

# THE NEW AGE

INCORPORATING "CREDIT POWER."  
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2202] NEW SERIES Vol. LVI. No. 4. THURSDAY, NOVEMBER 22, 1934. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

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## NOTES OF THE WEEK.

### Orage and Social Credit.

The text of Mr. Orage's talk on the wireless on November 5 was printed in *The Listener* of November 7 and reprinted in *The New English Weekly* of November 15, together with a symposium of tributes to the late editor from many of his old associates and contributors such as Shaw, Wells, Chesterton, Æ, Pound, Nevinson, Selver, Hobson, Penty, Dyson, Cole, Bax, Muir, Norman, and several more whose names have been latterly made familiar through *The New English Weekly*. Other tributes or obituary notices have appeared in *The Times*, *The Manchester Guardian*, *The New Statesman*, *G. K.'s Weekly*, *Social Credit*, *The Daily Herald*, *The Evening Standard*, *The Star*.

There was a chronological mistake in the "Notes" of last week's issue of THE NEW AGE where Orage's first meeting with Douglas was recorded as taking place a year after the Armistice: it was a year before. This dating back of the meeting allows the necessary margin of time to cover the period which Orage said that it took him to master the subject (namely a year) and the short subsequent period during which he was no doubt preparing its manner of presentation both in private and in public.

The time-order in which Orage published Douglas's earliest contributions in THE NEW AGE was as follows:—  
January 2, 1919.—Single article (on the mechanics of the economic system).  
May 1, 1919.—Single article.  
June 5, 1919.—First instalment of *Economic Democracy* (last instalment, August 7, 1919).  
February 12, 1920.—First instalment of *Credit Power and Democracy* (last instalment, August 5, 1920).  
May 6, 1920.—First instalment of *These Present*

*Discontents—The Labour Party and Social Credit* (last instalment, May 20, 1920).

It was in the autumn of 1922 when he gave up the proprietorship and editorship of THE NEW AGE. Major Moore took over these responsibilities and exercised them until June 29, 1923. During that period (eight or nine months) the economic policy of the journal became fundamentally divergent from that of Orage, Major Moore seeking inspiration from the Cambridge School of Economics and other unregenerate sources. The consequence was that only the most dogged of Orage's old readers held on; and many, even, of these would have fainted by the wayside had it not been for the potent stimulation of the late A. E. Randall's writings. Randall was more Oragean than Orage when it came to dealing with humbugs—he not simply murdered them, but he mutilated their corpses. Nevertheless, as just hinted, the circulation of THE NEW AGE slithered down with sensational speed.

In the meantime Mr. Brenton had launched a monthly Social-Credit journal, the first number of which appeared in April, 1921, under the title: *Public Welfare*. It was designed as a medium through which to feed the Labour Movement, in which Mr. Brenton was working at the time, with Social-Credit facts, and to permeate it with Social-Credit values. Gradually, however, he found that his journal attracted so much greater attention outside the Labour Movement than inside that he decided to widen its objective and to change its title to one specifically indicative of its basis. Thus, in November, 1922, *Public Welfare* became *Credit Power*. This change, it will be noted, took place very shortly (a matter of a few weeks) after Major Moore succeeded Mr. Orage in the editorial chair of THE NEW AGE. It was too soon for Major Moore's economic policy to have been made clear; so in retrospect it will be seen that circumstances were imperceptibly conspiring to provide, speak, an auxiliary turbo-generator which should over the load in case of just such an emer

in fact became manifest seven months later. When, on June 29, 1923, Major Moore decided to cease publishing any further issues of THE NEW AGE, *Credit Power* was ready to take over the service—the only adjustment necessary being to tune it up from a monthly to a weekly periodicity. Its capacity of service had already been proved by the fact that its circulation had risen to a point only seven per cent. below that to which the circulation of THE NEW AGE had declined. The two journals, however, ran a parallel course at the usual intervals under Mr. Brenton's editorship until February 7, 1924, when they were merged into THE NEW AGE in its present form. It may be recalled in passing that Major Douglas's correspondence with Mr. Lloyd George on the subject of the American Debt was first printed in the issue of *Public Welfare* for September, 1922, also that three months previously, on June 1, the first Anniversary Dinner of *Public Welfare* had taken place (Major Douglas present)—a function which has been continued in an unbroken annual series until this year.

The account here given of the progress of events—particularly that part which deals with Major Moore's interregnum—is recorded for quite another purpose than to stir up judgments as to the why and wherefore of changes in the control and conduct of THE NEW AGE. It is recorded for the enlightenment of those paragraphists who have alluded to, or hinted at, what may be called "the death of THE NEW AGE," and especially to those who still show a disposition to disseminate such rumours. To those who have done it deliberately there is nothing to be said, but to others who wish to be fair what has been said will perhaps be helpful. It is of course permissible for anyone to say that THE NEW AGE is dead in a figurative sense—that its ancient glory is departed: but not to insinuate that it has ceased to exist. For example, a writer signing himself "Cameronian," in the course of a tribute to Orage in *Reynolds's Illustrated News* of November 11, lets off this piece of historical information: "Suddenly the 'New Age' disappeared; its editor had become 'a forest philosopher of Fontainebleau,' working with his hands and living the simple life." Such carelessness (for probably this is all that it is) is the less excusable because Reynolds's has been the most enterprising of the weeklies in publishing arguments and communications from Social-Credit propagandists and leaders. So recently as July 1 last it printed matter of this kind, including a letter from Major Douglas obviously written for the attention of supporters of the Social Credit Movement. If "Cameronian" likes to inquire he will discover that THE NEW AGE is well known to certain leaders of the Co-operative Movement. It may also be added that one of them wrote a most appreciative private letter to the editor, not long ago, on the subject of his exposition of the principles of that Movement.

When it comes to testimonials, however, the opinions of Orage himself count for most. While he was alive, and editing what some people would call a rival journal, the publication of them would have been liable to misconstruction—it would have borne a resemblance to one tradesman's advertising another's compliments in order to sell his own wares at the other's expense. But now there exists no reason for refraining from putting the following exhibits on record. Here they are:

I.

anything like a full presentation of the Douglas's arguments looking for a long row to hoe may be

directed to the increasing body of literature on the subject inaugurated by the volume in which I more or less collaborated with Douglas himself—*Economic Democracy*. There followed Douglas's *Credit Power and Democracy*, and several others; and later a host of summaries and discussions. Furthermore, THE NEW AGE under my successor more than admirably continues the weekly exposition which I had begun and carried on for three years."

[From an article contributed by Orage to *The Commonwealth* (U.S.A.) in 1926.]

II.

Stone House,  
Rogate,  
Sussex.  
July 30, 1930.

Dear Brenton,

I'm marooned here for the present in the country, but, if I may, I look forward to seeing you in the early autumn when I shall be coming to London for a few months. Your Notes are, in my opinion, quite masterly, but, alas, I see in my survey of the English press very little evidence even of a wish to understand them.

Yours sincerely,  
A. R. ORAGE.

III.

6. Keats' Close,  
N.W.3.  
Sunday, Feb. 28, 1932.

My dear Brenton,

You are not only the first subscriber to my new paper, but I can most truly say that of all the possible subscribers I am most gratified that you should be the first. May it be a happy omen of our cordial, if Machiavellian, co-operation and success in our common cause. . . .

Thanking you once more,  
Very sincerely yours,  
A. R. ORAGE.

The Machiavellianism alluded to was nothing more sinister than the "Rolls" and "Royce" relationship which Orage afterwards humorously defined in his speech as chief guest of the evening at the "New Age" Dinner held on April 9, 1932, to celebrate the inauguration of *The New English Weekly*. Orage in the "high hat" in the showroom: Brenton in the "overalls" in the workshop behind. Royce would sell on the coachwork to aesthetes who would chance any engine: Rolls would see that they got the right engine. Royce's department would shine with vehicles, meet for the transportation of *débutantes* to Court, while as for Rolls's department, the whole of it would be, like Captain Boyle's vision of Ireland, "in a state of chassis." And so it came about—and no doubt the immaculate Mr. Royce would sometimes allude, in the presence of his highbrow friends, to that truculent tinker, Rolls, while the grease-marked Rolls would in that succulent slatherer, Royce. Howbeit, the two turn compare notes with his lowbrow companions about frequent—but that was because each was minding his own business. Meanwhile, they were on excellent winking-terms—which, when you come to think it out, is the best sort of terms you can have. Well, the old concern has now been plunged into lethal liquidation—unilateral dissolution as the humbugs of Threadneedle Street would say—and the declaration of the ultimate dividend on its operations will have to be waited until the thrones are set and the books are opened.

A curious notion found expression the other day: it was to the effect that the comments immediately following Orage's broadcast address probably hastened his

end. This shows a poor understanding of Orage's psychology. Hardly anything can be conceived of as less likely to have depressed him than the irrelevant jargon of which Mr. Hutton delivered himself. As a matter of probability Orage can be assumed to have gone home without hearing it. In any case the velocity-of-circulation criticism answers itself directly the propounder is asked to illustrate the working of it. If the shop-counter of the industrial-system be represented by a row of ten shops each containing, say, a stock worth £10 belonging to the proprietor, you can introduce a customer at one end who spends £1, and make it pass along from proprietor to proprietor, No. 1 buying from No. 2, No. 2 from No. 3, and so on along to No. 10—and then back again to No. 1, and so on to and fro until the whole £200 worth of stock has been bought by the £1. Excellent business—provided that the ten tradesmen, who between them now hold £1, can replace their stock for that sum. But since they can't replace more than £1-worth of stock by the expenditure of £1, they have to move their purchases valued at £199 back from their kitchens into their windows. They are now in exactly the same position as if the "outside" customer had not come along, the only difference being that they have exchanged stocks—stocks which are unsaleable until another outside customer comes along. This assumes that their prices are at cost—that they make no profit. If they do charge a profit—say, 10 per cent. of price—then tradesman No. 1 can spend 2s. with No. 2; No. 2, 2s. with No. 3; No. 3, .02s. with No. 4—which amounts to about one half-penny!—and so on in a diminishing geometric progression which you can work out if you like. Counting up what each has got left with which to replace stock you have the following addition sum:—

No. 1	.....	s.
2	.....	18.
3	.....	1.8
4	.....	.18
5	.....	.018
6	.....	.0018
7	.....	.00018
Interim total	.....	19.999998

and if you carry the steps on to infinity you will get a total of 19.9, which is the recurring decimal expression for 20, that is, the £1 originally paid by the outside customer. It remains only to add an interesting point relative to the A + B Theorem. The £1 is the outside customer's "B" expenditure (all expenditure on business organisations). "Aha," say the critics, "just what we told you—this 20s. 'B' money is in part spent again on consumption by the tradesmen when they get it." Quite so; but the outside customer doesn't charge up any of his payment as a cost to be recovered. He writes the whole lot off, and in return gets 9-10ths of the value of his £1 for himself, treating the tradesmen to a feed on the other tenth for their courtesy and trouble.

