that Sir Montagu Webb would invite those three gentlemen to reply for themselves in preference to someone whose views were not referred to. Another thing that intrigues us is that Mr. Biddulph has been by far the most persistent and aggressive critic of Major Douglas's theorem, dating back to the inauguration of the Social Credit Movement. We have often felt obliged to deny space in THE NEW AGE for his letters, and evidently he felt this as a grievance. Several of our readers will recollect our forwarding on to them at his request copies of his letters which we had denied publication. Others may have encountered a printed lampoon on the Douglas Theorem which he and another gentleman placed on sale at Henderson's, in Charing Cross Road, a year or two ago. In both these acts we thought we saw evidence of personal antipathy to Major Douglas and to the Editor of THE NEW AGE. This has been in contrast to all these of our critics, who having had their cut at other of our critics, who, having had their cut at us and found us incorrigible, have cheerfully left us to wallow in our ignorance. We make no complaint about Mr. Biddulph's attitude, and should not have mentioned it had it not been for the curious coincidence of his suddenly springing into such prominence in this particular issue of the National Citizen. Of the article itself we need not say anything more than that in discussing the writers who had been mentioned by the "Financial Expert" he refers to one of them as "an amateur economist with a considerable organisation." We take that to mean Major Douglas and the Social Credit Move-

" Many people," said Professor Bertrand Russell, "would rather die than think; millions do." There are also a few hundreds—and very powerful hundreds they are—who, rather than think, would have a million other people starve. It may be, however, uncharitable to blame the English for their failure to think, since expert diagnosticians from abroad have long feared that the English are congenitally incapable of thought. That all the same, ought not incapable of thought. That, all the same, ought not to apply to Lancashire, about which the boast still rings in our ears that "what Lancashire thinks to-day England will think to-morrow." This, it may be remembered the part and with the part of be remembered, was not said with the new finance in mind, but merely in regard to the new immorality. Fortunately, although England has followed, as regards sexual morality, in the Wakes of Hindle, up to now England has succeeded in dragging Lancashire after her, if only years after, as regards the morality of business. Unfortunately England is so behindhand herself in business ideas that Lancashire must be counted almost hopelessly behindhand.

Mr. Fred Holroyd, the Master Cotton Spinners' president, says that "a settlement can be made" in the Lancashire cotton industry "only provided the operatives accept the dire necessity of a substantial reduction in wages"; and adds that "the employers were never so united." The motto of the Lancashire employers might well be, "Divided we fall, united we stand still." Whether Scotland stands where it did or not, Lancashire certainly does, possibly because, throughout all the enlightening influences and cause, throughout all the enlightening influences and cause, throughout all the entightening influences and terrible lessons of civilisation and war, Lancashire has been willing to cramp itself by confining its education to the Manchester School. It may be flattering to the Manchester School, of course, to credit it with uniting anyone; fate and necessity have

accomplished so much. But in this Christian year 1929 Lancashire has no better understanding of economics than to assert that all is well though it strip itself naked if only the people of the tropics will buy its clothes. No more curious way of losing one's life to save one's trade was ever implied by the well-meant utterances of Jesus Christ and Ramiro de Maeztu. If the world thinks to-morrow what Lancashire thinks to-day, the world will present a sorry spectacle the day after to-morrow. While the earth flows with milk and honey, hot-pot, blackpudding, and sheep's trotters, a mountain of corpses will testify to the cold moon the heroism of the Lancashire philosophy; by the practice of which every mother's son of mankind clemmed himself to death to feed the others.

While the position of the Lancashire employers, which is to say, of responsible Lancashire, is pathetic and damnable, the plight of the Lancashire working-classes is pathetic yet admirable. As it was in "Hindle Wakes," let us pray that the representative of Lancashire who really will lead England will be the mill-girl and not the mill owner. The conduct of the Lancashire workers over the last seven years indicates both a true sympathy and an over-long patience with the industrial kings to whom they have given allegiance. Before the ultimatum of a 12½ per cent. reduction in wages which resulted in the present lock-out the Lancashire workers had tightened their belts nearly to cut themselves into halves. As even the orthodox capitalist press admits, shamefacedly and in terms designed not to let the employers down, the employers are in the wrong. They are crushing the life out of their workers to spare themselves thought. It may be that the employees cannot be described as thinkers; it is not their business to do their employers' thinking, at least according to Manchester principles; it may be, as Lancashire business men have tried for a century to make it, that the employees ought not to be able to feel. They cannot, alas, help feeling, and what they feel about the present lock-out is right: to wit, that when continually expanding power of produc-tion entails a continually narrowing standard of living, the system is not worth working for. The employees may just as well hang themselves on their employers' doorposts as starve for working in his

Remedies to prevent bankruptcy of the mill-owners, along with starvation of the mill-hands in a repetition of the coal chaos, have been suggested, with gentle remonstrance, to the employers by their friends. These remedies are all comprehended by the word "rationalisation." Lancashire, it is advised of five and of the coar that t vised at five minutes to midnight, must re-organise its selling department. Its managers must be more ready to supply what the world-market demands; they must write down their capital, though not of necessity their debentures. They must cut out expensive middlemen. Their product, whose cost at the mill is no more than that of their competitors? the mill is no more than that of their competitors' product, must reach the consumer's back at no higher a price. Well and good; rationalisation is an excellent and necessary remedy for inefficiency. Its harmfulness is in that those who recommend it belong to the half of the world blind to the manner in which the other half lives. Rationalisation necessarily deprives a number of its patients of food and exercise. It is, in short, the cutting off of somebody's consumer income without making alternative arrangements.

If rationalisation destroys entirely the incomes of some workers it is no consolation to them that their fellows are clothing the Egyptians. If it merely cut out of cost the middleman's champagne and

oysters it closes a market somewhere. We have no special affection for middlemen if they are unnecessary, nor for the fact that the cost of their toll is excessive. But without arrangements for consuming the present product there can be no virtue in expanding the present product there can be no virtue in expanding the present product there can be no virtue in expanding the present product there can be no virtue in expanding the present product there can be no virtue in expanding the present product there can be no virtue in expanding the present product there can be no virtue. panding the product while narrowing the arrangements for consuming it. A true sense of the word rationalisation would be co-ordination, between the needs and desires of mankind on the one hand, and mankind's capacity for satisfying them on the other. Less than this is not rationalisation but lunacy. Because cost is a thing to be reduced it cannot remain the sole avenue of the distribution of income. If one employer owned all the industry of the world and distributed only his owner and to himself, book and distributed only his own profit, to himself, book-keeping would not allow him to price his goods at that figure. Depreciation of the modern a porthat figure. Depreciation alone would render a portion of his goods unpurchasable. Sooner or later, as things are, all capital has to be written off.

