

THE
NEW AGE

A WEEKLY REVIEW OF POLITICS,
LITERATURE AND ART - - -

EDITED BY ARTHUR BRENTON.

VOLUME XL (NEW SERIES)
NOVEMBER 4TH, 1926. TO APRIL 28TH, 1927.



LONDON:
THE NEW AGE PRESS, 70, HIGH HOLBORN, W.C.1.

1927

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THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 1782] NEW SERIES Vol. XL. No. I. THURSDAY, NOVEMBER 4, 1926. [Registered at the G.P.O. as a New-paper.] SEVENPENCE

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NOTES OF THE WEEK.

The *Observer's* leading article last Sunday surveys the present position of the miners. It enumerates several reasons—all of them familiar—why the battle is now lost to them. It regrets the "bad generalship" which has let them down. But this is no time for "recrimination"; the question is, "What will end the trouble?" Let the miners accept the inevitable, and go back to work on various district agreements as to wages and hours, and then—and then!—the Government "could bring the owners within the control of the law if they were foolish enough to stand out for the utter disruption of the Miners' Federation." Evaporating this and much other euphemistic gush down to dry fact, it means that if the miners will eat smaller dinners and work longer to get them, the powers that be will guarantee to preserve the integrity of the organisation which collects their weekly contributions. Economics, says the writer of this article, cannot be considered apart from psychology, and then he argues that the miners' dominating fear is lest the "existence and function of the Miners' Federation" will be successfully attacked. That is to say, the miner will eat less rather than scrap the organisation which has failed to protect his meals. Curious fellows, these miners; are they not? But even more curious are newspapers which admonish them in mixed logic. For instance, on the same page of the *Observer* Mr. Garvin contributes a sermon on "Empire and Life," in which he delivers himself of this sound aphorism: "Humanity ought to know no contradiction between its dinner and its prayers." One can only suppose that "humanity" does not embrace miners—unless, of course, Mr. Garvin is subtly reproving his brother leader-writer for suggesting to the miners that God helps those who starve themselves.

Mr. Garvin's article is on the same text as we examined a short time ago: the development of the

Empire. He quotes Mr. Layton of the *Economist*, who says that the British Empire produces 60 per cent. of the world's wool and rubber, 70 per cent. of its tea and gold, 89 per cent. of its nickel, and 99 per cent. of its jute; while Great Britain alone owns over 30 per cent. of the world's ships, and 40 per cent. of its cotton spindles. Here, surely, are conditions for a "great upswing" of British trade. All that is required is "organised co-operation" between the "Mother Country and the Overseas partners" (Mr. Garvin is a diplomat plus psycho-analyst—the Dominions won't be called sons any longer; they would be husbands). But "organised co-operation": what is that? What are the conditions conducive to it? Is there any *first step* towards it which does not specify it. Instead, he lets out on to the satiated political market a little more of his enormous over-production of moral sentiment.

"... Empire . . . like all human life . . . is broadly founded on bread and butter."

(Except, of course, in respect of the British coal industry.)

"To make two blades of grass grow where one grew before has never been thought unworthy of a good man. If that is materialism it is part of the soul of idealism."

Very moving indeed. But before we gaze into the crystal of sodden pocket-handkerchiefs we shall do well to turn our moistening eyes to the examination of what is becoming even now of the second blades of grass when they are grown. For example, cotton, sugar, and cauliflowers. Do "good men" advance financial credit to prevent the sale of an abundant cotton crop? Is it "idealism" which rubs its hands at the destruction by hurricane of 500,000,000 lb. of sugar in Cuba, a quantity which—to quote from a Press report—"is more than the amount by which the Cuban Government reckoned to reduce the crop when it passed the recent law restricting the output." (Our italics.) What sort of system is it which can regard

God the Destroyer as an economic asset? Then cauliflowers. Mr. Tom Johnston in *Forward* quotes a Reuter cable to the *Manchester Guardian* of September 22, describing how in Brittany farmers were ploughing their cauliflowers back into the soil, being paid for the whole crop on condition that they immediately destroyed it.

"There were too many cauliflowers in Paris, and if any more were sent prices would fall." (Our italics.)

Here we are at the crux of the matter. "Prices would fall." The incentive of the producer is not to make two things grow where one grew before, but to get two prices where one was available before. Mr. Garvin is apparently not yet aware that under the existing system of financing production there is not the remotest practical relation between the quantity of output and the quantity of money available in the hands of consumers to buy it. The producers throughout the Empire, for instance, might add, between them, say, 50 per cent. to the present volume of Empire production, only then to find that the total volume of money brought to their markets by purchasers was even less than before the increase in output took place. In that case, not only would they get nothing for the extra output, but might, precisely because of that increase, lose money on the rest. Their five-talent enterprise would have earned a one-talent recompense. The reason for this is because there is no co-ordination of financial policy and production policy. The bankers may, and do, create credit for stimulating preparations to produce, but whether they similarly stimulate the sale of the resultant production is entirely problematical. "Organised co-operation"—to use Mr. Garvin's term—cannot begin until such uncertainty as this is avoided. It can be avoided by a definite understanding between the financier and the producer as to financial facilities for ultimate marketing. The issue, for instance, of £100 credit to increase production within industry might just as well not be made if that £100 is going to be recalled and cancelled before it has caused the new production to be transported right out of industry, i.e., into the possession of the consuming public. The premature burial of credit is the root cause of the premature burial of cauliflowers. There was much hilarity in England when a French publisher translated *Mr. Britling Sees It Through*, by the rendering *M. Britling Commence à Voir Clair*. But we are not so sure that the Frenchman was not right. At any rate, we are quite certain that Mr. Garvin will not be able to see the Empire through unless he commences to see clearly.