And so it is seen that our old friend the "Velocity of Circulation" should truly be named the "Velocity of Contraction"—the faster he runs as a symbol of financial credit the thinner he gets as an implement of purchasing power. He slims as he sprints.

And now to revert to Orage's decision in 1922 to leave THE NEW AGE. This has been described by some en-

thusiasts as a "dereliction of duty"—a "desertion" of the "Cause." Some went so far as to suggest that he was "spirited away" by the influence of the bankers. But his own reasons for the decision were derived from the conviction, formed after three-and-a-half years' patient instruction, that something more was needed to lift Social Credit from the plane of intellectual exercise to that of political driving-power. He believed that, just in the same way as he had remade his intellectual synthesis (as described in these "Notes" last week) in order to spread enlightenment, he had now to remake his psychological structure in order to become the generator and inspirer of the will to action. So he went to what may be called the Fontainebleau works and placed himself in the hands of technical occultists who, he hoped, would succeed in converting the direct current of his intellectual influence into the alternating current of compelling suasion. In the course of time he lost that hope, but as appears in his autobiographical articles (of 1926) printed elsewhere, he still believed that success in getting Social Credit into being depended on ultra-rationalist influences, whether these might be enlisted by personal discipline or contemplation, or set in motion by the shock of events beyond human control. It is, therefore, not unlikely that the dramatic crisis of 1931 played a large part in deciding him to return to England and resume his work. Trial and error once more—it was all in keeping with Orage's scientific method.

It remains also to be pointed out that Orage was, and remained, a teacher of principles, not a director of their application. Just as he had kept out of the National Guilds League so he kept out of the Social Credit Movement. He planted "cells" of study and action-research in various places, but never tried to combine them into an organism. As is shown, the problem of *action* defeated him; but from all evidence it has defeated everyone else up to the present time.

Bankers and Actuaries.

*The Insurance Record* (a monthly technical organ priced at 1s., but obtainable only by subscription) contains, in its current issue, a two-page synopsis and survey of a portion of Mr. A. W. Joseph's serial article which has been appearing in THE NEW AGE since November 1. The editor is to be congratulated on his action in thus bringing the Social-Credit technical analysis and political view-point in front of the specialists and officials of the insurance world. Antecedently, of course, a great deal of credit is due to the Chairman of Executive of the Birmingham Actuarial Society firstly for admitting Mr. Joseph's Paper into its programme of discussions, and secondly for permitting us to announce the fact in conjunction with our reproduction of the Paper. It is undoubtedly this enterprise and open-mindedness in Birmingham which has led to the wider publicity now achieved for Social-Credit in circles where on the average there is a much higher degree of competence to verify its technical challenge to established axioms of finance than exists among general groupings of the community, particularly party-political groupings. For the function of the actuary is to arrive at a safe ratio between premium and assured risks just as it is that of the banker to arrive at a safe ratio between currency-assets and deposits. Every policy-holder is, in this sense, depositor, the chief difference being that his legal claim his "deposit" depends on circumstances of his control (e.g., death and "accidents" of

The right of a depositor in a bank to withdraw his deposit is legally exercised whenever he likes; so that what the banking "actuary" has to do is to foresee and provide against the contingency of what may be called a mass-wish to withdraw cash—in other words, to cover the risk of a panic.

\* \* \*

Superficially it would appear that the actuary, who fixes the terms and conditions for policies, is performing the same functions under the same limitations on exact foreknowledge as does the banker who fixes terms and conditions for loan-credits. But to those who grasp the Social Credit analysis this is an untenable idea. For the banker creates the risks that he has to provide against—that is, he creates a deposit whenever he issues a loan—and then, in his efforts to limit the risks—that is, his calling in loans (thus reducing his liabilities by destroying deposits) at short intervals, he sets influences moving which create risks for insurance companies. For whereas the banker, through his procedure, stabilises the amount of deposits at a more or less fixed figure, the insurance-manager is constantly seeking to increase his business, which means to increase his premium-revenue, which in turn implies a commensurate increase in his contingent liabilities. But his means of discharging these liabilities are not in the form of deposits, they are in the form of investment-securities convertible (in theory) into deposits in case of need. But the amount which the securities will fetch at any time in terms of deposits is limited to the amount of deposits existing at that time. In short, the policy of the banker sets problems for the actuary.

### Forthcoming Meetings.

#### Green Shirt Movement For Social Credit.

National Headquarters: 44, Little Britain, London, E.C.1.  
Wednesday, November 28, 8 p.m.—Problems for Propagandists. (Questions invited.)

Wednesday, December 12, 8 p.m.—A Lecture-Demonstration, *Generating Mass Emotion for Social Credit Logic*, will be given by John Hargrave, Founder and Leader of the Green Shirts.

#### Birmingham Douglas Social Credit Group.

November 28.—The Meaning of Democracy.—G. Hickling, Esq.

December 7.—ADDRESS BY MAJOR DOUGLAS IN THE TOWN HALL. CHAIRMAN, THE DEAN OF CANTERBURY.

December 12.—The Social aspect of the National Dividend.—T. F. Evans, Esq.

January 9.—Subject to be announced.—Dr. J. E. Purves.

January 23.—The Common-sense of Social Credit.—L. D. Byrne, Esq.

February 13.—Resistances to Social Credit Propaganda.—P. R. Mason, Esq.

February 27.—Life or Money?—A. L. Gibson, Esq.

March 13.—World Affairs from the Social Credit standpoint.—E. H. Bill, Esq.

March 27.—The Emergent Order.—Dr. Tudor Jones.

April 10.—The Advance of Social Credit.—J. R. Morton Esq.

#### London Social Credit Club.

Blewcoat Room, Caxton Street, S.W.1.  
Nov. 23, 7.45 p.m.—Foreign Trade and Social Credit, by Dr. Ewart Purves.

Nov. 30, 7.45 p.m.—What is this Social Credit? by Mr. A. L. Gibson, F.C.A., of Sheffield.

Visitors are Welcome.  
Friday nights, 5—11 p.m., Social Credit Library and Literature Stall.

#### The New Age Club.

Open to visitors on Wednesdays from 6 to 9 p.m. at the Inn Restaurant (downstairs), 305, High Holborn, (south side), opposite the First Avenue Hotel and Chancery-lane and Holborn tube stations.]

## Banking and Industry.

By A. W. Joseph, M.A., B.Sc., A.I.A.

[A Paper recently submitted to and discussed by the Birmingham Actuarial Society.]

### IV.

#### Remedies.

The remedies for our present serious economic state need not be revolutionary nor drastic. In particular, there is no need to alter the organisations which are working well, namely, the system of production. All that is necessary is to make a straightforward onslaught on the organisations which are not working properly. The first essential is to induce confidence of the bankers in the system they are operating, and the second that of the public in the trading system. This confidence must, however, be engendered by attacking the sources of the trouble, not merely by preaching optimism.

Thus at present the Banks, by granting credit, make themselves liable to pay in cash more money than there is in existence. At the back of their minds there is always the fear of a run, and they limit their advances to the arbitrary working ratio of ten times their cash. Since 1928 the fear of a run has been quite illusory, because the Bank of England then took powers to increase the fiduciary issue to any amount on demand, mandating permission from Parliament. Nevertheless, the Banks seem unaware of this fact—or they are afraid the Bank of England will not grant them the necessary facilities. It should be a fundamental of banking practice to grant credit to any amount to meet the legitimate needs of industry. Credit should not be restricted by any artificial Bank ratio. There is a certain amount of danger in allowing private institutions to have unfettered powers of increasing credit, and as it would be the nation's credit which would in reality be backing the money created there are grounds for requiring that some public body, say, a statistical department of the Board of Trade, should be set up to control the total amount of credit issued.

In order that the trader should have confidence in the economic system the fundamental deficiency of purchasing power must be corrected. The trader will then be able to produce goods in the certainty that if they are well made and satisfy a real demand they will be bought. This can be done by the creation and distribution of fresh purchasing power to consumers. The needs of producers will already have been met by the Banks. The amount of consumer credit to be distributed will have to be discovered by experience under the guidance of the Board of Trade or some other body. The factors which will affect it will be: (1) the total prices of consumable goods coming on the market; (2) the existing amount of money; (3) the amount of savings producer credit being created; (4) the amount of savings (true savings, not the present large savings inspired by the insecurity of the economic system); (5) the amount of past savings being spent, and a number of other miscellaneous factors. There is no need, however, to estimate each factor separately. The additional purchasing power must be such that the amount of money in the hands of the public shall be sufficient to purchase the goods available. It is important that the money should be distributed to consumers as a dividend. It must not be necessary, as it is under the present system, that before the public can consume present production, a mountain of fresh capital equipment must be created. Most of the world, in particular,

# THE NEW AGE

No. 3]

SUPPLEMENT

[November 22, 1934]

## An Editor's Progress.

[This autobiographical article first appeared in "The Commonweal" (U.S.A.) in 1926, and was largely reprinted in THE NEW AGE during the same year by the courtesy of the editor of "The Commonweal" and Mr. Orage.]

