

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

The debate and division in the House of Commons on the Government's Coal Bill last week heavily underline our recent comments on the problem of electoral reform (THE NEW AGE, December 12). We said that political government had given way to political deadlock. One reason was that, instead of the old two parties, there were now three parties, each with its own programme, its own mode and direction of advertising, and (we may now add) its own electioneering fund. There is another reason: it is the extension of the franchise. Other things equal, the greater the number of people who take sides in a controversy the narrower the relative margin between majority and minority. On this reasoning it is probable that even had the Labour Party never appeared, Conservative or Liberal Governments would to-day be in a very little better position for driving home their characteristic policies than is the present Labour Government. It is true enough that in a two-party system one side or the other could get a clear majority—but would it take the responsibility of using the clear majority as a *working* majority? Would it enforce its will against that of the Opposition and thus keep faith with its constituents who honoured its promises? The answer is that it would not.

Those of our readers who were alive and voting thirty years ago will not need us to say much in justification of this answer. In those days there was the same deadlock—the same colourable excuse for avoidance of responsibility—as there is to-day. It did not arise from the absence of clear majorities, but it arose (or was held to arise) from the conflict of views as to what were the real wishes of the electorate when they voted. That is to say, having got a verdict from the country the verdict had to be "interpreted" in order to arrive at responsible judgment. The doctrine of the "mandate" was invoked. The beaten Party would say to the other: "Yes, you have got a majority for your general programme; but the reason of the electorate for giving it to you

was because of items 'a,' 'f.' and 'g.' in the programme, and not because of items 'b,' 'c' and 'e.'" The inevitable result was at least a tendency on the part of the Government (very frequently a decision) to drop items 'b,' 'c' and 'e' and adopt the others.

Take these instances. In 1903 the Liberals came into power with a tremendous majority. The election had been fought on two main issues. Mr. Balfour's Administration had previously passed an Education Act which, so the Nonconformists declared, "had put the Church on the rates." The Liberal Party, and Mr. Lloyd George in particular, voiced the resentment of the Nonconformists (who had gone in for direct action by forming the Passive Resistance Movement, members of which deducted the Education rate from their Demand Notes, and, by paying short, compelled the Authorities to dis-train on them for the difference) and committed itself to the policy of "getting the Church off the rates again." It charged Mr. Balfour with having passed this legislation without a "mandate" from the electors, pointing out that at the previous election he had not announced such legislation but had confined himself to appealing for support on the ground that his Administration, having managed the Boer War, should be empowered to consolidate the victory. The other issue arose out of this consolidation of victory and had to do with the introduction of Chinese Labour by the mine owners on the Rand, on conditions very closely approximating slavery, under Government licence. The slavery, however, was not the point at issue: it was the virtual "locking out" of British miners from jobs in the mines which they had expected to secure ("This is a miners' war," Mr. Joseph Chamberlain had said) when peace was secured. In brief, then, the powerful Liberal Government was put into office by Nonconformists and Trade Unionists. What happened? The Church is still "on the rates" as we write these words. It is true that the Chinese left the Rand, but they were sent home in such contingents and at such intervals as suited

the policy of the mine owners, who used the time of delay to organise an alternative supply of black men. They did not want white miners with their trade-union rules and habits: and they never had them.

Again, in 1909, the House of Lords threw out Mr. Lloyd George's Budget, thereby precipitating an immediate General Election. The Liberal leaders insisted that there were two issues and two only before the electorate: (a) the passage of the Budget, and (b) the limitation of the Lords Veto. Mr. Asquith at the Albert Hall declared that he would neither assume nor retain office unless he were in possession of guarantees that the Lords Veto should be limited. On that pledge Mr. Asquith won the election. No guarantees were forthcoming; but nevertheless he assumed office and retained it. In spite of his clear working majority he entered into secret "conference" with his political opponents; and six months were supposed to be spent in the attempt to accommodate the divergent views of the two Front Benches. At the end of that period both sides came out blandly remarking that the Conference had failed. Immediately after, another election was declared to be necessary. In that election the Opposition refrained from attacking the really vulnerable point in the Government's record, namely, the flagrant breach in Mr. Asquith's pledge; and both sides talked about something else. Eventually the Budget went through; but the House of Lords Veto remains virtually the same.

All Budgets hitherto have been bankers' Budgets, and the House of Lords has had to let them through. But, in case at any time the Commons should pass a Budget not approved by the bankers, they deem it advisable to maintain in being a piece of Constitutional machinery which they can use to hold it up. This is what explains the anomaly that whereas in the country generally the power to vote (*i.e.* decide policy) is being extended to everybody as a right, irrespective of knowledge or experience, the Parliamentary Front Benches unanimously uphold the principle of a Second Chamber on the theory that its knowledge and experience are, or may be, required to veto or modify a policy which the electorate has approved. Voting-power is just as truly issued and withdrawn as is purchasing-power, and by the same authority—the banking monopoly.

The "Veto" which really is worth while destroying is the collusive veto of the three Front Benches on the wishes of electors. The fact of the collusion was proved, as certainly as circumstantial evidence can prove anything, in Mr. Belloc's and Mr. Cecil Chesterton's "The Party System," from which book some of the above particulars have been taken. Those authors adduced facts sufficient to justify their conclusion that:

"The Executive of Parliament is a clique, possessing and using the power to renew itself by the co-option of relatives, connections and friends."

We began these Notes with a reference to the Coal Bill. The Government secured a majority of only eight votes on the Division. Commenting on this, Mr. J. L. Garvin, in last Sunday's *Observer*, exclaimed:

"We are glad of it; and we are thankful to the handful of unpaired Liberals and the handful of unpaired Unionists who kept out of the lobbies in spite of all the speeches, and saved the nation from an unmitigated disaster."

But does anybody suppose that the result happened through the accidental and unforeseen abstention of these members? A careful study of the newspaper comments preceding the debate, and of the

debate itself, leaves no room for doubt that a majority for the Government was predetermined. Exactly as to how and why it happened that the particular members who abstained did abstain, or how and why it was those particular members who decided to abstain, we are unable to state. We have a choice of several guesses—all of them plausible—and the most probable of them might, if we knew, turn out to relate to the same process as that which led to the un-paired absence of the famous Mr. Jinks in Ireland. Anybody might think, to hear Mr. Garvin, that the division was left open to the Members of the House to vote as they wished irrespective of party-discipline. But it was not. Mr. Garvin should address his congratulations to the three party-Whips. The narrowness of the majority means nothing from this point of view: it was only a piece of pretty edging round the intrigue. The more important a debate is the better the attendance of the respective Parties, and the easier it is to count upon the result of the voting, and therefore to determine the result if you want to. There are scores of Members ready on any day to abstain from voting, let alone being more than ready to take a holiday from the House itself.

