THE
NEW AGE
INCORPORATING "CREDIT POWER"
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NOTES OF THE WEEK.

We cannot recollect a grosser piece of impertinence than has been exhibited by the trustees and advisory committee of the Rye Lifeboat Disaster Fund. These people, with the Mayor of Rye, are unable to agree on a scheme of distribution, and propose to ask the Charity Commissioners for advice. Meanwhile it is stated in the Press that the dependents of the drowned men "are carrying on patiently with a weekly allowance which provides necessities only"—and this out of a fund of over £22,000 available for division between not more than seventeen families. In the meantime the self-constituted dispensers of this money have even discussed seriously the idea of spending some of it on almshouses, or scholarships, or a district nurse, or all of them together. Happily this idea has been dropped; but the Mayor and some of his colleagues are still opposed to "the sensible method of dividing the fund up on an actuarial basis among the dependents" (the *Star* of December 15, in a leading article). They held a meeting on December 14, after which they expressed the hope that the public would not send them any more letters, because to answer the correspondence would put the fund "to the expense of clerical assistance." An attitude like this would be scandalous, even if these little mandarins (as the *Star* calls them) could show that the prestige of their names, and the force of their energies had drawn the money from the public. But everyone is aware that the unpretending heroism of the drowned men so stirred the emotions of the nation that the money would have poured in to the first man of integrity who had offered to take charge of it. The only condition the donors would have made would have been that he should use it for the purpose intended. The purpose intended in this case is not a Rye Town Advancement Scheme, but the relief of the stricken families. It is said somewhere that the committee have been "frightened" at the volume of the response. That must mean that they are frightened of the consequences of handing a capital sum of say £1,300 each to seventeen widows with their children; that they are frightened even of investing the capital at 5 per cent. and paying out on the average about twenty-five shillings a week to each widow. All we can say is that we are beginning to be terrified at the sum which these gentlemen are *not* frightened to distribute.

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The money belongs to these widows just as surely as, for instance, did the surplus funds of the New Tabernacle Provident Society which were distributed last Saturday. The sum in question was £26,000—roughly the same as that of the Rye fund. We read in the *Star* that the money was conveyed from a branch of Barclays Bank to the New Tabernacle Church in a locked and sealed motor van, guarded by six policemen, together with Mr. Percy Rockliff, the secretary—described as a jovial-faced man—who carried a loaded revolver. We must presume that he had the legal right to fire it at anybody who tried to get at the money. Prevention is better than cure, but cure is the next best thing to prevention. We ought not to feel bloodthirsty at this season of the year, but if the jovial Mr. Rockliff could be turned loose to run amok with his revolver in Rye, we could be enthusiastic partakers in his joviality.

* * *

This episode evokes reflections (which we will describe later) connected with the question of Social Credit policy which is agitating some of our readers. It is pretty clear that however unassailable in theory the demand for a united practical policy may be, its attainment in practice is not possible. Only one thing unites *all* the supporters of Social Credit, and that is the *principle* of disseminating Social Credit. Any attempt to make a *particular direction and method* of propaganda a *general principle* must lead to disunity. Much more must a line of action designed to stimulate a directional method do so, because it is quite possible for a group of people to agree on such a method without agreeing about the action. It is a peculiar property of people

who accept Social Credit that they insist on extending its teaching each in his own way; and whether this be regarded as a weakness or otherwise to the "Movement" it is a fact. So willy-nilly the "Movement" takes the form of guerilla warfare conducted by unknown warriors. Those of our readers who remember the Boer War will know that the British army encountered its most difficult task when the Boer army was scattered, and De Wet came on the scene—or, rather, came on and off the scene at any time of the night or day. This analogy offers only a distant suggestion of the multitudinous opportunities that offer themselves to (and are being seized by) the self-determined strategists in the Social Credit Movement, scattered as they are in all parts of the country and the world and in all grades and classes of industry and society. De Wet owed his success to his extreme mobility, which, in its turn, was rendered possible by the sympathy of the people who were dwelling in every area where he might for the moment be operating. Blood meant more than equipment, and he could always travel light. The lesson we draw from all this is that the tactics of individuals or small groups of Social Credit advocates can include action if they desire it, but the action should consist in making themselves popular with their neighbours when matters arise not directly connected with the Social Credit theory, yet matters on which their knowledge of the theory impels them to support a popular view, and enables them to rationalise it to people who adopt it without knowing why. By being able logically to justify your neighbours' emotions you establish a social blood-relationship with them, and you also plant the seed of intellectual leadership over them, which will yield you its harvest of influence in a big crisis where you may want to use it.

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This is where the Rye scandal becomes apposite. It is not a case where the Social Credit advocate can necessarily himself take action, but it is one where he can perhaps inspire action, and most certainly can show reasons why action should be taken. If action is impossible, then he can suggest methods of preventing a repetition of the scandal. The legal right of the donors to the Fund to demand their money back in certain eventualities might be investigated. Alternatively, so might be their right to decide by vote how it was to be distributed. One lady donor has already written to the Press saying that if there is any more delay she will stop her cheque and devote the amount to "some other deserving charity." But can she now stop her cheque? It may be pointed out, too, that in so far as the Rye committee restrict the distribution they will be forcing the intended recipients into the congested labour market. We ourselves would give them the whole capital sum, on the grounds (1) that it is no business of anybody else how they spend it, and (2) that however they spend it they will be doing something socially useful.

* * *

We notice the announcement of the Economic Party in this month's *Age of Plenty*. The Party stands for the same economic reforms as we do. It rightly advocates a boycott of politics. If the promoters manage to get the Party formed and get it at work among the general public—which is their intention—we should like to see it preach, as a governing principle, a boycott of all centrally organised charities. We would like to see its local groups take steps to teach subscribers to any charity to remit their subscriptions initially to a local fund in charge of local people. Not only that, but we would like to see them devise and standardise a formula for subscribers to use in their letters enclosing subscriptions, reserving to the donors the ownership of their money until such time as it was used for the purpose intended and by a method satisfactory to them. In the case of the subscriptions being given locally in response to a national appeal from, say, London, the dispensers of the local fund should be legally bound not to transfer the sum to headquarters except under the same conditions as they had received it. The ideal would be for the Economic Party Group to take charge of the fund if feasible, or, failing a satisfactory arrangement by other people, to intervene and intercept as much money as they could get hold of. The principle involved is parallel to the Social Credit principle: it is the decentralisation of control of charitable contributions.

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People are, of course, very chary of subscribing money unless the appeal comes from a generally trustworthy person or body. This is where your "mandarins" get away with it. They are honest in the sense that they do not appropriate your money, yet they do appropriate the power of interpreting your intentions as to its disposal. It therefore becomes important to find a treasurer or administrator who is at the same time generally known and trusted, and prepared to carry out instructions. There is such a person even in the smallest village nowadays; and he is the manager of a branch of a bank. Let us suppose that before the Rye disaster the Economic Party Group in every important district had been able to arrange so that the manager of, say, the Midland branch was recognised as the *ex officio* custodian for charitable funds. The disaster occurs, the Mayor of Rye makes his appeal, describes the name of his fund, and tells you where to send the money. Very well. You do *not* send it there. You send your cheque, crossed "Rye Disaster Local Fund," to the local bank. The manager opens an account in that name. Then he sits tight until he receives instructions, or, if he already knows definitely what he is required to do, until he has assurances that these instructions will be fulfilled when the money reaches Rye. In the meantime the identity of the legitimate claimants is established; whereupon the payment takes place, either the whole sum collected everywhere, or that sum less amounts withheld by dissenting districts.

* * *

We are aware that this is not a practical plan in the sense that the Social Credit Movement or the Economic Party can make it work. But the mere fact of introducing it would show that these bodies were ready and anxious to help redress abuses which affronted the public conscience. They would establish that blood-relationship which is necessary to their mobility in the great underlying struggle.

* * *

For the present the Social Credit advocate has to perform as a lone warrior. But he can do something. One of our readers has been trying out the Rye affair along these lines. This is his account,

"I read about this the other night while I was in one of the committee rooms of the people's own parliament—to wit, a public house. I had a nodding acquaintance with a retired naval engineer, and thought I would express to him in his own vernacular my disgust at the Rye business. He responded gamely in vernacular transcending my own. 'It's *their* b—— money,' was the key phrase of his discourse. He'd had the 'same game' tried on him. When he was due to retire he was out East. He had £85 to come. When he called on the Paymaster, that official said: 'Now, X——, this is a lot of money for you to be taking: don't you think we had better remit it home for you?'