By A. R. Orage.

### PART I.—THE NEW AGE.

I was looking through some old volumes of THE NEW AGE the other day, with the intention of tracing the earliest published work of a number of now well-known writers—Miss Katherine Mansfield, Michael Arlen (then Dikran Kouyoumdjian), W. L. George, Jack Collings Squire, and a host of others. As usually happens, my search was soon abandoned for still more personal recollections—of the hopes and fears and thrills and mortifications of fifteen years of editorship. There was no value in that, however; it was simply throwing good money after bad. And by and by I settled down to an orderly review of the course of development of my economic thought during those fifteen years. As I have no doubt that the trail I followed will prove to be a highway when a sufficient number of people have trodden it, a brief itinerary of the journey may serve the purposes of a guide.

Like every intellectual in those days—I refer to the earliest years of the twentieth century—I began as some sort of a Socialist. Socialism was not then either the popular or unpopular vogue it has since become; but it was much more of a cult, with affiliations in directions now quite disowned—with theosophy, arts and crafts, vegetarianism, the "simple life," and almost, as one might say, the musical glasses. Morris had shed a medieval glamour over it with his stained-glass "News from Nowhere." Edward Carpenter had put it into sandals. Cunningham Grahame had mounted it on an Arab steed to which he was always saying a romantic farewell. Keir Hardie had clothed it in a cloth cap and a red tie. And Bernard Shaw, on behalf of the Fabian Society, had hung it with innumerable jingling epigrammatic bells—and cap. My brand of Socialism was, therefore, a blend or, let us say, an anthology of all these, to which from my personal predilections and experience I added a good practical knowledge of the working classes, a professional interest in economics which led me to master Marx's "Das Kapital," and an idealism fed at the source—namely, Plato.

It was inevitable that I should drift into socialistic oratory, labour politics, and journalism; and it was equally inevitable with this background that my line would be original. I well remember, indeed, my inward smile when it was assumed by everybody that to edit in co-operation for a year with Mr. Holbrook Jackson, would naturally become the semi-official organ of the Fabian Society. Very little was anybody, including myself, aware of the course THE NEW AGE would take; but of one thing I was certain—no society or school or individual could count on my continuous support. The whole movement of ideas, called Socialism, including, of course, the then burning question of parliamentary Labour representation, was in the melting-pot; and my little handful of colleagues and I had no intention of prematurely running ourselves into anybody else's mould. The Socialists of those days were, in practice, individualists to a man.

It was not very long after beginning publication that the "old gang," as the established constellation of Socialist and Labour lights was called, began to suspect that a new comet had appeared. The predominant question of the moment was the possibility of fusing

the trade-union movement, which served as the basis of the Independent Labour Party, with the Socialist movement; and many and strong were the advocates in the latter of a union of forces on the political field. My friends and I, however, had quite a different idea. We had no objection to the trade-unions as such. On the contrary, our slogan that "the trade-unions are the hope of the world" was evidence that we attached even an exaggerated value to them—for reasons that will appear. Nor, of course, had we any general, but only a particular, criticism in those days to make of the Socialist groups. But one distinction between Labour politics and Socialism seemed to us to be decisive—that whereas Socialism explicitly claimed to be nationally representative, the political Labour Party was avowedly based on a single class—that of the wage-earners or proletariat. To both sections, it appeared to us, the political Labour Party was making a false appeal. The trade-unions, it is certain, were originated in response to a purely economic motive; they numbered members of all the national political parties and were little disposed to make their occupation their politics. By appealing to them to support a parliamentary Labour Party, it seemed to us that the heads of the party were diverting them from their original object and merely trying to ride on their backs to personal power. It was too late, however, to protest against this; the evil had begun; and the system of judicious bribery of trade-union officials with the prospect of a parliamentary career seemed likely, moreover, to preserve the Socialist movement for a national politic; and when it came to a decision concerning the political fusion of the Fabian Society with the Labour Party, THE NEW AGE, after vainly supporting the ingenious proposal of Mr. Ramsay MacDonald to form a Socialist representation committee, repudiated the Fabian Society, and set out to plough a lonely furrow.

Avowed opponents of political labour in any shape or form, antagonists of the Fabian Society from the moment of its surrender to class-politics, our situation was, indeed, that of Ishmael. Our pen was against practically everybody of importance in all the political parties without exception, and against every Socialist and Labour organisation that was not minding, as we thought, its proper business. No wonder that the bright hopes, which the first Socialist weekly of London literary distinction had inspired in the breasts of Socialist and Labour groups, began to be puffed out rapidly one by one. Save for the brilliant debaters among them, who carried on a campaign of lively debate in our columns, much to our joy, all the established authorities turned their backs upon our own turned backs. Personally, we remained, as a rule, on the friendliest terms; but officially and editorially, it was silent war, broken only by the occasional aforesaid crackle of polemics.

This attitude of isolation, though it was maintained throughout my fifteen years of editorship, was, nevertheless, not at all negative or passive. If we had nothing to say for any of the groups hopelessly mortgaged to bankrupt policies, we had, at any rate, plenty to say for ourselves, and concerning the two main elements in the total situation—the trade-unions and the community as a whole. As we saw it, both were about to suffer a further injustice from the manoeuvre that had been successfully carried out. The trade-unions were to be cut by the nose from the economic field where alone they could conceivably win any advantage for themselves into the barren fields of politics; and the nation was to lose the criticism and advice of national, that is, non-class Socialism. Henceforward, but for every political Labour organisation and even

body, collective or individual, might fairly be held in suspicion by both trade-unions and the public at large. They all had a more or less personal axe to grind; and the expense would be borne by the trade-unions and the community jointly and severally.

We began very early to prepare our programme for positive propaganda; and already in the earliest issues of THE NEW AGE, I recall articles advocating for the trade-unions a return to the guild system, and for the nation the organisation of national industry by devolution of powers to incorporated industrial groups, including the trade-unions. Whether the latter was the first suggestion of Syndicalism that ever appeared I am doubtful; there is reason to believe that it was, and was subsequently translated into French and re-imported into England under its present name. But, undoubtedly, the suggestion of the guildisation, as we barbarously called it, of the trade-unions, was a novel idea in Socialist theory, and still marks a definite milestone on the way to a still remote Dover.

It was not, however, plain sailing. To begin with, the guild idea had been revived by Morris and resurrected by another genius, Mr. Arthur Penty, for the express purpose of recapturing what they little realised was not the first fine rapture of the middle-ages. Lovers of the crafts, they, and Penty more explicitly than Morris, hoped to decentralise industry and to restore small workshops and hand production. Trade-unions to them were only a concomitant symptom of the fall from the middle-ages, justifiable as proletarian defences, but superfluous in a guild community. What a time we had with Mr. Penty on this question! And it was the more difficult because I had some years before 1907 sponsored his earliest book on the Restoration of the Guild System, and been the first secretary of a Guild Restoration League. However, I could not agree to dissolve the trade-unions in mediaevalism; nor could I convince myself that they had no possible function in a reformed community. Guilds and trade-unions had somehow to be reconciled; and, in the end, Mr. Penty unwillingly but handsomely consented to their possible union.

The next storm to be weathered—be it understood that the storms were mostly in a tea-cup little larger than a very small office, since nobody outside the circle of our few readers paid as yet much attention to our contemptuous backs—was the dispute between syndicalism and nationalism. There was not much proletarian class-consciousness in England in those days; and, indeed, it is my judgment that the English working classes will never turn red until they see red. They think too well of the upper classes, including their own, to attribute to them any deliberate or obdurate injustice (in which, perhaps, they are not mistaken). But on account of the propaganda of the Independent Labour Party, there was enough articulation of class-consciousness to make the association of trade-unions with the nation a matter of suspicion among the babes.

Parliament was declared to be nationally non-representative, a plutocratic class-instrument; its functions, at their ideal, were purely political to the exclusion of economics; the trade-unions were capable of undertaking the control of the whole of industry without any other authority's "by our leave." "Trade-unions unite" took the place of "workers unite," and the proper object of the unions was independent sovereignty over industry. The great war, of course, later on knocked all the nonsense out of syndicalism. As the trade-unions scrambled to offer their services to the political sovereigns, the few remaining stalwarts of syndicalism turned their eyes away, their dream perishing before them. But long before the war, THE NEW AGE had disposed, for mere intelligence, of the theories of syndicalism. Upon no ground had it a defensible right to stand on. The proletarian element in any community and, still more emphatically, the active workmen of it, is in any conceivable event only a part of the community. There are hosts of perfectly legitimate essential communal functions altogether outside the possible purview of trade-unions; and the dis-

possession of the national sovereignty by a class of a class sovereignty, was likely to prove as impossible in practice as in theory. In the end, we won on that issue, too; and before many months had gone by, after our retreat from the official schools, we began to publish the first series of articles under the title of National Guilds, in which the political sovereignty of the nation was preserved, while the trade-unions were given the task of organising industry on behalf of Parliament.

It is true that as yet THE NEW AGE had not cut much ice with our old friends of the older groups. But from Ishmaelites we had become Adullamites; and there began not exactly to flock to our new standard an assortment of independent thinkers, chiefly the younger men. Mr. S. G. Hobson was the actual writer of the series of articles referred to, and the author, under my editorship, of the first and still standard work on National Guilds. But we were soon joined by energetic young men like Mr. G. D. H. Cole, Mr. Maurice Reckitt, Mr. William Mellor and others, who immediately formed a society called the National Guilds League. Mr. Will Dyson, the foremost cartoonist in England, did our designs for us. I may say at once that I never was a member of the league myself. To tell the truth, I had begun already to have doubts! Undoubtedly, however, the adhesion of these men, their admirable methods of propaganda, and the publication outside the almost private pages of THE NEW AGE of the text of National Guilds, put the subject on the public map of discussion. A vast polemical literature began to appear, references to our existence began gingerly to occur in the speeches and articles of the old gangs. Above all the older organisations began to cease to enlist the pick of the new recruits; their prestige was waning to the size and sickle-shape of an interrogation-mark.