The farce of the proceeding is heightened by the fact that the vote on the Second Reading does not pass anything at all: it simply sends the Bill to run the gauntlet of the Committee Stage of its career. There was no practical reason at all why the two Oppositions should not have let the Government have a majority of fifty or one hundred votes. But there was a good *advertising* reason why the Government should appear to have had a narrow escape. It can be best understood by reference to Mr. Garvin's opening paragraph.

"In the last few days an invisible change has occurred for every man and woman to mark. Unless very different thoughts prevail, the fate of another Short Parliament will be settled almost as soon as it meets again a month hence. Otherwise, the Prime Minister's idea of the present House of Commons as a Council of State will collapse. . . . Contrary to every thoughtful wish we have entertained, and urged on the Government, it is quite probable that a General Election will take place before next Easter." (Our italics.)

He repeats the "Council" reference a little later as follows:

"All this results, chiefly, from the almost incomprehensible refusal of the Government up to now—in contrast with its broad temper in international affairs—to apply the Premier's idea of a 'Council of State' to the nation's economic problems in general and to the fundamental question of coal in particular. . . . The mood of Labour's rank and file as a whole fluctuates strangely between deep doubts and boundless arrogance."

Now, what is this precious "Council of State" into which the House of Commons is conceived as resolving itself: and what is the strategy underlying Mr. Garvin's persistent emphasis on the fact that the idea is that of Mr. MacDonald? To take the questions in order: the idea of a "Council of State" is really the idea of stabilising, and even formalising, the exercise of executive power by the three Front Benches in concert, and putting all the private Members under a concerted scheme of discipline. Now, whatever the Front Benches might disagree about, there is one doctrine that they all subscribe to, which is that no legislation is practical unless it passes the test of "sound" financial principle and practice. This "Council," then, would feel bound to discourage all discussion relating to proposals which were pronounced unsound by the bankers. Inheriting or sharing, as it would, the right hitherto enjoyed by a Party Government in office to settle the programme of debate and allocate the time of the House, it could easily prevent, evade, or delay discussion of inconvenient subjects. Moreover, also inheriting or

sharing, as it would, the power to direct the three Party Whips, it could easily control the general vote of the House on any subject that happened by some fortuitous circumstance to dodge the official boycott. Briefly, we should have, for the first time, a more or less recognised All-Party veto on Party legislation.

The longer that the electorate sees the persistence of a Parliamentary deadlock the more ready it will be to believe in the "common-sense" of this beautiful scheme. So its sponsors are naturally averse to General Elections; for although they may foresee that the results will not give any single Party a net preponderance of power, the electorate does not, and still allows itself to hope that the "next election" will do the trick. So we get people like Mr. Garvin describing another election as an "unmitigated disaster." To come to the second question, the reason for fastening on the fact that Mr. MacDonald has conceived the "Council" idea is of course to suggest to the Labour electorate that, as it is *his* idea it is a *Labour* idea, and therefore *their* idea, and that its adoption would not be a concession to Liberals and Conservatives, but rather a concession won from them: that these two Parties recognise that Labour has won most votes, but they won't sulk about it; they will shake hands, get together, and all help. The Voice of the Council is the Voice of God. God is going to help the People, God help them.

Notice again that Mr. Garvin speaks of the "incomprehensibility" of the Government's refusal to apply the "Council" idea to domestic "economic problems" in "contrast with its broad temper" in international affairs. This is virtually saying that the "Council" idea has been applied to international affairs by the Labour Government. Quite so; and the jobs it has been doing have all been in the interests of bankers. Mr. Snowden's pot-house diplomatic methods at the Hague diverted the attention of the whole country from the part of the Young Report that was of the greatest moment (the proposal for the International Bank) to the part that was of the least moment (the adjustment of reparations payments by a few million pounds). Meanwhile Mr. Arthur Henderson was fixing up the evacuation of the Rhine, thereby promoting the interests of American financiers who wanted to clear foreign armies off their mortgaged property in Germany so as to disencumber its earnings of the cost of the occupation. He was also unwittingly clearing the path for the new Bank, which is intended to be popularly regarded as a substitute for the military guarantees being renounced by Germany's creditors. More recently Mr. MacDonald has visited America on a disarmament campaign, the outcome of which, insofar as it is successful, will be to disemploy shipbuilders on the one hand and render the balancing of the Budget easier on the other.

Now whatever view one might take as to the soundness or unsoundness of these acts, the good or evil results are general rather than specific. Labour's supporters, as such, are not helped or injured to any greater extent than are the supporters of the other Parties. And in any case the results are still in the future. So even had the Labour Government broken any electoral pledges in carrying out this policy, its rank and file supporters would not have been particularly disturbed. But it is an entirely different proposition when the Labour Government defaults on its pledges concerning domestic policy, and leaves its Parliamentary Members in the situation of having to tell their constituents that Mr. Thomas cannot find any more

jobs for them; that Mr. Snowden cannot find the money to pay a living dole to the unemployed; and that industry not only cannot find the money to pay more wages, but cannot even guarantee to go on employing them unless they contribute something more in prices (*e.g.*, the higher price of coal under the Coal Bill) to enable it to find the money by exporting cheap goods abroad. "Can't find the money—can't find the money." Here is a pretty story to tell to people who expressly sent them to Parliament on their promise to find it. Barely 1 per cent. of Labour voters care two straws about anything else than their attainment to or maintenance in economic security. "I want to be sure of enough money to live on" is the wish of every one of them. A disgustingly modest wish, too, if they knew it.

It is no cause for wonder that many Labour Members are manifesting "deep doubts," and some of them "boundless arrogance." We said at the time that the Labour leaders accepted office that their proper course would have been to accept the fact that, as a *Labour* party, it had lost the election, and that the other two parties, being virtually one Capitalist party, had won the election. They should accordingly have gone into opposition and have left the Conservatives and Liberals to decide whether the Conservatives or a Coalition took office. Within the limits of the present system the only honest thing for a Party to do whose policy is frustrated by an indecisive electoral result is to make its next and sole objective the forcing of a dissolution and another election. We are glad to see that Mr. Garvin thinks a dissolution may be imminent. He tries to frighten the disaffected Labour Members by declaring that if they cause a dissolution, and the Government fights the next election on the issue of the Coal Bill (whose defects he enumerates) it "may get the shock of its life and repeat the Red Letter fiasco."