The insidious blockade of non-Gold-Standard countries widens. Belgium is the latest nation to go over to the enemy. The Belgian franc is now "detached" (as one report puts it) from the French franc. It has no connection with the firm next door. France is approaching a situation of complete isolation. The Belgians' new unit of international currency is called the Belga, thirty-five of which will be equivalent to the £ sterling. Each Belga, mystics and magicians will be intrigued to hear, will represent 0.209211 gramme of gold. Metaphysicians will be all agog to know that the "cover" for notes at the Belgian Bank will never fall below 40 per cent. Royalists will receive pleasurably the news that all this has come about as the result of the Belgian Parliament's having, last July, vested in the King power to take all necessary measures for the stabilisation of Belgian currency. Democrats will doubtless see in this episode a complete rebuttal of the idea that an elected government needs be unbusinesslike. Wall Street will welcome Belgium as a new customer for its surplus gold. In fact there is something for everybody—if one makes an exception of the ordinary Belgian citizen who thinks about his dinner.

Meanwhile the Industrial Christian Fellowship should note that while the state of British finance is such that blue ruin would follow upon a penny addition to the Mining Subsidy, a nice little block of £7,250,000 is being lent to the Belgian Government. It is only fair to add, however, that Belgium will not get all this: £435,000 will be retained as capital remuneration to investors in addition to their 7 per cent. interest, not to speak of their further advantage in the fact that Belgium is privileged to repay them, on or after November, 1936, £105 for every £100 nominally borrowed. If, in the process of earning the money to repay them with, Belgium captures a slice of British trade in the world's markets, that is a consequence which is held not to concern British manufacturers. The gold standard is not worth having if nobody makes a sacrifice for it.

The Bankers' manifesto on Free Trade appears to be meeting with a mixed reception. News comes from all quarters of signatories explaining that they did not mean what they signed. There are rumours that even stars like Mr. Pierpont Morgan and Herr Schacht have not signed, although there is gossip that their authentic signatures are in possession of a "Great City bank." The brother of Signor Mussolini, in the *Popolo d'Italia*, attacks of the financiers and threatens "a great coalition of proletarian countries face to face with the plutocratic nations." French industrialists, represented by M. Loucheur, insist that there cannot be any reduction of French tariffs. The chief interest in the scheme is directed to the question of who promoted it and who drafted it. The general opinion is that the suggestion came from London. When the international financial conference meets in London perhaps the authors will respond to the call for a speech: and perhaps not. In the meantime this month's issue of the Bank of Liverpool and Martins Review discusses this conference, saying that "already the dream of a Customs Union for Europe has been mentioned by a prominent European banker as an ideal to be worked for." Like all other financial commentators, the writer calmly assumes that customs duties in Europe are the main cause of ill feeling and constitute a menace to peace. On the contrary, they stave off the open warfare which would break out if fiscal barriers were thrown down. If the free interchange of goods between country and country under the existing economic system were in itself a factor in increasing and diffusing prosperity in Europe, one may be quite sure that industrials, who are constantly exploring the whole structure for some frictionless means of working together, would have found it out for themselves. They have not only done so, but they can prove by arguments drawn from their own experience, that there is no practical alternative to tariffs as things are at present. If, as we have pointed out in a previous Note, even production (and self is no guarantee of monetary affluence) under this system all benefits have to be realised in the form of money) how can the mere change of ownership of that production improve matters? So long as general consumption cannot keep pace with general production all international swapping of particular production is so much conjuring. Once postulated that the progress of Europe must be achieved as best it may under Old Economic financial principles, and the logic of the situation leads, not to the abolition of tariffs within the European continent, but rather to a super-added tariff impost round the whole continent directed against America. Europe being in debt to America the balance of trade between the two should be in favour of Europe. That is how America must eventually be repaid. It is stupid to encourage imports from America which Europe can possibly manufacture herself. That only spins out the term of repayment and increases the

burden of interest. We say this with adequate knowledge of the Free Trade case. We agree with the Free Trader who says it would be a bad thing for Britain to change over to Protection. But we agree as much with the Protectionist who says the same against, let us say, France adopting Free Trade. There is nothing to choose between the two systems, as systems, under present financial rules. But there is everything to be said against the proposal for a country organised under the one to change to the other. In each case the final general gain would be nil, while the disturbance occasioned would be awful. As we have said before, Free Trade will follow naturally upon the general adoption of Social Credit finance. For then, and for the first time, the producers in every country will be able to say to themselves in respect of every grain, gallon, or yard of goods they propose to export—"Here is something which the home consumer has the money to pay me for; but he wants something else. So I will exchange these things abroad for what he wants, and sell him those instead." What producer could fear imports under such conditions? International trade would simply be a convenient method of diversifying saleable stock in every country. Nobody would export under compulsion to make a sale abroad, but volitionally to change the character of an already assured sale at home. When the bankers to-day exhort men to regard international trade as exchange they are unwittingly leading the world to adopt the financial reform which would make it so. Try as he will, the Old Economist cannot avoid preaching the New Economics.

