

THE NEW AGE

INCORPORATING "CREDIT POWER"

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NOTES OF THE WEEK.

A leaflet has reached us inviting support for the "New Constitutional Party" with headquarters at 109, Great Russell Street, W.C.1. Among its declared "Principles" are (1) the maintenance of the unity of the Empire; (2) industrial reconstruction on the basis of "reward for services rendered"; (3) the "encouragement of thrift," and the "raising of the standard of living" among the "less fortunate sections" of the people. In its commentary it says:—

"The British Empire belongs to us all. An Empire united for defence and trade will give all our people their rightful share in its prosperity and wealth.

"International Finance, with its hold upon the nation's pocket, is strangling private enterprise, throttling our trade, and keeping us impoverished. The time is ripe for a New Economic System free of all Party Bias."

It undoubtedly is. But what sort of new system the authors envisage is not indicated. A system which proposes to encourage thrift among the poor and to raise their standard of living at the same time is intriguing, especially at present when economists are beginning to realise that invested savings are a handicap on trade and one of the causes of unemployment. The New Constitutional Party is right in attributing our economic troubles to international finance, but it does not seem to have investigated the mechanism by which it produces this evil. So far as this Party seeks to disengage British finance from the international credit monopoly it is proceeding in the right direction; but the troubles will not disappear merely by her own finance. Everything depends upon how the control will be exercised. We recommend the leaders of the Party to investigate the Social Credit Theorem. They seem in several respects to be ripe for learning something about it.

The Irish Election has given Mr. Cosgrave a majority of six. The Irish Press is now canvassing the idea of an alliance between Mr. Cosgrave's party

and the Labour group. The practical underlying reason for thus seeking to give the Government a wider working majority is connected with the contemplated raising of the £10,000,000 required for the Shannon Scheme. There is no secret about it. The argument is that the larger the majority which contracts the loan the lower the terms on which it will be granted. Readers will remember that during the Election it was urged that if Mr. de Valera won the contest the loan might not be granted at all. The upshot of the whole affair will depend upon how far education in the fundamental truth about credit-finance has proceeded among the several political groups now constituting the Dail. If they could only be brought to realise that the £10,000,000 to be loaned will be new credit created in the name of the whole Irish people, to whom it belongs, and that instead of the Government asking the banks on what conditions they will lend the money it ought to tell them on what conditions it will refrain from creating it for itself, they would at least hesitate to entangle themselves with Mr. Cosgrave's method of arranging the affair.

The public policy of Fianna Fail at the moment is to press for a protective fiscal tariff in the interests of Irish production. There is no objection in principle to such a policy: the real criticism is that by itself it will not ameliorate economic conditions in the country. All that Protection does in the long run is to alter the character of the national production. It does nothing to increase its aggregate volume. As for the real problem—that of facilitating the distribution of production among consumers, neither Free Trade nor Protection touches it in the slightest degree. Protection raises the cost of living; but the increased cost of living compels a commensurate increase in wages. Free Trade reduces the cost of living, but the reduced cost is followed by a commensurate decrease in wages. In either case the purchasing power of earnings is the same. The only

argument on fiscal policy is that it is equally undesirable for a Free Trade country to adopt Protection, or for a Protected country to adopt Free Trade; the reason in both cases being that the change-over causes a great deal of disturbance for no tangible result. The adoption of a Social Credit finance-economy would settle all fiscal problems. The industrials would not have any reason to resist imports from foreigners, nor to press exports on them. Imports are an addition to national real wealth, and exports are a subtraction therefrom. Social Credit finance would reflect that fact in terms of a national dividend so that a population with a balance of imports would, as individuals, be financially richer, while one with a balance of exports financially poorer. The reason why the reverse consequences occur at present is that banking policy is the reverse of Social Credit policy. Banking policy is to encourage the export of productive machinery to where people consume the least machinery-products. Social Credit policy is to encourage the retention of productive machinery where people consume most machinery-products. And when it is realised that the reason and end of Production is Consumption, no-one can doubt which policy is the sound and practical one.

If a population is spending, say, £1,000,000 a week on home production, and suddenly finds that it can buy the same quantity from abroad for £500,000, and does so, the immediate result is that the home industry loses its £1,000,000 of revenue and the population saves £500,000 out of its earnings. The next result is that the home industry ceases work and the population (masters and men) cease to draw incomes. They remain destitute for so long as the foreigner continues to pour goods into the country. This free dumping is not a far-fetched hypothesis; it is typical of modern international transactions. For instance, America is Britain's creditor for £1,000 millions worth of goods. Britain could return those goods, or their equivalent, probably within the same period as it took America to deliver hers. But the obstacle is that America will not accept them. And as regards the interest alone, she does not propose to accept goods even for that if she can help it. The reason is that American industrialists and their employees would be out of work to the extent that Britain paid in goods. And so with every other national creditor and debtor. The whole trouble clearly arises because *being out of work means being out of income*. Whether the principle "no work no pay" is theoretically "moral" or not is irrelevant: the point is that the economic consequences of its operation threaten to break up the world's economy in another war.

To return, now, to our illustration. The receipt of these goods valued at £500,000 a week is a receipt of *additional* real wealth, and therefore a concrete basis for the creation and distribution of that amount of *new* financial credit to the community. Mere commonsense would say that if a people be presented with goods by another people who are actuated by purely financial considerations and do not wish to receive goods back, the recipients might just as well consume the goods as not, because whatever difficulties might arise as to any alternative method of "paying" for them would remain unaltered whether the goods existed or not. For instance, suppose that we had saved instead of using up the goods America sent us, and that they were all assembled in perfectly new condition on Salisbury Plain: we should be in no worse difficulty in regard to our *monetary debt* than we are now. We owe America the £1,000 millions, not because we have consumed the goods, but because we have had them.

It becomes clear that in our illustration the shareholders and workpeople (*ex hypothesi* the whole community) connected with the now idle home industry should receive £500,000 a week from the banking system (on Government authority) so long as the imports continued to flow in. This sum could be distributed proportionally to the respective amounts of their previous dividends or wages. This would still leave unremedied certain difficulties inherent in the system of financing and pricing home production: but that is another story. The point here is that at least the financial problem arising out of imports would be solved. *As consumers* the population would be living at the same scale of comfort as before. *As producers*, they would not be working—the foreigner would be doing all the work, God save him. There are practical ways of applying this principle, but these need not be discussed at present. The important matter is to recognise that the principle is sound.