"'Look here, sir,' was X——'s reply; 'in all my time I've not had a mark against me, not even for being drunk. If I can take care of a hundred shillings I can take care of a hundred pounds. The proper place for you to remit the money to is to remit it to me; and as I am here I'll take it, if you please.' He got his money.

"While he was telling his story one or two people gathered round, and when he had finished I told them what had occasioned it. 'Who has any right,' I said, 'to tell you that you don't know how to spend your money?'—and I said it in great heat. The result was that we were soon heartily cursing the Mayor of Rye. Just then another man came up. This gave me the opening to have a third go at the story, which I did with great gusto—the more so as I was helped by interjections from the others, one of whom expressed his readiness to 'punch any b—— on the nose' who should tell him his old gal wouldn't know how to take care of his brass if he snuffed it.' But the newcomer turned the talk to practical account. He belongs, it appears, to a Masonic Lodge which has sent a donation to this very Fund. The upshot was that he left me later with the firm intention of getting his Lodge to take the strongest possible action.

"My feeling about this experience is that what I did was really Social Credit in action. You can't tell where these things end. I gave that man a job to do and he will do it. It is a small thing by itself, but on the other hand it cost me no time or trouble to do it—it was a recreation; and I can go on doing it until something else happens to stir these fellows up: then I'm on that like a shot."

Here is another experience having a closer relation to the credit question. It happened a day or so after the new currency notes came out. The scene was another "committee room" as already defined.

"One or two people were examining the new notes at the bar. One of them asked me what I thought of them. I told them. The King's head, the Bank of England, the trident, and, as they still listened, America, Europe, trade and naval competition—in fact, all the story familiar to THE NEW AGE readers.

"One man who was sitting on a bench close to me was listening in very intently. Soon after I had finished he beckoned to me. When I approached he said: 'I've been very interested to hear what you said about the King's head coming off the new money, sir, and all the rest about Britannia and the trident. You've made me see what I never thought of. It's plain as a pikestaff, and I could kick myself for not seeing it before. I'm not an educated man, but I can think things out when somebody gives me a clue, so to say; and you've proper given me something to think about now: I wouldn't have believed it. Anyhow, I've got it well packed away here' (touching his forehead) 'and you can lay your last bob I'm going to make a song about it.'

"'Good man,' I said. 'I hope you will, and I wish there were more like you.'

"When I was leaving he asked if I would be in the bar the next night. I said I would. I was. But he wasn't. The following night he was, and so was I. Directly he saw me he said:—

"'Do you know why I couldn't come last night?' Then he explained. It appears that he is an old army man who went out to the War in 1914 and fought throughout, being wounded and gassed several times. He is now a respected servant in a family, the head of whom holds high rank in the army, and is furthermore a wealthy man. On the night in question the gentleman was sitting after dinner with his two sons (or a son and a nephew: I forget exactly) and my informant (I'll call him Roberts) brought in the port.

"'When I went in,' Roberts proceeded to tell me, 'there was the three of them holding up some new notes to the light and talking about them. Would you believe it?—just like we were in the bar. The old gentleman, as I calls him, says to me:—

"'Well, Roberts, and what is *your* opinion about this new money?'

"'Well, gentlemen,' I answered, 'I'm not an educated man, but——'

"So Roberts reeled out the whole story to them. Before he had proceeded far the 'old gentleman' interrupted to say, 'Sit down, Roberts.' At the end of it the old gentleman was so greatly incensed that for the first time in Roberts' experience he used bad language in his presence.

"'Here's a —— scandal,' he burst out. 'He's right. Where's my King's head?' His excitement was such that the two younger men had to warn him: 'Now, keep calm, governor,'"

It needs no imagination to measure the potential effect of this singular coincidence. This gentleman has by now voiced his grievance at his London club, and has probably set a snowball rolling in all directions in the Service. One other point to note here is the possibilities of setting influences at work in high quarters merely by chatting with people in humble circumstances. How could our informant have guessed that "Roberts" was on such terms of confidence with his master as to be able to pass on his views and comments—and under such perfect conditions for their deliberate consideration and acceptance?

* * *

The reaction, too, of the man-in-the-street to the coincidence of the King's falling ill with the transference of the currency notes is frequently surprising when pointed out to him. We know this by experiment. The other day we put it forward tentatively as a "curious coincidence" which "superstitious people" (as we took care to describe them) might take as "meaning something." Yet two commercial travellers—cynical men of the world to look at—both asked closely if the fact could be verified; and on being assured that it could, and told the date, they took it most seriously. One of them said: "Well, I do not regard myself as a superstitious man, but——" He did not finish, but—we can see him and his friend disseminating the "superstition" wherever they go. These episodes are unique in their detail, but in their nature they are typical of many others known to us, and of what must be innumerable others unknown. This single-handed, quiet work has been a powerful factor in producing the change of public opinion which is becoming so apparent. Let the "united action" school of strategists not undervalue it.

* * *

Punch's political cartoon in last week's issue represents the "Old Lady of Threadneedle Street" in the middle of the road. A policeman tells her to hurry along as she is holding up the traffic. The vehicles composing the traffic are variously labelled "trade," "employment" and so on. When it is remembered that what *Punch* thinks to-day has been Club opinion for six months, we may take it as a settled thing that some easement of credit restriction has been decided upon. This, of course, will not contribute anything to the solution of the economic problem, because credit-expansion in a system where prices fluctuate with demand leads inevitably to renewed credit-contraction. But the decision has a political significance which can be partly indicated by reference to *Punch's* former cartoon, in which a large Uncle Sam was bullying a small John Bull, asking him: "What, if anything, did you do in the Great War?" In fact the two cartoons are logically connected. The first was symptomatic of a political cleavage between Britain and America, and the second is symptomatic of a financial cleavage. Wall Street has spent years in preaching the doctrine that debtor countries must not inflate credit; so a decision on the part of Britain to do so amounts to a repudiation of the doctrine, backed by interests in this country too weighty to be ignored by Wall Street's junior partner, the Bank of England. It is, by the way, for this reason that Major Douglas's suggestion for the replacement of Mr. Montagu Norman is not the cry in the wilderness that some critics might call it. It certainly was not put forward as a job for the Social Credit Movement to bring about, but was published, in our opinion, more as a reminder to the "Midland Bank" interests that since public opinion is so strongly mobilised against the "Mansion House" interests the fact and its implication should be publicly symbolised by the appointment of a new Governor. Obviously a reversal of financial policy should be signalised by the rise to power of a new financial "Prime Minister." Both reason and tradition demand it.

". . . It is important to bear in mind that an industry may decline in its capacity to provide employment while increasing in its productive capacity."—*The Times*, November 21. In leading article.

An Outline of Social Credit.

By H. M. M.

VII.

To put it shortly, the general effect of the existing system is to abstract present purchasing power from the consuming public, and devote it to further production; but the people from whom the purchasing power is taken are given no share in the new production.

Theoretically, more production should result in a greater distribution of goods for everybody; but the theory does not work out in practice, because the process of abstraction is continuous, the creation of new credits being continuous, and because the financial system makes no provision for restoring to its rightful owners the purchasing power abstracted.

The purchasing power filched from the public is devoted to capital production, or goods for export; first, because, being filched, it is no longer the consumer's, consequently there is no sense in producing with it the goods *he* wants, since he could not buy them. Second, because, being issued as loans to producers, the goods produced with it should preferably be of such a type as will form good security for the loans. Capital goods—buildings, plant, machinery, etc.—have good security value in the eyes of the banks; goods for personal use or consumption have little or none.

Owing to this effect of the banking system being constant in its operation, through the lack of control over prices, capital development proceeds at the expense of consumable goods, the kind of goods that we, as individuals, need or desire; and it should hardly be necessary to state that the satisfaction of personal needs is the sole justification for production of any kind. We produce a superfluity of factories and workshops, plant and machinery, rather than of the essentials and comforts of life. We pile up mountains of capital which yield us only the merest mouse of consumable goods in return.