A correspondent informs us that a firm in which he is employed has recently submitted to its employees a superannuation scheme. If they will pay in 5 per cent. of their incomes per annum (whatever these incomes may be from year to year) they will be entitled to draw, upon retirement, an annual sum equal to half the income they happen to be receiving at that time. So far so good. But our correspondent, waiving any criticisms he might make on the money return for the yearly levy, fixed on the point that there was no guarantee that the cost of living when he was sixty-five (the retiring age) would not have advanced to a disabling degree. He therefore wrote to one of the most celebrated London insurance companies, stating his difficulty and asking if they could quote him a rate to cover this risk. This was their reply—sent by the Secretary:—

Dear Sir,—I am obliged by your favour of yesterday, and have pleasure in enclosing a leaflet setting out a Staff Scheme which has been applied to the employees of many important undertakings.

You may find that this scheme will interest your employers, and if it could be officially adopted by them the terms stated would be available; they are a little better than those applicable to the general public, the arrangement being made in the hope of securing a large number of cases from one firm.

The further problem you set us of guaranteeing in some way that the purchasing power of money shall be somewhat similar thirty years hence to what it is to-day, is, I fear, beyond our scope. We are concerned with life assurance, and your proposal contains something quite different—little short, in fact, of the state of National Credit many years hence. This would be beyond the power of any insurance company, and even insurers of a speculative kind, such as Lloyd's, will give only an annual contract. I am afraid, therefore, that your idea of guaranteeing purchasing value is impossible of realisation.

Kindly advise me if I can be of further service to you in the matter of providing an annuity, with life assurance in the meantime. It occurs to me that one of the very best ways of backing up what is done for you by your firm would be to take a substantial endowment assurance on your own behalf, thereby making certain that you will have a reasonable amount of annual income after age sixty-five.

Our correspondent, taking the hint from the allusion

to Lloyd's, wrote to that institution with a similar proposal. The reply was as follows:—

Dear Sir,—We regret having to inform you that there is no possibility of getting any underwriters to interest themselves in this matter, since the manner in which business is done at Lloyd's makes it impossible for any contracts to be entered into for a longer period than about twelve to eighteen months.

There is of course nothing in these letters derogatory to the institutions concerned. They have to fit their rules of business into the general structure of the existing financial system, just as does every other business organisation. The import of their replies goes much deeper than that. It suggests that insurance experts regard the contingency of a decline in the home purchasing power of the £ as a risk—otherwise it would not fall under their rule of exclusion. In this case the risk of the £ not buying so much is dated for thirty years hence—thirty years of industrial development under the consolidated guidance of the financial experts of the world. The financial doctrine of *Present Sacrifice for Future Benefits*, to be of any practical value, ought to have some time limit. And when one finds it suggested that insurers are not certain that these benefits will not still be a matter of futurity in thirty years' time one wonders how long the high financiers really do require to declare a dividend of extra purchasing power. A man contributing to a superannuation fund is really investing money in the development of industry—that is, in increasing its capacity for output. He is to go on doing this for twenty, thirty, even forty years, and yet there is no expert in risks who will gamble on his then getting a scrap more out of industry for £1 than he does now. Of course, to readers of THE NEW AGE this is no puzzle. But what of those who thoroughly believe that industry expands on savings of this sort? One can draw two alternative conclusions. The credit monopoly either has no faith in its own system for promoting prosperity, or it is not sure it will be allowed to carry it out. Our money goes on the second.

Educational propaganda conducive to financial interests is stealing into the schools. *Punch* had a joke about it a few weeks ago, remarking that the teaching would prepare young children for the time when they had overdrafts of their own. A few days ago an interesting account appeared in the *Morning Post* from a schoolmaster (anonymous) who described the working of a bank at his school. The boys of swapping articles as in the old days, the boys all have their cheque books and pass books. They regard it all as great fun, he says; as doubtless it is. Unfortunately, the boys can only draw out what is first put into the bank. They are not let into the secret of how one may put into the bank by first drawing out. But to teach them that would be superfluous to the intention of the scheme, which is satisfied to get them into the habit of using cheques. Overdrawing accounts sometimes happens, so the writer says, adding that on the last occasion when it happened and the cheque was returned endorsed R/D, the drawee happened to be the Senior Prefect, who "referred to drawer" the same evening, with unfortunate effects on the latter's subsequent ability to sit down in comfort. All this is good fun. School tuition in banking is good advertising for the banks; and the National Union of Teachers ought to apply for a subsidy on the strength of it. We shall perhaps soon see advertisement posters hung up in schoolrooms—"Ask mother to take you to ——" But there is another stage beyond the cheque-book habit. A cheque book, by itself, may encourage the holder to extravagance. So one is not surprised to hear Sir Joseph Burn insisting on "thrift" being included in the curriculum. As his audience was composed of members of the Institute of Actuaries, the form of thrift chosen was insur-