The *Observer* comments on the Irish situation thus:—

"The strong vote given for Fianna Fail with its record of cynical perjury and its propaganda of Land Purchase repudiation would point on the surface to a high percentage of levity in the electoral mind."

There are two ways of looking at "repudiation." Under the existing financial régime, repudiation in one quarter leads always to personal financial sacrifices in another. It is not in the nature of things that this should be so, but it is in the nature of the money monopolists to make it happen so. If not a penny piece more were ever paid on account of mortgaged land these people could write off the balance and otherwise adjust their accounts without laying the smallest burden on any Irish citizen. The high financial institutions of Britain have been doing it since the Armistice. Count up the number of million pounds that they have knocked off the debts of France and Italy nominally owing to this country. That was "repudiation." It seems that anybody can get off a debt to the British banking system except he be a Briton. Consider further: the nominal debts of France and Italy represented the price of goods supplied to them by British manufacturers. These manufacturers had long since drawn the price from British banks by the process of discounting bills. The banks thus became the creditors to whom the foreign debts were due. Now if, as the banking system always pretends, every penny it pays out must be rigorously accounted for and recorded, from whence has it received the balance of debt which it excused France and Italy from paying? It certainly did not go round to the British manufacturers asking them to repay a portion of the money they had drawn. Just as certainly the dividends it has since declared show no corresponding diminution. This evidence does not, of course, finally demonstrate that the conceded money has been written out of the records, but it suggests, and we affirm our belief, that that is what has happened. Moreover, there is a prospect that later on all international indebtedness on account of the war period will be extinguished: in which case there would be no option but to write it off. To expect to recover it from taxpayers would be absurd.

In the case of Irish Land Purchase the principle involved is the same. Naturally, if only farm debtors were allowed to "repudiate" their debts, there would be a row from other Irish citizens who were denied that privilege. Repudiation must be general. The merit of the farmers' revolt is that it is an act of initiative spontaneously undertaken by them. So long as they passively growled about their hardships no newspaper took any particular notice.

But directly they refused to pay they became front-page heroes—or villains! In the present state of Ireland this publicity must be putting ideas into the minds of many other sufferers from financial hardships. There is a danger of the revolt spreading. The wider the revolt, however, the less dangerous it will be except to book-keeping pedants who do not know how to deal with its cause. The cure is a matter of issuing State credit to everybody under new principles of accountancy. We therefore welcome Mr. de Valera's sponsorship of the farmers. They are pioneers in a movement which, wisely exploited, may lead to opening up the whole problem of indebtedness, and the means of discharging it. The "repudiation" of debt is nothing to the repudiation by the banking system of the fact that the credit it deals in is the property of the community, and that the conditions upon which it distributes this credit is a concern of the electorate. We hope that this aspect of "repudiation" will be particularly pressed when Mr. Cosgrave proceeds to bow and scrape for his £10,000,000 loan. The spectacle would stimulate the levity of an instructed electorate.

Messrs. Kegan Paul's latest publication* in their "To-day and To-morrow" series, is by André Maurois, who is described as "one of the most brilliant living French authors." It is called "The Next Chapter: The War Against the Moon," and is an imaginary account of world-history from 1951 to 1964. The story centres round a world-group of newspaper magnates who avert a world-war by circulating a faked report that a certain village (too remote for anyone to visit) has been destroyed by rays directed from the moon.

"The results were remarkable. One month after the [Press] campaign began, a frenzied fury against the moon burst out among the peoples of the world. The newspapers of the W.N.A. [World Newspaper Association] had been able, without protest from any source, to adopt a standardised headline: *The World First.*"

The book is an entertaining satire directed at the politician, journalist, scientist, and stockbroker, all of whom are typified in the story. One feels it a pity, however, that M. Maurois did not know how logical his fantastic concept is. If he had plumbed the depths of finance-economics how naturally he could have attributed the war on the moon to the financial necessity of the world to export surplus goods there. Imagine how he could have made his characters preach the thesis that "the world lives by its inter-planetary trade." And, not least, he could have introduced a character who is inexcusably absent from his book—the super-banker.

A Club has been formed in London of men and women keenly interested in the principles of Social Credit. Meetings are held monthly. Further particulars may be obtained by writing to the "Club Secretary," c/o "The New Age," 70, High Holborn, London, W.C.1.

"The age of secret diplomacy may have passed away in the sphere of international politics, but it would seem to live on in that of international finance, if we are to judge from the extreme reticence of the authorities attending the recent Bankers' Conference at New York. There seems no reason why discussions of this sort should be surrounded by an air of mystery. . . . The problems under discussion at New York, for instance, touch profoundly the interests of production, trade and social life the world over. It is difficult to see how the bankers could have injured themselves by greater frankness, taking the public partly into their confidence. They might indeed derive help in the conduct of their very responsible and delicate tasks from a statement as to the general course of the discussions setting forth any decisions reached in matters of principle."—*The Statist*, August 6, 1927.

*"The Next Chapter." By André Maurois. (Kegan Paul, 2s. 6d.)

The United States and the British Empire.

By C. H. Douglas.

A near connection of mine, a lady of rather remarkable powers over animals, was in the habit of pursuing her domestic duties accompanied by a large tiger. It is alleged that on one occasion, to allay the natural nervousness of a visitor unused to her taste in pets, she assured him that the tiger was quite tame, and that he replied, "Yes, I know that he is tame, but does *he* know that he is tame?" This fairly well-known story is brought to my recollection by the dual appearance of articles suggesting that Anglo-American relations are not so perfect as might be desired, on the one hand, and the accompanying assurances that any serious dissension between what are referred to as the Anglo-Saxon races, is "unthinkable."

A week after the Armistice, in 1918, I ventured in a public speech to suggest that even then the world was threatened with a new war, and I have several times explicitly suggested that, whatever might be the superficial causes of the outbreak of such a war, the ultimate alignment would be between the British Empire, in which would probably be involved the continent of Europe, and the continent of North America. It is perhaps unnecessary to remark that, on the whole, where my views were not received with polite derision, they were stigmatised as being extremely mischievous.