But they need not have disturbed themselves! Our worst storm or, rather, difficulty—since there was nothing positively active about it—was still before us; and, frankly, national guilds would certainly have foundered in it even if the war had not anticipated the sinking. The dispute with the mediaevalists had been successfully compromised; the dispute with the syndicalists had been translated into uncongenial and harmless French; the existing Socialist and political Labour groups had had their young men and brains drained away. But we had still to count with the trade-unions, and to persuade them of their own good. This was the job!

In the first place, there was no getting at them directly. All the branch as well as the general and congress meetings are held under the careful auspices of the officials; and the latter, being by this time usually hell-bent for a place in the parliamentary sun, had no temptation to assist our counter-propaganda amongst their chief financial supporters. Never upon a single occasion in my recollection was any accredited spokesman on behalf of national guilds invited or permitted to address an officially convened trade-union gathering. The alternative was practically useless—meetings at which the general public was predominantly present. We got their approval, but the famous "rank and file" of the trade-unions we never had a chance of speaking with. And needless to say, a reader of THE NEW AGE or anything else among them was in the proportion of spirit in near-beer.

What they allowed to be said on their behalf without any protest was, moreover, quite as discouraging. They had no ambition to control or even to manage their own industries. They had no hatred of their status as wage-slaves (as we provocatively named them), nor any contempt for their employers. They knew enough of their own officials to doubt if their class could be trusted with power, even over themselves. They wanted just more wages and less work. In strike after strike we intervened to beg for an issue to be made of control instead of only wages. A few of the employers were prepared for it. In fact, there were a number of employers among the members of the National Guilds League.

Except upon one or two occasions, the wages issue remained unaffected even to the extent of words. And in the exceptional case of a builders' strike, where a group of strikers actually undertook and were empowered to work as a guild, the immediate result was a local mediaeval guild and in no practical sense any approximation to the national guild of our imagination. My experiences during that period (1907-14) have made me doubt even the apparent evidence of my senses that a movement of ideas is possible among the proletariat. Belly-movements are possible, of course; and even then they are slow; but proletarian movements directed by and composed of heads accessible to ideas—they belong for me to the mythology called history and "propaganda."

To clinch a matter that needed no clinching, the Parliamentary Labour Party was by this time making good in its own eyes and in the eyes of the ambitious trade-union leaders. As habitually with them until recently, the English governing classes knew how to stage a defeat to make a triumph out of it. No sooner had the Labour Party actually forced its way into Parliament than all the old stagers began at once to prepare it for their better digestion. Public honours were poured upon them. Absurd and really insulting compliments were addressed to them. Privately and personally they were treated with the condescending courtesy meted out to ex-butlers who have come into a moderate fortune. Above all, and artfullest stroke, their wives were patronised and begged by dowagers, in the name of their common class, to dissuade their husbands from ruining the old country. Many and patriotic were the comedies of which I was myself the eye-witness. Many and foolishly bitter were the jibes at the cunning of the one side, and the sycophancy of the other, published by THE NEW AGE. We had enemies enough before; but during this campaign against the ultimate roots of English conservatism we made many more.

But for the fact that THE NEW AGE was undeniably "brilliant," brazenly incorruptible and independent, and could always count on the support of the young of all ages, including Mr. Belloc and Mr. G. K. Chesterton, cheerfully; Mr. Shaw and Mr. Wells, grudgingly; and many greater and lesser powers, for worse or better reasons; it would surely have died of lack of circulation. Strange to say, however, the more enemies we made, the higher in prestige THE NEW AGE became, until at last it was our just boast that we were a classic, everywhere spoken of, but seldom read. I can never be sufficiently grateful for the colleagues of those days. They only missed making history for the simple reason that history is never made by ideas, but only by facts.

Only a word or two deserves to be said concerning the second plank in our platform. (It will be remembered that I said there were two.) While the rest of the Socialists had abandoned even the pretence of political nationalism in favour of a class politics, based on the wage-earning section, THE NEW AGE acquired a degree of non- and anti-Socialist credit by criticism imparting—perhaps first and foremost—the Labour group. It must be admitted, however, that with nothing solid at the back of us, we realised that we were engaging a tide with a broom. The failure, in fact, to secure a constituency to support our proposals in any section or in any leader of trade-unionism was fatal to our representative character. We could only speak for ourselves; we more or less wearily dragged along until the war suddenly put fresh blood into the nation and drained more out. But with that episode I hope never to be concerned again. There followed the hideous peace—and rest had been, as it appears, preparatory—the ideas of Major C. H. Douglas, author of "Economic Democracy" and "Credit-Power and Democracy."

## PART II.—THE DOUGLAS REVELATION.

The doubts that haunted me regarding the practicability of National Guilds (or, as it was sometimes called without my approval, guild socialism) were concerned with something more important than the viability of the idea. The rank and file of the trade unions were under lock and key of their officials, the latter were hot on quite another scent from ours—namely, their social ambition by the political agency of their unions—and the general public, as always, whatever its attitude toward guilds, was without organs—rather like an amoeba that can function only in rare states of excitement. But had these circumstances been altogether otherwise and quite favourable, my embarrassment would have been infinitely greater. Called upon, like the boys at Dotheboys Hall, to clean the "winder" I had spelled, my suspicion of its mis-spelling would have been confirmed. For the truth is that I knew, without being able exactly to diagnose it, that the whole idea of National Guilds, as formulated by Mr. S. G. Hobson and myself, and elaborated by Messrs. Cole, Reckitt and others, was wanting in some vital part. Somehow or other it would not "work" in my mind; the idea did not inspire my confidence. And the trouble was always of the same nature—the relation of the whole scheme to the existing, or any prospective, system of money.

Many were the discussions between Mr. Hobson and myself during the drafting of the first official exposition of National Guilds; and the chapter on the finance of the guilds was, I remember, a torture to us both. Mr. Hobson, with his eager mind, was disposed to trust to the washing, so to speak. Everything would work out in practice that we could not clearly see in theory. After all, we must leave something to be done! But I was not satisfied that we had even the principle correct; and my conscience would not allow me to sleep in faith of the future. I read all my economic literature again with special attention to the problems of money. Every "crank" on the subject was eagerly welcome to my time and consideration. Still the solution eluded me; and in the end I decided to remain neutral as regards both the textbook itself and the National Guilds League that was founded on it.

The Great War put an end to many things and many ideas; and among the latter was undoubtedly guild socialism. We woke from the evil dream shortly after the Armistice; and in the horrible light of morning we began to count our losses. For me personally the realisation of the complete disappearance of the guild idea as a living potency brought no sense of disappointment, but rather of relief. My former colleagues, however, were only disappointed; they were not, as yet, in despair. On the other hand, it was difficult to carry on a journal that lived by ideas in the absence of any living idea; and between two worlds, one dead and the other powerless to be born, the editorship of the political section of THE NEW AGE became extremely irksome. My mind functioned on events with the monotony of a recurring decimal; and my only relief from the situation was interest in the literary style of my political notes. And assuredly that would not last me very long.

One day, about a year before the Armistice, there came to my office, with a personal introduction from my ex-colleague, Mr. Holbrook Jackson, a man who was destined to effect a beneficent revolution in my state of mind. Major C. H. Douglas, so it soon appeared, had been already for nearly a year engaged in trying his ideas upon various persons and personages, political and journalistic. His ideas concerned the problems of finance; and I quickly gathered that they were difficult to understand and had been "turned down" or refused a patient hearing wherever Major Douglas had adventured them. This was nothing to me, who had boasted that THE NEW AGE owed its "brilliance" to the rejected stones of the ordinary builders; and the thing about Major Douglas made him personally and intellectually attractive. He had been assist-

tor of the Government aircraft factory during the war; he was a first-rate engineer; he had encountered financial problems practically as well as theoretically; and he appeared and proved to be the most perfect gentleman I had ever met. His knowledge of economics was extraordinary; and from our very first conversation, everything he said concerning finance in its relation to industry—and, indeed, to industrial civilisation as a whole—gave me the impression of a master-mind perfectly informed upon its special subject. After years of the closest association with him, my first impression has only been intensified.

The subject itself, however, even in the hands of a master, is not exactly easy; and, in fact, it compares in economics with, let us say, time and space in physics. By the same token, Douglas is the Einstein of economics; and in my judgment as little likely to be comprehended practically. In other words, a good deal of sweat is necessary to understand Douglas; and, with our absurd modern habit of assuming that any theory clearly stated must be immediately intelligible to the meanest and laziest intellect, very few will be the minds to devote the necessary time and labour to the matter. I was in all respects exceptionally favourably placed to make a fairly quick response. I had time, and, from my long experience with literary geniuses, almost illimitable patience; I was vitally interested in the subject, having not only exhausted every other, but been convinced that the key to my difficulties lay in it; and, above all, Douglas himself was actively interested in my instruction. He said many things in our first talk that blinded me with light; and thereafter I lost no opportunity of talking with him, listening to him talk, reading new and old works on finance, with all the zest of an enthusiastic pupil. Even with these advantages, it was a slowish business; and my reflections on the stupidity of the present-day students of Douglas are generously tempered by the recollection of my own. It was a full year from beginning to study his ideas before I arrived at complete understanding. Then all my time and labour were justified.

For anything like a full presentation of the Douglas ideas, students looking for a long row to hoe may be directed to the increasing body of literature on the subject inaugurated by the volume in which I more or less collaborated with Douglas himself—"Economic Democracy." There followed Douglas's "Credit-Power and Democracy," and several others; and, later, a host of summaries and discussions. Furthermore, THE NEW AGE under my successor more than admirably continues the weekly exposition which I had begun and carried on for three years. Certainly there is no lack of light on the subject to-day; but only the usual poverty of eyes and understanding.

