

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	205	A NEW PROPOSAL FOR GUILD ORGANISATION.—III. By Philippe Mairet	210
The French debt—the Churchill-Caillaux agreement—what is a "derisory" figure—the <i>Financial Times</i> interviews two bankers—their suggestions of repudiation—Mr. Garvin's concern at American hostility—his arguments to prove America's suspicions unfounded—his warning of the downfall of Washington's "fabric of finance." Major Douglas's suggested method of repaying our debt to America—time ripe for its public discussion—Brown, Jones and the "Brown" pound. Mr. Garvin's fears for Anglo-American friendship. The French Press attacks America—repudiation—payment in corpses.		CHRIST AND JUDAISM. By Alan Porter	212
MACHINERY OR FINANCE	207	VIEWS AND REVIEWS. Folk Lore and Fable. By En Sardesin	213
THE VEIL OF FINANCE.—VII.	209	THE TESTAMENT OF THESPI.—II. Exodus. By H. R. Barbor	214
		THE LAND OF THEIR FATHERS. By "Old and Crusted"	215
		LETTERS TO THE EDITOR	216
		From Neil Montgomery and N. F. Eiloart.	—
		VERSE	—
		Epigram. By D. R. Guttery (212).	—

NOTES OF THE WEEK.

One of the problems which must be disturbing the *Daily News* this week is to find a convenient definition of the adjective "derisory." When, last week, Britain wanted £20 million a year out of France, and France offered £9 million, that journal said that Mr. Churchill "would not dare to face a British Parliament with the acceptance of a derisory offer." Now that Mr. Churchill has offered to accept £12,500,000 a year, it is intriguing to speculate whether the term "derisory" would have been held to apply to this figure if the *Daily News* had heard it mentioned last week. Probably the puzzle will be referred to the relativist principle. Thus, you subtract France's original offer of nine millions from the twelve and a half millions, and find that the haggling has gone in our favour to the amount of three and a half millions. Then you work from the other end, and subtract the twelve and a half millions from our original demand of twenty millions, and find that the haggling has gone against us by seven and a half millions. Upon that, probably, you attach what the statisticians call a "weight" to each million M. Caillaux has gone up, and to each million Mr. Churchill has gone down. Multiplying the first figure by its "weight," you arrive at an "anti-derisory" index; and dealing similarly with the second, a "derisory" index. A comparison between the two results will reveal where the balance of derision lies—whether the public of this country, whose opinion, as the *Daily News* insisted, had "definitely crystallised on this question . . . no such unanimity of conviction on any issue since the war," should get up and flock out of doors in its pyjamas to murder the Chancellor of the Exchequer, or whether it should complete its night's rest properly so as not to be late for the office in the morning. We warned the *Daily News* last week that whatever sum Mr. Churchill's financial advisers thought fit to accept, there would be no opposition worth the name either in or out of Parliament. The Voice of the People is the Voice of a Nod.

The *Financial Times* showed a sure instinct for consulting the sort of opinion that matters. Immediately upon the announcement of the new offer it sent its interviewer to have a chat, not with the President of the Free Church Council, not even with Mr. J. H. Thomas (the "Right Reverend Mr. Thomas," as Mr. Saklatvala is calling him), but with someone (without a name, as usual) at the "head office of one of the Big Five banks." And what did this mysterious Minister of the Invisible Government say? Something worth hearing for once, we are pleased to report.

"The subject is much bigger than the question of how much we are to receive from France. France's hand will be materially strengthened if in going to America she can point out that her big creditor has recognised that her capacity to pay is strictly limited. If her debt to America is arranged on a lower basis than the Baldwin agreement, Italy will also call for similar treatment. Already Belgium has something better than we have. Surely, then, we can open up the whole question as to whether we shall pay penal rates, while the Alliance, for which we borrowed enormous sums of money, are to enjoy preferential treatment."

It is refreshing to hear a high financier talking of "repudiation." It is true that he does not use the term, but what he is suggesting comes to the same thing. The Baldwin agreement is of course "sacred"—we have "pledged our word to pay such and such sums over such and such a period," and so on; but all the same there is nothing wrong in bringing pressure on America to tear it up, is there? That is the substance of this gentleman's view. We hope he will open his mouth wide in every direction to the same purpose. He is trespassing upon the trail we have blazed, but we are queer folk, we welcome trespassers, besides which there is some quasi-malicious enjoyment to be derived from watching these financiers following our route and zig-zagging across it so as not to appear aware of our pioneering work. The *Financial Times* quotes another of them, a "well-known banker" (unnamed), who expressed the view that—

"While the proposed terms were extraordinarily generous and could only be justified by the expectation of

similarly generous treatment of Britain by the United States . . ."
(again the suggestion of a revision of the Baldwin agreement)

" . . . they really did not matter, as within a few years the whole debt question would have to be reviewed."

This is getting worse and worse. Here is an apostle of financial righteousness unblushingly saying: "Yes, yes, sign the contract—what is the figure?—£9 million?—No? £12½ million? Well, anyhow sign it. It is written on rotten paper which will fall to pieces in no time." It reminds us of a joke that used to be circulated against a young director of a City company who was in the habit of tapping the cashier for what he euphemistically called "Small temporary accommodations" (they were neither small nor temporary; but that does not affect the story). It was said that he wrote his I.O.U.'s on the tiniest, weeniest little scraps of paper that he could find—in the hope that the cashier would lose some of them. But that was only half the joke. The other half went on to say that occasionally he would demand an account of how much he owed, and that when the cashier had covered his desk with these miniature "debt-agreements" the debtor would bend his face low in order to inspect them, and would then be overtaken by a violent paroxysm of coughing. Whereupon his debts would take to the wing like butterflies and the cashier would have to leap and stretch like an entomologist on hot bricks to retrieve them before they escaped through the window. The symbolism of this ingenious effort of imagination is perfect in its application to the international debt problem. Here is a world of private citizens all with a tendency to consumption and a tickling in the throat. And among them a few "cashiers" collecting their signatures on scraps of paper. Well, they can make them sign; but they cannot stop them from coughing. In fact, if you could peep behind the swaying veil of the high-financial system you would already see the nations' debt-pacts soaring up on the breeze of the world's cough, leaving the financiers desperately beckoning to them with their top-hats.

As was to be expected, the divided counsels in financial circles are being reflected in an increased out-spokenness in the Press on the matter of our own debt. In particular, Mr. Garvin in the *Observer* has a good deal to say, and with much of it we are in agreement. He is perturbed by the hostile reaction to our terms with France on the part of the American Press.

"We are variously told that Mr. Chamberlain, Mr. Churchill, and M. Caillaux have entered into something like an over-clever conspiracy to embarrass America; that we are unduly lenient to France with the idea of trying to help her to make terms at Washington which would mean some ultimate relief for ourselves; that we are trying to force President Coolidge's strong hands; that we are holding a pistol to Mr. Mellon's able head; that we are taking a stick to beat the American taxpayer—who, like ourselves, but to some lesser extent than ourselves, is bearing the weight of other people's expenses."