ance. "Insurance should be taught in schools and proclaimed by every means of publicity." He went on to say that a man, at the time of his marriage, ought to be required to answer the question whether he had "made proper provision by way of insurance." He challenged anybody who read the Marriage Service intelligently to give a good reason why he should not. An insured country had an overwhelming advantage over an uninsured country. All this is nonsense. Carried to its extreme end insurance would stop consumption entirely, and so bring production to an end. Sir Joseph Burn would probably prefer that the money spent at the Motor Show should have been employed in insurance. But what about the motor industry? It is the thriftless who make the world safe for the thrifty. When the death of a thriftless man lands his family into ruin, the ultimate responsibility for that result lies with a system which unnecessarily visits that penalty on his family. We do not quarrel with the view that while this system lasts it is necessary for a man to insure his life, but we object on economic grounds to authoritative suggestions that this system is inevitable. There is enough reserve of credit to insure automatically and adequately every man and woman in this country without any deductions from their present incomes nor any increase in the cost of what they buy with them.

The fifth attempt on Signor Mussolini's life took place on Sunday. It is significant to notice the progressively shortening intervals between these acts, namely fourteen months, five months, five months, and one and a half months. The man who, in these days, would be the sole political dictator of his people incurs superadded risks to those of his predecessors; for while exercising full power to repress his subjects he has no power at all to distribute the recompense which might make that repression tolerable. Whereas the Statesman can impose discipline, only the Financier can reward it—but chooses not to. Hence the sole political dictator becomes the sole lightning conductor placed on the topmost pinnacle of the financial system. He is born to trouble as the sparks of discontent fly upward. On him are laid the iniquities of us all. The only safe dictatorship is a benevolent dictatorship. And a benevolent dictatorship is impossible if it does not include power over financial policy. Signor Mussolini, financially impotent, dies daily—though he look down on a firmament of Fascist bayonet-points.

But the hurrying frequency of violence previously noted is of deeper import than first appears. It is a symptom of something ugly in the air. It is even repeated, in a qualified form, in England. Certainly nobody has tried to murder Mr. Joynson Hicks for stopping the leaders of the Miners' Federation from exercising the right of free speech, but then, this gentleman, unlike Signor Mussolini, avoids the responsibility for what he does. When tackled, he makes the excuse that he acts by the advice of Chief Constables. In democratic England the edifice of finance bristles all over with political lightning conductors—responsibility is diffused among innumerable functionaries of all degrees and kinds, so that murder would have to take on wholesale dimensions to achieve any object. Hence it is not surprising to find violence directed to things. "Let us wreck the pits, for the politicians are not worth murdering," seems to be the attitude of the revengeful miner in this country. But however expressed, the spirit is the same as in Italy. The portent is world-wide. Judge Gary, chairman of the United States Steel Corporation, recently quoted a prominent banker as saying: "The only unfortunate development that could alter

the favourable status of business affairs would be war with England, or failure of the crops." (*Wall Street Journal*, October 6). How long ago was it—three years?—when THE NEW AGE affirmed this danger, while every publicist from California to Kent rolled up his eyes and thanked his Maker that war was "unthinkable"? To-day, the "unthinkable" has become a business risk. Over here the Dominion Premiers are assembled to deal with that risk. They spent last Saturday on the *Revenge* (*absit omen*) watching our naval preparations for meeting it. Slowly, all too slowly, are the world's rulers beginning to divine the truth that the morally impossible of yesterday is the logically inevitable of to-day. Their opportunities for altering the premises underlying that logic are getting slighter and slighter. They had better study the magic numbers 14—5—5—1½; for the measure of Mussolini's expectation of life is that of the life of Western civilisation under the law of the financiers.

Major Douglas will deliver an address at Caxton Hall, Westminster, on Monday, December 6, at 6 p.m., on "The High Wages Policy in Industry and its Defects." Tickets 2s. Apply to the Secretary, Economic Research Group, at 70, High Holborn, London, W.C.1.

PRESS EXTRACTS.

"The Times Paris dispatch says International Chamber of Commerce at council meeting, where U.S. is represented, sounds warning on 'extremely critical' situation existing in Europe. Adopts resolution that economic conditions are rapidly becoming unbearable and prompt remedies are essential if eventually an economic disturbance, which would affect all countries in succession, is to be avoided."—*Wall Street Journal*, June 1, 1926.

"Unhappily, some of the leaders of Labour seem to be oblivious of the resources which the modern State, commanding and supporting the machinery of banking and credit, can bring to bear by way of resistance to any irregular form of attack. The return to the gold standard was, of course, a part of the plan for making ready against the mining dispute and a threatened general strike. By the guaranteeing the free movement of gold Britain made it certain that the Argentine, the United States, and Canada would take British bills in payment for food-stuffs at, or about, their face value in sterling. So long as that continues, the English pound will fetch 4.86 in dollars and the price of food-stuffs will remain normal."—*Sales Promotion*, the house organ of Facsimile Letter Printing Co., Ltd., July, 1926.