It has been remarked that the reason for the reduction of wages cannot be the bank debts of Lancashure, for the reason for the reason for the reduction of wages cannot be the bank debts of Lancashure. cashire, for the reason that no interest has been paid on these for reason that no interest has no inpaid on these for some time. The fact that no interest has been terest has been paid for some time is itself a suffi-cient reason. The fact that he fact that h cient reason. The banks are not contented to go on with no interest. Interest is the sole condition upon which a banks are not contented to go on with no interest. upon which a banker is willing to allow credit to continue in circulation continue in circulation. To withdraw it from circulation would, of course, be a further act of deflation, with consequent effects on markets where. Whether Languaghira should collect that Whether Lancashire should collect that credit or even pay interest on it is not, therefore, a question for Lancashire alone. It is at least a national question. The case of the Lancashire workers is not a case merely account either the Lancashire. workers is not a case merely against either the Lancasture cashire employers or their bankers. It is the case of the world consumer against the world fin of the whole world consumer against the world financier; and it is a financier. ancier; and it is, if the producer could see it, his case, too. In the long run the Lancashire cornworkers, fighting against a reduction of the sumers' income, are fighting to preserve a market for the Lancashire manufacturers, the sale of whose for the Lancashire manufacturers, the sale of whose goods depends on accountries, the sale of manufacturers. goods depends on consumer income. The manufacturers, the sale of wants facturers, unfortunated facturers, unfortunately, cannot perceive their post-tion in the total carrety, cannot perceive their to tion in the total economy, or their relationship to the financial system. The financial system. They cannot see that to starve of consumer in one consumer in one place is to put a producer of that work in another. They cannot see, in short, the for them to win and reduce wages is futile for the end they have in view

Incomes and Prices.

In these days of quickened inventiveness manifested particularly in accounting machines lately introduced into the large banks, it is not difficult to conceive of such a mechanism as a costing and pricing ceive of such a mechanism as a costing and pricing machine. Such a machine would have to be died machine. Such a mechanism as a costing and he constructed to apply the governing principles applied under the process of the governing principles. under the present financial system.

(a) The price of an article is all it will fetch.
(b) The price of an article must not be less than its cost.
(c) Cost must cover dividends to private investors.

US impossion.

Let us imagine such a machine in a shop, and continuous what it would do not be following continuous tions. sider what it would do under the following contitions. The shop is to call potatoes which, let it sider what it would do under the following et it tions. The shop is to sell potatoes, which, thing to assumed, grow wild and can be got for nothing to cept for the expense of digging them. The pad the thus represent natural resources in general; and storing of them in the shop embody digging and storing of them in the shop reproduction industrial activities in general. Let us these activities in the person of John Smith, and make him represent the processes of production.

John, then, digs so many bags of potatoes dumps day. He brings them into the shop. He to them on a weighing-platform attached

machine, which records the number of bags brought in. Automatically the machine feeds out to John a strip of tickets equal in number to the bags weighed, and registers that number as the cost of the day's digging. Suppose that John now wants to take the potatoes home for consumption. The machine will require him to push a ticket into a slot for every bag he lifts off the platform. So he pushes his ticket tickets in, the machine cancels its costs, and John gets all the potatoes he has dug that day. Two principles have been fulfilled: the potatoes have "fetched" all the tickets John had, and they have not been sold at under cost.

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Under such conditions John can go on indefinitely consuming all the potatoes he "produces," and it does not matter whether the quantity he digs varies from day to day or is fixed. His income will always equal the registered costs. But as our illustration has to embody fundamental facts of modern economics as nearly as possible, we must take into account the fact that production is never ready for consumption within the time-period covered by the production-wages, but always in subsequent time-day, will buy potatoes dug on Monday, and so on.

Now this would not appear to make any difference to John's consumption. If he digs the same quantity tity every day, the number of bags available for sale in the window of the shop will always be the same as the number placed on the weighing-platform at the back at the back, and since John's tickets are equivalent to the latter—call these the potatoes "behind the market"—they are equivalent to the former, the potatoes on the market; and he can go on buying

potatoes at the same rate as he digs them.
But suppose that something happens to cause him to discuss that something happens to discuss the discussion of th to dig more, or fewer, potatoes on any given day or days. At first sight nothing different should result except that he would consume more or fewer on the result that he would consume more or fewer on the result is the sought still to on the respective following days. He ought still to consume all the potatoes. Take a week of such fluctuating quantities; the machine should total them up, and

up, and issue tickets representing the total. Thus John should be able to buy them all.

This line of reasoning underlies all the so-called refutations of the Social Credit Theorem. Critics always the social Credit Theorem. always urge that the price of every article offered for sale to the public is composed of items which represent present money paid to the public at some time or other other in the past. Therefore, they conclude, the public can, in the long run, buy everything that is produced with the incomes they receive for producing it

The answer to this hinges on the implication of the formula: "in the long run." Let us see what "long run in the case of John Smith. Here, the week. (But any period longer than one day will serve for the argument.) Can John wait, say, seven matter how he buys potatoes? If so it does not matter how his daily diggings fluctuate, for the machine will his daily diggings fluctuate, for the machine will total the quantity and the wage-tickets, so that the income put in John's pocket during the week will be equal to the cost of the potatoes on the market. Thus, suppose he digs the following number of bags in seven consecutive days, 5, 10, 15, 20, 15, 10, 5. His daily incomes will be the same series of bags in seven consecutive days, 5, 10, 15, 20, of figures. His daily incomes will be the same series batch is on the market the two series will be out of Thus:

Description:

Thus:

Fr. Sat. Mon. Tu.

Potatoes on Mon. Tu. Wed. Th. Fr. Sat. Mon. Tu. the market
Tickets in (?) 5 10 15 20 15 10 5 the market Add the two series up horizontally, and you get the

same total. Of course in arriving at that result you are ignoring the first item in the top line and the last in the bottom; but since this week of days represents an indefinite continuity of economic work (i.e. "the long run") these two unknowns (at either end of eternity) can be assumed to be equal and to cancel each other out. So we can take the six days, Tuesday to Monday, as typifying the situation as conceived by critics of the Social Credit Theorem. During that period you get a total of 75 bags and 75 tickets.

If we call the tickets shillings, on each of the first three days John will have 5s. more than the cost of the potatoes on sale; and on each of the second three days, 5s. less. So if he can go a week before buying, he can save 15s. by Thursday, and use this to make up the subsequent deficit of 15s. which will have accrued by Monday. The fluctuations in production and income will average out. And if the two series are repeated week by week the situation will be the same as if John had dug 75 bags once in six days, drawn his tickets once in six days, and bought his requirements once in six days.