It is a conservative statement to say that the expression, and particularly the continual expression of such an opinion, unsupported by carefully considered premises, would merit a greater condemnation than is expressed by the word "mischievous." Since the same opinion is now beginning to be expressed in other quarters, however, it seems desirable to examine the case for and against such an opinion at somewhat more length than, so far as I am aware, has so far publicly been done. A dispassionate examination of the situation is more likely to contribute to peace than an ostrich-like assumption that peace is assured.

To begin with the case against the likelihood that such a situation would arise. We have: (1) A good deal of newspaper propaganda to the effect that the interests of the United States and the British Empire are the same, and that in any case, serious dissension is "unthinkable." (2) Loose statements in regard to ties of blood and race and a certain amount of sentimentality in regard to a common heritage, etc., etc. (3) The statement that some sort of an alliance between the British Empire and the United States is the only effective guarantee for the peace of the world.

In regard to (1), it is relevant to note that most, if not all, of this propaganda appears in British newspapers. Whatever else may be true at the present time about the mind of the British public, there is no doubt at all that it does not require any propaganda to prevent it from going to war: in fact, it would take a good deal of propaganda to make it go to war. I think, therefore, that the constant appearance of propaganda which is intended to suggest a common interest between the United States and the British Empire, appearing almost exclusively in British newspapers, requires some explanation. Why it is so necessary to emphasise that the tiger is tame, and, in any case, is a pet tiger? In this connection, the sentence in one of the first letters of Mr. Walter Hines Page, American Ambassador to Great Britain at the outbreak of the War

1914, to Mr. Wilson, then President of the United States, that "the British Empire is ours," will bear consideration. Mr. Page could not be accused of abnormally anti-British sentiments as an individual, which lends a greater weight to his remark. To say that there is an identity of interest between a country whose policy differs and prides itself on differing in every emergency from that of Great Britain, and whose Ambassador regards British difficulties as American opportunities, seems a misuse of words.

As to serious dissension being "unthinkable," perhaps the shortest answer is that in the past 150 years we have had two wars and at least five serious diplomatic disputes, involving a risk of war, with the United States. (2) It is perhaps barely necessary to observe to the readers of this Review that the suggestion that the United States is peopled to any considerable extent with persons who, either by race, sympathy, or point of view, see eye to eye with the inhabitants of Great Britain, can only be described as ludicrous. If this suggestion were confined in a modified form to, let us say, the States of Virginia, South Carolina, and Georgia, there might be a little to be said for it. But taking the United States as a whole, its population is derived from sources which are actively anti-British, or at best, indifferent, and the last war against Germany cannot be said to have improved that situation. The antagonism is by no means solely racial. With, of course, considerable reservations, the United States is populated so far as its Northern, Middle, and Western States are concerned, with the descendants of persons who (without any desire to be offensive) can only be described as the social "throw-outs" of Europe. It has been the custom to suggest that immigrants are persons of an adventurous disposition and in general, possessed of qualities which in reality are superior to those of the population of the country they have left behind. It is a plausible theory, but it is very doubtful whether it is a correct one, and what truth it possesses refers more to early emigrants actuated by theological and political motives than by material incentive. It is more probable that, in general, nineteenth century emigrants (who provided the main population of the U.S.A.) consisted of individuals unable to make headway against the more exacting competition of an older civilisation, and therefore attracted to the easier conditions of an undeveloped country.

But however that may be, it is incontestable that the tradition of the older countries is not the tradition of new countries, and in particular, that of the United States. Where most of the difficulties of mere existence have been overcome to such an extent that the standard of life has become static, as has been the case in Europe, the values attached to individuals shift from their ability to overcome economic difficulties, to their success in conquest of what may be called cultural difficulties, and it is out of this simple but vital difference that the modern aristocratic tradition of Europe arises. It is not feudalism, and it is nothing like feudalism, though it may be an octave of feudalism. It differs vitally from what is, up to the present, the so-called democratic tradition of the United States. In saying this, I do not for a moment overlook the fact that the United States is rapidly developing an aristocratic tradition of its own, but that does not at this time invalidate the general argument, if only for the reason that "big business" and politics are not to any extent the concern of those sections of American society in whom this tradition is developing. It may be retorted and with justice that "big business" and politics in Great Britain are in the hands of much the same type as in the United States. They are. That is an additional danger.

(To be continued.)

Social Credit in Summary.

By Arthur Brenton.

(First Series.)

1. Money, in the modern world, is made of paper, and is intrinsically valueless. (The amount of coined money is negligible.)
2. The bulk of this paper money is in the form of bank credit, circulating by cheque; the small balance being State credit circulating as currency notes (the "small change" of society).
3. These two forms of credit together are *financial credit*.
4. Financial credit derives its utility entirely from the activities of the people who use it, namely the whole community.
5. The prime ownership of financial credit is therefore communal. It is the public's, not the bankers', credit.
6. When a bank lends financial credit it increases the total amount in circulation. (Rt. Hon. Reginald McKenna, Chairman of the Midland Bank, in Annual Speeches 1925, 1926, 1927.)
7. When a bank receives repayment of financial credit it decreases the total amount in circulation. (The same Authority.)
8. Financial credit repaid to banks is cancelled: it no longer exists, even in the records of the banks. Repaid bank loans destroy "deposits." (The same Authority.)
9. The amount of financial credit in circulation in any country depends entirely upon the actions of its bankers in creating and issuing it, and in retiring and destroying it. (The same Authority.)
10. These actions are performed by the bankers for and on behalf of the community. (5.)
11. Industry and agriculture are carried on by means of financial credit. Financial credit invariably enters circulation as bank loans. (6, 9.) Economic activities are carried on by means of such loans. (2.)
12. Investments of "savings" are no exception: for all savings have been derived from previous bank loans.
13. Banks lend financial credit to initiate acts of production.
14. Bank loans represent a communal mortgage on contemplated production. (5, 10.)
15. The mortgagors (borrowers) are the producers; the mortgagees (lenders) are the whole community. The banks are the "solicitor" in the transaction—the community's agent—and their interest charges correspond to a "lawyer's fee."
16. Bank-loans to producers virtually give the community a lien (15) on the total production referable to those loans. Industry owes the credits to the community. (5, 10.)
17. The subsequent repayment of the loans to the banks discharges the community's mortgage.
18. The financial credit applied to the repayment has meanwhile to be collected in full by industry from the community. There is no other source from which industry can acquire *non-borrowed* money. (9.)
19. The community must therefore pay industry all the credit necessary to discharge the mortgage on *total* production.
20. In return industry delivers *consumable goods* to the community.
21. Consumable goods, however, are only a small proportion of *total* production. Industry retains the rest in the form of factories, plant, tools, materials, etc., "fixed" and "working" physical "capital."
22. This physical capital now becomes the property of industry. Industry attaches a cost value to

it—this cost being calculated as a proportional part of the original credit borrowed for the *total* production.