At the outset, and after inspiring my confidence in his ability to give me more than he took away, Major Douglas set himself, as it were, to dispose of three of the enormous fallacies under which I and my colleagues (and, let me add, the vast majority of social reformers of every school) had been labouring. The first concerned the limitations of production. Hand on your hearts, do you not take it as a matter of course that the predominant practical problem of civilisation is production, and how to keep it increasing step by step with the increasing demands of civilisation? Be sincere; is not every proposal, Socialist, Labour, or Progressive, for better distribution haunted by the spectre of a limited and possibly diminishing production? It is perfectly certain that such is the case, and the fiasco of the Labour Government in England, as well as of every attempt to equalise distribution, is sufficient evidence of the power of the spectre of limited production.

Major Douglas did nothing to theorise the spectre away; he simply confronted it with facts; and the facts were there. For instance, he pointed to what was true to everybody in the actual statistics of war production. With millions of the best workmen absent from the army, with an incredible consumption of supplies, only everybody in England during the war

was better off than ever before, but the surplus stocks of perfectly good materials remaining after the war were a mountain of menace to the restoration of the pre-war industrial system. It was calculated, in fact, that with all the handicaps of the war, production in England increased many hundreds per cent. Lest it be imagined that this was due to imported goods, procured on credit, it may be said that England's exports and re-exports during this period were vastly in excess of its imports. In other words, the net output of England at war exceeded its peace output by several times. But the war was a special occasion, it may be said; and I did not fail to make the objection to Major Douglas; whereupon he directed attention to the normal facts of peaceful industry. So far from production being limited by nature or by invention, there appears to be an unconscious but active conspiracy on the part of the industrial system artificially to restrict it. At any given moment only a percentage of our resources is being employed. Fields, factories, and workshops, all competent to produce, stand idle at the very same time that the labour and invention to utilise them are idle too.

The world habitually produces only a tithe of what we have actually in hand the means to produce; and the world's powers of production are increasing simultaneously with the reduction of the world's actual output. Sabotage, limitation of production, and all the other devices for restricting output go along side with the old complaint that production is our chief difficulty. Not production, as every business man or economist will admit, is truly our practical difficulty—but how to limit it to a diminishing demand without falling out of the frying-pan into the fire. How the deuce are we to safeguard industries, established upon a certain price-basis, against discoveries and inventions calculated to increase supply and reduce prices? That, not the fear of a limit to productivity, is the actuality of the ghost in question. In other words, the popular ghost of a natural limitation upon production is only a superstition to conceal the real spectre of a naturally unlimited production. It would be fatal to the existing system to spare realised that in actual fact there is enough and to spare for a world of millionaires—such is the proven abundance of nature and the proven invention of man.

This realisation, which I owed to Major Douglas, threw a devastating light on many of my previous working hypotheses. Most of them, in fact, would not work any longer; and my attitude toward economics and politics began to change rapidly. The guild idea, based upon the paramount necessity of increased production, lost one of its limbs; and another was doomed to disappear with Major Douglas's demonstration that individual work is not a just prior condition of individual income; in short, that every member of the community, as such, is justly entitled to a social dividend, work or no work.

What a rumpus THE NEW AGE created in the Socialist and Labour camps when first this defence of dividends for everybody, irrespective of work, made its appearance. Mr. and Mrs. Sidney Webb were touched to their puritanic quick. Never, they said, would they countenance a proposal to give every citizen his birthright of an annual share of the communal production. Such a distribution would make future social reforms unnecessary; and where would the Fabians be then, poor things?

Mr. George Bernard Shaw, with his workhouse scheme of a universal dividend in return for a universal industrial service, was silently contemptuous of Douglas. As a matter of fact, perhaps, he had long ceased to feel in any possible need of a new idea; and his juggling with his old ideas was sufficiently skilful to continue to deceive his public that he was still learning.

But the most bitter objection came, of course, from the Labour officials and the class-Socialists whose bread of life depended upon diatribes against "unearned incomes." Our simple little proposal to put everybody upon an "unearned income" threatened to take the bread out of their mouths; and tart and many were the comments we drew from them.

Neyertheless, the idea when considered without an axe to grind is obvious enough. The community is not only the ultimately legitimate owner, partly by inheritance and partly by current labour, of its whole productive mechanism; but, though it may be true that every individual must be ready to work if called upon, it is absurd to require, as a condition of receiving his share of his own, that every individual shall work, even in the absence of any demand for his services. What! Is industry to be compelled by society to employ men who are unfit, only because society refuses an income to its members unless they are employed? Not to exaggerate, it is probable that a greater output—that is, more for everybody—could be obtained to-day by restricting the right to "work" to the fit half of those now employed, retiring the rest on a liberal annual dividend to join the army of the so-called privileged classes. At any rate, that is what I came clearly to see under the influence of Major Douglas's ideas; and such is my conviction to-day.

These blows to my previous opinions, however, were only preliminary to the blow that shattered the faith upon which, it appears to me, the whole of the Socialist, the whole of the Labour, and the whole of the progressive case rests—namely, the belief that economically there is any magic in ownership. The poor old world has been misled by personal associations and by phrases into the fatal error of mistaking ownership for control. Only the extremely able few who own nothing and control everything know better. In this respect, I confess that when beginning the formulation of National Guilds we took the current misconception for granted. The wage-earners were slaves because they had no property in their employers' industry; and having no proprietary interest in the business they were, on that account alone, excluded from both its management and its control.

The extension of ownership to management and control was logical; and our only originality lay in thinking that we could acquire a share in practical ownership by demanding at the outset a share in practical control and management. Here, again, Major Douglas depended for his case upon no counter-theory; but upon accessible, intelligible, and, indeed, obvious facts. If ownership spells control, then why do not owners of fields, factories, and workshops control at least their own production, why do their factories ever stand idle, their fields go out of cultivation, and their workshops rust for want of use? Or, again, why with so many offers open to them of complete ownership, have the trade unions steadily refused (and more wisely than they knew) to exercise its alleged privileges and powers? The answer is, of course, to be found in the fact that ownership of the product is in economic demand; and this, in turn, obviously depends upon price. Since neither any single manufacturer nor any combination of manufacturers, as such, can or does control prices, their ownership of the means of production has only a contingent value. Real control of the market, and hence of the means of production, lies elsewhere.

I must defer to a final occasion even a brief outline of the Douglas case for the reference of control to the financial system. At present it is enough to say that with my Socialist king-pin of faith in the sovereignty of ownership knocked out, my whole elaborate structure of National Guilds fell all to pieces. A fragment, perhaps, escaped the catastrophe with its life; there is an idea in guilds that will probably always seek incarnation.

But all the rest of the social invention appeared both theoretically and practically worthless. Not only would the wage earners never obtain ownership of the communal means of production, but it would not do them the slightest good if they did. No more than the present owners could they control demand; no more

than the present owners could they control prices; and no more, in consequence, than the present owners could they guarantee either production or work or wages. Farewell the dream of a Socialist state erected, even with all modern improvements, upon the pathetic fallacy of Marx! Every serious attempt to realise it must end in a Bolshevik nightmare.

### PART III.—THE IMPOSSIBILITY OF REFORM.

If men were intelligent would they not say that the most important thing practically in life is money? This is not, of course, to rank money above health or virtue or happiness; but only as the supreme value among material means; and it is naturally first among means since it is convertible into any or all of them. Nevertheless, as much as men love and realise the value of money, not more than one person in a million—and this is even a generous estimate—either knows or cares where money actually comes from, how it is actually made, what it is actually composed of, or what forces actually regulate its circulation and amount. Nearly every Labour, Socialist, social and international dispute during the last few centuries has been about money; yet scarcely a soul in any class or community is concerned to know what money is. Professors and bankers are given credit for understanding the mysteries of the subject, though it is quite certain that their ignorance is only greater than that of the general public; in short, their ignorance has been specially cultivated. And, in any case, to leave to interested persons the sole discretionary control of a matter so universally vital as money is to gamble our lives on dangerous odds.

One of the first things to which Douglas drew attention was the difference between real and financial credit. Place a wet towel round your head and consider the following: A community has all the actual means necessary to production—land, raw materials, factories, machinery, power, skill, organisation, and labour. A year or two ago this self-same plant was turning out goods at an enormous rate; and there is no obvious reason why it should not have continued. Yet to-day the whole of this plant is virtually idle, including, of course, the labour which is now said to be "unemployed." What has happened to stop the wheels? Plainly not a breakdown of the productive system, since to-morrow it could be set in motion again without the smallest difficulty. All that has happened, as we know, is that "orders" have ceased to come in; in other words, demand has ceased. But why has demand ceased? Certainly it is not because the products in question are no longer actually needed. Demand has been satiated, perhaps, but not real need has ceased to exist. No, the truth is that need has ceased to have money in its pocket, with the result that it is no longer what is called effective demand. But why, again, has it no money? Why is money at one time plentiful and at another time scarce? Productive capacity certainly does not jump up and down every month. On the contrary, the world's productive capacity steadily and rapidly increases practically daily. The productive capacity of any modern industrial community is hundreds of times to-day what it was a century or fifty years ago; and with every new invention it increases. Emphatically, then, it is not the case that the variations of money circulation are due to variations of productive capacity. They not only move independently of the latter, but are scarcely related to production at all. The production of goods depends, it is obvious, on the factors named; but the production of money depends on factors over which the production of goods has little or no control. This discrepancy between goods and money, between productivity and currency, is the difference between real credit and financial credit. Real credit rests on real factors—materials, power, and labour; financial credit rests, in the ultimate, upon one thing and one thing only—gold.