Factories, plant, and machinery, are indispensable in the modern world, and, properly used, may be the means of making us economically free; but their production must be kept in a sane relation to the production of goods for personal use or enjoyment, or the whole purpose of industry is frustrated. And it should be evident to the most casual observer that the purpose of industry is being frustrated to-day.

This constant filching of purchasing power by the creation of new credits keeps the bulk of the population round about the poverty line. Poverty forces them to compete with one another for a place in the productive system, money being, at present, only distributed through the channels of production, and living being possible in civilised countries only if one is possessed of money. This competition keeps their remuneration low. They are told that if they would only work harder there would be plenty of goods for everybody. It sounds plausible; but the fallacy lies in the fact that the goods they are asked to produce are not the class of goods they themselves want. They want food, clothing, houses, comforts and luxuries; they are set instead to develop capital, to build or make ships, railways, roads, factories, plant and machinery—good things, all of them, in due relation to other things, if rightly used—but not themselves capable of satisfying any real human want or need—assuming that the producers could buy all they produced, which we have seen they cannot. It is time enough to multiply productive plants when the existing plants show signs of being unable to cope with the real demands of consumers, not before.

It should not be necessary to have to state the obvious truth that the only way to increase the supply of necessaries, comforts, and luxuries is to set about producing more of these things, *not* to produce something else; but economists are so hypnotised by the conditions imposed on industry by bankers that few of them are capable of seeing an obvious truth.

The promise of more goods in the future is dangled before the workers to keep them working; but the promise is not fulfilled, for the reason above stated—the constant filching of purchasing power by the creation of new credits—and its effectiveness as an incentive to labour is failing in consequence.

Capital development, under the present system, impoverishes the country at home by displacing men in industry and keeping their remuneration low, thereby reducing their spending power and so curtailing the home market for goods; and it endangers the country abroad by compelling it to seek an ever-expanding foreign market capable of absorbing not only the surplus production which cannot be bought by the home population—and this surplus increases as the use of machinery increases—but also of a further amount of production—the manufacture of which will give employment to the men displaced by the machinery.

So it is true, in a sense, to say that Capitalism is the enemy; but it is Capitalism misdirected by Finance. The Socialist picture of the capitalist as a monster who delights in grinding the faces of the poor is a mere caricature. The so-called Capitalist —the employer of labour—has no objection to paying high wages so long as it does not hinder him from selling his goods quickly and at a remunerative price. That was proved over and over again during the war. The more contented he can make his employees the better for himself; and, in actual fact, the difference between the wages paid by the best employers and the worst is so small as to be hardly worth taking notice of. All employers are at the mercy of forces outside their control. Control resides in Finance: the financier occupies the utimate seat of power. Governments merely register his decrees, or else concern themselves with indifferent matters that leave his power unaffected.

The capitalist employer is also quite indifferent who gets his goods. Rich and poor, friend and foe, are all alike to him in this respect. His one concern is that he shall recover his costs in full, and make a profit of some sort, for the simple reason that, if he does not, he goes out of business and ceases to function as an economic unit. Pay him his costs and he becomes quite indifferent who gets his goods, or whether they are blown into smithereens or sunk to the bottom of the sea. Probably he would prefer that they should be put to some good use; but so long as the size of his income depends on the magnitude of his sales, and so long as the financial system makes it more difficult for him to sell his goods than to make them, so long will he welcome any form of destruction or waste that increases the demand for his goods—provided he is paid for them. He would be more than human if he did not.

Similarly with the worker. So long as work is his sole road to an income, and so long as new machinery keeps on reducing the need for his labour, so long will every form of waste and destruction that creates a demand for work be welcome to him also.

Whoever pays the capitalist's costs gets his goods. If the community likes to do it, as it ought, he will, with the greatest goodwill in the world, pour out necessaries and luxuries in astonishing quantities, sufficient to make everybody rich, and as fast as we like to give him orders.

The employer of labour is nowadays little more than a kind of manager or superintendent, who makes his living by carrying out a policy dictated for him by his master, Finance. He is probably unconscious of the fact, and may assert in good faith that his policy is his own. It may seem so; but two things must be borne in mind: (1) Men, whatever their tastes or inclinations, drift inevitably into those businesses or occupations in which money, be it little or much, can be made, and out of those in which it cannot. Which of these classes a particular business is in depends entirely on whether the banks are or are not directing money or credit into channels favourable to that business. (2) A man, when in business, has to frame his policy according to what he thinks will pay; and that again is determined by the direction and volume of the flow of credit.

You may, by political or other means, dispossess the employer of the capital he calls his own without changing in the slightest degree the policy he is engaged in furthering. You may nationalise industry, you may nationalise banking, even; but so long as the canons of present-day finance are adhered to the evils usually identified with Capitalism will remain; and the canon of present-day finance that is responsible for all the trouble is the one which ordains that all the costs of production shall be recovered in prices.

That is a business and financial axiom which must be challenged. At no time is there enough money in the consumers' hands to pay all costs in full, since these are largely made up of past spendings. If we accept the axiom we must logically accept all that flows from it—bad trade, labour troubles, unemployment, poverty, and war—all the network of social and political problems now perplexing and alarming the world; for it is the primary cause of them all.

Hard work, goodwill, economy, and saving—presumed remedies held in high esteem by Press and Parliament—are powerless to cure what is, after all, an error in book-keeping; for all finance is merely book-keeping. Incorrect book entries upset the balance between prices and purchasing power; and corrective book entries alone can restore it, together, of course, with the financial operations these entries will stand for.

History and Historians.

"History is everybody's subject," said Montaigne, meaning that it can be written by all sorts of people in all sorts of ways. He was fond of reading history, and wisely pointed out that just as, in conversation, we learn most by getting every man to discourse on his own particular business and hobbies, the painter on painting, the farmer on sowing and reaping, so, in reading histories, we ought to consider what kind of men are the authors, and read their books with that knowledge in mind.

> "If they be persons that profess nothing but mere letters I, in and from them, principally observe and learn style and language; if physicians, I the rather incline to credit what they report of the temperature of the air, of the health and complexions of princes, of wounds and diseases; if courtiers, manners, and ceremonies; if soldiers, the things that belong to their trade. . . ."

What, then, does Mr. Strachey pretend to be? Not a philosopher; certainly not an academic historian. Not merely a man of letters, although he is a fine enough literary artist to be one from whom we can "observe and learn style and language." I should describe him as a first-rate journalist historian, like Macaulay. No one has, as yet, coupled Mr. Strachey with Macaulay, but I believe we may do so with propriety. So obviously different as they are in mind and style, they are alike in this: they both aim primarily at making a "good story" out of their subject matter. Their first object is to entertain us, and both of them brilliantly succeed. Both of them, having assembled and digested and selected the relevant facts and figures, proceed to draw their pictures with firm, bold strokes; pictures which impress the imagination by the dramatic way in which they are conceived, no less than they convince the mind, at least for the time being, by the assurance with which they are drawn, that here is the truth about what happened so many years ago.

Such a method, while it delights the common reader, upsets the pedants, who deny that truth can be elicited in anything less than ton-weight tomes by men with "loads of learned lumber in their heads," but no means of conveying their knowledge in a pleasing manner. I do not know that Mr. Strachey would not prefer entertainment to the truth. "All history, sir, is bunk," said the American. If it is, then it is dreadful if it must be dull as well. In any case, Mr. Strachey's method of writing about Essex and Elizabeth* is not likely to take us further from the real unknowable truth than the professors' method. To be a first-rate journalist requires a modicum of the artist, of that intuitive imagination for which a guess is often as good as a mile of facts in the hands of one without it. Finally, since it is a fact that—to quote Montaigne again—of actions performed before our eyes, wherein several persons are actors, every one of them will give a different account of the affair, and often we should be unwilling to give evidence on oath as to what took place; and since there is no man so familiarly known to us that we could become absolute caution for him; then of what took place before we were born the only thing we can be certain about is that we cannot be certain about it; and of the thoughts of men on whom the worms feasted three centuries ago, we can only say that *if* they did this and that they *may* have had this or that reason for doing such things.