23. Industry then accounts this "cost" into its future prices to the community for deliveries of goods to be made out of, and by means of this acquired physical capital.

24. Industry, having collected *all* the original credit from the community to *release its physical capital* from the communal mortgage, now expects to collect a *large proportion of the same sum* again as a *charge for the wear and tear*, or "use," of that *same capital*. But no part of the original credit has come back to the community. The banks have destroyed it all. (7, 8, 9.)

25. This is the *prime cause of the economic impasse*.

26. The most familiar symptoms of this impasse, namely strikes and lock-outs, arise from a *general* shortage of credit in the community measured against industry's collective prices. Neither Capital nor Labour cause the shortage.

27. The equitable principle of an effective remedy must be: that in respect of all bankers' loan-credits the community, as the ultimate lenders (10), must *retain their lien* (14) on industry's physical capital, only *gradually* relinquishing the lien as and when that capital is physically used up in the process of *making and delivering* consumable goods to them.

28. The equivalent financial principle must be one which recognises the community's *right* at any time to receive financial credit equal in amount to the cost (22) of the physical capital, etc., which exists as "industrial property" at that time. This right would not be completely extinguished until the "property" had been completely transformed and distributed as consumable goods. The community would initially be credited as mortgagees (15) with the total amount of *their* (5, 10) original loan, and this credit would be diminished at *no greater rate* than that at which the mortgaged property itself was converted and delivered to them. For this purpose the Government, as representing the community, should open and keep a "national ledger" in which the cost of general production and consumption would be recorded.

29. The method of applying the principle should be that which causes the least disturbance to current commercial practices. *As between banks and industries* (a) the prompt repayments of credits in full, and (b) the total cancellation of these credits on repayment, are probably the most convenient. That is to say, the community initially consents to the cancellation of *all* its credits to industry, while receiving only *part* of industry's total production. But, as and when the other (the retained) part becomes ready to pass over from industry to the community in the form of consumable goods, an equivalent portion of the *prematurely cancelled* (24) credit should be *re-created* by the banking system at the instance of the Government, and issued to the community in the form of a free (non-loaned) National Dividend, thus enabling consumers in general to defray the costs which industry is entitled to attach to such deferred deliveries of past production.

30. To ensure that the Dividend is used for consumption it should be paid to retailers on the condition of their allowing their customers a discount collectively equal to the sum so paid. The payments would be made periodically.

31. Some specific consequences would be (a) to raise, continuously and progressively, the *purchasing power* of all existing wages, salaries, and dividends as applied to the purchase of the things which individuals require—the "means of life"; (b) to remove all restrictions on producers' *natural* incentive to work their plant at full capacity (their collective rate of profit would now be proportional to their

rate of actual deliveries to consumers); (c) to ensure to industry the recovery of *all* its costs from its *home market*; so relieving it from the necessity of exporting products *merely for the sake of financial revenue*; (d) to enable industry to make instant use of every new invention which increases national productivity, without sustaining financial losses by reason of the supersession of obsolete methods; (e) to evoke willing co-operation between master and man in a national economy, and between nations themselves in a world economy.

32. The general effect would be *instantly* to raise the destitute above the poverty line, and proportionally improve the condition of every class above them; thereafter progressively to increase the *relative* prosperity of the poor—with the willing assent of the rich. The nominally increased purchasing power of the rich will cease to be effective directly they reach their maximum limit of personal consumption. Many of them are at that limit already; so that their incapacity to absorb more goods in an era of quickening production will automatically cause an overspill, which, in finding its level (as it must) will progressively dispose of the problem of the "inequitable distribution of wealth."

33. Herein is presented a scientific method for achieving humanitarian ideals, one which confers economic emancipation on all who need it without requiring economic sacrifices from those who do not.

34. The original extended analysis on which these simplified arguments and conclusions are based, was first made by Major C. H. Douglas, whose works should be consulted by critical readers.

35. His recommendations are known as the *Douglas Credit Proposals* or *Social Credit Proposals*, and should be referred to by one of those names (preferably the first) to avoid confusion with other schemes of "credit reform"—all of which demand merely increased issues of bankers' loan-credit, and ignore the *equal necessity for an accompanying retail-price policy*.

36. Every citizen may support the Douglas Credit Proposals without weakening his allegiance to his economic "class," political party, or religious organisation. In fact it is his *duty* to disseminate them *within his own accustomed field*, wherever it is.

37. One practical step is for each to ask his Member of Parliament to advocate a *public inquiry* into the relations of credit-finance and industrial costing with the *specific object* of confirming or disproving the matters above set out. To this end it is necessary for the highest banking authorities to appear as *witnesses* subject to cross-examination. This is a new and vital condition. Hitherto the bankers have attended such occasions only as adjudicators.

(The type of this article is being saved for republication, if desired. Will interested readers advise the Editor?)