"For centuries it has been known that consumption can be accelerated by supplying goods on credit. The bill of exchange was invented, probably, 2,000 years ago, in order that the supplier might continue to make goods while allowing credit to the person making himself responsible for their purchase. What the business world has done for centuries can hardly be reprehensible when applied in the home. . . . If purchasing power throughout the community could receive progressive additions, in the same proportion as we added to the means for increasing output, there is no obvious reason why we could not, by the system of deferred payments, enormously raise the standard of human consumption."—*Sales Promotion*, July, 1926.

"For the last six months capital has been accumulating rapidly in Germany. The reasons are two-fold. One is the unsatisfactory state of trade in Germany. The other is the accumulation of reparation funds in that country. Owing to the impracticability of transferring to debtor countries the indemnity money which Germany is required to pay France and other belligerent countries, the funds as naturally they are put to work."—*Commerce and Finance*, June 30.

"One of the best guides of the increasing public use of banks is obtainable from the cheque duty receipts. For 1912-13 the cheque stamp duty collected in Great Britain yielded about £1,150,000, whereas in 1924-5 the sum collected was about £3,250,000. As the pre-war duty was one penny per cheque, and is now twopence, the above figures would indicate an increase of 56 per cent. in number, from say, 250,000,000 to 390,000,000 a year, notwithstanding the fact that people now carry in their pockets more currency than before the war."—*The Daily Telegraph*, July 22.

The Imperial Conference and the Bankers' Manifesto.

By C. H. Douglas.

II.

It should be borne in mind that the high policy of such immense organisations as, for instance, Ultramontane Roman Catholicism and political Judaism, bears about the same relation to the views or the thoughts of the average Roman Catholic or the average Jew that British Policy in the Hindu Kush does to the thoughts and aspirations of Tom Jones, the butcher's boy. The only nexus between the two is that if it should happen that Tom Jones should enlist in the British Army by virtue of his British nationality, and find himself drafted to service on the Indian Frontier, he will automatically find himself carrying out high British policy, and it will be a matter of no consequence, except perhaps to his own peace of mind, whether or not he understands and agrees with it. It is probably true to say that there is no Nation in the world which, as a Nation, can grapple with certain great International organisations which exist; for the simple reason that the personnel of all National organisations is interpenetrated by these International interests. This is probably true of the Imperial Conference, and perhaps also of certain signatories of the Bankers' Manifesto.

There are, however, certain fairly clearly defined differences of policy which can be discerned between the two organisations, which render them true to type. The Imperial Conference aims at the promotion of a group consciousness based upon political and, in a wide sense, National considerations. It aims at a unit called the British Empire, whose common characteristic can be symbolised by a Flag, and it is not without interest that the Conference should have been preceded by what is known as the "Flag controversy" in South Africa, which aims at the elimination of the Union Jack. The Banks clearly envisage the absorption of Great Britain in the United States of Europe, such absorption being accomplished by the removal of tariff barriers, and the creation, as explained by the Editor of this paper, of a Central Bank of Europe, which should be the effective ruler, through the agency of credit rationing.

No sober student of events would permit himself to dismiss either of these schemes as fantastic. They must be taken seriously, because of the immense capacity for action which lies in the forces behind them. If I, as an ordinary member of the public, seriously propose a scheme by which the lion of Prussia is to be asked to lie down with the lamb of France, it is matter *pour rire*, because everyone knows that it will not happen. But everyone knows that there are forces in the world which can pitch the lamb into the lion's den, and the success which would accompany an attempt to draw the lion's teeth, or provide the lamb with a fleece so indigestible as to enable it to survive the experiment, is largely a matter for estimation.

There is, however, an inductive method of estimating the result of such an experiment, and it is contained, curiously enough, in that organisation which both parties point to as the outstanding and compelling reason for the unification which they propose. I mean the United States of America, which in itself represents both a Flag unification and also a credit unification. Certain aspects of the United States have been examined before, but at this time they will bear recapitulation and perhaps amplification.

(To be continued.)

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).

On the Bummel.

II.

The day was quietly spent ploughing up against the great stream of the Rhine. It was Sunday; crowds everywhere thronged the river and eagerly visited the charming little towns and the famous legendary points along its banks and in the hills. We soon passed out of sight of the "Frothenstein," as Lucien dubbed the romantic hill crowned with a white-washed inn, where within a few hours of leaving Cologne we first brought a proper thirst to the joy of the amber liquid in the long glasses. We had peeped at the house chosen by Beethoven for his birth—we could but commend his choice. We had journeyed by river; climbed up through sun-dappled woods to Petersberg for the immense view of hills and the plain, with the faint suggestion of the great twin towers, looking like hop kilns in the far distance. On in the dusk, until in velvet darkness, in the country beyond the "Frothenstein," we found a *Gasthaus* to our liking, and slept that first marvellous sleep in deep quietude that is almost too-good-to-be-true to town dwellers. How the wind rose in the early morning and sang in the pine trees, and drove the rain in upon us! But of the rainy day that followed I have told you, and the joyous events of the evening.