This is a true summary of what the American newspapers have been saying. Mr. Garvin proceeds to argue that these impressions are unfounded. His argument takes two main forms, one that we could not have safely done other than we did, and the other "America's strength is impregnable and impervious," and her power to annul what we have done absolute. Under this second head we note that the *Observer's* Washington Correspondent reports that the American Debt Commission and other American officials remain quite calm in contrast to the Press excitement in that country. They intend to negotiate with France precisely as if the Churchill-Caillaux understanding had not occurred. If that be so, it appears waste of time for Mr. Garvin to prove that we harboured no *arrière pensée* in coming

to that understanding. His plausibility is unimpeachable. America may, he says, remain in "splendid isolation," but it would be "mad" for British statesmanship to manage the post-war liquidation in a way that would embitter political relations in Europe. "We would rather have a little less and a willing settlement, than a little more and a bitter one." To use an analogy we have more than once applied to the matter, for Britain to become an American bailiff is bad enough, but for Britain to risk getting a punch on the nose from an exasperated debtor is to ask too much. It might occur to Americans that it may be worth a few millions a year to us to keep the Devil of another European war chained up. On the other hand, the force of these considerations is badly impaired by the frank views of the two bankers we have quoted. Whether we originally intended the French agreement to lead to a revision of our own debt need not be argued about if, as these bankers reveal, they now expect it to do so. What Threadneedle Street expects to-day Fleet Street will demand to-morrow. Mr. Garvin argues much more efficiently when he points out to America that in any case if she refuses to encourage our present policy of subordinating the letter of finance to the spirit of reconciliation there will be no hope for the world's peace, and that "the crash of the very fabric of finance which Washington is seeking to construct would come the sooner." Here is a pregnant saying. It fixes on Washington the responsibility for international financial policy, and it implies, by the use of the words "the sooner" that the policy is bound in any case to break down. Having said this frequently ourselves, we need add no comment.

There is no reader of THE NEW AGE who looks in the right place for signs and portents but who feels, with us, that within a very short time the proposals which Major Douglas submitted to Mr. Lloyd George as to the proper method of repaying America may be more or less openly canvassed in the London Press. Their great merit lies in the analysis from which they proceed—an analysis which makes it perfectly plain to anyone who can draw inferences that in no transaction involving the contraction of international indebtedness during or since the war was any money lent outside the lending country. The loan by America to Britain came here in goods. Whatever money was involved was created and issued by the American banking system to American industrialists. And so with our own loans to France. The principle is entirely different from that of private loans between members of a single community; and the whole trouble attending the international debt situation arises from assuming they are identical. When Brown lends Jones £1, Jones gets the £1, and therefore Jones can (in theory) pay it back. True that Jones will pass on the £1, and may possibly default; but although he do, the £1 is in someone else's pocket, it exists somewhere in the community, and that fact makes it a possibility for Jones to get it back by the process of making and selling something or performing a service for the individual who happens to have the £1. The point here is that there is no inherent and demonstrable impossibility for the Joneses to repay the Browns within a given community. But now suppose that Brown does not lend Jones £1, but delivers to Jones a dog valued at £1, and, moreover, requires Jones to pay him, not an ordinary £1, but a "Brown" pound. The only way in which Jones can get a "Brown" pound is either to supply Brown with goods or service for which Brown is willing to pay a pound, or else to supply them to someone else to whom Brown happens to owe one pound in his turn. The first difficulty is that Jones's opportunities for earning the money are enormously restricted. Even so, the second difficulty may be

much greater. Suppose Brown declares that there are no goods or services that he requires from Jones; and further, that he will not have Jones going round offering them to the person to whom he (Brown) owes a pound, for the reason that he (Brown) proposes to sell his creditor a dog to settle the debt. Poor Jones. He says—"Well, if that is so, I cannot possibly pay you." To which Brown replies: "You've jolly well got to all the same, or I'll have the law on you." What is the way out? Only that Brown might drive a bargain and say—"Well, if you cannot produce one of my pounds, I'll accept two or three ordinary pounds instead; so now look sharp and go and earn them." Now, if you call Brown, America, Jones, England; and the "Brown" pound, dollars; Brown's creditors, neutral markets; and Brown's composition with Jones, the sterling exchange—you will have a rough and ready picture of the processes now going on. And with such a picture in your mind you will be able to appreciate how inevitable it was that such words as follow should sooner or later be forced from the reluctant pen of Mr. Garvin.

"We are confident that America will discard them (i.e., the suspicions referred to) on second thoughts. If we proved wrong, then, though Anglo-American friendship has been one of the three main causes for which this journal has existed—and though we have not been ashamed to plead the old cause of kinship through good times and bad—we would be almost tempted to despair of the world's future."

In indiscreet words, "we would almost be tempted to" believe in the hitherto unthinkable—a war between two English-speaking peoples.

"Britain and France," says Mr. Garvin in another passage, "must keep together that Germany may be added unto them in a triple union." Here we see a reflection of the *Ere Nouvelle's* open discussion of the project of a European economic alliance against Washington's financial policy. The Paris Correspondent of the *Observer* gives the following summary of the state of opinion in France:—

"In an unrestrained fit of temper the Americans, and incidentally the British, are called Anglo-Saxon Shylocks, the former being described as gorged with gold till they do not know where to put it. Altogether this talk is conducted in a manner which is most unlikely to produce an atmosphere conducive to an agreement. It is notable that while hitherto France was ready to mount the high horse at the slightest suggestion that she was unwilling to pay her debts . . . she is now using the word 'reputation' without concealment, saying that if the American terms are too harsh she will simply have to say that her eighteen hundred thousand dead are sufficient payment."

The same writer reports that although M. Caillaux is daily being announced as intending to sail for America on September 16, he is "also every day hedging, presumably lest the Francophobia of the American Press reach a pitch when it would be undignified for a personage of his importance to submit himself to direct contact with angry Americans who are no respecters of office." A few years ago a passage like this would have sent shivers throughout along past innumerable red lights without a qualm. Where all is red nothing is red.

"The Economic Consequences of the Banking System."
Under this title Major Douglas will deliver a lecture in two parts at the Caxton Hall, Westminster, the first part on Monday, October 12, and the second on Monday, October 19, at 6 p.m. Admission on each occasion will be by ticket, price 2s. 6d., to be obtained from Mr. W. A. Willox, c/o THE NEW AGE, 70, High Holborn, W.C.1 (Telephone: Chancery 8470).

Hampstead Social Credit Group.
A meeting will be held at 8 o'clock on Thursday, September 3, at Holly Hill Shop, 1 Holly Hill (close to Hampstead Tube Station), when Mr. Hilderic Cousens will deliver an address on "Overhead Costs." Open to the public.

Machinery or Finance.

In *G.K.'s Weekly* of August 22 Mr. Arthur J. Penty has an article under the above heading in which he repeats those sentiments on the evils of machine production with which the older readers of THE NEW AGE have long since been made familiar. The peg on which he hangs his present discourse is an observation recently made by Mr. H. P. Vowles that "it is the machinery of finance that is enslaving us to-day, not the machinery of engineers." We will deal with his arguments later, but first want to notice the leading article in the same journal putting forward a "defence of delay."

The allusion is to the coal subsidy. The writer's trick is to ascertain the consensus of Press opinion on the subsidy, and then to express an opposite opinion. Apparently the Press has said that the subsidy "only puts off the evil day"—and that is sufficient for *G.K.'s Weekly* to assert that that very criticism is "also the argument by which we should especially defend it." The argument is then elaborated, but find it leads nowhere definite, it will not be remembered when, in a week or two, the Press itself takes a turn at extolling the advantages of delay in some other connection, and Mr. Chesterton promptly contradicts it. "We hold that it is very well worth while to put off the evil day, if only with the reasonable hope that it may be a little less evil." But if the writer has any "reasonable hope" he does not define it, much less attempt to prove its reasonableness. Instead he merely repeats himself in more imposing language: "We hold that there is a very solid and serious utility in merely gaining time; for it is in the sacred and terrible sense in which we talk of having time for repentance." Re-pent—to turn back. Yes; from what? No answer. But perhaps a slight clue. Thus: "We hold that there is, or ought to be (our italics), a highly practical advantage in deferring battle between Big Business and Bolshevism, if only until we are able to fight Bolshevism with something a little less despicable than Big Business." Leaving aside the argument that Bolshevism, in its economic aspect, is itself Big Business in its widest possible manifestation, what is the something else which is to be the chosen weapon? There is no answer. The argument switches over from the question of "England" the weapon to that of the kind of "England" the weapon should be used to defend. We are told that the conflict ought to be averted "until we have something better in England to fight for than a few big American shops . . . a little more like the England of normal times . . . the yeoman . . . guilds . . . markets . . . fairs," and so on. Again, what is to be this "something better"? And, seeing that the time for "repentance" is up next May, when and how do we begin to bring forth fruits meet for repentance? Silence once more. "We have to make the things first and fight for them afterward," is one of the writer's concluding remarks; that is to say he would defer the "fight with Bolshevism" until a *casus belli* has been created. He thus assumes that the "enemy" will await his chosen time and occasion for the fight, entirely ignoring the plain fact that the enemy's tactics are to prevent the making of the "things to fight for." Mr. Chesterton hopes to dig himself in under a flag of truce. It will not work. Let him dig if he will, but it must be under fire. All this aspirational impracticability makes a fitting prelude to the article of Mr. Penty's referred to. He begins with the thesis that it is the "engineers who have enslaved us," and he "cannot help viewing the enslavement of the engineer by the