"The time does not seem far off when great tracts of Europe will be mortgaged to the United States. They lend Europe more and more money, and for an increasing variety of purposes. The news now reaches us that the housing loan, for which negotiations have been carried on in Berlin during the last six months, has at last been concluded. The loan is to be for the construction of 8,000 houses . . . and the total amount will be \$30,000,000. It will be for twenty-six years and will carry interest at 6 per cent. The principle on which the money is being secured is interesting, for the houses that are to be built are to be virtually mortgaged against the loan, the lenders are to be virtually mortgaged against the loan. The German company is to acquire the title to the land on which the construction is to be carried out, and is to lease and not sell the houses during the currency of the loan. The lien of the lenders will thus be capable of being exercised. This is the latest American device for securing their loans to Europe. The business has actually been given to the Dillon-Read group, and as a result there will be an issue in America, England, and on the Continent during the next two weeks."—*Financial News*, September 1, 1927.

Caliban.

By William Repton.

In the light of the grotesque that dances in the periphery of human vision, a question is posed almost as fruitful as knocking at the door of an empty house. The distorting mirror of repulsion flashes a message to the queen of beauty, who, with a hand whiter than snow, draws her robe round her body and departs. Is the grotesque, the deformed, the bungled, the botched, a barbed-wire fence, a barrier towards the growth of mind? I have seen Caliban.

If you believe in the magic of symbols, whereby, with the little finger you can lift a representation of the world, I saw him near a lighthouse that flashes a thirty-mile beam to caress the coloured funnels of big ships, the sails of fishing-boats, and the foaming manes of Neptune's white horses. There was also a flash that did not come from the lighthouse, perhaps, for my own especial benefit, and I share it at once with all who have waited,

"With close-lipp'd Patience for our only friend."
Caliban in the daytime tended cows in the field. His task was to keep them away from the crop of turnips adjoining the pasture. Caliban was a walking hedge.

From the narrow country road, skirted on either side with poppies, comfrey, scabious, and tansy, I espied him as a shapeless black blot on the grass. I hallo'd him and he ran towards me. He was almost a dwarf, and he could not stand up erect. He might have been twenty or ninety years old. His eyes were small, and greenish-blue, surmounted with thin, red eyebrows; his mouth was wide, open, and showing dirty yellow tusks; his lips were thick and covered with sores. Big ears prevented his cap from extinguishing one of the most wonderful faces that has ever been mounted on the frame of a human being to dance for a little space "in the box whose candle is the sun."

In a husky voice he wished me Good-day, and as I offered him a present from his friend across the seas, I noticed that he had strong hands. A wind was blowing, bending with unseen force the flower-heads and grasses. Would I give him a match? He took the box and buried himself in the pasture, thus making obeisance to frugality. Only one match was necessary. He remembered his "bon camarade" George, who was given at birth a heart larger than his body. George had been with him frequently. George was one of those men who arrive to tidy up the universe after it was made and forgotten, and he had, it would appear, drawn Caliban into the life stream.

All the clothes that this orphan of the world stood up in were not worth a sou. The black and dirty veins of his insteps were swollen, and resembled roots that ran into the earth through his leather sandals. At our parting he put out his left hand, which gripped mine. It was just like an ordinary hand. It might have been the hand of a prince if I was blind.

What thousands of impressions run through the mind as time is lived through looking at the pictures with our eyes! Then, when we look at the pictures with our thoughts, another thousand crowd and jostle and clamour. Before taking part in an eruption called a holiday the question of what books are to be packed, invariably settles itself by deciding for some unknown reason on the Apocrypha and William Blake's Poems. Previous to meeting Caliban I had been reading the "Wisdom of Solomon."

Our old friend X (he's a good fellow and all will be well) is spoken of in one verse: "For thou lovest the things that are, and abhorrest nothing which has been made: for never wouldst thou have made

anything, if thou hadst hated it." Caliban and all? And then, also, had I not in two lines, an amulet to touch, in two lines by Blake:—

"Thou art a man. God is no more.
Thine own humanity learn to adore."

And again, the flash that had been given to me, now illuminated a passage in "Zarathustra," where the shepherd bit off the head of the serpent—but far away did he spit the head of the serpent. In spite of this the shepherd was happy, and laughed. Now do I see clearly the truth of a friend's opinions who told me that if the shepherd had swallowed the head of the serpent, Nietzsche would have been in the line of succession of the truly great ones who give their meaning to earth.

The hills and the seas are now between Caliban and myself. The burnt marks in the memory tell me that I advised Beauty to leave me as he approached. An electric tremor had run down the muscles of my legs. Prudence, who had married Stoicism, had said, "Steady now" as the picture came before me. "What did you come here for?" whispered the spirit accustomed to finger bowls. "To teach you a damn good lesson," replied the voice of Experience, who was never born and will never die. As I took the hand of Caliban, one thought bellowed "Snob!" "Liar," said another promptly, and Experience slowly forced me to bite with an intensity that I had once bitten a mule's ears when I was stuck on what the rhetorical call a battlefield.

Until some son of Perrault shall arrive with Beauty to transform Caliban, we shall not shove away the guest to the banquet of life, nor complain that Caliban is what he is. Nor for that matter shall be put the responsibility on to old X—for qualifications see above. Caliban has one face; this in his favour, he did not make himself another. He might have been a universal financier who can only make probroblems. He might have been a newspaper proprietor providing litter for parks and the countryside. As it is, he is only a minder of cows.

I accept, and swallow you, Caliban.

TWO SONNETS.

To G. W. T.

I.

O love, I cannot face the weary years
Without your heart: day after empty day
Is void of comfort, and the unknown way
That leads to Night, a labyrinth of fears.
Yet, when the first swift hush of sundown wears,
I would not so shame manhood as to say:
"Of all the parts you offered me to play
I chose the coward's in self-pitying tears."

Death is not yet, and life is splendid still;
So if you scorn Love's common merchandise—
My heart with yours—a keen, relentless blade—
Shall meet and we will fight for Love, until
The earth shall shudder with a glad surprise
And God applaud the game that we have played.

II.

The shadows gather round the dying flame
And in that place where light and darkness meet
I see your eyes: my hands are stretched to greet
Your hands, as though in very truth you came
To comfort me. And many laugh and blame
My sickness, that I hesitate to cheat
This vision of you in the crowded street
Where men can find forgetfulness in shame.

The street, indeed, held solace long ago;
But now I fear that I should meet you there,
Walking aloof, contemptuous of the mire;
And in your eyes no pity, but a glow
Of scorn, that in my weakness I should dare
Be faithless to an unattained desire. —HUGH ROSS.