Let us then praise Mr. Strachey for telling once more the story of curious friendship between the elderly Virgin Queen and the youthful nobleman; let us praise him without even wishing to point out, as one reviewer did, that he has neglected some important sources of information about his subject. Several people have already suggested that this is a classic work. I would not deny it.

I should like to quote the last paragraph of a three page description of Francis Bacon, as an example of the style in which the whole book is written; "The miserable end—it needs must colour our vision of the character and the life. But the end was implicit in the beginning—a necessary consequence of qualities that were innate. The same cause which made Bacon write perfect prose brought about his worldly and spiritual ruin. It is probably always disastrous not to be a poet. His imagination, with all its magnificence, was insufficient; it could not see into the heart of things. And among the rest his own heart was hidden from him. His psychological acuteness, fatally external, never revealed to him the nature of his own desires. He never dreamt how intensely human he was. And so his tragedy was bitterly ironical, and a deep pathos invests his story. One wishes to turn away one's gaze from the unconscious traitor, the lofty-minded sychophant, the exquisite intelligence entrapped and strangled in the web of its own weaving. . . . ."

JOHN SHAND.

"Mr. W. Wilson writes from Edinburgh: 'I have always regarded any possibility of Democratic Control as a myth. There is another line of approach that I indicated three years ago, the International Finance view. You all seem to be frightened of it, and as a result I get more light on what is going on in one issue of THE NEW AGE than in three years' issue of *Foreign Affairs*.'"—*Foreign Affairs*, December issue.

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* "Elizabeth and Essex." By Lytton Strachey. (Chatto and Windus. 15s.)

Views and Reviews.

ON GOOD AND EVIL.

The Liberty Press displays the qualities for which a section of Americans are entitled to the admiration of Europe, it shows a youthful contempt for authorities, and a vigorous readiness to judge ideas by their value for the future rather than for the respectability of their past. One cannot help respecting vitality whenever it may be found, as one cannot help feeling more admiration for the lion than for the ass, for the eagle than for the domestic duck. But vitality is not enough of itself. Order is desirable even in a china shop, and at the dressing of the windows of such an emporium the most servile shop-assistant would be more likely to succeed than the most magnificent prize bull. True, he could do no better than repeat an old order. If one's purpose be to establish a *new* gradation of rank among ideas, one must not only put them in order. One must leave the reader in no doubt as to what one means by the particular ideas.

* * *

Mr. Morrison L. Swift* has some grand, romantic, ideas for the breeding of the perfect race in America —and Heaven knows that the eugenist need not be unemployed there—but he bases his attitude on a chaos of values such as could deceive only those dazzled by his vigour. Over and again, attacking people and institutions that deserve attack, he takes up a position that is in no degree stronger than the one he condemns. This would not matter if he were simply a comedian bashing hats down like Mencken, since his purpose of making people aware of themselves in a ridiculous light could be realised that way. His purpose, however, is to further the revolution in ideology, begun by Nietzsche and continued by Bernard Shaw, a purpose for which a severe discipline of mood, feeling, and language is essential. The book is important, therefore, not because it is a new gospel, but because it is an undisciplined expression of a gospel which is succeeding.

* * *

The world has reached a stage at which it needs excuses for not adopting Christianity. Mr. Swift is not helping in the main those who share his hatred for superstition and hypocrisy. He is rather helping those who cry for a novelty in superstition and hypocrisy. On top of the accumulated thought of the world it is a disservice at this day to set up intelligence as the supreme human value, and to condemn love as worse than worthless. The very overemphasis of Mr. Swift's expression puts it on trial. His attempt to advocate intelligence to the exclusion of love makes him define one in terms that embrace the other. Possibly the marriage of love and intelligence almost expresses the whole task of man in this epoch. Nietzsche did not define justice as love, nor even as sight—which is to say, intelligence; he spoke of "justice as love with seeing eyes," which requires no contortion to be interpreted as love with intelligence.

* * *

For some hundreds of years there was a conflict between science and religion, in which science was victorious almost to the extermination of its enemy. That is to say, the period has come when religion has gone back into the melting-pot, in modern language; into the unmanifest, in a somewhat more recondite language; into the great womb, to use a language once more recondite still, but now coming into the speech of a branch of science, namely, psycho-analysis. In the rhythm between the generations the world is now awaiting the re-birth of religion, after which there will be a new conflict. This time science will be the dragon; all tradition and superstition, all the force of the mob, will have been enlisted on the side of science, for religion to overcome. Then, possibly, will arise the man who can be both religious and scientific.

* * *

Intelligence, states Mr. Swift, flourished in vital Greece, whereas love came from the quietest Asia. At the risk of being despised I can only repeat that there are things fortunately shown to babes which scientists overlook, since they are looking for something else. Mr. Swift notices that love conquered on that occasion. But the possibility of a profound significance in that love *came from Asia*, in that it did not stay in Asia, escapes him. That love came from its *quietest* Asiatic parent to overcome the intelligence of Greece was perhaps the most marvellous adventure of love. When love, on the strength of its victory over Greece and Rome, itself went to sleep, it was Greece and Rome that were born again in the Renaissance and the Reformation. It matters not which tends to become moribund; until the destiny of the west is frustrated or fulfilled, the other will bring that renewal of vitality necessary for continued existence. Intellect without feeling can produce no beauty—such was the whole message of William Blake; if intelligence exclude love, its off-spring will be rigid monsters doomed to extinction, portrayed by Blake in the man who built the pyramids.

* * *

> "Intelligence is human perception of the best, based on *fearless* knowledge carried to its highest attainable degree, and calling forth all the energies of its possessor to achieve the best. . . . If the whole universe is blank outside the circle of man's consciousness, intelligence will meet that circumstance with serene front, and buoyantly make the most of its own conscious being and the world there contained while it lives."

It is very heroic stoical sentiment. But to imagine the universe as blank outside man's consciousness is an act of egotism that puts man back into the ridiculous position he held when the stars were his candles alone, and the earth the whole object of creation. But the passage derives much of its romance from a trick with the words. It does not say that intelligence is perfect perception, but that it is perception of the best. It also calls forth energy and fearlessness. This "intelligence" is by no means mere intellect; it is not scientific consciousness only. It includes, in short, all those things which have been awakened only by that love which the aim of the definition is to drive out. Intelligence is intellect tempered by common sense, and all the social instincts that go to make up a sociable creature, not too perfect to be lived with, and conscious enough of his own imperfections to grow.

R. M.

Twelve o'Clock.

"Shakespeare strikes twelve every time."—Emerson.

EXTRACTS FROM "THE NEW AGE."

(Edited by Sagittarius.)

"The real profit of industrialists is in terms of factories, plant, and stock. Whatever monetary value their accountants assign to this property, the equivalent money itself does not exist."—*Notes of the Week.*

* * *

"If for every dollar's worth of American products received the European banks issued free credit to an equivalent amount to European consumers, European industries would not lose revenue by reason of these imports."—*Notes of the Week.*

* * *

"When an explorer on a growing branch of discovery takes his expression of ten years ago, and hews and mends until it is true for to-day, he inevitably creates a work where no word is wasted and none short."—*Views and Reviews. Individuation.* R. M.

* * *

"The image of Helen of Troy has been animated in the minds of millions who never saw her—yet this image, personal for each creator, has dominated all of them."—*Views and Reviews. Individuation.* R. M.

* "The Evil Religion Does." By Morrison L. Swift. (The Liberty Press, Boston, Mass. $2.)

Incomes and Costs.

Industry regarded as a whole gets its materials for nothing. Nature does not charge money for, e.g., minerals and other resources. It is services which Industry pays money for. So the price of any finished consumable product is the sum of personal incomes drawn out from Industry during all the periods of its manufacture. Thus, from a group of costless minerals Industry may produce, say, a stock of saucepans, through, say, ten stages of manufacture. If, say, £10 of income be drawn by people at every stage (this being the total expenditure of industry) the cost of the saucepans is £100. But it does not follow that the saucepans can be bought because those incomes have been distributed. The reason is that every period is financed by the creation and *destruction*—the issue and *recall* —of £10 of banker's loan credit; which means that *the same* £10, so to speak, has appeared and disappeared from circulation *ten times*. Each time it appeared it was registered as an addition to costs in the books of industry, but each time it disappeared there was no equivalent deduction from the registered costs.