financier to-day with some little satisfaction as a piece of poetic justice."

"The activities of the engineer have resulted in increasing the volume of production to such an extent that the problem of how to dispose of surplus production has become the problem of problems in industry. . . . It is apparent that if we are to deal with the money power we shall have to deal with the unrestricted use of machinery to which it owes half its power."

The argument here is that it is *unrestricted production* which has brought about all our troubles. That is an intelligible standpoint so far. But then Mr. Penty turns round and argues from an opposite standpoint.

"When financiers saw that the unrestricted use of machinery was upsetting the price system, they organised trusts and combines to curtail the volume of production, and machinery was allowed to remain idle. . . . A million and a quarter unemployed is making men think."

This is saying that it is *restricted production* which is causing the troubles. Mr. Penty should really make up his mind where he stands. We are aware of a possible reply. He may reconcile the contradiction by advancing the explanation that the unrestricted production took place first, and that the restriction followed as a logical consequence. But even so he would have to make up his mind which policy—unrestriction or restriction—is operating at the present time. Having chosen one or the other, then he could relate it to our current social and industrial problems. But that is just what he does not do. He says of one of these current problems—that of the un-sellable surplus—that it is because the engineers have produced too much; and of another of these current problems—that of unemployment—that it is because the financiers have put a stop to over-production.

Mr. Penty hates machines. Therefore he dislikes engineers. Thus "Major Douglas, it is to be observed, is an engineer." ("Now Barabbas was a robber"!). Whether they are functioning or whether they are being prevented from functioning, it is all one; they are the culprits. Down-stream or up-stream they are polluting his medieval drinking-water. "Extensive machinery is antagonistic to human welfare, for it degrades men by turning them into robots." We wish Mr. Penty would brighten his discourses with an illustration or two. Let us try one ourselves. There are ten men in a kitchen. Each is boiling and stirring a pint of porridge in a saucepan over a gas ring. One day one of them, an "engineer," makes a steam-jacketed pan and a big gas ring, and throws the saucepans and small gas rings into the dustbin. He leads the gas to the big ring, puts ten pints of porridge into the inner pan, water into the outer, lights up the gas, also his pipe, and—what? There is a problem, certainly. It is that the porridge is going to cook itself, and everybody may go out for an hour. Now if these men cannot think of anything else to do with their time than stir porridge, it is clear that the "engineer" has done them a disservice. But even then, one could hardly say that he had turned them into robots—all that he could be fairly said to have done would be to have revealed to them the fact that they were already robots—porridge-stirring automata. And this would be to praise the engineer, for he would have convicted them of the sin of robotry. Let them get out in the sunshine. "Yes," we can hear the comment, "but what sunshine is there for people whose services are not required in industry?" We answer with alacrity, none at all. But what is the reason? Is it an engineering reason? Surely not: the engineer has done everything he can short of physically kicking them out into the sunshine. Then why can they not go? It is because there is a regulation that those who do not *help to cook* the porridge shall not eat

any porridge. That regulation is an integral part of our economic system, and the only case against engineers is that they, in common with architects like Mr. Penty, have not realised that it operates to automatically reduce consumption while increasing the means to consumption. The whole point is whether such a regulation is necessary. If it is we shall be the first to concede Mr. Penty his case. To come back to our kitchen. If those ten men may not have porridge unless they assist in the cooking of it, and the engineer has set the porridge cooking work—then they must assist by doing unnecessary work—each must put a few oats in the pan, each pour in a little water, some of them hold a matchbox, others strike matches, and, perhaps, all of them stir up the mixture together. Of course they are bored stiff. From making porridge throughout—which was a craft with scope for ideas, for expression of them, and the pride of visible accomplishment, they are degraded to one-action automata with mentality to match. They are truly enslaved—yet not by the machine but by the necessity for their attendance on the machine. If Mr. Penty should hold that this is a distinction without a difference, he would have to maintain that the machine which, by common consent, spares human service, at the same time continues to exact it. It needs little reflection to show that the evils alluded to arise from the compulsion laid upon men to contribute a day's work for a day's food, and this at a time when the engineer has made two or three hours' work. The engineer has the same psychology as the architect, and when he designs a machine to achieve a certain maximum output and then has to stand and watch it work at quarter capacity he is quite as chagrined as Mr. Penty would be if he designed a bridge to carry a railway and saw only bicyclists using it.

But now, supposing that our contention is true, that there is no necessity for the economic rule which makes personal attendance on the industrial machine the sole condition of consuming its product; and supposing that certain reforms amounting to nothing beyond methods of accounting credit into costs would enable every increase in the energy of machinery to be reflected in increased leisure carrying with it increased purchasing power among the community generally: in that case Mr. Penty's ideals can be achieved in their essence even in a super-machine age. Let us enter the kitchen once more. Suppose we say to the ten men—"Here, nine of you can go and spend as you will the hour which the engineer has saved you: you can have your porridge all the same, only don't stay pottering about round this pan, you'll only be in the way. One man can look after it, and he will have a little more porridge than you as compensation for being kept in attendance." What could those men do, now that they had leisure with the assurance of subsistence at the same time? And what could the citizens of this country not do if perhaps two-thirds of them need never enter a factory or counting-house, while the other third spent only a quarter the time at work that they do now, and while all of them together received incomes enabling them to purchase things to two or three times the quantity that they can buy at present? For this is what the machine has made possible.

We leave the answer to the reader. Each will reply in a different way, for each has some aspiration of his own that needs only More Time and More Purchasing Power to bring to achievement. It may be that the general urge will be towards the "England of the yeoman." We hope so. And it need not be less so because of the machine. A cornfield is no less golden because of the tractor. As a tractor is easily hidden behind the cornstack, for craftsmanship—what more ideal condition for its exercise than when the craftsman has no need to

follow any taste but his own; and he and his fellows can make what they like in their own time for their own or each other's use and enjoyment. Why even in these penurious days an enthusiastic allotment-holder will often press a cabbage on you if you should happen to admire it. In the days we look forward to, not cabbages, but pictures, furniture, pottery, and we do not know what else, will be exhibited, appraised and swapped like the school-boy's foreign stamps. With money and leisure men will be able to express themselves and enjoy themselves. How they shall do so is not for us or for Mr. Penty to dictate—but only advise; but it is for all who know that it is possible to provide them with their time and money without imposing a sacrifice on any human being, to insist that the investigation of such a possibility is the *first thing to which public attention must be drawn*. That which must be done first in time is first in importance. The financing of Leisure must precede the planning of the Leisure Age. When the wheels of the engineers hum to the New Finance then will the ideals of Mr. Penty start up and listen. For the soul of Merrie England sleeps in the coils of the dynamo.