Ups and Downs.

Sir Arthur Keith's presidential address must have been a disappointment to a good many people who had hoped for something more than a mere die-hard reaffirmation of the nineteenth-century manifesto put forth when first the youthful sciences banded together to assume the imperium mundi. Even in those days, half a century ago, they were very omniscient despite their youth, and finding no efficient opposition, soon settled things very satisfactorily.

That they were able to do this was, in large measure, due to the decrepit state into which religion had been falling for many centuries. Such was the provincialism of orthodox Christianity that even three centuries before a Bishop of the English Church had been able to confuse Great Years with years, and had thus started a biblical chronology which at once distorted the whole record. If there were only 4,000 years available, obviously a week was all that could be spared for preliminaries, and, obviously too, if Methuselah and the rest of that long-lived company had really lived so many hundred years, the last of them would still be about, which is absurd, and the astute Sciences naturally made short work of holy writ. This ignorance was really the legacy of the classical scholasticism, which, after the dark ages, when the last remnants of real knowledge had died out, had constructed a materialist reading of the Greek writers, who were raised on to an unassailable "classical" pinnacle. Having nothing with which to compare them, and by which to elucidate them, the "asides" of Socrates to Glaucou, the cosmology of the Timaeus, the history of Homer, and even some of the arguments of the Fathers were really a closed book, and the fatal doctrine of *a priori* impossibility was started as a means of separating the grain from the chaff—that is, the understood (or misunderstood) from the incomprehensible. This doctrine is, unfortunately, still in great repute in these days, though destined, I fancy, to receive some severe blows in the near future. So firmly was this scholastic bed of Procrustes constructed that even when, at the end of the eighteenth century, the Western world discovered for the first time that there existed a huge literature of the East, and rushed to examine it, no one was in a condition to observe that it really explained many of the dark sayings in the Greek classics, but, on the contrary, they proceeded to treat it in the approved way and to rule out much of it as impossible, *a priori*. As a result of all these things, we find ourselves now in a mental world of curious contradictions, where it is easier for a period of time to be short than long, and easier to be dead than alive, while at the same time "dead" matter is only live energy, and the number of corpuscles in a lump of chalk approaches, if it does not exceed, the number of grains of sand on all the seashores of the world. We pat the universe on the back, as it were, for having evolved such a quaint conceit as the Fitzgerald contraction, while we can think of no better origin for the ciliates than that through stress of too salt a sea they had to squirt their cilia like macaroni, and then had to make the best of them, as Dr. Bidder suggested.

But in spite of the fact that, as a Mechanist, he, naturally, stands on his head, his contribution to the Darwinian controversy appears to be of much greater value than that of Sir Arthur Keith, for it, at least, cleared the field of some *a priori* obstacles. If, as he contended, man and ape start fair from the unicell there is no need to postulate, as Sir Arthur does, that ape arrived first and man after.

It is even possible to consider seriously another explanation of the facts, which has had little serious attention paid to it, though it is, I fancy, the real one. The President assumed, in his analogy of the scrap heap of bicycles, that the better was always later in time than the worse (though at the same moment he noted the ups and downs which are found in anatomical structure); can it be that Kingsley saw true when he placed the ape as a *degenerate* man? I do not know whether anatomical data can disprove this—though it is difficult to imagine any way in which they could—but anyone who has ever looked an anthropoid in the eye, with such an explanation in his mind as possible, will, I think, require the anatomical disproofs to be very cogent. If this were so some of the various "men" whose bones have been found are, possibly, not only placed on different knots of the network of ascent, but have, perhaps, stepped backward off the roads by which they came on to the one leading to apedom, to be, perhaps, swept southwards by a wave of ice and dropped in that Melanesian Garden of Eden from which some think we all came out.

Only two things are certain, though both of them are for the moment ignored. The time scale of *Humanity* is vastly greater than that suggested by the most daring in these days, even if the beginning of *Man* should only be a million years or so ago, and one of the first things needed, it would seem, is to decide what, exactly, is *Humanity* and "man"; does it depend on the shape of body (or brain); on something else? Suppose it were a spark of Deity makes the difference, just as another spark of Deity makes the difference between life and death, much as an electric field makes a bit of iron, but not a bit of copper, into a magnet. What is it in the iron which lets the field "get a hold on it"? But though the bit of copper does not become a magnet it is not indifferent to the field, and if we could see into the heart of things we should see a change of some kind take place in all around as a thunder cloud passes over, just as we hear the birds stop singing. And such changes, great or small, are always taking place in that "field of Deity," which I am calling *Humanity*, and the effect we call evolution, and it differs with each thing according to whether it is magnetic, paramagnetic, or diamagnetic. And if as the field alters we are to keep in touch with it we must adapt ourselves to it, or we shall be left behind to drift to apedom, or something far worse.

It is strange how many people, starting from very different standpoints, are at the present time coming to fear some such disaster as this, and perhaps the most noteworthy of all the events at Leeds was the fact that the Bishop of Ripon dared on such an occasion to throw convention to the winds and point uncompromisingly to the lefthandedness of many of the gifts of science to the world. Chief of these, he said, in his excellent short statement of the situation—which all should read—was the tendency of the scientific mode of thought to ignore personality, and so to produce a world lacking any coherent scheme at the back of it. Though well adapted for the place and moment the statement needs a little expansion for more general use, for this frame of mind, although it is cultivated by science, is widely spread in the "lay" world, too, and is the underlying factor in all the schemes of "Safety First," "Efficiency," and "Utility," as well as the false Socialism of Bolshevism, Communism, and Trade Union. For under the guise of producing a universal brotherhood, they all aim, really, at short-circuiting the evolution of personality and so producing only a crowd, or flock, useless for all purposes except exploitation by the few strenuous individuals, to whatever class they may nominally belong. It is worth remembering, however, that the difference between a crowd and a mob is a very slight one.

The Films.

Close Up.