On the steamer were notices warning passengers to refrain from patriotic songs or political conversation, as *the staff* were liable to punishment for any such indulgence; and as we journeyed, the French Occupation was brought home to us forcibly by their stopping the whole of the immense traffic of the river for about two hours whilst the military manoeuvre of building and rebuilding a pontoon bridge was executed.

It grieved Lucien greatly to pass the mouth of the Mosel at Coblenz. He said it sounded to him a river that ought to be explored. We all felt with him; we drank it with tears at *Abendessen* and passed on. The wonderful castle of the Rheinfels came and went, showing ruddy in the setting sun. We passed the Lorelei rock, where the river flows narrow and swift between great heights; we were enchanted by the lake-like width of the stream at Bingen, with the lights now coming out and seeming far distant across the expanse of water. And so to Mainz, where, after wandering all round the town, we were laughingly captured by a waiter, who insisted on our staying at *his* hotel. He had been a prisoner of war in England, and wanted to talk with us! He was humorous about the Occupation. "Good gracious, man," I said, "you don't want all those particulars from guests of a night?" "Well, well," he said, "it amuses the French!"

It was in Mainz that Perdita nearly committed the walking party to a removals van. A great travelling fair was in the town, and Perdita wanted to sling dozens of pots and bowls around her; the chanting things being sold for a song. The fury grew upon her. She wanted grosses, she wanted them all. She saw the public of England waiting for them. Oh, for a pantechicon! We found out that the Fair was going on to Frankfurt. We speciously and vaguely suggested going there on a journey back. We beguiled her away, but it was a near thing, and nothing less than *force majeure* and close formation got her past the pottery shops after that.

We left for Heidelberg the same afternoon. But I'll tell you about *Am Neckar* another day.

THE FOURTH.

Views and Reviews.

EPITAPHS.

II.

Both Mr. Chesterton and Mr. Belloc are poets. Both have written verses that make their juniors weep with chagrin. Both have knocked off the Fabian policeman's helmet without ever appearing to weary of the joke. In Genesis it is the poetry that each is in love with, and it is the poetry of Genesis that Mr. Wells hates. Not only has poetic expression ever preceded prose, but, as with young and old plants, it is more sustaining. The life is still in it, and once it becomes prose it is near its winter. In the youth of man, in the youth of the world, in the youth of the year, poetry is triumphant. It is futile to cry for prose, which may succeed poetry, but never supersede it. This generation cannot create poetry because it is prematurely old with the consequences of war; that is why the poetry of the war is not yet, if it ever will be, written. Precisely as the gentleman is the last stage of a man, from whom nothing more is to be expected, so prose is the end of an organism of expression, from which no new creation can proceed without death and rebirth. This generation is still dying, miserably and vulgarly, its delirious prattling being mistaken by such as Mr. Wells for philosophy. Philosophy itself grows out of religion at the age when learning to live has to give way for learning to die.

Mr. Wells, with his demand that all mysteries be stretched naked on a rack of prose, is a much more truthful reflection of his age than the work of either Mr. Belloc or Mr. Chesterton. The poet always lives out of his time to the degree that he lives in the eternal. We who live in this time may see our disease reflected in Mr. Wells more clearly than in Mr. Belloc; our despair more clearly on the face of Mr. Wells than on the face of Mr. Chesterton. Yet there is more that is contributory to our health in Messrs. Chesterton and Belloc, not in their philosophy or their theology, not in their attitude, as a whole, to science, but in their positive attitude to poetry. In Mr. Chesterton's "Everlasting Man," itself practically a reply to Mr. Wells's "Outline of History," the mystery of Christ is justified as an aesthetic phenomenon, a justification perilously near to that which Mr. Chesterton finds for all things. The origin of Christianity is true not because it can be said convincingly in the historian's prose or the psychologist's jargon, but because the more dramatic, the more poetic, it is realised to be, the more inspiring and sustaining.

For this generation to be born again may exact its return to the spiritual origin; to the source of life at which all prose has crumbled to emptiness, and poetry has begun to grow again; at which Genesis is experienced as an overpowering and true vision of a spiritual reality enacted on every plane, in every sphere. We need to sink to a depth at which Mr. Chesterton cannot help us, his office ending when we have summoned courage for the plunge. Repent for the Kingdom of Heaven is behind you may be in a paradoxical and awful sense true of the child about to be born. Mr. Chesterton, with his heart in Eden and the Middle Ages, sometimes appears to mistake it for the whole truth. That paradox has to be forsworn. Awake, for the Kingdom of Heaven is to be created; though Hell has first to be destroyed.

Mr. Chesterton, refusing to be the child of his age, has been the child of all time. His central characters display the wisdom of children as Mr. Wells's display the itch for power. Yet Mr. Chesterton hardly dares to hope for the maturity of childlikeness, but perpetually laments in loving memory

of it. Somebody once remarked of Chesterton and Shaw: "What a man they would have made!" Mr. Chesterton suggests that the spirit of childlikeness, of the comic, of the poetic, which the Victorians were too giant-like to encompass, has continued to play in the garden while the great teachers and preachers made themselves ridiculous for the lack of it. The Love of God played alone with nature while the Explanation of God concluded that Love of God was dead.