But this is not a true reflection of what goes on in economic life. The rules under which economic activity is financed do not permit of the accumulation of money in the hands of the public. As weekly wages, or monthly salaries, are received, so they wages, or monthly salaries, are received, so they are spent. And they are spent almost wholly on articles of consumption. The margin of money "saved" is also spent, i.e., it is invested in capital production either directly by the individual or indirectly by institutions on his behalf. Industry charges for its consumable production, and it borcharges for its consumable production, and it borrows against its capital production. By these processes in conjunction it collects all the money it pays out, and does so within the limited periods

The reason is that industry has to fulfil the conditions of the banking system. It stands in the same relation thereto as John Smith does to the machine in the shop. If the banking system were to extend its accounting periods in such a way as to extend its accounting periods in such a way as to enable industry to leave money to accumulate in the hands of the public to the same amount as the cost of its unsold production accumulated in the ferm of capital and stocks behind the market, the horizontal equilibrium that we have referred to would work out in practice—that is to say all production could be bought as fast as it could be brought on the market. Against every pennyworth of production not yet delivered by industry to the public there would be a pennyworth of personal income not yet delivered to industry. The public like come not yet delivered to industry. The public, like John Smith, could hold its 15s. surplus in readiness to meet the subsequent 15s. deficit.

But as things are this cannot happen. Industry is financed on short-term loans by the banks, whereas a very large proportion of the manufacturing carried out by those loans is long-term production. The inevitable result is that money has to be called in before the equivalent production is let out.

In our illustration this short-ferm loan-period of the machine is one day. John Smith, every day, has to push in the tickets that it has pushed out to him, and take in return the potatoes available at the front of the shop. Let us see what happens to him on the Tuesday, when he draws 10 tickets and there are 5 bags of potatoes for sale. Now, he is obliged to return all the tickets; and the only question is whether we shall suppose him to pay 10 tickets for the 5 bags or pay less than 10 and invest the re-mainder in what we will call "the shop." The machine will permit him to do either so long as he pays at least 5 tickets for the 5 bags. (Goods must not be sold at under cost.) Let us consider the two extreme alternatives.

Case I. He pays 10 tickets for the potatoes. The tickets he pays are the tickets he has drawn from the machine

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that day. When he pays them the machine retires and cancels them. John has no tickets.

Case II. He pays 5 tickets for the potatoes and invests 5 in the shop. Again the machine cancels the 10 tickets Again John has no tickets. But John is now a credit roof the shop in respect of 5 tickets. But since costs must cover the return to private investors, the minimum price at which to-morrow's offering of potatoes must be sold must be something more than the one-ticket per bag which has hitherto been the minimum. But as John is the only customer this means that he will have to pay himself back his 5 tickets out of his future earn-

It will be seen that fundamentally the result in both these cases is the same. Whether John spends all, or only some, of his tickets on consumption, he has to yield all of them up; while all he really gets is the potatoes.

Referring to the table of figures again, we see that by Thursday John will have received 30 bags of potatoes, and received and paid away 45 tickets. Thursday is the peak of the ascent in production. The descent now begins. On Friday there are 20 bags for sale, but John has only 15 tickets. The cost of the potatoes is the number of tickets John drew for digging them on the previous day, namely 20. There are two alternative consequences, depending upon whether John has previously spent all his tickets (Case I.) or invested part of them (Case II.).

Case I. There being no investments to be charged, the cost of the 20 bags is 20 tickets, so John can buy 15 bags with his 15 tickets. One bag for one ticket. Five

Case II. There being (by assumption) a total of 15 tickets invested between Tuesday and Thursday the minimum price will now be more than one ticket per bag. How much more will depend on the size of the "dividend." For the sake of simplicity let us assume that the 15 invested tickets are to be paid out to John at the rate of 5 tickets per day. Adding 5 to the direct cost of the potatoes, there is a total cost of 25 tickets. The minimum price per bag is now 25 ÷ 20 = 1½ tickets per bag. John can buy only 12 bags. Eight bags remain unsold.

It is not necessary to carry on these calculations for the following days. Enough has been said to show that although John's series of incomes for the six days totals 75 tickets, and the series of costs and quantities total 75 tickets and 75 bags, the total of incomes will not buy the total of production. The reason is that the two series of daily figures are out of register by one day. If John could somehow have got some tickets from production and the series of daily figures are out of register by one day. of register by one day. If John could somehow have got some tickets from nowhere, so to speak, on the first day of the series, so that he could have held his earnings of that day intact until the next day, everywas he had always to spend his tickets one day be more tickets than bags, he parted with too many happened to be more bags than tickets he received too few bags in exchange for the tickets. Like the British public, whom he here typifies, he was caught British public, whom he here typifies, he was caught

To use another analogy; one might prove, in regard to any community of people, that, over a period of many generations, for every man born there was born a woman of a reciprocal type; and he might reasonably conclude that in the long run there was bound to be general marital felicity. But supposing the respective types were born in alternate generations, the "right" woman being born just as the "right" man died, there would be bound to be general marital infelicity. And so in the case of the financial question. Personal incomes may be equal to costs in the long ring but they may be equal to costs in the long run, but they never meet each other on the way. Between them stands the banking machine.

Economic Philosophistry.

It may not be to the advantage of Social Credit as a progressive school of thought, driving towards the realisation of a Social Credit State, to gather together and publish in a somewhat hodge-podge array passages culled from the writings of Major C. H. Douglas under such a title as The Philosophy of Social Credit.

Not only is such a title somewhat unfair to the original author of the extracts, it may even be "defeatist" when viewed from the standpoint of any technique having as its watchword such a slogan as

Social Credit in our time." Be that as it may, there can be no possible doubt that, before presenting a philosophy of anything at all, the fundamental principles upon which it is based—the intellectual concepts and the exact meaning of the words. the words used to express them—must first be defined.

The first word that needs definition is the word "philosophy?" For the purpose of this paper we define the word "philosophy" as meaning: a sequence of propositions antecedently supposed or proved, and so the provided the provi proved, and so fully in accord with universal human experience that the mind is forced to accept them as basic premises;

That evaporates the mistiness of a word that may mean anything ("love of wisdom" means what?), and reduces it to the knowledge of phenomena as explained by and reasons. explained by, and resolved into, causes and reasons, powers and laws.