The Veil of Finance.

VII.

There is one point in the last phase of our illustration which the reader will require to see elaborated. It has to do with the £400 credit which the banker created and advanced to the corn importer to enable him to pay the New Island corn growers for the consignment of corn, and which the latter afterwards repaid out of the proceeds from the sale of the corn to the Old Islanders. The point is this: What became of this £400 in the meantime? We purposely skipped this link in the sequence of events because we wanted to come quickly to their final incidence on employment and security-values on Old Island; but we will go back and take it up now. What we have to do is to show how this £400 is dealt with as between the two islands, supposing them to employ the same principles of financing their "international" trade as are employed to-day. It will be remembered that the £400 was the total cost of the corn which the importer on Old Island proposed to buy from the corn growers on New Island. Now the clearest method of visualising the subsequent process is to imagine that the Old Island banker had previously taken his son over to New Island and put him in charge of a bank there. Then all is plain sailing. As soon as the New Island growers ship the corn they *draw a bill* on the Old Island importer. This bill is in principle nothing but an unsigned I.O.U. When the importer receives it he adds his signature, thus making it *his* I.O.U., and sends it back to the New Island growers. These people then take it to their banker (our old banker's son) who discounts it for them: that is to say, he creates a new credit of £400 and pays it over to them. (The amount he pays is something less than £400—for a banker must make a profit—hence the term "discounting": but the point may be ignored here.) The Old Island importer now owes the £400 to the New Island banker. The final settlement would proceed naturally from our original supposition that the importer had already been granted a loan of £400, in which case he could ask the Old Island banker to put it in the form of a *bank draft* (say, a bank cheque), or it might be in currency notes: he could then remit the money in either of these forms to the New Island banker in exchange for his I.O.U. When the latter received it, he, as representing the New Islanders, might send it to his father, the Old Island banker, in part liquidation of the "international" export credit we have described. In that case, the Old Island banker, who,

it will be remembered, is holding (against his will) £500 worth of New Island Government Bonds, would send across £400 worth of them, which the New Island banker would cancel and destroy—for debt to that amount would now have been paid off by him. Lastly, the Old Island banker, with an air of great satisfaction, would cancel and destroy the £400 of money.

All these entries and cross entries—all these creations of I.O.U.s (for "bonds" as well as trade "bills" are nothing other than these) and creations of credit—and all these cancellations of I.O.U.s and credits, are confusing to have to follow, but in the rough form in which they have been here described the bearing of these processes ought to be fairly easily grasped; and it is important that it should be grasped. Let us sum up the position in which both Islands are now placed. On Old Island—

The banker holds £100 of Bonds.

The islanders have £10.

The importer has £90.

The corn growers hold £1,000 of Bonds.

To bring the position out more clearly, we can imagine the banker prevailing on the importer and islanders to invest their £100 in his last £100 of Bonds. In that case he would take and cancel their money; and then there would be no money on Old Island—all that would be there would be the £1,100 face value of valueless (because unsellable) Bonds. On New Island—

The corn growers have £400.

The banker has an outstanding credit of £400. Who is responsible to the banker to repay this credit? Apparently no one. The reason why the credit is outstanding is that the New Island banker used the Old Island importer's bank cheque to pay off part of the New Islanders' "international" loan. So really the New Islanders, as a community, are the real debtors—not debtors *directly* as bank customers, but *indirectly* as citizens—that is to say, they will sooner or later have to pay up the missing £400 through taxation.

Now it has not been a necessary part of our case that the New Island banker should have repaid any part of the loan. We only supposed so in order to see what the effect would be. Suppose he had not: then he would have been square over the corn transaction; but, on the other hand, his father across the water would still have been saddled with £500 of Bonds instead of only the £100. The essential point is that, whichever course is adopted, there will be a problem on one island or the other. If New Island pays up with the proceeds of its exports, its citizens will have to replace the money in taxation. If it does not, the Old Island banker cannot turn his bonds into money. So the question of international repayments is seen to be a bankers' concern; and the difficulty attending such repayments arises not from any difficulty in transferring real values in the form of goods, but entirely from the manner in which the bankers register the transfers in terms of money. In short, *the whole trouble is due to defects in book-keeping*. But it is of no use to complain of these defects unless you first come to plain of the economic policy under which they arise. You must first realise that such defects must persist of necessity so long as economic policy is based on the idea of restricting Consumption in order to accumulate Savings in order to finance Production. If you accept that policy as sound you cannot challenge the defects—for then they are not defects, but efficient methods of administering the agreed policy! But we have seen that such methods have resulted in (at first) the fleecing of the masses by the producers through inflated profits, and (subsequently) the fleecing of the "profiteers" through the taking and destroying of their profits in return for "investment securities." If our general reasoning has been followed carefully, it will be realised

that the very act of investing profits in new production destroys the chance of selling that production. In any case, most readers will by now be in a position to appreciate the case for an entirely new economic policy—that of encouraging Consumption in order to remove restraints on Production. Once that case is accepted, the framing of a financial scheme to coincide with it will be seen to be necessary. Such a financial scheme must embody two principles, (a) that there shall be no restriction on the amount of loan credit which can be usefully employed in production; and (b) that the remuneration of the producer shall be made to depend on the quantity of output he sells in his home market, and not, as now, on the price he charges for it. This means that there shall be an expansion of credit without any increase in prices, or a reduction in prices without any accompanying contraction of credit. Everyone is able to appreciate the theoretical possibility of this, if he will put out of his head for a moment the teachings of "sound finance." The only condition under which an additional flow of money must necessarily mean a rise in prices, is one where production is already at its maximum. But when men and machines are standing idle, with natural resources in material on one side of them and an unsatisfied demand for the means of life on the other, the financiers' plea that to set them all at work will not increase the general well-being is clearly false. What does it come to? It is as though the banker said: "If I issue you more financial licences so that you can produce more food, clothes, and shelter, these licences will not procure you any more of these things." Is not the obvious reply to such an assertion a demand for the fullest proof? What? Have financiers discovered a flaw in the law of the conservation of energy? Will an increase in applied energy result in no increase at all in energy-products? If an extra man plants an extra potato, will its state of extra-ness make it sterile—or its progeny of new potatoes inedible? Here be metaphysics! Whatever the hitherto concealed explanation of the mystery, it is evident that any community which bases its economic policy on the assumption that the financiers are right will be involved in eternal conflict within itself; for as a body it will aim at consuming less in order to produce more, while as an aggregation of human individuals it will constantly try to consume all it can and refuse to co-operate in production if its instinct to consume be frustrated. The miner who strikes and the coal-owner who closes a pit are both obeying an impulse to consume. It is a healthy impulse. The disease lies in their having adopted a system which assumes that the prosperity of all depends upon the personal penury of each—that the Abstinence of the Citizen constitutes the Nourishment of the Community!

The Forbidden Sin:—

"The industrialists had themselves developed into financial concerns on the grand scale—Stinnes and others—and had undertaken an integration of the functions of finance and production dispensing with the banks." [Dr. Melchior Palyi, Berlin Commercial University, in the "Manchester Guardian Commercial," 23/7/25.]

A Remedy for Unemployment:—

"The only real cure for unemployment is—plenty of work." [Sir Ernest Clark, late Financial Secretary to Northern Ireland Government at a dinner at Belfast given in his honour on his retirement.]

Amateur Chimney Cleaning Prohibited:—

"Amalgamated Transport and General Workers' Union Public.—Belfast Chimney Sweeps' Section. Warning to the Public.—Any persons found wilfully setting fire to their chimneys will be at once reported to the Police Authorities with a view to prosecution.—(Sgd.) L. McCurdy, District Organiser." [Printed notice pasted on houses in Belfast.]

A New Proposal for Guild Organisation.