It may be urged on the other hand that granting that the same £10 was charged to cost ten times, the same £10 was spent ten times by the people who received it: that therefore the final cost of £100 is justified by the £100 of consumption-expenditure because for every £10 value added to the saucepan costs £10 "worth" would have been drawn out of industry in the form of personal consumption.

Suppose, then, we bisect the industry and imagine a parallel series of ten productive operations to accompany the above, viz., food production. (The two industries together constitute the total industry of a community.) Suppose that the food industry borrows and repays £10 in each period, but gets all its product finished and distributed in each period (i.e., it does not carry any stock over from one stage to the next, but begins again every time).

Now the "saucepan-incomes," added to the "food-incomes," amount to £20 in each period. Suppose the whole £20 to be spent on food, and consumed. In that case the food-industry's revenue exceeds its costs by £10 in each period, so that its accumulated profit will amount to £100 at the end of that tenth period. Here, then, it may be hastily supposed, is the £100 available to buy the saucepans at their full cost price. But this "profit" is not in the form of money at all. There is no money, because the bankers of the two industries have been recalling and destroying their successive loan credits at the rate of £20 in each period. And there is another puzzle, namely, that as the saucepan-industry has not been selling anything during the ten periods, it has not been able to repay its bank the £10 borrowed for each period, while this bank has, of course, had no right to demand repayment from the food-industry (who have been receiving the money). So—what about it?

Clearly the saucepan-industry has to get hold of £10 in every period, although its product is not ready for sale. There is a way of doing that: namely, the saucepan-industry can issue shares and sell them to the food-industry to the amount of £10 in each period. If it does so, everything is plain sailing so far as the general settlement with the banks is concerned But how, at the end, are these saucepans to be distributed to individuals? Neither they, nor the two industries as such, are in possession of money at this point. The saucepan-industry has its saucepans valued (at cost) at £100, and the food-industry has a bundle of saucepan-shares nominally valued at £100; but neither of them can *sell* what it holds, because there are no buyers with money to spend. If no further money appears from somewhere both the shares and the saucepans will have to be written down to *nil*.

But at this point let us suppose that the food-industry decides to buy the saucepans for use inside the business (e.g., to prepare cooked food for sale) and the bank issues it a loan of £100. The saucepan industry receives this credit, and delivers the saucepans. Here we have an example of "outside expenditure" by the food-industry, i.e., a payment of money not to individuals but to another business. This is where the A plus B Theorem is involved: and the point arises whether this £100 or any part of it can be used to supplement the incomes of individuals in such a way as to expand their purchasing power.

If the saucepan-industry (1) distributes the £100 gratis among its own people, it is giving away what legally belongs to the food-industry by virtue of the latter's shareholding. If it (2) pays the £100 to the food industry and cancels the shares, the food-industry now gets back its £100; but has to pay it to the bank. If the saucepan-industry (3) applies the £100 to finance a further ten periods of manufacture without recourse to borrowing from the bank, it will have a second stock of saucepans at the end, and the food-industry will have received this £100 and repaid the bank. Meanwhile it will have financed its own production as before. The result is that neither industry, this time, will have any money, nor will any of their people. What *will* exist will be two stocks of saucepans—one in each industry valued at £100 but neither stock able to fetch money either by direct sale in the one case or by indirect sale (in the price of food) in the other.

The crux of the economic problem is how to enable the public in every cycle of production to *catch up* the surplus that they *missed buying* in previous cycles—or, more strictly, to receive such proportion of the past surpluses as there has been time to complete for consumption. The impediment is the banking system, which operates to prevent the "catching-up" process. It keeps food-consumption on a dead level with the deliberate objective of ensuring an accumulation of non-consumable products. The latter products, being denied outlet to consumers, must perforce take the form of capital equipment. Yet the capital equipment itself must ultimately find outlet to consumers (in the sense that it wears out in use), or else even this form of production must cease. The fear of such cessation, and its deathly consequences, is the cause of the world's antagonisms.

A. B.

"The Virginians found their most profitable occupation in supplying the demand for tobacco. So eager were they that tobacco was grown in the squares and streets of Jamestown. In the absence of money, tobacco became the Virginian currency. Accounts were kept in tobacco. The salaries of members of Assembly, the stipends of clergymen, were paid in tobacco; offences were punished by fines expressed in tobacco. Absence from church cost the delinquent fifty pounds; refusing to have his child baptised, two thousand pounds. Entertaining the Quaker, five thousand pounds. When the stock of tobacco was unduly large the currency was debased, and much inconvenience resulted. The Virginians corrected this evil in their monetary system by compelling every planter to burn a certain proportion of his stock."—Quotation from *America, a History,* by Robert Mackenzie, published 1882. Time referred to about 1615.

Drama.

Journey's End: Stage Society.

Long after the war those embroiled in it, artists and others, were overwhelmed by it; by the chaos and waste of it, and by the helplessness of the individual in face of it. Only the diarist has communicated the experience of war, and he, not by expressing his feelings, but by suppressing them completely, thus enabling the reader to choke himself with his own feeling. Herbert Read's "The Retreat" was a miniature masterpiece of this order. Everybody who lived through the war still suffers from shell-shock. He cannot yet look the experience in the eye; he cannot tell by what right he is still alive, seeing what happened to others. For social and individual, therefore, as well as artistic reasons, every truthful play about the war should be welcomed; and Mr. R. C. Sheriff's "Journey's End" is both a truthful and a good play. It is an attempt sincerely and without romanticism at a very big thing; a study of temperaments under the strain of suspense, responsibility, and the necessity for not giving way to the hopeless terror which every helpless human tool, officer or man, knew.

The action of the play takes place before St. Quentin in March, 1918. It portrays life in an officer's dug-out while the occupants wait for the assault which they know to be coming without knowing when. Mr. Sheriff has chosen possibly the most intense moment of the war, the most desperate for the warring armies, and the most difficult to express in drama. For it is a moment that depends more on tension than on action. Fine as "Journey's End" is, its author seems to have been too reluctant to trust in atmospheric stress alone. The play is thus not all of a piece. It is too much an alternation between "atmosphere" and "incident." At one moment—when Captain Stanhope threatens to censor young Raleigh's letters to prevent this fresh, idealistic, schoolboy, just arrived at the front, from telling his sister what manner of man Stanhope has become—one fears that the play is going to contain a plot, which would be a romantic superfluity in any good war-play. Although the fear is almost groundless, it makes its mark.

The nearest thing yet to a complete catharsis of war-emotion was "The Unknown Warrior." Three characters and a few hours symbolised all France, indeed, all Europe, except Belgium, including Germany, Austria, and England. All doubts and fears, even man's loss of trust in the friendliness of the heavens, were expressed in "The Unknown Warrior." It was almost artless in simplicity, and, while not realistic, was more than real. Its central figure was a French youth with all the gifts of nature and culture, a fine physique, wit, rich lands, and a beautiful beloved. But he was a private soldier, which fact made him one with the mass. In feeling and memory, as it will have to be in drama, the war was a mass war, not a soldiers', and still less an officers' war. The two things of mass genius arisen out of the feeling and memory are the unknown soldier and the Silence, both of which, I believe, became conscious in England. Until English drama creates as great a symbol as the unknown soldier, and a unity of dramatic emotion that will lengthen the silence to a great proportion of the performance, holding the audience so that even hearts are silent, as did the last act of "The Plough and the Stars," all our war plays will remain experiments.

Experiments, however, are necessary, since the British public, so proud of having no emotions, could not bear the French "Unknown Warrior." A war play was too tragic for it! Mr. Sheriff's play, although it has fewer picks to the inch than the French play, is on the right road. It has the merit of taking hold of one after the performance. Captain Stanhope, drinking to keep going at the job he had taken on, and compelled as a condition of doing it to hide all his natural human reactions, is very truthful portraiture, which *Laurence Olivier* acted magnificently. *Robert Speaight's* Lieut. Hibbert was a fine study in fear, and *Maurice Evans's* schoolboy Lieut. Raleigh a particularly well individuated piece of work. These three characters, indeed, are the play, the rest being mainly for atmosphere. But every part was well done. *George Zucco* as the ex-schoolmaster taking orders from the ex-schoolboy Stanhope while giving advice; *Melville Cooper* as the man who dreamed of his garden while doing without any philosophical questions whatever job came along; and *Alexander Field* as the cook who cheeked his betters without lack of respect, were outstanding in a fine team. Mr. *James Whale*, who produced the play and designed the setting, has added another testimony to his intelligence and artistic competence. Thought goes into every stroke of his work, and "Journey's End" ought to go to the commercial theatre. There would be more sense in forcing people to see it than in compelling them to register for the "franchise." The Stage Society's next production will be "Rasputin," by Alexei Tolstoi, one of Tolstoi's grandsons.