It is an astonishing phenomenon that is present to the mind as it realises the place and power of the metallic element in modern life. We see very clearly in circulation; yet secretly it controls the

circulation of every other form of purchasing-power. Move a hundred millions of gold from England to America or America to England and the effect on both countries will be startling. The importing country will experience an immediate increase in the circulation of every other form of currency; while in the exporting country, every other form of money will at once begin to diminish in quantity. Prices in both countries will be equally affected, but in opposite directions. Various other phenomena of universal importance are accounted for by the vicissitudes of this strange metal; but the only thing that for the moment concerns us is its control by factors outside the directly productive system. In a word, if the ownership of the means of direct production is in the hands of capitalists, the real control still lies with money whose ultimate ownership is vested in the financial and not in the productive system.

Major Douglas, however, was anything but one of the usual money-cranks. Heavens, after thirty years of public life I think I recognise a crank at sight! He had no such absurd notion as demonetising gold or denouncing the financiers, or nationalising banks. His constructive proposals, when they came to be clearly formulated, concerned mainly the only practically important question asked by every consumer—the question of price; and beyond a change in our present price-fixing system, there is in his proposals nothing remotely revolutionary. For the rest, everything would go on as now. There would be no expropriation of anybody, no new taxes, no change of management in industry, no new political party; no change, in fact, in the status or privileges of any of the existing factors of industry. Absolutely nothing else would be changed but prices.

But what a change would be there! Major Douglas's calm assumption is that from to-morrow morning, as the shops open, the prices of all retail articles could be marked down by at least a half and thereafter progressively reduced, say, every quarter—and not only without bankrupting anybody, but at an increasing profit to everybody without exception. Absolutely nobody need suffer that everybody should be gratified. All that would happen to anybody is that the purchasing power of whatever money they have would be doubled to-morrow, and thereafter continuously increased.

Not to put too great a strain upon credulity or suspense, I may explain here that the principle of the proposal is perfectly simple; and it consists in this—that prices ought to fall as our communal powers of production increase. Let me illustrate: Imagine a theatre whose seating capacity doubles every year—ought not the prices to be halved every year? If that is not natural for a single theatre, imagine that every theatre automatically grew in capacity—would it not appear strange if at the same time its prices of admission rose? Yet the latter is precisely what takes place in industry to-day. As fast as a nation's productive capacity increases, its prices rise, with the absurd consequence that the wealthier the nation is in resources the more difficult is it for its members to utilise them. Major Douglas's proposal was simply to regulate price by productivity; by relation, that is, to supply. Since price is, strictly speaking, only the regulator between supply and demand, its reference to supply is perfectly logical. And if it is more than true that our present potential supply is twice our present demand, it stands to reason that halving existing retail prices would begin to equalise matters by doubling effective demand.

My first reaction to the astonishing proposal to "sell goods under cost"—and not merely as a temporary expedient but permanently and progressively—convinces me, as I look back upon it, of the utter practicability of the suggestion. Not only its first effect must be fatal in the majority of cases to any interest in the "crank," who would propose it; time and thought and labour necessary to understand and appreciate it are beyond the command of more than a few. In short, I am as much convinced that the proposal will never be put into practice, as a result

of reason, as I am that reason would, nevertheless, dictate that it should be. The world has not free brain enough to comprehend the simple cure for all its economic ills.

I certainly worked hard enough to satisfy any possible doubt I may have entertained. For three years, in the closest working association with Major Douglas, THE NEW AGE week by week laboured to expound, explain, simplify, and illustrate the theses upon which the practical scheme rests. There was organised a Credit Reform League with branches all over the country. Major Douglas gave up his profession of engineer during these years to be at the service of the cause. We saw everybody we could, and did our best to see everybody we should. The national situation from the conclusion of peace was plainly going from bad to worse. In short, if there ever was a time when a novel, non-revolutionary, simple, and effective scheme of reform might hope to command a reasonable hearing, the period following the peace was that time for England. To say that we had no success would be untrue. The idea is more alive than ever in England at this moment. But for any practical result, search might be made with a microscope without result.

The conclusion my mind inevitably reached after these experiences was that reform in any drastic sense is impossible. Douglas, to the best of my consideration, has got to the very bottom of economics. There are literally no more insoluble or even doubtful problems in the whole range of economics; and this, needless to say, includes the daughter "science" of politics. Everything is as clear as daylight in the light cast by Douglas's analysis of the nature and rôle of finance. At the same time, his analysis did not leave the situation hopeless theoretically; it was only hopeless practically. The Douglas positive proposals were as impeccable as his analysis; only they could not be carried into effect owing to the stupidity of the community that needed them. What was I to do? I was again at an impasse. The first arose on account of the combination of interests against us; but this second was worse, since the combination against us was unconscious and irremediable. There was nothing to be done but to die with THE NEW AGE, or to hand it over to a fresher soul. After fifteen years of editorship I sold out and left England.

#### PART IV.—THE QUEST OF GOD.

Selling THE NEW AGE and leaving England was, of course, no solution. At the same time, it was not altogether a surrender of the problem in despair. Certainly, reason had, in my best judgment, completely failed against human nature. There had been the tremendous problem of economic distress which for centuries had provoked every species of misery; and here, with the Douglas synthesis, was the satisfying solution of it. Yet on account of the inadequacy of human reason, that solution could never be understood by a sufficient number of people to get it adopted. What else was to be done but to give it up? But was even that possible?

From out a remote past a phrase recurred to me—a change of heart—or, more poignantly, ye must be born again. How many times had I encountered the idea of polemics and left it, as I thought, for dead? Yet, here it was alive and walking in my waking mind. And this time as a possible friend. There came back to me, also, my first associations with the Catholic Church, subsequently with the extremely able and personally congenial group that became responsible for the Catholic weekly which in England is the counterpart of the "Commonweal" in America; I refer to the brothers Chesterton, Mr. Belloc, Father McNabb, Mr. Penty, Mr. Eric Gill, Mr. Theodore Maynard, and let me not forget my old Anglo-Catholic friends, Conrad Noel and Maurice Reckitt. Even while triumphantly controverting, as it appeared to me, the arguments against the possibility of radical reform in the absence of something greater than reason or self-interest or humanitarianism, my own essential uncertainty and the precariousness of

my foundation must have been suspected by my Catholic friends. At any rate, they were kind to the degree of indulgence; and throughout my whole editorial adventure they made themselves as much at home in THE NEW AGE as I, on my side, certainly made them welcome.

With Mr. Belloc's distributivism I cannot, however, say that I had then or have now any sympathy. In aim yes, since our aims were the same; but the actual mechanics of the idea seemed and still seem to me to labour under the fatality of impracticability. In short, if national guilds are not viable, and Douglasism is not viable either. And, in fact, I doubt whether Mr. Belloc and Mr. Chesterton really believe it. Distributivism as a potential weapon of criticism is a very good stick with which to beat the capitalist dog; but the State would totter if the stick were called upon to take the place of the dog.

To return to the historic origin of the English guild system, it appeared to me on reflection that its background was undoubtedly religion. The guilds were the creation of the Church; or, if not the creation of the Church, at the very least the Church was the soil and garden in which they flourished. What we had done when formulating a modern guild system applicable to modern conditions was to take the mediaeval guild out of its original setting and try to make it grow in a soil quite barren in respect of religion. No wonder that the seeds so transplanted failed to germinate; they were sown upon stony ground.

It must not be assumed, however, that our disillusionment immediately brought us to the realisation of the necessity of a change of heart in the religious sense. Religion for the so-called modern mind is the last, rather than the first, resort of despair. Remembering the cultivated intensity of the anti-religious movement among the intelligentsia of twenty and even ten years ago (it is rapidly losing its momentum to-day even if it is not entirely dead) nobody will wonder that our first thought was a change of heart by means of brotherhood or chivalry or art. All these, indeed, had a pretty long trial to see if they could effect such a change in men's hearts that social injustice would be established as a mere matter of good taste. Ruskin, Morris, and Leathaby were the pioneers of this experiment; and nobody can deny that if their hypothesis had been workable, they were the men to make it work. Alas, it happened in nine cases out of ten, as it still happens wherever the experiment is tried, that exactly in proportion as individuals began to cultivate a taste for art, their social feelings in respect of faith, hope, and charity degenerated. I know this is heretical according to the gospel of Ruskin and Morris; and blasphemous in the ears of the modern dilettantes of art. But it is my emphatic opinion that art as we know it to-day has no power over the condescension of mankind; and that it was not because of that abode.

Chivalry may be said to have made its trial with the emergence of the gentleman in social reform; and it must be allowed that there were acknowledged gentlemen in English socialism even before the recall many articles and even whole volumes addressed to the aristocratic tradition. The presumption was that the breed of the barons who forced the King's signature to Magna Charta, and the reform of the poor laws, popular education, and the eight-hour day, was not extinct, but only sleeping. An appeal to these slumbering lions would surely be heard and answered. But, again, a reckoning had been made without the host. The ancient chivalry of England had been fed upon other bread than that of "modern ideas"; and modern chivalry was indistinguishable, save in external manners, from modern finance and industry, and was fast losing even

that distinction. English aristocracy, in short, was for all practical purposes only a memory; and a social reform that depended for its support upon a fading recollection had but a very short career to failure.

There remained the brotherhood and the humanitarian movement, which, it may be recalled, we had before dismissed with Mr. Edward Carpenter's sandals. Was it to be the brotherhood of man, after all, that could create the emotion in which reason would be felt if not seen? Here was Douglas's idea, which, if I may repeat myself, promised a way out for everybody from the economic morass. All that was needed was that everybody should sufficiently wish to be out of the morass to be willing to try Douglas's way. But how to make everybody really wish—that was now the question for me. The poor, it goes without saying, wish they were rich. The rich wish sincerely enough that the poor were better off. But where is the wish on either side for justice, mean it poverty or riches? Where is the love that counts everybody's gain as his own?