By Philippe Mairet.

III.

We have now seen that every human society consists of three kinds of association. Steiner's argument in the *Threefold Commonwealth* is that the State therefore requires its three distinct and independent organisations. It remains to show that this idea is not one which would disintegrate the State, as Steiner's opponents have, of course, argued. On the contrary the threefold organisation is the only basis of enduring social unity.

In circles where socialistic schemes are discussed, the talk is of social institutions, and seldom of a social man. What is proposed is the politics of a Socialism, not the nature of a social man. Quite rightly, of course, from the point of view of the *Threefold Commonwealth*. The perfecting of the political and the perfecting of the spiritual are two different spheres. The shaping of man's institutions, and the shaping of his soul are two separate works. You cannot discuss them at one and the same time, unless you carefully keep them distinguished. Yet, equally, of course, they have everything to do with each other. Neither can progress without the other. Imagine the population of England to be magically exchanged for a population of Hottentots; there is no question but that all English institutions would be ruined. The judges would adapt law, the priests religion, even the 'bus drivers would adapt transport, to their own Hottentot natures, and not even the external form of English civilisation would last a year. But we need not go so far into fantasy to realise that men can only live according to institutions of which they have themselves produced the Idea. Give them an institution more advanced than they could themselves have conceived, and they will either destroy it, or fail to work it to its full capacity.

Now this is not to say that nothing can be done without a "change of heart"—like certain obstructionists, who thereupon make no effort to change any heart, not even their own. It is to say that the life of the spirit and the life of politics, while eternally different, are also indissolubly united, like stalk and flower. A "change of heart"—which is also a higher perception—immediately shows itself in the effort towards better institutions. And a better institution, in its turn, at once gives men truer perceptions and clearer emotions. The third requirement—a better productive system—depends upon these two, as they upon it. Intellectually considered, they are all different; what makes them one is reality itself, the substratum of thought.

Briefly to summarise their differences:—

The training of the emotional and intellectual nature is the *Spiritual Life*. Everyone is involved in it; but it has its own peculiar character, and must inevitably have its own organisation, which cannot be democratic. The places of power in the spiritual life are attained by one thing only—by spiritual power. The writers whom people cannot help reading, the speakers whom they crowd to hear, and (much more) the thinkers from whom these speakers and writers derive their inspiration—these are the real pontiffs, in this and every age. But their power in the spiritual life is not greater than the power of any individuals who show, by beauty and dignity of manner, mood or movement, the supremacy and freedom of the spirit within them. The spiritual life needs for its health nourishment from the highest regions of thought and emotion. In our age, State education and the exaggerated economic problem have given it garbage to feed upon, and its condition is desperate. As it is the life of the freeing of the

innermost and highest in man, it is pre-eminently the life of FREEDOM.

The designing of communal laws and institutions, the sphere of politics is the *Life of Rights*. Since institutions must be worked by all, and cannot much surpass current ideas about them, this life must be democratically based. Its places of leadership must go by election. Though it settles questions ultimately by the vote of the majority, it discusses them in relation to criteria of *Right*. This life is satisfactory just so far as it is felt that the majority are voting in accordance with what discussion has proved to be right. Now it is evident that the criteria of Right flow into the political life from the spiritual. That is their living relation. And as the political life interprets rights as they apply to all men without distinction, it is essentially the life of EQUALITY.

Now for the *Economic Life*. The co-operation of productive associations and individuals is not, and cannot be, democratically organised. Nevertheless, it has the least right of all three spheres to be in a state of individualist anarchy. To say, as Steiner does, that it must be allowed to organise itself in its own interests, is not at all to countenance its present condition of mutual destruction and chaos. The economic life needs an organisation centred in its own implicit idea, which idea is the free exchange of all the goods and services that we have the will and capacity to produce. Inherent in the economic idea, therefore, is a money or credit system subservient to this free exchange, and existing solely to facilitate it.

Now those who are familiar with the history of the New Economic principles since their first advocacy by Major Douglas will remember how difficult it was to keep its opponents to the point of economics. Business men—of the supposed "hard" or "sound" varieties—were as incapable as idealists of believing that an economic problem should be related to purely economic principles. When we said it was impossible to sell goods to a public who had not enough money to buy them, they became vaguely disturbed about the immorality of giving goods for nothing. When we pointed out the defects of accountancy, they would wander dreamily into generalisations about the need for a "change of heart." When driven into a corner they said with asperity that it was absurd to put down the failure of a whole civilisation to a mere error in book-keeping; but *economically considered*, that is exactly where to ascribe it. It is the *bureau* that rules in modern economic life, and it is just there, in the office books, that its error is most clearly written. But we found business men were shakiest of all on pure business, and financiers the haziest in mind as to the nature of credit. As soon as it comes to a discussion of the economic life, considered as a whole, we realise that the modern world, with all its enormous development of industry, is very far from developing a true economic life, self-controlled and conscious of its own nature. Instead, it is throwing up a Plutocracy. Our age is essentially plutocratic. The powers of landlords, politicians, and teachers are all being superseded. A highly-developed but quite chaotic life of production is rapidly overwhelming politics and choking the sources of opinion. The nature of Plutocracy is such that those who achieve power in finance acquire direct influence in politics and printing (which last touches the spiritual life). Having captured the State, plutocracy strengthens the idea of the Unity-State, for its aim is to reduce all the three spheres of life to a coalition of confusion in which it may be itself supreme. And plutocracy is inconsistent with the existence of a free economic life. For while it arises out of the life of production, it only seeks to use that life as an instrument of power.

When the economic life is organised according to its own nature, its credit-power will not be mono-

polised by an excrescent plutocracy. It will adopt a credit-system designed directly to facilitate the production and distribution of the required goods and services. It will still be possible for ability to acquire power in the economic sphere, but such power will not, of itself, extend beyond it. The relation between employer and employed, which is a relation in right, will be decreed by the Parliament of Rights; for, although an employer must have a certain right of authority over his men, he is not entitled to define that authority exactly as he pleases. The political life, the expression of human equality, will, to a great extent, condition the life of economics. The status of the labourer and the just perquisites of that economic position are clearly questions of human Right. And, though the economic life cannot rest upon equality, being based upon specialisations of skill, it has a natural subservience to the life of Rights, and exists for the good of all its members, to give them a richer life and larger leisure. Its highest and truest ideal is FRATERNITY.

These three ideals, Liberty, Equality, and Fraternity, are quite unrealisable in any conception of the State as a unity. But each, in its own sphere within the Threefold Commonwealth, can be both an inspiration and a reality. An economic life, enterprising and productive, conditioned by a freely-discussed life of Rights, and both of these fertilised and permeated by an autonomous and self-organised life of spiritual activity—that is the social ideal which is suggested by Steiner's *Threefold Commonwealth*. But the book reveals principles far more than it actually suggests plans. If I have given a rather disproportionate space in this short survey to its discussion of the economic sphere, it is because I could not resist the temptation to show the harmony with New Age Economics. But I hope I have not obscured the argument that a renaissance of the spiritual life and a purification of the democratic life of policy are concomitant and inseparable necessities.

Politics are at present a well-developed but unfruitful field. It is by creating an original and active life of the spirit that we can best further the realisation of the Threefold Commonwealth of Man. By that, and by demonstrating the truth of economics and the falsehoods of finance. Between these two activities the moribund life of politics could be forced into a new reality.

For the creation of a free life of the spirit, there is a great need of books such as Steiner's *Threefold Commonwealth*, and of such lectures as the many he delivered in exposition of it. The spirit of this work directly induces a higher vision of human society, a more realistic grasp of its facts. Steiner's method, the best of our time, because most comprehensive, itself points the way towards a united, free spiritual life. For which, however, we need hundreds of workers, training the intelligence to its highest expression in Philosophy, the emotions to their purest clarification in Worship. Only thus will the life of the spirit ever begin to be autonomous. And the life of politics and economics cannot progress a step beyond it. For in this trinity, none is greater nor lesser, none is before nor after.