The films now receive due attention—more than their due according to many—from the daily papers. But the daily paper has not space enough, nor the daily journalist time, to do more than suggest possibilities. There are also cinema periodicals. But they are trade papers, which serve their trade purpose and provide good reading for the cynical. Up till now there has been little outlet for constructive criticism beyond that provided, occasionally and grudgingly, by a few of the more intelligent literary periodicals. That is why we welcome the publication of "Close Up" (published by Pool, Territet, Switzerland, and obtainable from Messrs. J. and E. Bumpus, Oxford Street), a monthly magazine devoted to the cinema. It is not entirely satisfactory. One wonders, for instance, seeing Miss Gertrude Stein's name in the contents list, what she has to say about the films. After reading her article (or is it a poem?), one wonders still more. But Mr. Oswell Blakeston's caustic commentary on British films, and Mr. Kenneth Macpherson's plea for more insistence on film "art," more than make up for this. And in any case even the faintest glimmering of intelligence would be welcome in the sentimental murk of the film.

W. H. H.

Drama.

Little Eyolf: Playroom Six.

The programme of plays promised by the Playroom Six for its season just commenced maintains its rank among the intellectual theatres. "Little Eyolf" is an ambitious beginning—not because it is great work, but for the opposite reason. Anybody may attempt the best Shakespeare plays, since the author will carry him through. Not anybody may attempt the worst Shakespeare plays, since in these the production must carry the author. It is similarly more adventurous to produce a little known and somewhat loquacious Ibsen play than it would have been to repeat one of the oft-performed masterpieces. Nevertheless, the adventure makes the theatre of interest to students of the drama. For the others, those whom drama, according to William Archer's final considered definition, is meant merely to amuse or entertain—even "Pearson's Weekly," by the way, was designed beyond these, to elevate—there is provision enough.

Alfred Allmers and his wife have one son, Eyolf, who was crippled in infancy through the parents attending to one another when they should have been watching the child. After a holiday on the mountains the husband returns professing himself a new man; instead of working at his masterpiece, "On Human Responsibility" and at the same time forcing the child to plod away at becoming a learned man for his father's glory, the reformed Alfred Allmers has determined to sanctify his future by being the complete father. Eyolf shall grow into the complete man, that representative human, who, knowing his universal and earthly limitations, lives perfectly to the full scope of his spirit and body. Rita Allmers, however, is no more willing to share her husband with Eyolf than with her husband's sister, who, living with them, obviously gets on with Allmers as a true companion of the spirit. While husband and wife rage about ideals and realities the child, who has followed the alluring music of the Rat-wife, is drowned in the Fiord. Both husband and wife, tortured by remorse, recognise the tragedy as the work of retributive fate.

Engineer Borgheim, the road-maker, is the symbolic figure in the play. He is the one character who sees directly ahead of him, and cuts a path straight to his goal. He is in love with Asta Allmers, the use of his sister, and he requires a prompt answer

to his marriage proposal in view of his departure, in a day or two, for a big road undertaking in the north. Although the jealous Rita is in conflict with herself whether to attempt an affair with Borgheim in jealous revenge on her husband and his sister, or to get rid of Asta for the chance of then monopolising her husband, Borgheim is clearly never in any danger. While Rita squirms on one dilemma, her husband writhes on another, since he is both anxious to keep Asta near him and to ensure her future by marrying her to the young engineer. Asta is equally in difficulties. Here is a man for whom his wife is obviously unfitted; who would undoubtedly have been her lover but for the incest bar; and who is not in fact her brother. One can almost hear Ibsen thunderously demanding what earthly use are all the world's libraries of pedagogic tomes on human responsibility for arriving at a decision capable of clearing up this tangle; for freeing these folk from their doubts and consciences, or for reconciling their instincts and duties.

The situation is even more complicated, or, shall we say, weighted against a clear line of duty. Allmers had married Rita for her "gold and green forests" to secure ease for his sister. In their childhood, brother and sister had both wished that she had been a boy. He had called her Little Eyolf for a pet-name, and his child by Rita, Eyolf, after her. The child is dead; the wife disillusioned; the sister no longer taboo; and nothing remains to hold husband and wife together. Ibsen did not, however, straighten out the tangle as the modern psychological problem-solver would do. Asta decided to go north with Borgheim, a decision, by the way, out of which the Playroom Six did not get the full amount of drama. How strongly it recalls Ibsen's famous speech at Dronheim, when, acknowledging the insufficiency of democracy, he "looked not for the aristocracy of birth or purse, or even intellect to free us, but to the aristocracy of character, will, and mind," which he hoped would "come to our people from two groups—women and workmen."

As a result of Asta's decision Rita and Alfred Allmers, at Rita's instigation, decided to try again by placing themselves and their wealth, house and lands, at the service of the village children, thus atoning for their part criminal isolation from mankind. There, then, is the road. But Ibsen's method of road-making is not simple. All his plays are both vague and definite, as though they were half of the Norwegian day and half of the Norwegian night. Besides the theme outlined, for example, this play obviously contains another. Asta and Alfred Allmers were, as far as instinct could signify, made for one another. Their belief, brought about by Alfred's mother pretending them brother and sister, that their love was purely familial, led them to conduct their lives consciously in opposition to their instinct. Until a new decision, taken in the full light of consciousness, had made a new road, all that occurred to them was the punishment of fate for that original blunder. Heredity, moreover, can be corrected not by formal essays on responsibility, but by responsible action only. It is these undertones of tangled themes, all of which will bear thinking upon, that Ibsen stamps himself a great unconscious artist. In this play, however, he is not sure of himself. His method changes too abruptly from the act in which magic and might dominate to the two acts in which consciousness dawns. The major characters are not sufficiently modelled. Alfred Allmers reminds one how many of Ibsen's men are a combination of weakling and fanatic that rouses only ridicule, while Engineer Borgheim and the Rat-wife are the only two characters whose dramatic execution is complete.

One disservice has been rendered to Ibsen which is unexcusable. The translation should be severely

revised. "Utterly incomprehensible," "infinite solitudes," and a score of such phrases may not have grated on the ear when the translation was made, but they do nowadays, and there is not such a dearth of variety in the English tongue that their repetition can be forgiven. The outstanding performance was that of Barry K. Barns as Engineer Borgheim. He was the one actor who succeeded in overcoming the limitation of the small stage, and in confirming, by the freedom of his body and the rightness of his gestures, the impression of Norwegian spaciousness produced by the stage-setting of Horatio Taylor. The amount of magic which Betty Potter got out of the Rat-wife makes one look forward to her development.