Carpenter undoubtedly had a vision of this in his "Towards Democracy"; and the varieties of brotherhood churches that sprang up in his wake bore evidence to the fertility of that soil and the vitality of the seed. But alas, it, too, fell, if not upon stony ground, upon ground thick with thorns. I never saw a brotherhood church that did not cease in a year or two to bear any relation to its name. Quite seriously, there appears to be no hope in the brotherhood of man secularly conceived; nor, I may add, in any system of morality, transcendental, naturalistic, or rationalist, taken by itself—no hope, I say, for any radical social reform. The reason is clear. Every such system assumes that man is accountable only to man, and has only social obligations. In the end, every individual must, therefore, owe duty only to his neighbour. His neighbour is his only *raison d'être*; and society is the Moloch of us all.

The alternative of individualism is, however, quite as unthinkable. A community of Ishmaelites is a contradiction in terms. But, between a society containing only "individualists" and a society containing no individuals, the choice was difficult to make. And, fortunately, the choice proved to be unnecessary. What was the missing factor, the neutralising force that alone keeps the world on the middle way—when it is so kept!—between the extremes of imbecility and madness? Simply religion. Yes, but what is the essence of religion, that distinguishes it from even its most colourable imitations in the form of morality, neighbourliness, humanitarianism? I reply quite simply, God. Religion without God is, strictly speaking, as ridiculous as science with nothing to know. There is and can be no religion in the absence of God, though there may be God in the absence of religion! Religion and conscious relation between man and God; and since, in my experience, every attempt to establish an ideal and conscious relation between man and man, without taking God into account, has failed, the only remaining hope of the serious social reformer is to "find religion," that is to say, find God.

It would be saying too much to affirm that I resigned from THE NEW AGE and from active participation in social reform in order to find God. I only wish that my motives could be as clearly conscious as that would imply. But at least I am clear now that no other end will end my search.

#### Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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20, Rectory Road,  
Barnes, S.W.13.

Renewals of subscriptions and orders for literature to be sent, as usual, to 70, High Holborn.

Published by the Proprietor (ARTHUR BRENTON),  
70, High Holborn, London, W.C., England  
(Telephone: Chancery 8470), and printed for him  
by THE ARGUS PRESS LIMITED, Temple-avenue  
and Tudor-street, London, E.C.4, England  
(Telephone: Central 3701).

this country, including the empire, has grown sufficiently rich in physical resources to have got beyond that stage. This does not mean to say that the growth of capital equipment will be stopped. Quite the contrary, for the needs of producers will be dealt with first by the Banks. But when their needs are satisfied the remaining deficiency of purchasing power will be made up by issuing credit to consumers. It is not inconceivable that the impetus to trade might be so great that too much money might be distributed to consumers via producers. In these circumstances it would be necessary to take money away from consumers, and this could be done by taxation or other means.

There is no reason to expect inflation, i.e., a rise in prices, so long as the total money in consumers' hands is not in excess of the total costs of consumable goods on the market. The fact that the public would have confidence in the economic system would also operate to prevent inflation. For when there is plenty of money in the public's hands, but traders have an inherent lack of confidence, traders collect as much of the money as they can from the public by means of higher prices in order to form reserves and high profits before the good times end. But if there is faith in the economic system this is unnecessary. Consequently the increased purchasing power does not result in increased prices, but on the contrary by inducing increased production of consumable goods cuts down overhead costs and the need for advertising, and actually reduces prices. But at the initiation of the scheme, and probably for some years after, it would be necessary to take precautions. Probably the simplest plan yet propounded for dealing with this difficulty is that of Major Douglas, known as the just price or price discount plan. Under this scheme some of the money which it has been decided must be created and distributed to consumers is not distributed direct to each consumer in the form of a dividend, but is only distributed to a consumer when he purchases a final consumable article as a discount off the price of the article he is purchasing. In order to be allowed to operate the price discount the retailer must become registered, and the conditions of registering are that his books must be open to inspection, he must make a minimum profit (in order to prevent price cutting), and he must not make more than a fair profit based on his turnover which shall be determined by the conditions of his trade, and the usual turnover applicable to that trade. Incipient inflation due to retailers making unnecessarily large profits can then be prevented, because retailers who did profiteer would not be allowed to register and would lose the benefit of the price discount. Furthermore, by this plan the consumer credit would only be issued at the time the goods were placed on the market, and not before. The incentive to manufacturers to produce consumable goods would still be there, but consumers would not have money burning holes in their pockets beforehand.

If the methods outlined in this section were put into practice (and detailed plans for getting them into operation are in existence), we should have the result that the monetary system would reflect reality. The principle that there should be an exact correspondence between money and real things should, however, be carried further right into our accounting methods. The maxim which should be adopted has been expressed by Major Douglas in the phrase which only has to be stated for its truth to be apparent, namely, that "The true cost of production is consumption." For example, if a factory is built, the nation has gained an

asset. The cost of the factory should not be embodied in the prices of articles produced by the factory long before the working life of the factory is over, and thus the credit corresponding to this asset retired. The only factory costs which should be included are those of maintenance and obsolescence.

In conclusion it might be pointed out how important it is that assurance companies should study the economic effects of saving, because it is their business to offer to the public the most useful form of saving that has yet been discovered. It is indisputable that saving is beneficial to the individuals who are fortunate enough to have a surplus out of current income, but what about those who have not? In this connection it will be remembered that in a recent discussion by the Society relating to the Cohen report it was pointed out that the offices expected to receive a pat on the back for their services in inculcating thrift; instead of which they were told that it was doubtful whether it was a good thing that money should be dragged out of the pockets of the working man for assurance when it could better be employed in feeding and clothing the man and his family while he was alive. Furthermore, if, as has been indicated earlier, every penny saved causes a dislocation of industry, the good rendered to the community by saving is not so apparent. Assurance companies, therefore, if only to safeguard their own position, should look with favour on any plan which would have the effect

- (a) of allowing the public to have a surplus income available for saving.
  - (b) of counteracting the evil which results at the present time from savings reducing effective demand for the products of industry.
- (The End.)

## What Will Remain?

By R. Laugier.

### I.

It might be an amusing and not altogether vain pastime to hazard a guess as to the future of certain cultural ideas: all we require is a little recklessness, and we may speculate upon the durability of those religions, convictions, whims, and prejudices that have received Man's homage in the past and present, and which fight for his acceptance to-day. Amid these varied fancies and conceits—most of them interecine—how many are there that will last? When Man has mastered that machine called "money" (with which all production begins and ends), what will be gathered up into the baskets, after the multitude has been divinely fed?

The subject is enormous, and we may only flirt with it. But, why not? Personally, I am not bigotedly averse to flirtation; and has it not led many a wayward fellow into temples and churches he never dreamed of visiting, even causing him to bow the knee before high altars of the gods? So let us flirt; let us be thoroughly superficial; let us make leaps in the dark, and venture wide guesses at Truth: as a fact the goddess may frequently be served this way; for opinions are often merely errors, hardening, like tasteless blancmanges into unprofitable obsessions; and again, an error is just a manifestation of inaccuracy, which will lead wise men to point out our folly, so that the pure in heart may not stumble.

Then, armed at all points with temerity, we will glance at those ideas that their expounders have, or wrongly, associated with Christianity. I

scholar nor Christian, but, as I have indicated, I do not propose to allow trifling considerations of this sort to stand in my way. I shall not be dealing, necessarily, with Christianity itself, but only with cultural ideas exposed by professing Christians, or with ideas that professing Christians will not readily reject. In short, I am dealing with literature and belles-lettres, and, in order to make this quite clear, I propose to employ a fair amount of quotation.

The first cultural influence that I would comment upon is what I will call an Oriental indifference towards life: I do not believe that this rightly belongs to Western civilisation, and consequently I stress its Oriental origin and character. This conception may exist in the mind of a Roman Emperor or of a liberated slave; and it may animate a poor Puritan of the sixteenth century, or a multi-millionaire Puritan of the twentieth. Asceticism and a shunning of life is given artistic expression by many who are not Christians, and will be opposed by many Roman Catholic teachers and artists: nevertheless I think the following sentiments have, on the whole, received support from organised Christianity, and make part of a culture that could scarcely be considered anti-Christian.

"The nearer everything is unto unpassionateness the nearer it is unto power."—*Marcus Aurelius*.

"He that resisteth pleasures crowneth his life."—*Ecclesiasticus*.

"He who is discontented with things present, and allotted by Fortune, is unskilful in life. But he who bears them, and the consequences arising from them, nobly and rationally, is worthy to be esteemed a good man."—*Epictetus*.

"Let us set the axe to the root, that we being purged of our passions may have a peaceable mind."—*Thomas à Kempis*.

"There is little or nothing in this life worth living for, but we can all of us go straight forward and do our duty."—*Duke of Wellington*.

"The whole art of living consists in giving up our existence in order to exist . . . It is only with Renunciation that Life properly speaking can be said to begin."—*Goethe*.

"Know how sublime a thing it is to suffer and be strong."—*Longfellow*.

"What then have I to do with men, that they should hear my confessions?"—*Saint Augustine*.

Here is a heterogeneous collection of literary quotations taken from very different men and different ages. They contain the cultural convictions that life, as we know it "here below," is not worth while; that human passions are evil, or dangerous, and may in some way be avoided by humans. Pleasures are bad. A soldier who finds nothing in life worth living for may yet go straight forward to do his duty (which happens to mean killing); and a saint, who hurls at the world his autobiographical confessions, as an awful warning, asks what he has to do with men.

The self-mutilating Puritan is blood-brother to the ancient stoics and Oriental holy men who seemingly find life tolerable only if they evade living. Springing directly from this indifference to life comes much of the earnest teaching on the matter of "Duty," coupled with the notion that the insensitive and the stupid may not evolve a fine and sensitive moral code by instinct and the promptings of conscience." Acceptance of suffering goes, of course, with renunciation of "worldly things"; but seldom can either saint, or sinner maintain a lofty disdain of "pleasures." The very word "passion" is evil,

and the pious never use the word except to condemn. (We must guard against change of usage in language, but I think that for centuries the word "passion" has held one meaning for the pagan poet and another for the pious Christian.)