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Christ and Judaism.

The more we concentrate upon the idea of Christ, the more astonishing it seems that the expressions of the idea, the text-books of Christianity, should have come down to us in Jewish dress. Perhaps in the end we shall find it astonishingly just; but in the beginning it is this that emerges with peculiar self-evidence—never did such an idea enter the head of a Jew, never could it, never shall it; at least, not until those heads are permanently changed.

Messiah and the Prince of Peace we know. After the event they can seem prophecies. They were purely Jewish projections, and in themselves, where they seem unilluminated by subsequent history, they have no similarity to the idea of Christ. Jehovah we know, too; the fierce god, the old god, the god with a beard, stern father of the family, autocrat and avenger. To this day you may learn what that Jehovah was like by listening in the synagogue to some *cantor*: he will sing his chants with a profundity of passion and a whole-hearted "fear of God" that no Christian could ever hope to match.

We see things disproportionately now; we enrich the Old Testament with the New. But without that addition Judaism is a barbarous religion. There were so many finer religions to choose from. Brahminism was the deepest and fullest, Buddhism was the highest and clearest, the Greek religion the loveliest, the Egyptian the greatest in symbolism. And one other, the healthiest and the truest, Zoroastrianism, the religion of religions. How near Zoroastrianism came to Christianity! In truth, Zoroastrianism *did* produce a Christianity, a rival to our own; and at one time it seemed touch and go whether it should not be Mithras, instead of Christ, who conquered Europe.

But what is this idea of Christ, so alien to Judaism? To be brief, in Christ, man for the first time in his development cut himself off from the group-soul of his family, his city, his race, or his kind, stood upright by himself, and accepted the responsibility for his own destiny. In Christ for the first time man attained the full consciousness of his body and all its sensation. Or rather, his body became consciousness. There is a fable that Buddha never slept—no matter what demands his body made upon him. Though he relaxed himself, and was refreshed by that perfect inactivity, he kept hold of the thread of consciousness in all things. But Christ, when eternity itself was dragging at him, did not falter; he kept the thread of consciousness through the very moment of death.

Is that Judaic? Yet the writers of the Gospels have expanded the whole story of the life of Jesus upon the soil of Palestine. They have taken by force the prophecies of the Jews and illustrated them in Christ. They have taken the ceremonies, the thoughts, the apprehension of Judaism for their own vocabulary. It is perhaps in John the Divine that we see this appropriation most clearly. The symbolism of the Apocalypse is Chaldaean; the philosophy of the Apocalypse is Greek. Yet, with an almost incredible skill, the expression is drawn entirely from the Old Testament and the Hebrew apocalypses. Only here and there are we pulled up short by the phraseology and reminded that the conceptions are foreign to the Jewish mind. In particular, there is the sevenfold insistence—"He that overcometh." Never was it possible, with that patriarchal Jehovah, to imagine man exercising his free will.

"To overcome" is a technical term in the mysteries of the Hellenic world. . . . The difference between apotheosis and salvation is one phase of the age-long problem of Freewill and Predestination.

The Greek won in. The Hebrew was 'elect.' The Greek determined on works to gain a place in the mansions of the blest. The Hebrew trusted in God."

But in part it was exactly because Judaism was a natural, instructive religion of passionate seriousness, not philosophised or rationalised, but a pure expression of longing, that Christianity was imposed upon this religion rather than any other. There was blood and vitality in it, and, when a philosophy was added, then it would prove, in retrospect, the soundest and most active of religions. For Christ, above all, was an *act*. Philosophy and religion are to be derived from that act, but they do not condition it. Christ's accomplishment was not in the first place religious. In the first place it was a solution in actuality of a world crisis. And it was very important that the material expression of Christianity should not be overdetermined in advance.

What Judaism gave to Christianity was an energetic and fiery body, full of hope and activity and fervour. It gave itself, too, as an antithesis to the ideal content of Christianity; so that there is more internal motion and contradiction in the New Testament than in any other scripture of the whole world. And if the Jews have crucified Christ, Judaism itself is crucified and resurrected in the Gospels. It is the wild rose or crabtree stock, which gives the sap and all its work to the nobler fruit, and yet in no manner contaminates or influences it.

With another stock, Christianity would have had thinner blood; it would have been pale, as it were, with thought. But Christianity is in truth the complement and explanation of Judaism, and once the Old Testament is explained through the New, it becomes truth. Before, it was merely instinctive; later, its instincts are blessed and dignified by reason.

There are other advantages which follow from these principles. As though by design, to make attention centre more upon the metaphysical concept of Christ than upon the historical Jesus, the Gospels are set in a country every acre of which was a metaphor. To a Hebrew, Jerusalem was always the shadow and promise of the New Jerusalem, and the land of Canaan was so holy that every village was a symbol, every name was an evidence of God. The Holy Land was an image of the Kingdom of God, in utter detail and in the most complex relations. The very journeys of Christ are *first* figurative and *then* historical. And more than this, the history of the Jewish nation itself, as recorded in the Old Testament, is figurative, and it was with metaphors that the writers of the New Testament had to build their own metaphors. What a miserable age we live in, when men of intelligence can hold in respect a moralistic and gentle historical man, Jesus of Nazareth, without seeing how carefully the narrative is arranged so that unless we accept the miracle of Christ there is no evidence for the history of Jesus.

If anyone should wish to go more deeply into the provenance of Christianity, he must study the Order of Essenes.

ALAN PORTER.

EPIGRAM.

By D. R. Guttery.

Do you know why Jeremiah was such a gloomy soul
That all his friends and neighbours could not forbear to
hate him?
Nothing but this; that in the prophet's role
He surely foresaw that Moffatt would translate him.
—After VOLTAIRE.

Views and Reviews.

FOLK LORE AND FABLE.

Professor Martin Nilsson, the well-known archaeologist of the University of Lund, has given us "A History of Greek Religion." It is sponsored by Sir J. G. Frazer, who speaks with great praise of the author. For the person of enthusiastic temperament there can surely be no more dangerous study than folk lore. Like philology, it offers pitfalls at every step. Analogies are so many and so obvious that in a very short while the whole history of man, the creation of the world, and the establishment of the gods are pictured and explained by half-a-dozen old wives' tales, and their corroboratory variants from the different continents. The mind's passion for establishing relationships between peoples and events that were apparently dissociated is indulged to the full, and so the amateur philosopher very quickly rewrites the Book of Genesis on a "scientific" basis. "Folk Lore as a Historical Science," a valuable little book by the late Laurence Gomme, is one of those dangerous primers which offer short cuts to the unwary. There were many works with "scientific" pretensions appearing about the 'nineties. E. S. Hartland's "Science of Fairy Tales" is an example. The only achievement of the majority of the investigators, however, has been to collect and catalogue tales from various parts of the world, and to categorise them under a few general headings, by which we see certain stock ideas and idea-systems common to two or more peoples.

We are shown how one story, or class of story, recurs again and again in the folk legend or the religious cult; and it is there that speculation loses its head by taking on the name of science and rushing to such exciting and plausible conclusions.

Modern archaeologists, however, are more reluctant to generalise. In fact, they are so careful to point out the necessary qualifications to be made on account of psychological factors, and other such imponderable influences, that they threaten to reduce all their labours to nothing, leaving us only a mass of material, which, by reason of its ever-shifting significances, defies the effort of man to find a use for it in the House of Knowledge.