Adam's Opera: Old Vic.

Adam's Opera, published* simultaneously with production, is not, of course, an opera, though some of it is sung. It is a play, assisted by music, which stands a good chance of success as a pantomime or masque, since it was received with great enthusiasm when I saw it. Like pantomime, it takes as its basis a myth, that of the Sleeping Beauty. Its topical comment, however, is not restricted to love and marriage, as customary in pantomime, but, like a union between Olive Schreiner and Walt Whitman, it embraces all tasks and all people. It is an interpretation of the affairs of the post-war world in terms of the Sleeping Beauty, and the application of the myth is well enough carried out, and near enough accurate, for the not too critical to enjoy it. The critical will be more inclined to think about it.

For "Adam's Opera," as the author realises, invites criticism by the size of the issues it deals with, and by the state of mind of the author both as evident in the play and as expressed in the preface. Contemplating the meteoric rise and miserable fall of President Wilson, the author wanted to compose a tragedy on the rise of saviours and their end in crucifixion at the hands of their saved. But the tragedy refused to be written. Not until she agreed with herself to let the idea write itself as it would could she get on with it. Mankind insisted on being represented as a rowdy mob of gutter-children playing a counting-out game. Out of all the characters who were to make up the grand allegory only the saviour has been saved, to appear as originally conceived in the final satirical and misanthropic pantomime.

This saviour, Adam, the prince, cuts his way, in company with a financier and an artist, to the palace of the Sleeping Beauty. He lets in air and sunlight, and wakes everybody up, promises Utopia, marries Beauty, becomes king, and proceeds to establish communism on earth. While he is abroad making treaties his court is falling into corruption at home, and when he gets back the financier turns the mob against him on the ground that there is no money in his communism. He is given a mock-trial, Beauty repudiates him, and he is stoned to death. Then the financier takes the throne, and all, financier, court, people, and Beauty herself, go to sleep again. The world waits for another saviour.

In ordinary pantomime the myth and performing animals are for the children, and the jokes the children do not understand, are for the grown-ups. Naturally "Adam's Opera" is a vast advance on pantomime. It is all for grown-ups, although there are no sexual jokes. It is entertaining as every theatre-piece should be; it is more satirical in reading than in presentation, and it is the work of a courageous woman with uncommon quality of mind. But the central test of an allegory is that it should be true, which "Adam's Opera" fundamentally is not. According to the play Beauty repudiated Adam because, on his return from abroad, he attended first to the people. He had begun to set greater store on the Good than on Beauty. "Beauty," wrote Emerson, in perhaps the final word on the subject, "is the mark that God sets on virtue." It is truth working, whether as a general omnibus or in the motions of the planets. The Beauty who repudiated Adam was a strumpet who would love only in return for the preposterous eternal pretence that she had no equal in earth to heaven. To make the play true Beauty would have to be stoned along with Adam, and put back to bed by the Grundys, the financier, and the artists together. "Father, forgive them, for they know not what they do." The author of "Adam's Opera" can only fluctuate between the impulse to curse them and the impulse to forgive them. The play symptomises her own loss of faith in Beauty and in everything else. The way the play insisted on being written reflects that post-war disintegration and confusion of spirit expressed at one extreme by James Joyce, and at the other, in desperate self-abandonment after futile self-girding. It is some consolation that—apart from Adam—there was one decent fellow in the play besides Nobody, the jester. The Man in the Street was worth saving, except that he didn't seem to need it, and was, indeed, capable of trying to save Adam.

The production, by *Andrew Leigh* in conjunction with the author, is well done. In a very large company all the principals are competent, with *John Laurie* and *Adèle Dixon* as Adam and Beauty respectively, and *Wilfred Babbage* as Tom Tiddler, the business-man, all very good.

PAUL BANKS.

* "Adam's Opera." By Clemence Dane. (Heinemann. 6s.)

Reviews.

Pioneering in Poverty Bay. By P. T. Kenway. (John Murray. 7s. 6d.)

Here is an old and loyal friend and contributor to the THE NEW AGE, with his first book, which is a large slice of his own life. Mr. Kenway went out to New Zealand on the first mail steamer which ever sailed there direct. She was of 2,000 tons, a large proportion of which was cockroaches, and an extremely good ship to say good-bye to. The author marched down her gang-plank straight into a world of new-chum adventure, and as he tells the story of his hard-fought drive to competence and prosperity in the simple language of the man who loves what he is doing, and wants to tell the world about it, we get the freshest of all records, that of unforgotten delights and discomforts gentled over by the mists of fond memory. Mr. Kenway took a camera with him, and the snapshots with which he illustrates his book have the same casual charm as its chapters themselves. Of course, there may be a deliberate art in his casualness. But the book is none the worse for that.

L. S.

The Week-End Book. Definitive Edition. (Nonesuch Press. 6s.)

This joyous "sociable anthology," of which the earlier edition was reviewed in THE NEW AGE, has re-appeared in enlarged form. Additions have been made to all the old sections; the "great poems" have been added to by half, the additions including much of the work of lesser-known modern poets, while the songs have grown from fifty-nine items to seventy-eight. The "hate" poems (useful for working off some of the psychological by-products of the present economic system), "state" poems, animal poems, and the mordant epigrams, again make their appearance. Among the prose sections, those on games, food, and drink, and first-aid are old friends; they also contain much new matter. The new entire sections on camp-craft, bird-song, and starshine, and on legalities for the wayfarer are as interesting as useful. Another new feature is the amusing illustrations; that to the camper's section (unkindly entitled "Travels with a Donkey") will work up every woodcrafter. The revised "Week-End Book" can be recommended unreservedly.

I. O. E.

The Diary of Tolstoy's Wife. Translated by Alexander Werth. (Gollancz. 12s. 6d.)

Whenever Tolstoy's wife felt sad or angry or bored, or when she had just quarrelled with her husband, or had been reading in his diary about some particularly lurid portions of his past, she sat down before her own diary, and wrote. This fact has to be kept in mind by the reader, who would otherwise conclude that the lady led a life which oscillated miserably between hatred of her husband's past and annoyance with his reformed rake's ideals of purity, humility, charity, and the other tenets of a Christian life. To read his old diaries seems to have been an infallible method of upsetting herself, yet, with a sort of morbid craving to hurt herself, she went on reading them, and even began to copy them out. On December 16, 1890, there is a good example of this. She is talking about his vanity and selfishness: "This self-adoration comes out in every one of his diaries. It is amazing how people existed for him only in so far as they affected him personally. And the women! I caught myself up to-day in an evil thought. I copy his diaries with the zest of a drunkard, and my drunkenness consists in working myself up to a state of jealousy over the women he describes. . . . Another thing in his diary strikes me as curious—the fact that, simultaneously with his daily debauches, he also tried to do a good deed every day." On the next day she notes that he does not like the idea of her copying out his diaries. He would like them destroyed so that he could appear before the public and his children only in his patriarchal robes. "His vanity is immense!" As to his habits in old age of practising saintliness, she complains that "he wants me to suffer at the sight of poverty and illness and misfortune, and actually *look* for it, even if I have no opportunity of seeing it in my surroundings—and he is expecting the same from the children. Is there any need for it? Is there any need for a healthy human being constantly to keep going to hospitals to look at the sufferings and agony of the sick, and to listen to their groans? If you come across a sick man help him, but why go searching for him?" One sympathises with her. These saints who have once been anything but saints must be the devil to live with either before or after reformation; when they are great writers as well the mixture must be nerve-destroying at close quarters. As any normal woman would, she objects to having to see in her house all sorts of nondescript, unsavoury persons who come to see the great man; and on one occasion, with recollections of his diary in mind, she tells him, "You have been used to disreputable people all your life, but I am not used to it, and I won't have my daughters mix with them." Can you blame her? On more than one occasion she observes that despite Tolstoy's idealism he seems to have no true conception of what love is, and I remember "A. E. R." said exactly the same thing after he had read Tolstoy's love letters. Whenever he becomes very affectionate after a period of coldness or of quarrelling, he nearly always, she says, expresses it by resuming physical relations with her. "If only our relations could be the same *without that*! But it very seldom happens otherwise with him." Like nearly all autobiographies, letters, and other intimate forms of self-expression, this diary is extremely interesting. It has been well translated by Mr. Werth, and as the original was published for the first time in Russia only last September, he has not lost much time about doing it. The volume also includes some miscellaneous things, including some notes by her on Tolstoy's literary life, and an account of his quarrel with Turgenev.