Again, for the purpose of this paper, the word philosophical" shall mean: Of or pertaining to philosophy, but not the basic premises of philosophy. It may be contacted that the basic premises are

It may be contended that such basic premises are to be found in the several books of Major C. Douglas. That may be so, but we should remember that in their original forms, but we should remember that in their original forms. that in their original form and context such fundamental concepts are not to a such fundamental forth as, a mental concepts are not; and are not set forth as, a "philosophy" as such; they are the outcome of purely economic and mathematical analysis; and this being the case, there must be a basic philosophy

purely economic and mathematical analysis; and this being the case, there must be a basic philosophy underlying and giving rise to the economic analysis. It seems clear, therefore, that the title given to miscellany referred to is, or may be, misleading.

I.—The Philosophy of Social Credit has not been defined as an intellectual system of conceptual coordinates; and, funtil it has been clarified and forth as such, it is intellectually dangerous to use forth as such, it is intellectually dangerous to use the term "Philosophy of Social Credit."

2.—On the other hand, the Technical Formulæ of Social Credit have been clearly defined as a practical

Social Credit have been clearly defined as a practical application of social control application of mathematics (in which mathematical logic is accepted as valid logic is accepted as valid without question) to present-day economic and financial problems.

3.—From a control of mathematics (in which mathematics presented in the present problems).

3.—From a consideration of such an application spring a multitude of philosophical conclusions; but these conclusions and speculations, because spring from a technical application of an science, do not necessarily constitute, or the philosophic basis upon which the formulæ themselves rest.

Either there is no need to define the philosophy of Social Credit or, as seems to be the case, there is such a need. If such a need exists, then must be no confusion between the basic premises must be no confusion between the basic premises of that philosophy and the more or less speculative of our economic system.

We are driven then, in the first place, to consider, the what are these basis not what are these basic premises of the philosophy of Social Credit, but whether there is a need any such philosophy.

any such philosophy at all.

Unless we consider that question we may easily fall into the consider that question we may easily fall into the consider that question we may easily fall into the consider that question we may easily fall into the consider that question we may easily the consider that question the consideration that question th fall into the mistake of trying to concoct, inventor brew or hatch out a "philosophy" to fit round the

mathematical logic of the economic analysis. The result of any such attempt would be to blunt the edge of the logic of the analysis, and, in the end, to put a drag upon the progress of that logic in generating the correct sequence of tactics in accordance with the necessity of the moment; thereby defeating the practical objective of the Social Credit movement, i.e., the reorganisation of social economics in such a way as to equate Consumption to Production.

Yet we are faced with this problem: that because Social Credit lacks its purely philosophic formulæ, formulated and set down in logical order, Social Credit students and thinkers are apt to mistake philosophical speculations arising out of a consideration of the economic analysis for a basic philosophy of Social Credit. The result of this is to create confusion of thought which must, and does, translate itself as a fatal hesitancy in action.

Therefore, although we must rigidly forbid ourselves to hatch out a philosophical system to fit the economic logic of Social Credit, the deepening and broadening of the idea of bringing into actual being a Social Credit régime will depend upon a perfectly clear statement and understanding of the basic philosophy of Social Credit.

Fully aware, then, of the futility, the miserable mysticism of mind, and the political danger of "breeding" a philosophy to fill the need, we may ask ourselves this question:

Upon what first principles, upon what ground-work of intelligent thought, does the Social Credit analysis rest?

If we can find these principles, these primary concepts, and if we can state them clearly, we shall have discovered the Philosophy of Social Credit.

Having discovered them we shall find that we have unearthed the power which must drive Social Credit from the theoretical to the practical political plane; we shall have released the energy within the atom—the "atom" being the living individuals composing the Social Codity appears in all its aspects. the Social Credit movement in all its aspects.

Hence we find our first question answered: There is a vital need to discover and formulate the Philosophy of Social Credit, because, unless this is done, it is it is impossible to be so sure of our groundwork as to eat away, or smash through, the ideology of every other philosophic system; thereby supplying the only 'faith', that can cope with the present economic chaos and being the mathechaos and bring forth a régime operating the mathematical logic of the Social Credit proposals.

We can now go a stage further. By an examination of the Social Credit analysis we can winnow away away all secondary philosophical, quasi-philosophical, and mystical interpretations. The Social Credit analysis we can willing the social secondary philosophical, and credit analysis or postulates Credit analysis, as it stands, implies or postulates certain basic premises. These can be made clear by a winnowing, or negative process; by stating what, philosophically, Social Credit is forced to deny, or contradict by respect to analytical logic in dealcontradict, by reason of its analytical logic in dealing with ing with economics.

It is forced to deny:

That Man exists in order to Work.
That modern productive organisation cannot human dispense with an enormous proportion of human labour, and yet produce as effectively, or even more

effectively, without that labour. 3. That the distribution of goods and services ployed in the distribution of human labour employed in the distribution of human labour.

ployed in the processes of production.

4. That human beings "ought" not to receive purchasing power unless they have taken part in some process.

That the production of real wealth (goods and services) produces financial wealth in the form of consumer purchasing power for use as a medium of distribution.

Therefore, Social Credit asserts, positively:-

I. That Man exists to do anything he may choose to do, and can make himself able to do.

2. That modern production could function smoothly using less and less human labour power. 3. That the distribution of goods and services

should depend upon the ability to supply goods and

4. That human beings could, and therefore "should," receive purchasing power, whether needed in the processes of production or not. 5. That the production of real wealth (goods and

services) produces goods and services.

From these denials and assertions the following positive philosophic postulate emerges:-

That any ultimate "destiny" of the Human Race is unknown; that, therefore, the "destiny" of any one individual is equally unknown; and that it can be anything (a) physically possible, and (b) selected by conscious will, instinct, or impulse.

Such a postulate based, as it is, upon the accepted facts of physical existence, destroys at one blow any and every system of philosophy which allows "idea" existence as an ideal entity independent of, or apart from, living human beings.

The first basic premise of the Philosophy of Social

Credit would seem to be:-That the phenomena of the physical universe as translated to consciousness through the five senses must be taken for granted as absolute reality.

It follows that the five senses themselves must be accepted as the only possible gauge of what exists and what is real. There can be no escape from this, because the science of mathematics, used in the Social Credit analysis as the analytical instrument, depends upon the acceptance by the mind of the absolute reality of sensory perception. Counting depends upon actual objects which can be counted; otherwise it becomes "idea," and is thereby put out of use. It becomes, in fact, Numerical Mysticism, which is exactly the position arrived at by orthodox finance in which the number-tickets (money) have no logical relation to the things numbered (goods and services).