But Mr. Garvin must not run on so fast. If, as we hope from his agitation, there are influences of disaffection in the Party strong enough to unseat the Labour Cabinet against its will, we may reasonably infer that they will be strong enough to shape the issue on which the following election is fought. The leaven of unrest may be working much higher up in the counsels of the Party than the visible evidence suggests; and Mr. Garvin's attitude lends colour to the idea that it is. So why should he assume that Labour would have to go to the country to revive a defeated Coal Bill? It does not follow at all. In fact Labour could consistently turn round and damn the Bill as soundly as would the other Parties. It would have to explain why it brought in such a Bill; and the proper explanation would be that this was the least evil sort of Bill that it could devise within the framework of the prevailing financial system. The accompanying moral that should be drawn from this line of defence would of course have to be that *without a change in credit-policy* Labour's constituents must give up every hope of effectively beneficial legislation from any Party at all. Naturally we do not expect the present Labour Ministers, as a body, to say any such thing except under extreme pressure. But the right time for exercising such pressure is here; and we feel sure that there are some members of the Party who are prepared to renounce or postpone Parliamentary careers for themselves if thereby they can ultimately secure practical results for their constituents. After all it is not very pleasant to be telling lies, making excuses and looking a fool for all your life. Any man of spirit rejects responsibility without power in non-political relationships: such a man owes it to himself to do so in political relationships.

## Money Books.

Mr. Martin's most recent book\* contains little that is not familiar to readers of his first book, *The Flaw in the Price System*. The central theme of both works is the problem of the deficiency of purchasing power, and the cause thereof, namely, the short-circuit in the credit-cycle due to investments being made out of incomes. The process was illustrated in the first book by a series of arithmetical equations applied to an imaginary scheme of production and consumption by a small community in a closed credit area. In the present book it is illustrated by diagrams embodying the same teaching. Mr. Martin defines "deficiency of purchasing-power" as a deficiency of power to purchase the total volume of goods *actually being offered for sale*. He explicitly says that he does not concern himself with the question of what the *potential* output of industry may be.

"Here we are considering something at once more definite and fundamental, namely, that under certain circumstances, not merely the volume of goods industry is capable of turning out, but the volume of goods it is actually offering for sale cannot be disposed of at prices making production worth while."

The reason why he makes the distinction is as follows:—

"The fact that industry by reason of the lack of markets is turning out only two-thirds perhaps of what it could turn out does not necessarily inhibit to any considerable extent such production as is at present taking place. But the fact that the volume of goods *actually being offered for sale* cannot be disposed of at remunerative prices does very definitely inhibit present production. For if the goods now being offered for sale are remaining unsold, current output will certainly decline."

By directing attention simply to the *actually-made consumption goods only* which remain unsold Mr. Martin limits the dimensions of the problem, and thus paves the way for a very modest remedy. His policy—like that of Messrs. Foster and Catchings in America—is to issue loan-credit when prices begin to fall as a result of short purchasing-power. He does not ignore the possibility of inflationary consequences, but claims to obviate them by restricting the new credit to the construction of public works (he instances arterial roads). As these "do not come on the market" they will not raise prices to the consumer! But there is nothing in Mr. Martin's book to suggest how consumers (as taxpayers) are to escape paying for the public works. The general fallacy in his reasoning is this: that it requires that loan-credit, when put in circulation, should remain there until everything that is produced by its means is available for consumption. But this does not happen; and Mr. Martin does not propose any method of making it happen. In one place he explicitly states that the question of whether banks "create credit" is not relevant to his thesis. Nor, therefore, can be the question of whether they destroy credit. Yet, in other places, he discusses the process of extra money coming into circulation from "outside" sources—one source being bank-lending. No mention is made of the process of bank-loan-withdrawals—of money going out of circulation.

The concluding section of his book deals with the practicability of his remedy. He enumerates several difficulties, one of which is that of knowing when prices are about to fall as the result of deficient purchasing power, as distinct from their being about to fall as the result of increased production. Still, he suggests, the difficulties are not insuperable. After this faint praise for his remedy he ends up by calling for a "quickened imagination on the part of the whole community." This is the old, old story: "Here is my remedy: but it won't work

\* "Unemployment and Purchasing Power." By P. W. Martin. (P. S. King. 85 pp., cloth. 4s. 6d. net.)

unless your heart is changed." In his "Foreword" Mr. Martin says that in this book he presents the "main arguments and findings of a more detailed study at present in course of preparation." Heaven help us all.

Mr. Powell's book† also deals with the problem of the deficiency of purchasing power, which he attributes to practices involving the (a) suspension and (b) destruction of purchasing power. Under (a) he places "savings"; and under (b) "investment of savings." It seems hardly worth while to make such a distinction because there are in fact no savings to speak of that are not invested. The only instance of pure "suspension" that comes to mind is the miser's hoard of money. Mr. Powell devotes a short chapter each to the following particular causes of "suspension or destruction": reserves; depreciation; bank interest; insurance; local inflation; general inflation and capital extension. He then shows that the collective damage done by these is mitigated by "compensating factors," the chief of which is "the creation of new money."

The "Flow Theory," he says:

"affirms, as a self-evident proposition, that if all goods and services produced are to be consumed or sold as fast as they are produced, the rate of flow of purchasing power to consumers must be at least equal to the rate of flow of the goods and services, and also that consumers must exercise their purchasing power to the full."

Having proved, by the method indicated, that the two flows are, and must be, unequal under the existing financial system, he discusses how to make them equal.

"The solution is to consist of two things: and these must be applied simultaneously: (1) New purchasing power is, by some device or other, of which there are many, to be issued; (2) The top limit of prices is to be, at the same time, fixed by law." (Author's italics.)

Taking coal as an example he supposes that additional "purchasing power" is issued to the coal industry sufficient to enable the sellers to charge it at half the total selling price, and conditionally on their doing so. Both private consumers and coal-using industries are to be supplied at the discounted price. He traces the probable effects—namely, a substantial reduction in expenditure by these buyers, but shows that if the public used its savings to buy other goods than coal, the prices of these would rise. Hence

"The State again steps in and fixes the maximum prices it is permissible to charge for the materials used in clothing and boots—wool, cotton, silk, linen, leather, nails, and so on. Thus prices cannot rise; but, the demand for clothing having increased, more has to be supplied; the increase in turnover will make costs less, the margin for profits greater; and the eventual tendency will be for prices to fall, rather than rise, precisely as was the case with coal."