J. S.

Automaton, or the Future of the Mechanical Man. By H. Stafford Hatfield. (Kegan Paul. 2s. 6d. net.)

In a broad sense the evolution of automata shows a curious parallel to the development of the nervous system. By means of machines man has enormously increased the range and sensitiveness of his motor and sensory systems, and now the problem of the inventor is to introduce a mechanism into the machine itself which shall automatically favour desired "reflexes" and inhibit the rest. In a word, the machine is to be equipped with a "brain." A simple example is the electrical thermostat which automatically regulates the temperature of an incubator and keeps it constant at the requisite level. Dr. Hatfield, himself the inventor of a "Chemical Robot," discusses many ingenious devices of this kind, together with the problems raised, and the numerous people who have a turn for the "Meccano" type of amusement will find this part of the book

very interesting. But the author is also vaguely disturbed by the possible reaction of these automata on human beings. He realises that if men and women are to be forced to compete with machines for employment the results will be disastrous to human personality, but he has neither any clear idea as to the solution of his problem, nor does he realise the inherent impossibility of this competition. A small dose of Social Credit philosophy would clear his mind of much confusion, and enable him to understand many things which puzzle him at present—e.g., why many inventions which he knows are in existence have never appeared upon the market, and why it is only in the case of lethal weapons that "methods of fantastic originality and difficulty can be tried out regardless of expense." Incidentally, too, the sting would be taken out of his apparently callous remark that "After all, the work of the inventor of automata is, in any case, to abolish unnecessary human beings."

N. MONTGOMERY.

The Roman Soldier. By Amédée Forestier. Introduction by Ian A. Richmond. (A. and C. Black, Ltd. 12s. 6d.)

This book cannot be caviar to the General, for it aroused, on first sight, the interest of a bright young female person who could scarcely be expected to have any inherent interest in the details of military equipment in the Roman armies from the Stone to the Precious Stone Age. And although the illustrations might be sharper in outline and fresher in composition, and the critical notes brighter, the production *in toto* is both useful and ornamental to the shelves of a not too exacting library.

L. S.

Capital. By Karl Marx. Translated by E. and C. Paul from the fourth, definitive edition. (Allen and Unwin. 12s. 6d.)

At last Marx's chief work appears in English in a worthy garb. Despite its 900 odd pages, this book is very handy and well printed. The translation is good, as was to be expected from the translators, and this is the more satisfactory in that Marx is an excellent writer of prose. Was he not once proscribed for reading the Cambridge Modern Language Tripos? This edition may perhaps assuage some of the altercations among English Marxians over what Marx said and may be supposed to mean. Those who take no stock in Marx's doctrines may yet be recommended to read him for the interesting but often gloomy economic history in his pages.

H. C.

Josephine E. Butler: An Autobiographical Memoir. Edited by G. W. and L. A. Johnson. (Arrowsmith. 5s.)

Consider how, time and again, never learning anything from what happened the time before, we crucify the redeemers of our social conscience, and then, when at last something of the light they saw has penetrated our ivory skulls, calmly assume the mantle of righteousness. Verily it is a wonder that there are any people left like Josephine Butler, to give their whole lives to a cause they know for the truth, while every word they speak and every action of theirs is twisted and misinterpreted. It is difficult to say whether the popular Press magnate or the popular gossip in the club-room shows the viler side of human nature in his treatment of our pioneers of reform. There is this much to be said for the Press, that if you are (a) rich, (b) beautiful, (c) sharp with your tongue, its lackeys go more carefully in their abuse of you than the serpents of boudoir and of the smoking room. But that may be because mere spoken inuendoes have to be strictly proved. And there is nothing more piously indignant than the ordinary scandalmonger when he finds himself a juryman trying another's libel, particularly a journalist's. However, fortunately for all things decent, neither the newspapers nor the scandal-mongers have the power to stop our Josephine Butlers from getting on with their job. And here in this little book is her own plain record of how this one did it. Against that magnificent, lofty, serene spirit no cheap sneers or obstruction cunningly masked in the guise of sympathy who vapour about the evils of grandmotherly legislation could possibly avail. And the sweet ladies and gentlemen directly the law lays hands upon their friends, the alien and domestic profiteers of vice, will do well to reflect that there may be other Josephine Butlers about, and possibly rich ones. And as to be rich in England is to be right, if you are rich enough, we may yet be saved the spectacle of the canonisation of St. Meyrick. It is fitting that this autobiography should appear at the time when the League of Nations is really doing something about the White Slave Traffic, and the Association for Moral and Social Hygiene is beginning to convince the public that it is a more human and practical affair than its repellent name suggests.

L. S.

LETTERS TO THE EDITOR.

"AN OUTLINE OF SOCIAL CREDIT."

Sir,—Mr. Keppel's argument, such as it is, stands or falls by the existence or non-existence of a firm having no outside payments. If he can point to *one* firm whose costs consist entirely of the dividends, wages, and salaries paid to its own shareholders and employees: that pays no rent, rates, taxes, interest or insurance; that consumes no coal, gas, or electric light; that never buys any plant, machinery, or raw materials, desks, safes, typewriters or other office furniture, paper, string, pens, ink, or postage stamps; that has no telephone and never sends off a telegram or writes a cheque—all of which operations involve outside payments—if, I say, he can point to one firm that does none of these things, I will make a pilgrimage to it as to a shrine. It is a superfirm, standing on a pinnacle outside our financial system, and needs no help from Douglas or anybody else; but, unfortunately, it exists nowhere outside Mr. Keppel's imagination.

When he gets his facts right—i.e., when he finds his firm or admits that such a one cannot be found—the discussion can be resumed with some chance of profit; but not before.

H. M. M.

Sir,—(1) I believe in "Social Credit," but I must applaud Mr. Keppel's criticism. Your reply is correct, but does not invalidate it. All firms "make payments to the *past*," granted, but then all *consumers* make payments from the *future*.

(2) The present system of distribution is medieval, but why expect intelligent people to believe that the fault lies only in the fact that Messrs. Whiteleys (say) must charge more for their goods than the cost of handing them over the counter (i.e., wages to employees)? Yet it is stated again and again, without even your inadequate addition.

(3) There *must* be a scientific method of distribution—an exact formulae for price, and this is *true* "Social Credit" (Douglas or otherwise)—he is too mystical to make that clear)—but it is a mathematical problem, and most of those who write about it are not even faintly mathematical. They discredit all genuine effort.

You ask for a practical policy. Well, appoint a committee of pure mathematicians and tell them to determine the formulae for price in terms of x, y, and z, and publish the result in everyday language. Give them Douglas's books if you like. Burn all previous publications mentioning Social Credit. Your policy must be to convince the influential, so you must cut out the "bunk" and the obscure. If your publication is clear, precise, and mathematically unimpeachable (which it can be if it is based on truth), it will do *indefinitely* more than all your stunts.

(4) Your attitude towards critics of your theory is highly dangerous. Mr. Keppel may be the "nom de plume" for Mr. Montague Norman or Signor Mussolini. Anyway, his criticism is intelligent, and may well be the same as a greater than Mr. Keppel.

C. J. CARRUTHERS.

[1. The statement that deductions from future purchasing-power have to be made as well as from present purchasing-power in order to meet the debt to the past underlines our statement. But it is rough on the future to find its purchasing-power gone before.