I feel that this uncertainty is all for our good. A feverish reliance on evidence is a dangerous symptom of a lack of mental health. When we are anxious to sort things out, to re-arrange and group them, it does not always mean that we are masters of an environment of chaos. It more probably signifies the bewilderment of the schoolboy at his books of mathematics, who finds figures, figures everywhere, and no inward sedateness of mind to convince him of his administrative authority over them. The vast majority of us lack that authority, and try to cover the deficiency by an executive activity which makes us sift and sort, index and register, until we have created a hive of industry, run on the latest American methods of efficiency. But we still cannot supply the order, the command, the confidence given us by the handful of intuitions which in religious phrase is called "faith," and in cottage tongue "nous."

I find my greatest delight in folk lore amongst the etiological tales, which so patly explain the doings and relationships of the world of nature. The most unlikely little creatures we find to be first cousins or associates in some time-dusty drama enacted when the world was dewy and the trees of Eden still only in blossom. One of the most popular of these stories, of course, is that of Philomel, the nightingale. There are lesser known variants, however, one of which introduces the woodpecker. In this the cause of the trouble is Polytechnos, of Colophon, a skilled artist, as his name implies. His

wife, Aëdon, also had artistic powers—and so the usual difficulties of an artist's menage arose. Jealousy between husband and wife led to a contest of skill, which resulted in a quarrel. The husband, out of pique, seduced his wife's sister, Chelidon. When the sisters recognised each other they revenged themselves by killing Polytechnos's only son, Itys. All the personages of the story are changed into birds—Polytechnos into the woodpecker, the carpenter among the birds—all through the summer tapping with his hammer.

MAID WHO MARRIED THE DEAD SOUL-EXTERNAL.

Another interesting idea to follow up is that of the "external soul." It crops up in the folk tales of all races. Professor Nilsson tells us that it is found in Egypt in the second millennium B.C., where a certain hero deposited his heart in an acacia tree. I remember from childhood an Indian story—I think from Bengal—of a young prince whose protecting fairy put his soul into the body of a golden carp that lived in a well in the palace grounds. Here the wicked stepmother (herself a universal stock-in-trade of mythology) took pains by infinite strategy to discover the secret. At last she succeeded, destroyed the watery pawnbroker, and the prince languished to return to life at night, and walk in the grounds and courts of the palace. Here he was discovered by a maiden who, after their nuptials, found by the light of morning a dead man in her arms. I believe the Irish have a tale in which a white trout is made the custodian of a man's soul. The Greek variation of this story is told in Swinburne's "Atalanta in Calydon," where Mellager, after the race for the conquest of Atalanta, arouses his mother's jealousy. She takes the brand which was snatched from the fire at his birth, with the prophecy that when it was consumed he too should perish. With terrible anguish of soul she throws it into the flames, and

"Without sword, without sword is he stricken;
Slain, and slain without hand.
He wastes as the embers quicken;
With the brand he fades as a brand."

Speaking of Swinburne's marvellous imitations of Greek drama, I am reminded of Professor Gilbert Murray, who limps after him so bravely. In a series of lectures delivered at the Columbia University, and now collected by the Oxford Press, Professor Murray has attempted to clear up some of the difficult problems associated with our knowledge of Greek religion. To some people the term "Greek religion" seems a contradiction in terms—but those folk are rapidly becoming extinct with the eighteenth century conceptions of "classic" life and art as a sort of existence in marble bas-relief under the tutelage of a Flaxmanesque Pericles. That conception has been attacked from two sides. On the one, the poets of the Romantic movement, by the fire of their temper, thawed the ice out of the picture—giving us translations and imitations that have replaced those monotonous and frigid figures by colourful and swift beings, with the true fierceness and treachery of the Greeks—qualities significant of intellectual fervour. On the other side, we have had the percolation of anthropological studies, humanising these people, giving them a root in the darker past, branches in their contemporary civilisations, and seed in all subsequent European life.

I have not space left to say much about these lectures—but they are very stimulating and provocative. They will be gall and wormwood to some specialists in religious speculation. One important thing which they do emphasise, however, must be mentioned. They destroy the false idea (child of the Flaxmanesque theory) that the Greeks were

purely an objective and unspiritual people, amusing themselves, for artistic purposes with the toy cosmogony of Olympus. Their white heifers and other Arcadian attributes are replaced by conceptions much less decorous and precise—vast, half-visualised daemons of primitive urge and lust, visiting disaster or overwhelming favour on a people, conscious, by reason of their sparse numbers, of the perpetual menace of the seasons and of the enmity of their fellow-men.

EN SARDESIN.

The Testament of Thespis.

By H. R. Barbor.

II.—EXODUS.

Now of all the fruits of the field and of the herbs and the plants thereof, the vine exceedeth.

And it came to pass by the graces of wind and weather that the grape grew sweetly by the coasts of the Inland Sea in that country which men call Greece.

Wherefore, a multitude of men consorted thither for the sake of the vines and the luscious grape, the fruit of the vine, which exceedeth all other fruit of the earth. And they pressed the grapes, and the wine, the red wine and the white, ran lovely and potent from their wine-presses.

Now, these men and their women also (but chiefly the men) grew hale and strong by reason of the grape, hale in body and strong in the head, which is headstrong. (Those which grew not strong nor could withstand the wine, they perished, as is right and proper, which process is known in the books of wisdom as the survival of the fittest, which other men call Alcoholic Selection.)

In the process of time the men of Greece became adept in the vintner's lore, which is the greatest of all lores.

They personified in their legends and in their rites all the good things of the earth and the splendours of the world and all the gaieties of their experience. And from personification to deification is but a step.

So the grape became a god, and they called him Iacchus, which is Bacchus.

Every year the men of Greece celebrated the harvesting of the vine and the drawing of the new wine. But they celebrated with the old wine, being wise men. This was the Feast of Bacchus, which is called Bacchanalia, and it waxed exceeding lively.

The players which were in Greece took counsel together, and they cried to one another: "What about it?" For they saw that these gods were like to do the players out of their job.

Now, a cunning man among the players counselled his fellows with wise words, and he said:—

"Be not cast down by reason of the estimation in which all men hold this Bacchus. Is not our estimation of him as great as that of all the Grecians put together? Have we not given proof of this, not once only, but many times?"

And the players agreed.

So he said: "If the feast will not come to the players, the players must go to the feast. We will outvie these amateurs and show them how a celebration should be celebrated. For if we, being professionals, cannot teach them how to get a move on, we are players of none account, worthy of the bird only. Let us go."

And they went.

Now, by reason of the players, their antics and their frolics, the Feast was gayer that year than it had been in the memory of the Oldest Inhabitant. And the people praised the players. And while they were still sober, they watched the players, taking no part themselves, but enjoying the Feast as it was produced by the chief player. For the players had technique, which the people had not. And it is written in the books of wisdom of the Greeks: Technique always gets over.

And a little later in the day the people, being by this time inordinately drunk, joined in the revels, and before they were too far gone, the chief player took up a collection, and he and his company departed to their own place well satisfied.

Afterward the people declared that never had they enjoyed a Harvest Home so much, until the producer took a hand. So they nominated the chief player to this office for all time. Which advertisement was good for the box-office.

In the process of time the players waxed in power and made of Harvest Home a rattling good show with processions and songs and ballets. And the chief player called in the author who wrote, and the show went even better.

Now, the priests and the Municipal Council despaired. For the feasts of the other gods suffered by reason of the counter-attractions of the chief player's Harvest Home production.

And forasmuch as the gate-money had declined grievously, the chief priest cried: "Apollo's occupation's gone!"

Wherefore, he rose up secretly and went and held discourse with other players, and his wonder grew because of their scorn of the chief player and his company and the author which served them, and all things which they did.

For behold these other players were of another sort, men sombre of countenance, deeply versed in the woes of the world, dark-eyed and grubby. And their right hands were eternally thrust into their bosoms. For they were Tragedians.