Later, Mr. Powell says he is not sure whether the State would find it necessary to limit the prices of an enormous number of articles or the prices of a few basic materials; but he leaves the question unexplored, remarking that it is the principle involved which is the essential matter. Well, the principle is undoubtedly a mixed one: it is coercion supplemented by inducement, or vice versa.

Of course it might superficially appear that Price Regulation as described by Major Douglas would involve an element of coercion if manufacturers and wholesalers were obliged to agree to accept certain percentages of profit on their costs as a condition of securing production-loans on favourable terms from the Credit Authority under Social Credit. But they would have the option of not accepting the condition, and of staying outside if they thought fit. The coercion to which they

† "The Flow Theory of Economics." By Lieut.-Colonel Arthur E. Powell. (P. S. King. 93 pp., cloth. 5s.)

would be exposed would be the coercion of the competition exercised by others in their line of trade who *did* come into the Social Credit scheme. The only occasion for State-coercion would be in such a case as where the success of a national scheme could be jeopardised by the abstention of somebody or other from co-operating in it. Again, if abstention were regarded as likely to reach large dimensions, this would be an admission that a large number of people found it paid them better not to come into the scheme. And this, in its turn, would be strong presumptive evidence that it would pay *everybody* better to stay out—in which case the scheme would not be worth bothering about.

However, Mr. Powell writes on his own responsibility, and makes no explicit reference to Social Credit; so there is no necessity for us to pursue the discussion. We can only say that the greater the number of policemen associated with the administration of any reform the less we like it.

Mr. Mackmurdo§ wants to base the regulation of money on wheat consumption. His arguments rest on the "cardinal fact" that—

"the real cost of everything done by a nation between harvest and harvest, that is to say, the real cost of its entire annual production of wealth of any sort, is mathematically equal to the real cost of the vital foodstuffs consumed by the nation between harvest and harvest."

This formula corresponds to the Social Credit formula that the real cost of all production is the contemporaneous consumption. The difference lies in the connotation of "consumption." The Social-Credit definition embraces all personal consumption of products, plus all destruction or waste of material or wear-and-tear of plant incidental to production, plus all goods (and services) exported out of the country. Mr. Mackmurdo's definition takes account only of the consumption of vital foodstuffs. He thus singles out agriculture as the primary economic activity. He draws a rigid distinction between things that grow and things that are made, and supports it by the statement that whereas the final products of the industrial system contain less material than was originally assembled for their manufacture, the products of agriculture consist of an absolute increase (a multiple of) of the original material. Only in agriculture is there the "creation of profit": in industry there is simply the "creation of advantages through a movement of material in place and disposition." Further—

"With a larger wheat production all our conveniences, equipment and amenities will be produced at a less cost to the nation, no matter what may be the real wages of those operating our industries; since real wages are ultimately and wholly paid in foodstuffs."

With a little concentration one is able to gather what Mr. Mackmurdo is driving at, in spite of the fact that his method of expression is often ambiguous. He is generally sound in his exposition of the *nature* of credit; but he ignores the problems created by the *accounting* of credit to arrive at costs and prices. His practical suggestion is therefore inadequate. In order to revive agriculture, and thus increase general prosperity at its source, he would have the Government fix the internal price of wheat at a figure sufficient to be remunerative to the home growers, and sell both home-grown and imported wheat at that figure. The profit on the imported wheat "will be handed over . . . to the Treasury." Meanwhile the Treasury is to "issue a volume of legal-tender-money" whose "parity purchasing-power" shall amount to the aggregate price of the total wheat available for consumption in the country. Mr. Mackmurdo's objective is undoubtedly to set up a sort of consumer-credit scheme; but his proposal does not include any guarantee that the wheat-money will get into the

§ "Money and Credit of the Future." By A. H. Mackmurdo. (P. S. King. 87 pp. paper. 2s. 6d.)

hands of wheat-consumers. He would do well to consult Social Credit literature on this aspect of the problem. His general idea manifests a definite Social Credit spirit, but his conception of the right technique for his purpose needs to be corrected.

Dr. Theophil Christen has written a short introductory booklet¶ to familiarise people with Silvio Gesell's proposals which are embodied in the latter's standard work "Natural Economic Order." Gesell wants the State to acquire all the land by compulsory purchase as a means of abolishing unearned income (interest). "If there were no receivers of interest the wage-earners could buy all the block" (Christen, on p. 11)—the "block" being total production. Gesell also proposes to make money circulate faster by issuing currency notes which depreciate in purchasing-power by 1-1000th of their face value every week at the expense of the holder. Thus, if you got a £1,000-note and kept it for a week you would have to affix a £1 stamp to it in order to get £1,000-worth of goods for it! and so on for a year, whereupon it would be "withdrawn from circulation" and "new bills" issued for circulation during the following year. These "notes" or "bills" he calls *Free Money*. Dr. Christen does not say explicitly how the consumer would get hold of them, but at any rate they would not be given to him free; for all money must be worked for. Nor does one gather whether it is proposed to depreciate a person's bank balance every week. Under the scheme every worker would virtually be a landlord and would receive additional income as and when the State paid off the expropriated private landowners and began to reap the benefit of increased rents arising from increased land-values arising from increased economic activity. Dr. Christen asserts (p. 45) that

"neither bankers nor the State can 'create' credit, for credit means, ultimately, a sum of money saved and offered for loan. The function of the banks is to act as intermediaries between savers and loan-takers, so the amount of credit they grant is governed by the amount of savings they receive as deposits. Apart from these deposits, the banks can only increase the amount of credit they grant by decreasing their reserves."

That this obsolete notion appears in the book is due, we may presume, to the fact that it was originally written in 1919 by Dr. Christen, who subsequently died, and could not correct it prior to the present translation.

¶ *Free Economy*. By Dr. Theophil Christen. Translated from the German by Philip Pye, M.A. 52 pp., paper, 1s. net. Agent for Great Britain, J. Henry Buchi, 72, Netherlands Road, New Barnet, Herts.

## THE FUTURE OF WOMEN.

Vera Brittain writes (*Everyman*, November 21) as if women alone stand in need of economic freedom, and in anticipating a future time when "each woman, whether married or single, will have her own job, which will enable her to choose a racially desirable type of husband. . . ."

she displays a blindness to economic realities that is only too common. The displacement of human labour by machinery is going on rapidly, and we have even now reached the stage when it can be safely maintained that the million odd surplus labour now with us will never be employed again.

That being the case, where does Vera Brittain imagine the women of the future are going to find the jobs they need to make them free?

Does she anticipate that women will oust men from all their jobs eventually? Being a bank clerk I know that there is a fear that with the introduction of labour-saving machines women "operators" will replace many of the present male clerks.