We come to the conclusion that the first principle of the Philosophy of Social Credit must state that what we see, hear, taste, touch, smell is reality so far as human beings are concerned. The development and use of mind depends upon the five common senses; for if a man is devoid of all sensory communication he does not exist. He is literally a dead munication he does not exist. He is literally a dead man, and his mind is dead (does not exist); since the mind itself is the co-ordinating centre of things seen, heard, tasted, touched, or smelled, either by the particular individual himself during his own lifetime, or communicated to him (in whatever form) through the sensory appreciation and records of other individuals.

Once we admit any factor other than the absolute validity of sensory perception, the mathematical validity of the Social Credit analysis is blown into the stardust of metaphysical sophism; it becomes "idea" floating in a spindrift of everlasting question-marks, and can no longer hold itself in true relationship to living human beings.

For the sake of experiment, let us admit the "soul-concept" over and above mere sensory perception. We are at once driven to postulate an Over-Soul. No sooner do we admit this than we shall be logically in order in putting forth the following "philosophic" (i.e. non-sensical) argument:

"The Social Credit analysis may be perfectly logical within the strict limits of mathematics, but we must remember that mathematics is but a mindmade system of calculation invented by human intelligence using a limited range of senses, and may

have little or no reality in the Cosmic Reality of the Universal Over-Soul."

Neither "soul" nor "Over-Soul" are more than words trying to express idea separated from sensory experience. They are words—noises—expressing extra-sensory experience, but we have no extra sense with which to experience the sensation!

What has happened? Because "idea" apart from sensory experience has been accepted, nonsensically, by the mind as a real factor, the reality of the five common senses is in doubt. We are driven to "doubt our senses." No sooner is sensory reality in doubt than its counting-system (logic of numbers) is in doubt also. Neither A+B, nor any other calculation, can be accepted as true, or exact. The Over-Soul concept reigns supreme, and we must wait until the Over-Soul, in its own good time-space, unchanging changefulness of the evolutionary process. Or, worse still: what appears to our poor sent economic system is unworkable and fails in its Cosmic Scheme of the Over-Soul. It may be "sent to try us."

We see at once what happens when we "cannot trust our own senses"; when, in fact, we are trying to be "out of our senses" doing a levitation trick inside an idea. It is what all idealist and utopist philosophies try to do, and do. It is the attempt to mistrust one's senses; a quite fatal thing to do, for there is nothing left in which to put one's trust.

The reason for this desire to mistrust the senses is not far to seek. It is brought about, and developed by, the interplay of those very economic conditions which the Social Credit analysis exposes. It is compensation for a cramped-up and thwarted physical (sensory) existence. It is a psychological fear of having to be a lone individual in a great and terrible universe. We are not used to being "individual." Physical limitations imposed upon mankind by economic forces, at present beyond its control (a) warp the body—the senses—and, therefore (b) warp of warped sensory sensations, resulting in every kind that sets up Something (idea)—no matter how vague whatever for this great and even psychologic system—other than myself or yourself as sensory beings.

other than myself or yourself as sensory beings.

Whatever form the Philosophy of Social Credit may take, it will not be able to bear the burden of the logic of the Social Credit analysis unless it first of all establishes the five common senses as the only Sense.

Life-Force.

It would be amazing that scientific truth should change so in a generation if the hypotheses of science did not change with human moods. In his address to the British Association General Smuts is reported as

"the new physics, instead of drawing life down to the level of matter, was drawing matter up to the level of

But the old physics was not so concerned to draw life down to the level of matter as to unify both life and matter on the level of causation identified, very unscientifically, with the machine. It was almost one of the thirty-nine articles of Science that, given enough knowledge, a working model could be made of anything, from the planetary system to the human brain; and that the model would be at the same time a perfect replica of the original and a machine. Philosophers were inclined to demand for assumed; elan vital, or its equivalent, being supposed to take the place corresponding to that of

steam or other power in the case of the known machine. But the scientists were unwilling to remember how important a part of a watch is the spring, or of an automatic lathe is the power-plug or dynamo; and they preferred to look upon the universe, including all living creatures, as parts of a machine, the whole being automatic in a sense entirely unknown in any constructed machine. One part of the universe, it was alleged, was in some mysterious way wound up by the running down of another.

In biology the position was similar. Evolution was gradual in the sense that there were neither leaps nor creative effort. The idea that there might be creative effort was left to be expounded by "a literary man" who paid for the publication of his own books. Natural selection was regarded as a perfectly mechanical process, in which the unfit died from starvation or slaughter, while the fit prevailed. That this belief accounted only for corpses and not for evolutionary progress made no difference to the mechanist hypothesis, which supposed that some animals were born with superior organs or with the rudiments of new ones, if not by accident, then by mechanical causes to which only machine, and not creator or inventor, was conceivably necessary. The inside of every living creature was imagined as a machine. Emotion, for example, was set up by friction in the parts. In addition, the relationships between an example of the set of between an organism and its environment, and between one organism and its environment, and to be mechanism and another, were also believed to be mechanical. It was not necessary to be a materialist to be a mechanist. Invariably, however, the essential feet mechanist. Invariably, however, the essential factor was left out. Precisely as the cells of the architect's brains are not to be found in the ruins of the Parthenon, so the stock-breeder's brain is not to be found in the scientifically varied cattle or poultry. The artificial production of variations by cultivation on natural selection lines does not prove that natural selection has any motive force. The varied poultry is as much the work of the poultry-scientist's mind as the architecture is of the architect's mind. The mechanical principles by the aid of which the purpose of the mind is achieved are the foundation, already laid before this par-ticular need of mind became conscious; the foundation on which the human mind could erect its own

The position in economics was similar to that in physics, biology, and other sciences. It was actually believed that the laws of economics were mechanical and immutable. The law of supply and demand, it was alleged, could not be interfered with, although, as everybody knows, it had to be interfered with during the war. Whether economic price, in view of the high demand, not, nevertheless, by appeal to patriotism, by persuasion, and finally by conscription, his labour was obtained. In spite of all the actual interference with every called economic law, many scientists persisted a closing their eyes and repeating, as if it were a creed from a prayer-book, all the mechanist philosophy on which they arbitrarily founded

The sudden change—for it has been sudden to the realisation that the mechanist hypothesis is not enough cannot be attributed to scientific discovery alone. It is not merely curious that Nietzsche, who in his doctrine of eternal recurrence resembled a mechanist in a nightmare, was also the prophet of "will-to-superman." In the late nineteenth the tury the hypothesis of mechanism dominated conscious, but not the unconscious, mind of philosophers and scientists. Will was unconscious

for the reason that it was apparently being swept along "by the forces of progress." Nietzsche became hyper-conscious of will because he protested against the goal to which "the forces of progress" appeared to be sweeping him. That paradox between determinism and Utopianism displayed by the followers of Marx is closely akin to the conflict between will and mechanism among scientists and philosophers in general. Both the "scientific socialists" and the scientists were engulfed, as regards their will, by the same flux of progress. But the Marxians suffered in the flux, and therefore remained conscious of will, the result being the paradoxical struggle to bring about the inevitable. In art, philosophy, politics, and science, the idea of mechanical causation was dominant in the conscious mind; and the idea of creation and invention—that is, of the primacy of purposive mind—was continually breaking out of the unconscious. Hence arose the popularity of Bergson, Nietzsche, Butler, Shaw, and the movements associated with these protagonists of "something creative" and not merely "reflex" in mind and evolution.