All such cultural ideas as spring from indifference to, and ignorance of, human life will, I think, perish. The moment Man liberates himself from the habit of almost continual suffering, there will be very few to whom any such literature as that I have quoted will have any appeal or even meaning. Joy rather than pain is the legitimate note of Art; and in place of stoical indifference, ascetic abnegation, heroic endurance; the intellectual arrogance of saints, and the whining of hypocrites, we shall have positive pleasure.

Our poets are not very likely to write: "Sorrow is better than laughter, for by the sadness of the countenance the heart is made better."

More probably the poet will sing on some such note as that struck by Heine:

"God be praised, I live! Red life boils in my veins, earth yields beneath my feet, in the glow of love I embrace trees and statues, and they live in my embrace. Every woman is to me the gift of a world. I revel in the melody of her countenance, and with a single glance of my eye I can enjoy more than others with their every limb through all their lives. Every instant is to me an eternity; I do not measure time with the ell of Brabant or of Hamburg, and I need no priest to promise me a second life, for I can live enough in this life, when I live backwards in the life of those who have gone before me, and win myself an eternity in the realm of the past. And I live! The great pulsation of nature beats too in my breast . . . I hear a thousand nightingales. Spring hath sent them to awaken earth from her morning slumber, and earth trembles with ecstasy, her flowers are hymns, which she sings in inspiration to the sun; the sun moves far too slowly; I would fain lash on his steeds that they might advance more rapidly. But when he sinks hissing in the sea, and the night rises with her great eyes, oh! then true pleasure first thrills through me like a new life, the evening breezes lie like flattering maidens on my wild heart, and the stars wink to me, and I rise and sweep over the little earth and the little thoughts of mankind."

To this passage translator Charles Godfrey Leland thought it best to add for the pure a little footnote: "The reader has already been forewarned in the preface that Heine's writings abound in frank expressions of his views. In these chapters" (of the *Reisebilder*) "we see him under the influence of a purely material Greek nature-worship."

It is sad that genius should sing under the influence of the "purely material," instead of preaching renunciation, duty and acceptance of this "vale of tears." Nevertheless, Truth works in strange ways; and perceptions of a certain value may come to poets, even whilst "under the influence." I should like to give one more quotation from the *Reisebilder*.

I can remember as though it happened but yesterday, that I got into many a scrape through "la religion." I was once asked at least six times in succession, "Henri, what is the French for 'the faith'?" And six times, ever more weepingly, I replied, "It is called 'le credit.'" And after the seventh question, with his cheeks of a deep red-cherry-rage colour, my furious examiner cried, "It is called 'la religion.'" Madame! since that day I never hear the word "religion" without having my back turn pale . . . And to tell the honest truth, "le credit" has during my life stood me in better stead than "la religion."

(To be continued.)

## The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

John Hargrave, Head Man, and Frank Griffiths, General Secretary, represented the Green Shirt Movement for Social Credit on the occasion of the funeral of A. R. Orage on November 9.

A short appreciation of Orage's work and influence will appear in the next issue of *Attack*.

On the evening of November 5 a smartly turned-out body, of twenty-seven London Green Shirts in full uniform walked in step, in twos, to the House of Commons to be received as a deputation by Mr. John Wilmot, M.P. (Fulham, E., Lab.). They were, of course, unable to march in formation, owing to the regulations forbidding such procedure when the House is sitting. Arrived at the entrance of the House, the column of Green Shirts halted while a *News Chronicle* staff photographer took a flashlight photograph, part of which was published in that newspaper on November 6, above the following caption:—

"Green Shirts campaigning for the Douglas Credit System interviewed M.P.s at House of Commons last night."

After this short interval of waiting, the whole Green Shirt detachment was allowed to enter "two by two"—like Noah's animals going into the Ark. The first two entered and, naturally, came to a halt. Then the next two were permitted into the Ark, and so on, until at last the whole column was automatically reassembled. Trained and disciplined men find it very difficult to break up into a straggling "rabble," even when this is required by official regulations. And so it came about that this column of twenty-seven Green Shirts stood "at ease" in twos, and waited for orders while Mr. Wilmot was summoned from the House. In the interim, this long file of silent and uniformed men, which reached across the diameter of the main circular entrance hall, appeared to cause a certain amount of mild consternation amongst what might be called "the other animals" in the Ark.

After standing thus for five minutes, a constable came forward and informed the G. S. officer in charge that they could not be allowed to remain "like that," and that they must "fall out and break up." He was immediately followed, however, by another police officer, whose instructions were: "March your chaps over alongside the wall and stand them at ease."

This instruction was thereupon carried out with military precision (which, according to our information, is really not allowed by the Rules of Noah's Ark!). No sooner was this movement executed, than out came Mr. Wilmot, escorted by several other Members, who were obviously taken aback by the numerical strength of the deputation and its disciplined formation.

With engaging shyness, Mr. Wilmot explained that "the whole affair was so unusual" that it had "created a certain fluttering in the dovescotes," and that some Members had enquired whether his "private army" had arrived.

According to regulations, a deputation to the House must not consist of more than ten members unless the Committee Room is booked beforehand. As this room was in use, arrangements were hurriedly made for a smaller one to be prepared. This was done, with what appeared to be some uneasiness, not to say bad grace, on the part of the officials, who, however, were somewhat appeased by the tactful manner of Mr. Wilmot.

The time was now 7.20 p.m., the detachment having arrived at the House precisely as Big Ben was striking the hour; that is to say, dead on time. Ten men were now detailed to constitute the official deputation, and Field Officer Carden was left in charge of the larger number. Not to waste time and opportunity, these Green Shirts immediately set to work to "lobby" their own Members. Acting as individuals, they now filled in the necessary request cards for delivery in the House. The result of this was that the remaining Green Shirts were constantly re-

ceived by various M.P.s during the next hour and a half, and during the whole of that time Green Shirts and M.P.s were "talking Social Credit." Among others, Sir William Davidson, ex-Chairman of the Conservative Party, showed that he was no newcomer to the subject.

Meanwhile, Mr. Wilmot had formally received the deputation in the small committee room. Here the G. S. spokesman read an address, a copy of which was handed to Mr. Wilmot. At the conclusion the deputation seated themselves, and Mr. Wilmot put a number of significant questions bearing upon the subject. Several Green Shirts joined in this more informal part of the proceedings. After some fifty minutes of discussion, Field Officer Tacey asked for and received an assurance that Mr. Wilmot would take the first opportunity of raising the question of the National Dividend in the House of Commons.

Mr. Wilmot informed the Green Shirts that he was receiving a deputation later that evening of influential persons in banks.

The deputation then withdrew to the main circular hall, where they found a lively scene: seventeen Green Shirts carrying on Social Credit discussions with various M.P.s. These knots of discussion were being watched (with some astonishment, perhaps?) by several police inspectors.

The deputation having accomplished what it had set out to do, instructions were issued to the men that no attempt should be made to "march away," that they should go out "two by two" as they had come in, and that those able to do so should remain "lobbying" as long as possible.

A few moments later a police inspector waiting outside the House informed the G.S. officer in charge that the Green Shirts "could not march away," and was informed that they had no intention of doing so, as "the job was finished for the night."

In the afternoon of November 11 a detachment of sixty London Green Shirts, including a squad of Women Green Shirts, marched to the Cenotaph to lay a wreath bearing the following inscription:—

"Armistice Day, 1934.  
In Memory of Those who Died in Vain,  
from

The Green Shirt Movement for Social Credit."  
The Birmingham Green Shirts carried out exactly the same ceremony at the local War Memorial. F. G.

## Reviews.

**The Platonic Legend.** By Warner Fite. (Scribners, 10s. 6d.) This important book, by an American scholar, is an indictment of the traditional views of Plato and his philosophy. Professor Fite is completely justified in his attack on the disingenuous critical methods of Plato's most distinguished admirers. They have tried to make the Master infallible, and consequently, being for the most part Christians themselves, they have presented Plato as a kind of Pagan John the Baptist, making straight the way of the Lord—the Plato who allows in his Republic aggressive war, incest, and child-murder, and whose view of personal love through-out his writings is homosexual. Those of us who find the victory of Platonic thought over Greek rationalism one of the major disasters of European history will welcome such an able and well-documented attack on the world's most persuasive idealist, utopian, and Puritan—the most impressive advocate of "planning" and the rule of the expert. Professor Fite's book would be even more effective if his healthy distaste for Plato's philosophy had not blinded him to his overwhelming literary charm—which must have been in part responsible for that philosophy's wide appeal. M. J.

**Through Space and Time.** By Sir James Jeans. (Cambridge, 8s. 6d.)

Sir James Jeans' latest book is founded on the Royal Institution Lectures of Christmas, 1933, which were addressed to an audience including children, professors, and Fellows of the Royal Society. Sir James' talents are here seen at their best; there are none of the wild excursions into the realm of metaphysics that have marred some of his earlier work; the distinguished cobbler has stuck last with the happiest results. The book may be recommended to any layman or laychild who wants an authoritative, and admirably lucid account of what is about the earth, the air, the sky, and the heaven.



In Course of Preparation.

## THE SOCIAL CREDIT WHO'S WHO, DIRECTORY AND YEAR BOOK.

Editor pro tem, ARTHUR BRENTON.

Editorial Committee in process of formation.

Collaboration invited.

Readers are invited to submit:

1. Biographical items concerning leading figures (whether themselves or others) which ought to be recorded.
2. Names and addresses for the Directory section.
3. Suggestions as to what material (speeches, statistics, historical data, etc.) is best worth placing on permanent record in the Year Book section.
4. Information as to societies and organisations advocating Social Credit or other principles of financial reform. (Date of formation: objects: officers: structure: fees, etc., etc.)

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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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