The relationship of the sexes is marred by the difficult economic conditions under which we live, and only when these bad conditions have been altered will sex and other social problems be solved.

The solution Vera Brittain seeks is to be found in *This Age of Plenty*, by C. M. Hattersley, published by Pitman's, and advertised by them in the issue of *Everyman* in which her article appears.—Letter by "L. K. K.," published in *Everyman*.



no one can say which of the old monuments will not disappear next.

Already in Russia "Christmas" is apparently being condemned. This may not greatly matter; but it is disconcerting to Western sentiment. We have to accept the fact. We have to appreciate that a Bolshevised Russia will create fresh forms of human consciousness and social relationship; and that these will in time engender a literary and dramatic expressiveness as significant as anything that has descended to us from the past. We need optimism; for we are compelled to wait. In the meantime it is possible for us to feel that the creative energies of the Russian people are released along political and economic rather than along artistic channels. We can even look upon the prodigious "State-planning" activities of the Bolsheviks as themselves an artistic manifestation of considerable interest. Their material is the very soil of their vast country; and it is as artists confident of their "idea" that they have set their hands to mould it into a shape nearer to the heart's desire.

## Drama.

### Martine: Gate.

"Martine" is the fourth play by M. Jean Jacques Bernard to be presented in London. None of the previous productions can have been financial successes, but the support of "Martine" at the Gate Theatre appeared so healthy as to raise hopes that some of the other plays might be revived here. M. Bernard's method is too delicate for any but sensitive audiences. His courageous demand on the beholder's imagination is possibly more a flattery than a compliment in view of the plight to which imagination is reduced. "Martine" is less mature in method than either "L'Ame en Peine" or "Le Printemps des Autres," but it shows the method in bud, the first rose of summer reaching full bloom in the last act. During the performance of M. Bernard's plays the audience's imagination is so unusually exercised that consciousness of the question, how does he do it, cannot be avoided, and almost every criticism of M. Bernard is an attempt to answer this question. In a programme note the translator, Mr. John Leslie Frith, denies on M. Bernard's behalf that the plays exhibit "the theory of silence"; and quotes from M. Bernard a comment on his method which is worth reproducing in full as more illuminating than the comment of any critic. "Drama is, before all else," M. Bernard said, "the art of the unexpressed. It is less through the words that are actually spoken than through the reaction to them that the deepest feelings should be revealed. There is, beneath the audible dialogue, a sort of underlying dialogue that must be made clear."

It is hard for any of us to believe that the thoughts and feelings of other human beings can be so complex and so much awl as his own. The masks they wear deny it, as ours deny it to them. How to dramatise this complexity and swirl without destroying its existence is a modern theatre problem. Shakespeare communicated the emotions of Juliet by creating her, at her modest age of twelve, as articulate and accomplished a poet as Shakespeare. His fools, such as the boy Gobbo, were endowed by their author with a prodigious genius for metaphysics, for example, in the boys leaving Shylock's service. Ibsen rendered his audiences fully conscious of his characters' situations, their incompetence, folly, and even lunacy; but only from outside, as a doctor is conscious of his patient's neuralgia. Ibsen's characters cannot be "understood." It is possible to diagnose, but not to enter into them. How to communicate the inside of a character while leaving him the work of God and evolution, rather than an image inflated by the poet's own talents and spirit, has

been one of the most trying tasks of every intimate theatre dramatist since Strindberg; indeed this uncontrollable desire to admit the audience inside the characters' soul may well have been the very spring in which the intimate theatre had its source.

Such dramatists as Shaw, of course, have no use for this longing for the communion of souls. They work only to pour contempt on some sorts of intellect and to approve others. They aim not at understanding human beings but merely at judging them. Thus they are in favour of bigger, not of more intimate theatres, as barristers and judges no doubt prefer a big, crowded court to a small or empty one, for witness, the staircase wit of our judges. Not even Tchekhov has succeeded, so far as technique goes, in greater degree than M. Bernard in opening inarticulate souls to the understanding of the audience without bestowing on them artificially the gift of tongues. "Martine" is very simple, very delicate, and very intimate. In spite of its simplicity, it is original in conception. Whereas a multitude of authors have portrayed the consequences of *mésalliance*, M. Bernard, more profoundly has shown the consequences of avoiding *mésalliance*. Martine, the peasant girl, receives the half-earnest attentions of Julien, a gentleman, in deadly earnest. The impression he stamps on her mind renders her unable to content herself with the slower witted company of her own class. After Julien, with the aid of an aunt of a great understanding and foresight, as aunts are in France, has been safely married to a wife of his own education and social rank, Martine hovers about, seeking the company of the husband when available, and, when not, of the wife. For Martine's good, the aunt persuades her to marry a peasant who has long wanted her, a good fellow, but not the figure of Martine's dreams. In the last scene, the aunt having died, Julien and his pregnant wife depart from the village, leaving Martine pregnant by her peasant husband while still in hopeless love with Julien. Julien is aware of the damage he has done, and his wife is aware that the surest way to avoid making it worse is to get away and spill no tears over it. The scene, prepared gradually throughout the previous scenes, needs no words. It is not remarkable, however, for its silence, but for its illumination. The inarticulate Martine is understood. Behind the few simple words she has used she knows without being told all that complex dialogue she has had with herself without either inclination or ability to confide in anyone.

The part of Martine was played by Gabrielle Casartelli with understanding and simplicity. In the art which M. Bernard demands from his actors, of assisting him to convey what the lines do not say but merely hint by reference to other actors' lines, Miss Casartelli seems to have a natural gift. Miss Josephine Middleton's Madame Mervan, the aunt, was also good, while Mr. Michael Macowan's Alfred, the peasant, was of a rich quality comparable with Miss Casartelli's performance. As Julien Mr. Derrick de Marney was not intimate enough. He was too rapid, too much at ease, too straight. Until the last act, indeed, he was not a character created by M. Bernard, but a play-actor, conscious of being on the stage, and exhibiting only externals.