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The hypothesis which now rapidly replaces mechanism—General Smuts has coined "holism," while Dr. J. S. Haldane uses the term "co-ordination"—corresponds to the human and political needs as generally perceived to-day, precisely as the idea of mechanism fitted the conviction of inevitable progress. According to *The Times* report, General Smuts said in his address (the italics are mine):

"Evolution from the most primordial forms of matter to the highest forms of mind was a continuous process, advancing by small creative or emergent steps. At each step something new emerged which was not there before, which was not even implicit in the emergent steps. . . . It was all a creative flux."

There is apparently no difference between the qualifications, "creative" and "emergent" steps; or was the word "creative" aftered to emergent because Cause creative used alone would break a taboo? The political world is in "a state of chassis," as Jack Boyle said, and nobody, except a few cranks, wants to describe the control of the c wants to do anything very drastic or inventive about it. Consequently everybody, except the said few cranks, hopes that, by a series of small, "creative or emergent steps," order will "emerge" out of disorder, a higher form of mind out of a lower form of matter, without carriers a shaking anybody up, of matter, without seriously shaking anybody up, and without requiring any preliminary effort of Creative thought and will. It is as though General Smuts had been smuts belong to the control of the control Smuts had been speaking of world politics, and had said that little things went on happening all over the over the place, conferences, reparations commissions, and so forth, and that suddenly something new errors. new emerged, such as the Bank of European Settlements, which was not even implicit in the emergent steps. The something that will emerge, without a sign to anyone, therefore, is the unknown child among the bulrushes who is going to lead us out of Egypt. Similarly with the blessed word "co-ordination." What the political world needs is co-ordination; what industry is said to need is the co-ordinating effects of trustification and rationalisaordinating effects of trustification and rationalisation. The point here is not whether or not they do need these things; it is that suddenly, as the need for the philosopherneed for these things; it is that suddenly, as need for these things is perceived, the philosopher-scientists perceive that the precisely corresponding capacities that the precisely corresponding capacities are the unique characing Capacities or faculties are the unique characteristics of faculties are the unique characteristics. teristics of life. In short, the search for a synthesis, with the search for a synthesis, with which the more sensitive philosophically minded intellection the more sensitive philosophically minded intellection. intellectuals have lately expressed the discomfort of their souls, has now reached the scientifically minded. Whereas the intellectuals, however, were conscious that the origin of the need for a synthesis

was in themselves, the scientists see the blessed coordination as a newly discovered principle in organic nature. Thus science is precisely as anthropomorphic as religion, and a good deal more so than philosophy need be, after the thought of the modern philosopher-psychologists.

Drama.

La Vie Parisienne: Lyric, Hammersmith.

In his entertaining book on the Lyric, Hammersmith, which was also a history of very fine work for the theatre, Sir Nigel Playfair defended the kind of show he provides against the censures of pedantic critics. He liked to put together, he said, a song, a tune, a dance, wit, costume, and colour, and all that contributes to cheerfulness. Where he digs his gold, in whatever century, makes no matter, provided the result drive away care. It is a sad enough world, and of all medicines against pessimism, from alcohol to Christianity, the Lyric, Hammersmith, stimulates most successfully, and with the least ill after-effects, that something in us not ourselves that makes for gaiety. "La Vie Parisienne" succeeds. It is so infectiously gay that it is almost as impolite to enquire what it is composed of as to ask what is used in French cookery. Throughout the show the laughter of the audience recalls the drawing of corks and the pouring of champagne.
"La Vie Parisienne" is of French raw material,

but not of French manufacture. The music, of course, is Offenbach's, about which nothing need be said. Sir Nigel is as well aware as anyone that Offenbach's music "could not, really, survive Sedan; much less could the original jokes of Meilhac and Halévy survive a Channel crossing." While Offenbach contributes the tunes, therefore, the Lyric, Hammersmith, contributes the words of both French and English lyrics, as well as the dialogue between the French and English characters on their different customs. Mr. A. P. Herbert had apparently conceived some, and collected other, jokes and epigrams either too good for *Punch*, or inappropriate for the shadow of the English vicarage. Instead of frittering them away on a small and furtive audience in the "Pink 'Un," for subsequent publication and ultimate school dormitory circulation, he has presented them to a French lady to let fly at Hammersmith, where years of modern education in the "Beggar's Opera" and other pre-Victorian work has prepared an audience to enjoy the present

joke and risk the eternal consequences.

Ruskin contrasted "the Englishman's silently conscious pride in what he is with the vexed restlessness and wretchedness of the Frenchman in his thirst for 'gloire,' to be gained by agonised effort to become something he is not." In the very multitudinousness of Ruskin's adjectives on the Frenchman is visible the hypocrite's effort to escape from envy of the poseur. It is Ruskin's Englishman the provincial of Europe—who has his leg so enter-tainingly pulled in "La Vie Parisienne." The time is 1863, when English ladies consulted the image of Queen Victoria as to what was proper even in Paris, at least until their husbands were out of the way. England was famous as the country in which it was a duty to have children, but a crime to desire, a vice to perform, and a sin to enjoy, sexual intercourse, whereas in Paris it was a gentleman's obligation to desire and enjoy whether he consummated or not. In Paris, the English youth learned—in the mysterious way in which one does learn these myths—sex was not regarded as the devil that tempts one's mind off business. As a consequence his combination of business with the anticipation of pleasure consisted in working for wealth enough to go to Paris whenever he wished. Queen Victoria is

not dead; her ghost stands at every elbow, even in London, ready to materialise the instant she expects to see anything she frowned upon. If nations have, as Mr. Yeats said, "antithetical selves," Paris is still the place where the Englishman dreams of realising his. Did not somebody remark of the arrest of clergymen in Hyde Park that no judge could be hard on them since their stipends would not take them to Paris?