PAUL BANKS.

Reviews.

The House of Fear. By Robert W. Service. (Fisher Unwin. 7s. 6d.)

Mr. Service has crammed into this story nearly every kind of thrill one can imagine. Murders of a most horrible nature are strung like beads along a thread of knight errantry and "love interest." An inebriate elderly nobleman with a diseased heart is rescued from a gang of Paris crooks by the virgin wife of one of them. He is very rich; so he returns the service and flies off with her in his car. In a remote corner of the country he discovers and buys a secluded house, where he establishes her as his niece. Three of the crooks follow them. One of them gets murdered in the scullery, and the other two get drowned while escaping from the mysterious murderer. But before that the nobleman's valet has had his head smashed in; while afterwards the murderer makes attempts on both "uncle" and "niece." As is often the case, there are too many suspects. And the irritating thing is that the actual murderer is only introduced when he is apprehended at the end of the tale. He was an unpleasant person with a taste for eating living human flesh—other than his own, of course. He was not in a very good state of health. Otherwise—who knows?

Un-natural Death. By Dorothy L. Sayers. (Ernest Benn. 7s. 6d.)

This is a well conceived detective story. It begins with the death of an invalid lady. Her doctor is puzzled about the cause, but can find no reason for withholding a death certificate. But she was murdered after all as it turns out. And her niece, around whom suspicions begin to cling early in the book, is actually the criminal. Wonder of wonders. Yet this knowledge will not detract from the interest of the tale, for it concerns the establishment of the manner and the motive of the murder. The author has delved into medical and legal lore to good purpose, and presents a credible explanation of how and why the crime was perpetrated. It is in the story the sketch of Miss Climpson is well done; but the detective-hero, Lord Peter Wimsey is an insufferable bore. He is a cross between a maker of crippled epigrams and a clumsy music-hall laughter-catcher. All he is good for is to make elderly maiden ladies titter. One wishes that the niece had murdered him when she tried to. The present reviewer would have bought a stall for the tragedy—and probably been turned out of the house for cheering.

LETTERS TO THE EDITOR.

"MASCULINE PROTEST."

Sir,—I have read with much interest the thoughtful article by Mrs. Dudley Short in your issue of the 22nd inst. I should be the last to attach any importance to a statement merely because it appears in what is popularly called the New Testament, but I suppose it is incontestable that, as a mine of concise and lucid statements on matters of real importance, that volume is unequalled.

For this reason I would suggest to Mrs. Short and the many others who must be interested in her article on the new sexlessness, that she should consider the statement, "I came that ye might have life, and that ye might have it more abundantly."

It must be a matter of common observation that, in spite of the immense and growing distractions into which we all plunge, modern life seems to tend to something which I can only describe as frustration, and which certainly, at the

moment, is a travesty on a more abundant life. To what extent and in what way the new sexlessness bears upon this matter, I will leave your readers to judge.

C. H. DOUGLAS.

Sir,—Mrs. Dudley Short's article almost compels one to conclude, first, that her own education has been similar to that which she recommends for all women—one in which "concentration in any form" has been regarded as "dangerous"—and, secondly, that a woman so brought up should remain "the observer and the watcher," and should not go in for journalism.

Sensible people are becoming tired to death of this bunkum about the "sexless" woman and the "masculine" woman. The numerical disproportion between the sexes deprives many women of the opportunity of marriage, and because a woman who does not marry throws herself into some career and utilises her creative energies in that direction, it does not follow that she is sexless. The organising ability and general initiative required for the one are prime necessities for success in the other. Nor can the girls of to-day be called masculine because their mode of dress has altered and they no longer deform their bodies in order to appear with the once fashionable round bosom.

If Mrs. Short thinks that sex needs developing in the modern girl let her observe the general run of young women to-day, typists, clerks, shop-girls, factory girls, etc., who are as ready to dream romantic dreams, to weep over heroes and heroines at the "pictures," and to read sloppy love stories, as ever they were. Probably they are still a great deal more pre-occupied with sex than is really good for them. Even if Mrs. Short were right in her contention that English boarding school girls come home devoid of sex, they are after all a very small minority of the female population of their age. One can hardly accept theories of evolution based on such a poor foundation.

The type of mind that is satisfied with such reasoning is the bane of the Social Creditor. Cannot THE NEW AGE, whose articles and Notes of the Week, dealing with economic subjects, show such lucid thought and such a firm grasp of fundamentals, deal with social problems on the same plane.

E. V. H.

PRE-VICTORIAN THRIFT.

Sir,—The beneficent spirit of the present age is in nothing more remarkably displayed than in the combined energy with which many individuals of the highest ranks of society are labouring to promote the welfare of the lower orders.

Among the various establishments to which this laudable zeal has given rise it would be inexcusable not to give a pre-eminent place to the "Society for bettering the condition and increasing the comforts of the Poor," which was instituted twenty years ago.

His Majesty declared himself the patron of this institution, and it comprehended in the list of its members names of the first distinction for rank, wealth, talents, and public spirit.

Yet notwithstanding its attractive title, the cheapness of its reports, and the pains taken to give them circulation, its existence, we fear, is at this day scarcely known in various parts of the kingdom; hence even those of its suggestions which are the most easy, useful, and important, have obtained only a local and very limited establishment. The chief cities of Great Britain and Ireland have indeed adopted some of its plans and are reaping the fruits of its labours; but few of them have been diffused generally among the people. The discouraging reflections, however, to which the facts connected with this society might have given rise are checked by the contemplation of the extraordinary success attending that plan of benevolence which forms the subject on which we are now writing; and while this success is a happy exception to common experience, it gives us great confidence in the favourable opinion which we, in common with men of all descriptions, entertain of the principle on which banks for savings are founded, and affords, at the same time, a most promising symptom of the intellectual and moral improvement of the age.

I have refrained from putting the above in inverted commas, but the credit of its composition is not really due to me. It was written in 1816 and published in the October number of the *Quarterly Review* of that year in an article on savings banks.

HAROLD W. H. HELBY.

"Letters to the Editor" should arrive not later than the first post on Saturday morning.

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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.

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