### Madame Plays Nap: New.

Mr. Lewis Casson and Miss Sybil Thorndike have taken a Christmas holiday from giving the public what is worth having in order to give it what it is alleged to want; and it may as well be admitted that, although the audience talked throughout a long, dull patch in Act II., it applauded enthusiastically at the end of Act III. The dull patch occurred in the second act when, the romantic comedy having come to an end, the plot of a farce had to be explained. Madame, who plays Nap, was a

dancing-mistress at court before the French Revolution, a pawnbroker helping royalists in secret during the Revolution, and the only paragon of woman virtue at court under the emperorship of Napoleon. Unfortunately, the play was written by two ladies, Misses Brenda Girvin and Monica Coussens, and the male characters are in consequence coloured water passing as wine. The view of Napoleon expressed by M. Ferrier in the play without knowing about whom he was talking, that Napoleon would not make history, is certainly true of the pigmy Napoleon exhibited in the play. Mr. Casson, who agrees with Ludwig in stripping heroes of their divinity, did what he could to make Napoleon at least a man, but even that was impossible. As Madame de Beauvais, dancing-mistress pawnbroker, Miss Thorndike, lively and vigorous as she was, was miscast. At no point in the play did she appear ever to have been either dancing-mistress or at court. She played the part as a piece of music-hall low comedy, and made of it in consequence something altogether incongruous to its court surroundings without being comic. But the fault is almost entirely the author's. Except as frank burlesque Madame Beauvais' treatment of the emperor in the second and third acts is utterly inconceivable; and burlesque requires different preparation. Many of the characters make one despair of women dramatists ever realising that characters who are merely fatuous are not allowed on the stage, and that even a silly ass, male or female, must have endearing qualities.

PAUL BANKS.

## Music.

It now appears that the infamous Music Copyright Bill, stealing their property in their performing rights from composers, is even worse than I had originally described it. The one sum of twopence, to be paid as fee (!) for performing rights on purchase of the work, confers a perpetual freehold in these same rights upon the purchaser who henceforth can perform the work when, how, where, and how often he likes without it being possible for the composer to claim another penny. Mr. Frederick Austin dealt trenchantly with the Bill in the *Telegraph* of November 30, and Mr. Bernard Shaw finally devastated its iniquitous provisions in *The Times* of December 2. Opposition appears to be crystallising and organising itself, but I do not, speaking for myself, anticipate any success either in altering the Bill or preventing its passage. All efforts of publishers and composers, both of whom stand to lose equally, should be turned to defeating the purpose of the Bill and making it unworkable when it becomes law.

### Salomé. Cologne Opera House. November 29.

The highest imaginable thrill of expectancy was aroused by the announcement of this amazing Strauss Opera on the wireless. But the results were indeed lamentable, the work bearing in its relayed transmitted version as much relation to itself as one of those 25-year-old gramophone records to the original performance. Orchestrally, from the little (no bass at all) of the upper parts that one was able to hear one deduced a good performance. Vocally one was able to hazard a guess of general competence with something considerably more than competence on the part of Olga — sang "Salomé." There were unmistakable indications of beautiful singing, especially in the great closing scene of apostrophe to the head of Jochanaan—which, in spite of all horrible defects of transmission, came over with very moving effect. So mote it be that salvation—financial salvation in our time according to the gospel of Douglas, be

added unto us so that improving inventions may leap ahead unchecked and unhampered by considerations of plant-scraping, overhead, and other such unpleasing expenses, and give us with despatch apparatus that enables us to hear a performance in Cologne, not merely overhear a travesty through a neighbour's keyhole!

### Berlin Philharmonic Orchestra. December 3. Queen's.

I heard this concert *via* wireless. Transmission and reception both unusually good. The sheer quality of this orchestra, the glorious smooth diapason-like sonority of its strings, the flawless cleanness of attack of wood and brass, are in themselves such a joy that one is tempted to revel in the sheer perfection of the tone production as such. A D major Concerto Grosso of Handel for two violins, violoncello, and accompanying strings was pure delight. What a joy to hear violin playing without that everlasting sob-and-wobble we get from our English players. The three soloist members of the orchestra were *virtuosi* of the first order, as indeed is every member of this great organisation. As before, it is by the consummate musicianship of the orchestra in itself much rather than any great qualities in the conductor, Furtwangler, that one is so greatly impressed. Three interesting, severe, is so greatly impressed. Three interesting, severe, and quasi-hieratic preludes from the opera Palestrina of Hans Pfitzner were the only unfamiliar music in a far too conventional scheme. One does not want a superb orchestra like the Berlin Philharmonic to come all the way from Berlin merely to play music that we hear *ad nauseam* over here, even though we never hear it as they play it. We want some of that repertoire, Mahler, Bruckner, Reger, and others, that is current in Germany and that we never hear at all. Visits from an orchestra like this are too rare and precious to be wasted on hackneyed and threadbare familiarities.

### B.B.C. Contemporary Chamber Music. December 2. Arts Theatre.

An incredibly tedious, tiresome and stupid—albeit completely typical specimen—of that faculty which serves Monsieur Darius Milhaud in place of musical talent a chamber symphony, a series of five splodges of portentously and laboriously *travaillé* orchestral colour with no more essential nor inherent significance than "that blessed, blessed word Mesopotamia!"—and a performance of a Brahms Serenade of such unbelievable pedantry and dullness that I fled after two and a half movements as much from exacerbated boredom as indisposition, the splodges and the conducting by Anton von Webern, a pillar of the Viennese Schönberg *cénacle*.

### Alexandra Palace. Organ Recital. December 7. (Mr. R. D. Cunningham.)

Knowing better than most of my fellow musicians, i.e., than that organ playing is to be thought of merely in terms of the village organist or like Mr. Ernest Newman, who thinks that the music is always held up while the organist is changing stops, which is like judging the instrument and players on the achievements of the no-thumb-on-the-black-note standard in piano playing, I have twice within the past fortnight undertaken the long and perilous journey to the Northern Heights to hear the restored, renovated, and modernised organ—one of the most notable products of that prince of organ builders, "Father" Henry Willis, when it was first built in 1875. With admirable energy and public spirit a band of local music and organ lovers have succeeded in raising the larger portion of the £8,000 necessary for the work of restoration, while the builder, Mr. Henry Willis, grandson of the original builder, has, we are told, personally accepted the risk of the £3,500 which still remains to be raised. As restored, there is no doubt that the instrument is a marvel of flexibility, completeness of control, and