2. We do not expect anyone to believe that Whiteleys could sell at a price covering their own wages, salaries, and dividends. They will, nevertheless, find it impossible to recover the cost of their buildings, delivery vans, etc., in full, since there is no equivalent consumer purchasing-power in circulation.

3. Let x = just price
,, y = actual production
,, z = potential production
,, c = cost,

$$\text{then} \quad \frac{x}{c} = \frac{y}{z}$$

The above is Douglas's formula. We see nothing mystical in it. Incidentally, it has been before the mathematicians for a long time.

A good enough reason for our attempts to express Social Credit, and the preceding analysis in language is the objection most people show towards formulae. Most mechanical problems can be expressed exactly in formula, many of which are, of course, far more complicated than the formula above. All the same, it is a very difficult task to put even the simplest into everyday language. Let us say, modestly, everyday language is what we have aimed at for years.

4. We claim by this time not to debate Social Credit unless it is clear that our opponent has studied it. This would apply to any person. He can hardly expect to learn while his mind is set on proving to us that we are wrong. Critics showing knowledge of, and interest in, Social Credit are welcomed. —ED.]

PROFITS.

Sir,—Apropos of your analysis in "Notes of the Week" (13/12/28), it is probable that the bulk of industrial operations to-day are carried on by limited liability companies that cannot legally pay dividends out of *capital*. If the capital of a company is £100 and is expended £50 on "permanent" assets and £50 on wages, salaries, raw materials, overhead charges, etc., the company *must* get back in price something above the amount it has expended (£100), or it will (legally) go bust! It appears, therefore, that (a) Social Credit will put an end to Limited Liability Companies; (b) will lead to the position when there can be no "profits" in the ordinary acceptance of that word, i.e., a surplus between cash-price and consumer-price; and (c) the management will have to be satisfied with fixed salaries, or salaries related to the cost of production (not profits). Do you agree?

F. G.

[Some of these points are dealt with by implication in the article "Incomes and Costs" in this issue. There are, strictly speaking, no *money* profits now if one considers industry as a whole. Foster and Catchings proved this statistically for United States Corporations in their book *Profits*. Industry's "profit" consists in a valuation of accumulated equipment and stock. It cannot be otherwise unless industry collects more money than it distributes—i.e., unless the banks increase the volume of credit—over a given accounting-period. —ED.]

CASH AND CREDIT.

Sir,—I must thank you for publishing my contribution of criticism to the earlier portion of H.M.M.'s analysis. It and your reply are equally visible.

Apart from that contribution, my point continues to be that you make the issue much more complex than it really is.

It is the community which asks for credit, and not the banks which thrust it upon them. The community has asked for credit, and it is the banks which have organised it.

But the banks are not in business for their health.

There is no obligation upon the banks to issue or restrict credit in accordance with any interest but their own interest.

If the credit system weighs too heavily upon those who have demanded it, then a restriction of the demand for credit will relieve them of their burden.

The more traders forgo their hankering after credit the nearer the community gets back to a cash basis of payments and to solvent trading.

Credit facilities are too often made the basis of unwarrantable and insolvent trading. The banks have to keep an eye on this, and not allow insolvent traders so much rope that they will hang themselves.

If the banks were to restrict the issue of credit altogether, limiting themselves to the discounting of bona fide bills, then the reason why the purchasing power in the hands of the community is never sufficient to purchase the product of industry would immediately stand out.

It is that no attempt is made to sell the product at its cost-price, but, on the contrary, at a profit.

I trust I do not claim too much of your space.

ARNOLD J. W. KEPPEL.

[Mr. Keppel must tell us what he means by "credit." Would he do away with the cheque system and, if so, would he replace the money value of circulating cheques by currency notes?—ED]

INTERNATIONAL MONEY-TRANSFERENCE.

Sir,—I beg to thank you for your reply in the current issue of THE NEW AGE to my query re Mr. McKenna's statement about the movement of money, and I shall try to assimilate it—which process is not made easier by conflicting remarks by other authorities. I enclose an address to the Bankers' Institute by Mr. Hartley Withers last Tuesday at Norwich, in which, after deprecating tariffs, he referred to money as being the only thing free to move from one country to another. The speech may interest you.

E. H. BARWOOD.

[Mr. Hartley Withers was speaking figuratively. If he bought goods from Germany he would not send sterling to Germany, but pay it to his bank. The German exporter would draw marks from *his* bank. There would be "more marks about" in Germany and "less sterling about" in England. But Mr. McKenna's statement is unaffected by this. He said that the amount of sterling in England varied with the action of English banks. A careful reading of the context of his point should clear up this misunderstanding. —ED.]

PROPHECY?

Sir,—I wonder if any of your readers have ever noticed that the text beneath the *Vanity Fair* Cartoon, depicting Mr. Reginald McKenna, and published so long ago as 1906, reads: "*In the winning crew*"?

(Rev.) H. EDWARDS.

SOCIAL CREDIT POLICY.

Sir,—In his letter in your current issue Major Douglas casually states that he does not agree with a certain letter of mine previously printed, but as he makes no explanation of his objection my perhaps abnormally thick head is left in a puzzle.

For while, on the one hand, he says nothing in support of the policy of pin-pricks against which I wrote, neither does he refuse to give what I asked for, a lead as to a practical policy.

As to the means on which he would rely for the step he proposes, the removal of Mr. Montagu Norman, he does not, as it seems to me, make himself quite clear.

Would he depend on the gradual cumulative force of isolated and practically unco-ordinated "pin-pricks" or would he rather advocate the working to that end of some more definite organisation of those persons to whom he refers as being "really prepared to take some trouble" in the matter of Credit reform?

PHILIP T. KENWAY.

[These points are dealt with incidentally in the Notes. —ED.]

"BIRTH CONTROL."

Dear Sir,—Will you permit me a few remarks regarding Geo. Ryley Scott's "The Truth About Birth Control," reviewed in your issue of November 8?

I would like to submit to Mr. Scott that the high birth rate of Holland simply means that the Dutch want children and have them. The reason for Quebec's high birth rate is obvious to those who know Quebec. We, even as far west as the western prairies, feel the long hand of the Roman Catholic Church reaching out through its agent the Federal Government at Ottawa. France is relatively free of such control and has been practising prevenception for many years. In the Marquis de Montcalm's journal we read, under date May 8, 1756, at the time of his disembarkation in Canada, "something that will seem remarkable in France, and especially to our nobles at court, who are afraid to have more than one heir, is that one man, a soldier still living, has peopled four parishes and numbers 200 persons as his descendants."

Dr. Wm. J. Robinson, the most prominent sexologist in the United States, in reviewing Mr. Scott's book disagrees with the latter's opinion regarding the reason for the difference in the rate for the rich and the poor. Dr. Robinson says, "Not only do the rich practise prevenception systematically, but they have frequent recourse to abortion." It is estimated that the number of abortions performed in that country amount to over a million per annum.

The U.S. Bureau of Labour, since the war, made an investigation of the cost of living for 12,096 families living in the capital city of Washington, D.C. A startling relationship between the size of the income and the size of the family was revealed. For those earning less than $900 the average size of the family was 4.3; up to $1,200, 4.5; up to $1,800, 5.0; and so on progressively until over $2,500, when the size was 6.4.

W. DIAMOND.

Canada.

A LECTURER WANTED.

Sir,—I am a regular reader of THE NEW AGE, with no comprehension of economics, and the secretary of a Hull debating society (late Free Speech Fellowship), now (by its own vote) called The Fellowship of Debate.

The connection between these two pieces of information is this: I am much interested in the matter of THE NEW AGE, and as secretary of this society I should be more than pleased if I could offer one of our nights to anyone competent to expound THE NEW AGE policy, "The Douglas Scheme," etc., and have my offer accepted.

We are open to anyone; we have a nucleus of loyal members; we get reports into the local papers, but we are poor, and I write therefore to ask you if you would like (and know) some local member to use this means of ventilating NEW AGE ideas.

I should be much obliged, without wishing to waste your time, if you could let me know at an early date, as I am now arranging our syllabus for the New Year.

F. NICHOLSON.

63, Hawthorn Avenue, Hull.

[Will readers in Hull do what they can to help Mr. Nicholson.—ED.]

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The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher prices, higher wages, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

All communications should be addressed, Manager, THE NEW AGE, 70, High Holborn, W.C.1.

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