When Mr. Chesterton speaks to the sophisticated and disappointed philosophers, constitution-makers, and universal explainers; when he tells them about the garden, about the understanding which the old poem brings, albeit without explanation; when he makes a gesture on behalf of a family and a garden against a logical state and a crèche, against an organisation like a machine built up of men that does not make good in efficiency what it has forfeited of soul, love, and poetry; nobody understands him. Mr. Wells has not an earthly chance of understanding him. The pagan half of Mr. Chesterton is too alive, the Christian half of him too poetic, for such as Mr. Wells to understand. The pursuit of omnipotence—including omniscience—does not lead to understanding; it leads to the pit.

While the Great Victorians were pursuing their plans for the logical work-state, Messrs. Chesterton and Belloc were repeating a number of obvious truths about the people who were to live in it. Mr. Belloc perceived that an order and a polity were indispensable for the assurance of freedom; that the more anarchic opinion became the greater would be the constraint placed upon actors. In England any man may think as he likes, provided he be moderately careful what he says, and extremely careful what he does. Men can be free, as Mr. Belloc has realised, only provided they keep the peace, the *Pax Christi*. Once men agree upon their value in the sight of the eternal and their standard of conduct and aim, they will effect that escape from fear of their fellows which will constitute the great emancipation. Do not let me create a misconception that Mr. Belloc has yet provided the vehicle for this freedom. But I do affirm that he and Mr. Chesterton have furnished the chief voices which have whispered into our ears the necessity for this freedom. When the Victorians would have bound us in our sleep these two kept us awake. The only intelligent criticism of National Guilds which I can recall was inspired by them.

The only resource against corruption and deceit which Mr. Wells can conceive is to refuse to delegate anything; to manage the universe himself. He will accept nothing, take nothing for granted, respect no man's word. He must find out for himself, come to his own opinion—on the universe, history, politics, pre-history, science, the future, the planets, the firmament, and all that in them is—with such exhaustive and prosy detail that the last splash of poetry is bleached out of them. He wants a Bible that would inventurise and diagrammatise the whole contents of God's workshop. Because he demands and gives everything pat and bald in literal prose, like a laundry-book, or like a cockney describing how he brought the car home, he is, as I repeat, a more accurate reflection of his age than any poet of any age, and a less truthful reflection of eternity. Mr. Wells is a sacrifice for mankind, an awful example of the average man required for the working of democracy. His place in the universal purpose is to warn us against the scheme that he stands for. Mr. Wells knows the universe, but he does not know Mr. Wells. He cannot understand the fall and the shame of man, although in "Kippis," "Tono Bungay," and elsewhere he experienced it.

R. M.

The Universal Stone.

It was a queer substance that alchemists were studying to prepare. A grain of it, in the pure state, could transmute a million times its own weight of metal into gold, and lose none of its virtue. From dead matter it could generate life. As the Divine Water it conferred immortality. It could change glass to diamond, and night to day.

According to the masters of the art, the first difficulty, which misled almost all would-be practitioners, was to determine the nature of the material from which the elixir, or the powder of projection, or the seed of germination, could be refined. It was called Eve, medicine, mother, spirit, poison, dew, shadow, virgin's milk, burning water, egg of the basilisk, blood of the lion, the true universal androgynous matter of the Sun and the Moon. The material was to be found everywhere and nowhere. It was beyond price and could be bought for thirty pence.

The process, too, was a mystery. Laceration, trituration, decomposition, rectification, ignition, and a hundred other stages are mentioned. It was of first importance to understand what crucible should be used; for it was no ordinary crucible. The mercury, or spirit, of the matter should be extracted from it; the sulphur, or body, of the matter should be washed from all impurities; the two should then be married in an indissoluble union by keeping them constantly in a uniform gentle heat. But mercury was no common quicksilver; it was the mercury of the philosophers; sulphur was that sulphur contained in all the elements of the earth.

The work must be undertaken with a pure and fasting heart. Only the children of light, who live in the presence of God, are fit to know and to guard the Great Secret of adepts. He who would pursue the science, says a Byzantine tract, must first love God and man, be temperate, disinterested, opposed to falsehood, fraud, evil actions and every feeling of envy; he must be a sincere, faithful child of the Holy, Consubstantial and Coeternal Trinity; otherwise he will deceive himself in seeking things unattainable.

And the result? We shall quote Mr. Waite's abridgement* of Zosimus, an alchemist of the fourth century of our era:—

"This is the uncommunicated mystery which none of the prophets has dared to divulge in speech, except to initiate alone. It is the Mithraic Mystery, and is said to govern matter. It is unique as to nature, and its name is also unique. The soul is in the heart of the Stone. But Divine Water is the Divine and Great Mystery, the object of research; it is indeed the object of research, for he who possesses this has also gold and silver. In a word, it is all in all. All comes forth therefrom and all exists thereby. The world does not know it, and contemplation with difficulty can comprehend its nature, because it is not a metal, is not moving water, and in fine is not a body."