Mr. Herbert's leg-pulling of the moral English is done with delicacy. The audience's imagination is roused to full activity by the lightest touches. In two respects, however, this comic-opera, which was to me much more enjoyable than the "Beggar's Opera," fell short of what it might have reached. In his determination to have certain jokes in, Mr. Herbert has dragged them in, their context indicating with what unskilful labour. The French dress-maker says to Julia: "In Paris we have no character; in London you have no environment." To enable this to be said Julia had to ask Antoinette if she had studied the influence of environment on character. From Julia, a crude English country miss, who had just refused to conspire with Antoinette to see her lover because "she could have no secrets from the authors of her being," this came unnaturally and suddenly. This sort of thing happened too often. In addition, some of the lines of Mr. Herbert's lyrics are merely padding and rhyme. Of the production generally there can be only project. duction generally there can be only praise. Two scenes, the first and third of the second act, one at the Customs Barrier, Gare du Nord, Paris, and the other at the Café des Etrangers, are magnificent ensemble, that one could see with pleasure over and again. In the second of these the Englishman and his wife are brought separately to the same café, she expecting an aristocratic ball, and he la vie Parisienne for husbands only. Each one has accordingly to be enticed out of the way every time the other enters with appropriate change in the enters other enters, with appropriate change in the enter-tainment. It is an exhilarating scene.

Throughout the entertainment it is amusing, but particularly so in the last act, in the dressmaker's showroom, to observe the cleverness with which Sir Nigel Playfair combines sentimentality with burlesque of sentimentality. It is no doubt one of the secrets of his large audiences. For those who can still enjoy sentiment that is what the song about the lighted candle in the window was; for those who wish to mock at sentimentality, mockery it was. The performance given by Kathlyn Hilliard as Antoinette, the French dressmaker, itself ensures succlass comedy. As her dress-designer and future husband. Henry Caine also gives a good comic performance. band, Henry Caine also gives a good comic performance, while the English family, by Herbert Langley, Vivienne Chatterton, and Kathleen Burgis, is excel-

PAUL BANKS.

THE AFTERTIME.

When the gold has gone from your hair—the blue from

And the long, long dream has been dreamed out at last, Will you remember a story told between sighs, Of a woman of old—who gave but did not take? Oh, will you remember that woman of long ago, Whose noons and eves were desolate for your sake?

All things pass out of mind. It maybe this too has And sad for my sake I would not have you go.

So I will not grieve your passing. I only crave Of your forgetfulness; this side the grave.

ELSIE PATERSON CRANMER.

LETTERS TO THE EDITOR.

"THE NEW AGE" GUARANTEE FUND.

Sir,—I was intending to send you a copy, as I have done in former years, of my letter to subscribers, covering the year's statement of accounts of The New Age Guarantee Fund, and perhaps your will all the send time. Fund, and perhaps you will allow me, at the same time, to make a comment on Mr. Crawley's letter in last week's

If we had enough money to invest any, I am sure that no one would be more pleased than Mr. Crawley, for the fund would then afford a real guarantee of the continued publication of The New Age.

The word "guarantee" was used when the Fund was started, in 1923, to support you, sir, in your gallant rescue of the journal from an ignominious decline. The need of the management of th the moment was for some assurance that the certain loss on its production would be met for a time. It was proposed to repay any unexpended balance of subscriptions.

As it has turned out, we have needed every penny to keep the paper going, and our banking account is not an investment; it is merely the alternative to the stocking, or to my keeping the money in my personal account, an unsatisfactory proceeding for subscribers, especially if I should have a difference with an omnibus!

Will you please print the anglessed and allow me to urge

Will you please print the enclosed, and allow me to urge all readers of THE NEW AGE to make an interest-free "investment" in the Fund by which it is maintained. The return is in "goods" and not in money. But it is a good investment for the standard of investment, for which something might well be withdrawn from the coffers of iniquity.—Yours, etc.,
W. T. Symons,

Hon. Sec. THE NEW AGE Guarantee Fund, 29, Upper Bedford Place, London, W.C.1.

LETTER TO SUBSCRIBERS.

Dear Sir or Madam,—I am sending this letter and Statement not only to those friends who have subscribed to those New Age Fund during the past year, but to some of those who subscribed previously, and to a few others who should be informed of the previously. be informed of the precarious position of the paper they value. The serious situation disclosed by the figures can only be met by the fillest only be met by the fullest possible response from all those who are not prepared to allow the work of The Age to come to an end. The paper's continuance during the past year would not be a paper's continuance the the past year would not have been possible, despite the generous response to my Appeal in June, 1928, but for the inunificence of one friend. The circulation and expenses remain about station remain about stationary.

The value of the Notes of the Week, apart from their de lightful vivacity, can now be gauged roughly by the change of emphasis in the wide-spread criticism of financial control. In the Press trol. In the Press, and in places where they talk, criticism is no longer month. is no longer merely negative or limited to Producer Credit schemes, but begin schemes, but begins to be constructive along Consumer Credit lines. We are in the crucial time for extending the enlightenment and pressing the crucial time for extending the enlightenment and pressing the right method; and weekly inspiration of The New Age is needed by all those who are engaged.

who are engaged in this vital activity.

The quality of the contributed articles to The the Age—all of which are free gifts of the writers—holds adherence of a large number of readers for whom the dern ciation of Social Credit with whatever is vital in mode of thought, is of more immediate concern than the technique financial reform financial reform.

THE NEW AGE is therefore two-sided and has unique. value. It cannot be spared; and I hope you will respond as liberally as you are liberally as your responding to the spared of th as liberally as you possibly can to the urgent need for considerable funds to maintain it. The journal is entirely dependent upon our colors.

dependent upon our voluntary support.

I enclose form for subscription, and addressed enveloped addressed Please subscribe soon and generously. The money is particle over without any deduction for expenses.—Yours truly,

For the Trustees of The New Age Fund,

W. T. Symons, Hon. Sec.

"ADVERTISING SOCIAL CREDIT." Sir,—It is rather a surprise to me that the two articles in your issues of June 27 and July 18 on "Advertising Social Credit" have drawn forth no country and July 18 on "Advertising Sond-Credit "have drawn forth no comments in the correspondence columns, either indignant

ence columns, either indignant or appreciative.

The angle is a new one and put forward with taking freshness, and under its apparent flippancy a lot of good come.

a lot of good common sense.

It seldom happens that those with a difficult intellection proposition to present the proposition to be a difficult intellection and proposition to be a difficult intellection. proposition to propound possess the faculty for advertising it. The two things do not go together. Bernard Shaw is exception, and I am inclined to think he stumbled into habit of self-advertisement, in early attempts to salve a hurt spirit.

August 15, 1929

No one can afford to ignore "The crowd," and particularly a movement like Social Credit. I am not accusing you of doing so. But here in these articles by E. L. there lies lies a stimulating and, I think, rather brilliant suggestion.