magnificence of tone. The effect of the "full organ" gradually built up by use of the *crescendo* pedal, is quite overwhelming. Mr. Cunningham, the official organist of Birmingham, is so far the finest English organist I have heard. He obviously revelled in the superb instrument under his hands, and his musicianship, his fine clarity of articulation—fatal trap for ninety-nine out of a hundred organists suffering from the prehistoric *organ-legato* obsession—his springy, flexible, mobile rhythms, his perfect good taste in registration, his quite magnificent control of his instrument cannot be too highly praised, and few people not organists can form any notion of the immense intellectual feat involved in mere mechanical mastery of the intricate and complex maze of a modern console with its innumerable thumb and foot pistons, controls, rocking tablets, and other devices. Mr. Cunningham's outstanding performances were the great G minor Fantasia and Fugue of Bach—superbly played this—an Air and Variations from a Haydn Symphony, a beautiful study in delicate registration and a delightful piece of "style" in playing, deft, clean, and light in touch, and as a magnificent close to the programme the tremendous Fantasia and Fugue on B-A-C-H of Reger. This was a real tour de force of playing—the torrential stream of the music, its huge massiveness and power were realised in what can only be called a genuinely great performance. The final pedal point of this work (the theme B-A-C-H thundered out in chromatic harmony against a rapid quaver counterpoint over the held pedal), taken by Mr. Cunningham at a tremendous pace, but with absolute clarity and with all the resources of the splendid instrument drawn on, is a thing only to be believed when it is heard. The whole a wonderful musical experience. And after hearing Mr. Cunningham on this great instrument, I prefer not to waste many words over the performance of Mr. Reginald Goss Custard a fortnight earlier. Mr. Goss Custard has a considerable reputation, but in every respect—style, technique, musicianship, and artistry, I find him quite unworthy to be placed in the class of Mr. Cunningham. His articulation is muddy and not clear, his phrasing slack and indefinite, his rhythm blurred and uncertain, his registration often crude and tasteless, and his playing lacks, it seems to me, almost completely in a cultivated musicianly style.

KAIKHOSRU SORABJI.

### Credit Reform in Italy.

The following, which was recently sent me by Signor Tullio Giara, of Piazza Vittorio Emanuele, 55, Rome, may interest readers of THE NEW AGE, as indicating that the credit-problem is coming to the fore in Italy no less than in other countries.

#### A NEW INVENTION OF GREAT CONSEQUENCE.

Italy is at present in a state of famine for money; and this induced Mr. Tullio V. Giara, of Milan (Italy) to study the monetary system of the great Nations, and invent a new special paper money, which cannot create inflation, or increase the public debt, while it can be put in circulation to any amount required.

Mr. Giara lived in America for twelve years, where he saw the "green backs" and "gold bills" circulate differently, without the great public even knowing the difference. The actual difference was that the gold bills had as guaranty a gold deposit; while the green backs, were guaranteed by a deposit of State securities, bearing interest.

Mr. Giara proposes to put out bills identical with the present ones; but bearing an interest, instead of the promise of a gold reimbursement. He would then lend this money to the great industrial enterprises, making them pay a rate of interest, with which to pay the premium on the money, when it comes due. When his system is adopted there will be no more need of foreign loans, which oblige the country to send abroad every year hundreds of

millions lire for payment of interests. Imports will be paid for with the export of services and goods, the production of which will be enhanced by the new money.

In fact this money would permit the financing of many enterprises and industries, now in abeyance on account of the shortage of money in Italy and would create work for the many hundred thousand working men now idle.

Such money, called working-lira or "lios," could not produce inflation, because it is not on the gold standard; and could not increase the public debt, because its premium is not paid with public revenue, but with the interest raised by loaning it. The limit to the output of the working-lira would be when no more idle men could be found. The guaranty of this new money is the wealth created by its use. For instance, if an hydro-electric plant has been financed with the lios, such plant will remain the property of the Government until the loan has been paid back.

There are many advantages in this new money, as for instance the prevention of failures. All the details of its output and circulation, in harmony with present circulation of gold standard money, with which it can be easily exchanged, have been studied carefully. This money is already under consideration.

T. V. GIARA.

It is also interesting to note that Signor Giara was able to publish two articles in the monthly "Momento Economico" before (so he told me) the avenues to publicity were closed to him by the National Fascist organisation of which he is himself an active member. These articles throw a little more light on the nature of his proposals, which I confess I find somewhat difficult to divine from his English manifesto. Thus in one of the articles he states more precisely that:

The Government puts out notes of national money similar in appearance to the existing bank-notes, but promising, instead of gold, a five-per-cent. premium over a period of years—thus rendering their eventual return automatic.

The same Government lends these notes to the banks, or directly to productive enterprises at five-per-cent. interest, and out of this interest it finds the premium payable to the bearers of the new national money, as that reaches maturity. When the loan has been repaid, these interest-bearing notes are cancelled (? *rimborsemi*) and destroyed. As far as I understand it, therefore, if we assume three parties, a Government, and Employer-Producer (P), and an Employee-Consumer (C), the cycle would take place something as follows. For the sake of simplicity I am assuming one year as the period in which it is completed.

1. Government lends P (direct or through a bank) £1,000 of "new national money."
2. During the year { P pays C £1,000 (wages, etc.)  
C pays P £1,050 (prices).
3. At the end of the year { P repays Government £1,050.  
Government pays P and C between them, whichever has retained any new money, £50 (presumably in still new money?).

It is pretty obvious that P would have more of the National Money at the end of the year, since the repayment of his £1,000 loan is a part of his ordinary business obligations. C, on the other hand, would only have his last instalment of income, plus what he had saved.

The effects of the proposals would thus, if I am right, be:

1. To take the control of industry partially, at any rate, out of the hands of the banks and place it in those of the Government.
2. To encourage "saving" by the consumer.
3. Since the loans have to be repaid, they enter into P's costs. These costs he must recover in his prices. P and C together can therefore only subsist—as now—on further loans. I.e. the third effect is to render a continual expansion of productivity a necessary condition for the distribution of the product.
4. To obviate or reduce the ill effects of loan-credit-creation, in so far as these depend on the factor of interest. For the lending, or credit-creating body virtually hands back the interest to the borrowing community.

The grave defect in the whole scheme is clearly its failure to make any provision against a rise in prices such as would quickly absorb the new money issued without benefiting the consumer. I wrote to Signor Giara some weeks ago, sending him a copy of THE NEW AGE, and pointing this out to him; but I have not yet received any reply. Possibly his book, "Lios" may throw further light on his proposals, and in

the meantime I am sure that he would be very glad to hear from any student of Social Credit who may be interested in them. My own criticism amounts to this, that I cannot see any essential difference between these proposals and any other scheme of producer finance based on long or short term loans, except that the virtual abolition of interest would prevent the general burden of debt from increasing quite so fast.

A. O. B.

### A History of Science.

It is significant that in this History of Science\* two-thirds of the book are devoted to the period 1660—present time, starting with the Newtonian epoch; and that the last chapter is entitled Scientific Philosophy and Its Outlook. Up to the Renaissance natural science was a branch of philosophy, though it had begun to find its own methods of experiment and mathematical analysis. From the time of Copernicus onward the world of nature was becoming a system of bodies moving mechanically in space and time; man's idea of his position and importance in the universe was being profoundly altered. Nevertheless, Barrow, Newton, and Boyle were not driven to an anti-religious, mechanical philosophy; Boyle believed that God not only made the world in the beginning, but His "general concourse" is continuously needed to keep it in being; Newton writes in his Opticks: "He governs all things, and knows all things that are or can be done," and occasionally invoked God to correct irregularities in the solar system.