A prominent chemist who had studied the documents of alchemy wrote to Silberer, the psychoanalyst:—

"Whosoever desires to make a chemical preparation according to a hermetic recipe seems to me like a person who undertakes to build a house according to the ritual of Freemasonry."

And yet, if the science of alchemy is purely an allegory of spiritual discipline, how does it happen that such a multitude of men devoted themselves in its name to research in their laboratories? How does it happen that so many physical discoveries were made, and that, through alchemy, the foundation of our modern science of chemistry was laid? To offset Silberer's authority, there is Berthelot, the French scientist. In many of the recipes of the alchemists, by a constant ingenuity of interpretation, he

* "The Secret Tradition in Alchemy." By A. E. Waite. (Kegan Paul. 15s. net.)

managed to find parallels to modern chemical processes. Certainly he did not find any secret of actual gold-making; but he found methods of "tincturing" metals to look like gold, methods of extracting gold from ores, methods of gilding and plating with gold.

Mr. Waite offers no explanation of this twofold nature of alchemy. Indeed, he almost denies that the spiritual science of alchemy has anything to do with the physical science. He goes through many pamphlets and books, separating mystical from physical and refusing them any connection. He is far more inclined to conceive the religious fervour of the alchemists as a veil for chemical experiments, a mystification and adornment of matter-of-fact practices, than to conceive the chemical experiments as illustrations and symbols of a diviner practice. And so, when he has finished with his subject, we are left with two incompatibles, and a feeling of amazement that human beings should ever have been so stupid as to confuse them. The more imaginative of the spagirc philosophers Mr. Waite quite openly rebukes. He can put no faith, he tells us, in people who tell lies.

Suppose we take it otherwise. Suppose we hold to the belief that the greatest and most logical-minded of the alchemists were seeking, in the laws of Nature, for parallels with the laws of the soul. One alchemist set forth as the object of study: "that man shall macrocosmically and magically work out the image of God, all God's kingdom, in himself." It is an opinion that seems nowadays to commend itself to few people—that Nature can be illustrated from man, and man from Nature; that the modes of human regeneration find an appropriate and thorough analogy in the physical workings of the universe. None the less, it was with the intention of finding out the destiny of the human soul, and the means of bliss, that the true masters of alchemy set themselves to chemical experiments.

"The voice was to each one as each one had the power to receive it." If the promise of the fulfilment of the heart's desire meant wealth and material prosperity to an alchemist, he conceived that his science was the science of material transmutations. If it meant wholeness of knowledge to him, he followed that aim alone. The symbol could be interpreted in an infinite number of ways. It gave opportunity for frauds and charlatany, for fantasies and dreams. Offer a man his heart's desire, urgent and seriously, and what must happen? If his heart is muddled, his response will be confused. If he seeks for his own bliss, without understanding what he wishes, he will seek in contradictory and foolish ways. The literature of alchemy is one of the richest stores of human confessions, of human visions of realisation and power. But it is truly to the clearest and most spiritual expressions of the search for bliss that we must go to understand the justification of alchemy. It is in Jacob Boehme, in Robert Fludd, in Thomas Vaughan that we see the wisdom of the art. And, for all Mr. Waite's half-heartedness, it can be observed, even from his own book, that there has been a continuous succession of men who knew the secret of alchemy, from the days of Chinese experiments till our own day.

His new history of the alchemists is probably the most erudite work we possess upon the subject in English. He plays fair in displaying the evidence; it is only the tone of his commentary and his conclusions that is at fault. It is surprising that he does not appear to have read Silberer's *Problems of Mysticism and its Symbolism*, in which the psychology of the alchemists is examined with an unusual insight and knowledge. But psychology seems to be out of Mr. Waite's range of considerations: it can hardly have occurred to him to think that alchemists were men.

PHILIPPE MAIRET.

are transformed by sudden(?) creative acts. If this is a misrepresentation NEW AGE readers would be glad of Mr. Belloc's correction.]

TELEPATHY.

Sir,—Mr. G. R. Scott lays down the law as to the non-existence of thought-transference. I wonder if he is right. Myself naturally matter-of-fact, a doubting Thomas, I have no views on the subject, and no theory. But something happened in my house that has puzzled me.

After dinner one night I suggested to the six of us present that we should try a writing game, as we had never amused ourselves in that way. The ladies were not at all enthusiastic, but we started a game in which a word is chosen, and each has to write a telegram or statement, each word of which, in due order, begins with one of the letters of the chosen word, in this case "English." My sister-in-law set to work hard. My wife did nothing, not being very keen on this sort of thing, but when the time was nearly up, feeling that she must write something or other, she scribbled down quickly what came into her head. When later my sister-in-law read out her laborious effort, "Every nice girl loves Irish stew hot," my wife exclaimed in utter astonishment, "Why, that's mine!" Her quick scrawl was the same word for word.

They were sitting on different sides of the table, there was no chance and no possible motive for collusion. Neither of them had ever played the game before. Of course, not knowing the people personally, Mr. Scott could not in any case be so absolutely certain as I am that there was no trick, but I should be interested to know, if he can get himself to assume for a moment that the above did happen, whether his explanation of hallucination or that of synaesthesia would cover the case.

PHILIP T. KENWAY.

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

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

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