I should have imagined it to have raised a storm among your readers. Is the silence, I wonder, because they find the subject a little outside their range. I happen to have dealt with advertising for a good while, and know something about it. thing about it.

That the writer really understands public psychology is obvious, if only from his final piece of advice, "Leave out the bit about money without working." That shows really brillian brilliant insight: it is, literally "too good to be true." is like the bit of embroidery that the good story-teller adds to his true story and which makes us instinctively disbelieve

I don't know just how it could be done or whether it could be done without a lot of expenditure; but the wise popularisation of a few of the salient features of Credit Reform might change the whole mental atmosphere on the subject. It is true when the world takes up a thing it usually transforms it out of all recognition (I often wonder what Christ thinks of Christianity); but none the less, Social Credit will have to become popular some day if it is to achieve anything. Better invent your own tags and slogans than have worse ones coined for you.

NORMAN F. WEBB.

THE TECHNIQUE OF CONTROVERSY.

Sir,—Will you allow me to comment on one of "E. L.'s" suggestions in The New Age for 18th July? He holds that it is so difficult to receive the idea of "money for nothing," that all that all points under this head are to be "taboo." The weak point of this proposal seems to me to be that (apart from its conflict with the idea of scientific accuracy and its doubtful all th its doubtful ethics) its concealment is fairly certain to produce a reaction if the "propagandee" should come across the notion from other sources. He might not unreasonably more from other sources. ably wonder what other implications of the Theory were being kept from him, and cease to have any faith either in the theory or its exponents.

I. O. EVANS.

VACCINATION.

Sir, My letter was intended for you and not John Grimm, but as he has rather side-tracked my statement, by assuming that I was touching on details of treatment, may I amaliant the statement of the statement o may I amplify my short sentence and say that now the total number of notified cases of small pox is an insignificant fraction of the population, whereas when Sydenham wrote it was a most widespread and fatal disease at all times. When it became epidemic in 1720 there were 20,000 deaths in Paris plane, which was probably, about 10 per deaths in Paris alone, which was, probably, about 10 per cent. of the inhabitants.

Men it became epidemic in 1720 there was 1 cent. of the inhabitants.

DEPOSITS AND INVESTMENTS.

Sir, I thank you for your reply to my letter. I am afraid any of The New Age fund be handed over to its opponents' had invested their funds, the word "invested" should whether their funds are invested or no.

G. W. Crawley.

Funds kept on current account can be drawn out in currency notes at any moment without notice. We keep them them there are any moment without notice. We had them there for our own convenience and safety. (We had burglars in our office a couple of months ago.) Mr. Crawley will find evidence of Trade Union investment in every balance-sheet that he may come across.—ED.]

ANSWER TO CORRESPONDENT.

H. M.—All our allusions to the destruction of food—that have appeared in the newspapers from time to time; been reproduced in The New Age. Only quite recently, in surplus on the American continent, a London newspaper measures that might be adopted to protect the price. The or so, and we printed the particulars at the time.

RETROSPECT.

AUGUST 13, 1925.

The Government decides to grant the Coal Subsidy—its economic consequences explained—the Observer attacks it and calls for the enrolment of citizens for "citizen service in emergency "—Mr. Wheatley warns the workers to prepare for the "greatest struggle in their history."

AUGUST 12, 1926.

The transfer of the Belgian State railways to bankers' control-more taxes to balance the accounts. The Bishop of Gloucester attacks the principle of the coal

subsidy-denies that the manifesto of the Churches on the mining dispute is a "Christian solution."
Mr. Baldwin's cable to America—"no cases of starvation among miners' families."

Mexico-the Roman Church's boycott-business losses-President Calles' attack on interference of "foreign priests "-the Monroe doctrine extended to spiritual mat-

AUGUST 11, 1927.

The naval conference at Geneva breaks down. The Bishop of London on his world tour-notes the Americanising of Canada—pleads for a revival of Anglo-American friendship.

M. Desouches on a United States of Europe.

Non-political Politics. Editorial article on the presenta-

tion of money made to Lord Oxford on his retirement.

AUGUST 9, 1928.

Report of the Industrial Transference Board—explains why transference of labour is impossible!

Merger of financial newspapers.

Over-production of paper for news-print.

Mr. J. M. Keynes in the Evening Standard on the Bank of England—it must "change its methods"—his proposals amount to producer-credit-expansion—hopes for a slight rise in prices to encourage production, but no rise in costs—derides the "we-can't-afford" formula. Our commentary—no financial reform which requires a victory of one Party over the others is the right reform,

The Come-to-Church Movement, by John Grimmmaterial problems obscured by irrelevant moralisms.

Twelve O'Clock.

"Shakespeare strikes twelve every time."-Emerson. Edited by Sagittarius.

"Heat and mechanical energy are mutually convertible; and Joule's equivalent is the rate of exchange. (The first law of thermodynamics.) Waste and wealth are mutually convertible; and the Douglas equivalent is the rate of exchange."—Anonymous.

"All countries which must resist imports of goods must resist imports of men-and for the same reason,"-Notes of the Week.

We have been, for long decades and even centuries, trying to live as if the soul of man were not a reality."— Maurice B. Reckitt.

- "When the next and last catastrophe occurs, the man who knows the run of the sewers will be king."—William * *
- "Unemployment is the true test of scientific achievement."-New Age leastet issued June, 1924.
- "Philosophy is the account which the human mind gives to itself of the constitution of the world,"—Ralph Waldo *
- "The cheapness of man is every day's tragedy."-Ralph Waldo Emerson.
- "As common sense is founded on common experience, to say that something is opposed to common sense is not necessarily to say that it is opposed to truth."—Prof. James
- "To the Egyptian, gold was the type and symbol of immortality. To the Roman, power. To the pre-war Briton, sound currency and character. To-day, it symbolises scarcity and glorifies the vice of thrift. It has become an instrument of internal discipline and international policy welded in defiance of natural physical laws."—Anonymous.

THE KIBBO KIFT

is an active A+B movement, basing its activities upon the New Economic interpretation. Students of Social Credit who are keen to forge a human instrument for the reorganisation of Social Economics on the basis of the Exact Price, and who "sense" the need for Colour, Shape, Sound and Movement, as the emotional flow on which to float the logic of the New Producer-Consumer State, should APPLY TO JOIN THE KIBBO KIFT.

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By H. M. M.

With a Foreword by C. H. Douglas.

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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

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 fon 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.

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AUGUST 15, 1929

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Social Credit in Summary. 1d. The Key to World Politics. 1d.

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Economic Democracy. 6s. Credit Power and Democracy. 7s. 6d.
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H. M. M.

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