The remarkable success of Newton's methods had a great influence on his successors, and determined the trend of the next two centuries. "In true philosophy," says Huygens, "we should conceive the cause of all natural phenomena in terms of mechanics." Laplace thought that a skilful enough mind would be able to calculate the whole of the past and future history of the universe from a knowledge of its momentary configuration and the velocities of its component parts. The mechanistic philosophy, however, reached its zenith in the nineteenth century, not as a result of the great mathematical and physical researches of the time (one might argue that Maxwell's electromagnetic theory of light started the movement from mechanics as far as physics is concerned), but following on the advent of Darwinism. The principle of evolution and the apparent possibility of interpreting physiological and psychological activities in terms of physics and chemistry increased the sense of the intelligibility of nature and gave a feeling of power—which further evolution was to take away.

The nineteenth century saw also the divorce of scientist and philosopher. From the Newtonian epoch the scientist learned to stand on his own feet; later the intensive advances in certain branches led to specialisation, and an unphilosophic race of scientific workers, who were to be rescued by Mach and Pearson. Meanwhile the unscientific philosopher was being chastised by Nietzsche: "It is gradually become clear to me what every great philosophy up till now has consisted of—namely, the confession of its originator, a species of involuntary and unconscious autobiography." Recently there has been a reunion, often in the same personality. The fundamentals of mathematics and physical science have been examined as never before; the simplest statement of the contributions of Einstein and Heisenberg to science in the last few years is that they have insisted that the physical quantities which we talk about should actually be connected with our experience.

The old determinism has been attacked from two sides. It cannot be founded on science any longer, for the latest results of the New Quantum Theory is Heisenberg's Principle of Indeterminacy; we cannot prophesy what will be the future of an electron from our present knowledge—for "present knowledge" has no exact meaning in that we can ascertain it only by altering the object under observation. On the other side, Whitehead has provided an alternative to determinism in a synthetic conception of the organism. In this, the analysis which leads to the abstracting entities of a mechanistic system is misplaced, for the enduring parts just as the structure of an atom influences the behaviour of its constituent electrons.

The new physics is not, of course, the final stage of the science. That we use, as Sir William Bragg has said, the classical theory on Mondays, Wednesdays, and Fridays, and

\*"A History of Science, and its Relations with Philosophy and Religion," by W. C. D. Dampier-Whetham, M.A., F.R.S., XXI + 514pp. (Cambridge University Press. 18s.)

the quantum theory on Tuesdays, Thursdays, and Saturdays, is an indication of the transitory nature of some of the present theories. But we have arrived at a stage which is probably unique in the history of science in that physical models are becoming no longer possible. The hard little billiard balls which constituted matter for so long were not displaced by Kelvin's vortices, nor by Larmor's ether-strains; they succumbed to the more defined protons and electrons, which have now become sources of radiation and wave groups. Reality now lies in relations and not in the relata.

Mr. Dampier-Whetham's book is not confined to the history of the physical sciences. He has a valuable summary of recent developments in the biological and anthropological branches. One is apt to think of "science" as physical science, probably because of the ultimate nature of its material. The biologist assumes the same attitude when he explains his researches in terms of matter and energy—when he talks biochemistry, for example. Biology and social anthropology, however, become of great importance to the scientific worker who is leaving for a time his perhaps rather isolated problem to attain a complete philosophic scheme. In pursuance of this object the hard-worked scientist will do well to avail himself of this book. It is extremely well documented and indexed, and being written for the author's own satisfaction it has a personal value as well as an historical value.

J. H.

### LETTERS TO THE EDITOR.

#### THE CURRENT OF THE "WILL."

Sir,—I enjoyed Mr. John Grimm's review article on Phrenology in last week's NEW AGE. In his reference, however, to an assertion made by Mr. Mitrinovic at a meeting of the I.S. for Individual Psychology, Mr. Grimm is surely over-subtle. The meaning of the passage in question to me is perfectly straightforward. It is simply that, for all practical purposes, man is himself only at the vital moment "now." Each instant "now" is man's only opportunity for efficient will and action.

Generally, as Mr. Mitrinovic pointed out, men do not use these innumerable potential instants, but waste, so to say, their "nows" either in sentimental feeling towards the past or procrastination. Have we not a proverb which says, "There is no time like the present."—Yours truly,

N. DUDLEY SHORT.

[Mr. John Grimm replies: "The point I made had to be 'over-subtle,' because it had reference to Mr. Mitrinovic's unmistakable implication that the 'will' is dynamic at unmistakable instants of time, as distinct from being continuously operative. I did not overlook the 'practical' interpretation advanced by Mr. Short; but this is so obvious that I cannot think that it was all that Mr. Mitrinovic meant to convey by his words. If I am wrong I apologise in advance."]

#### "THE BAND OF HOPE."

Sir,—May I say a word to old friends? It is nearly six years since a conference of the Social Credit Movement was held at Hope (Derbyshire). Do you remember it? Wasn't the atmosphere glowing with enthusiasm and good fellowship?

The aim of those who arranged the conference was to harness the enthusiasm which they knew existed, in units and small groups, throughout the land.

You remember how the steeds were saddled—with wet blankets?

The Provinces, for some parts of which I can speak with knowledge, never got over it. Some of us thought, and with the passing of time become more convinced, that a grave mistake was made by the ostler.

Londoners seem to have retained some cohesion. There is the M.M. Club, and now "The Economic Party." I have no first-hand knowledge of either, but the First Manifesto of the Party, published on the back page of your issue of August 22, 1929, stated with remarkable precision the outlook of those responsible for the Hope Conference, and the plan which they hoped the Conference would adopt. If there are any survivors of "The Band of Hope," don't you think we ought to join the Economic Party and back it energetically?

A. L. GIBSON.

#### ANSWER TO CORRESPONDENT.

J. L.—Major Douglas was due to reach Bombay from Hong Kong on December 20. It is unlikely that he will be back in London until late in January.

**"THE CONFESSION OF THE KIBBO KIFT"**

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should be read by all students of Social Credit who wish to understand the outlook and position of a movement which, basing its activities upon the New Economic teaching, has already attracted widespread attention both in this country and abroad.

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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.

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