And they pleased the high priest, and he made them forthwith an offer on sharing terms. And the chief of the tragedians produced a solemn play of the doings of the gods. And it pleased the people, and the chief priest and the municipal council took counsel together and were glad. And they subsidised the company of the other players.

Thus were comedy and tragedy known to the men of Greece, and there was rivalry between them. And they prospered. The shows also grew in excellence by reason of the competition which was between them.

But because the mind of the players and the invention thereof were speedily exhausted, so it came to pass that they must rely increasingly upon the craft of the scribe and upon his mind and his invention. For the scribe is resourceful (has it not been proved, not once only, but many times?), and the scribe, which is the dramatist, waxed mightily in the estimation of the Grecians. For he was necessary.

The dramatist therefore took things into his own hands, more or less according as he was able. And he availed himself of his every opportunity, changing in the manner of the festivals little by little and in stealth. Which pleased the people, who, sooth to say, were wearied on account of the continuous repetition of the ritual.

Nevertheless, this ritual, with the form thereof, was maintained by the dramatist. For of the singers and dancers of the procession made he the chorus, which in our time is known in musical comedy alone. The gods, too, he displaced by heroes, which have star parts. And because sundry women of his audience cajoled him and rewarded him with warmer tribute than the goddesses of the ritual, making manifest to him their temperament, the dramatist turned them into copy. Thence are the leading ladies, first favourites of good hap.

All this pleased the people exceedingly, so that the municipal council, being instigated by the players, erected a theatre in all the cities of the Grecians. Which did capacity business, so that the players grew many and fat, and the scribes thereof full of adulation, even as a bladder is of lard.

And the theatre, most eloquent child of the grape, was of all the institutions of Greece most esteemed by the citizens thereof, and by the barbarians and strangers of that time even until now.

The Land of Their Fathers.

By "Old and Crusted."

I am the land of their fathers,
In me the virtue stays;
I will bring back my children
After certain days.

(R. K.)

The low purr of the powerful engines died softly away as old Sol Goldsmith's (pre-war Goldschmidt) luxurious car slid swiftly down the far-famed lime-tree avenue of Fairacres. The squire, with old-fashioned courtesy, had seen his unwelcome guest safely down the steps of the terrace to the broad gravel sweep in front of the Manor. After standing in brooding silence for a moment he walked slowly back. Crossing the panelled hall, with its musicians' gallery, massive carved-stone fireplace, and mullioned windows filled with the blazonry of generations, he turned to cast one long, wistful glance at the familiar scene before entering that untidy den, sacred to the master of the house, wherein he had spent so many bitter hours during the last few years. The inevitable had happened at last.

That putative British peer Sol Goldsmith had long cast covetous eyes on Fairacres. What more fitting setting for the new honours in store for him and the son on whom he doted—Almeric (Eton, Christ Church, and the Guards)—when he should succeed to his wealth and title? There was nothing mean about old Sol where his ambitions were concerned, and the price he had offered the squire for the place and contents "as it stood" would clear the mortgages and leave just enough over for a modest retirement to Bath or Bournemouth—but there was Jack to be considered—he, who had just left Sandhurst and was about to join his father's old regiment. How would he take it? Where was the money to come from to support life in a crack cavalry corps and maintain the family tradition for hard riding and brave hospitality? No wonder the squire was a broken man.

In the rectory there was also distress and the pain of hopes frustrated. The rector's only son, home from Winchester with a fine record as scholar and athlete, listened with a sinking heart to his father's faltering tale of money difficulties. There is to be no Oxford for this lad who might have added one more to the long line of scholars and divines, statesmen and sailors, born in the old parsonage. Taxation, death duties, and high prices had reduced an income, always narrow, to something approaching poverty. Winchester had eaten into capital. There was nothing left for Oxford.

Very early next morning Jack called Arthur from a restless bed, and the two went off for a plunge in the mill-dam, as they had done many a time and oft in those happy, bygone, endless summer holidays. There were no secrets between them; each knew the other's pain long before the stories of disaster and disappointment were exchanged. A furtive handgrip, a few muttered words, as they turned to climb the hill for one more look at the wonderful panorama, so familiar, yet ever new. From the flank of the opposite slope the long, low front of the Tudor manor house—a perfect specimen of the most dignified yet homely type of domestic architecture the world has to offer—reflected the morning sun. Lower down the creeper-covered walls of the red brick Georgian rectory peeped through the noisy elms, and dotted over a square mile of hedgerow and orchard the blue smoke curled lazily over the thatch of the cottages; a faint "clink-clank" from the smithy was the only sound that broke the early stillness. As peaceful a scene as any in England.

"Well, Arthur," began Jack, "what are we going to do about it? If the old places are to pass into the hands of riff-raff like Sol Goldsmith, I, for one, could not bear to revisit them."

"Same here," added Arthur curtly. They were both too deeply moved to say much. After a moment's silence Jack blurted out:

"I'm damned if I go into the City! Look here, Arthur, we can raise the passage money and perhaps a pound or two over; and for mother's sake, if not for ours, the old man will give us a job until we find our feet."

"With you, lad—no prep. school-mastering for me," was the emphatic answer. The tinkle of a bicycle bell and a cheery whistle interrupted this disjointed but portentous conversation.

"By Jove, there's Jim on his way to the pit! What a filthy job; and on the top of it all the best kept allotment in the village. I say, Arthur, why not ask Jim to come with

us? He knows all the things we ought to know, and don't, and he loves the open life; besides, his wife is a game little woman and would go like a shot. We should be a little settlement on our own! What?"

Jim having been duly held up and hauled off his bicycle, the whole matter was laid before him, and the two friends eagerly awaited his verdict. After pondering a bit Jim put down his pipe, and, looking long and wistfully across the valley, spoke in a curiously detached low tone.

"Jack"—it has always been "Jack" and "Jim" between them since the memorable struggle for the leveret and snares in Ploughman's Wood ten years ago—"if you and Mr. Arthur had asked me a month ago I'd ha' jumped at the chanst, but summat has happened sin' then as has made the world look a different place. It's this way. An 'owd chap as I do a bit o' gardenin' for—he's a crusty 'owd tyke, but has his good points—gives me every now and agen a paiper to read called TH' NEW AGE. I can't say as it's excitin', but the bloke wot writes the 'Notes of the Week' hits the right nail on the head sometimes. T'other week he were gassin' about the 'coal crisis,' and said as how the gaffers should pay us in coal instead o' money, but added that we should have some trouble in marketing the stuff. Well that set me thinkin', and I talked it over with a lot of our chaps at the pit. Fact is we're sick o' the being messed about by politicians and muddlin' on i' the present tom-fool fashion. From coal we got on to the land question, housing, gardenin', and what not. Now, as you know, most on us come from farm-labouring stock and have the love of the land in our blood—besides bein' all more or less poachers (remember yon leveret?). To cut a long story short, we come to the conclusion that there was a better way out o' the mess than emigration or longer hours at the coal-face. We've made up our minds that if some- body's got to go it'll be none of us chaps, and I can't see neither why you and Mr. Arthur should clear out to make room for yon Jew chap—yes, we know all about it—sarvents' talk—him and his beady-eyed pup. Why not stay where we are and live on th' land and th' minerals? Who's goin' to turn us out? Two thousand miner lads and the farm labourers of twenty villages take a bit o' shiftin'! As for marketin' the coal, only let it get known that it can be had at the pit-head ten bob a ton under market price, and the only trouble'll be where to park the lorries and coal-carts from twenty mile round! Then there's the land; three thousand acre of arable, pasture, and woodland. That'll feed quite a number of us, specially if us chaps puts in a bit o' spare time gardenin', and the Squire adds a couple of ten-acre fields to th' allotments—but—we mun have someone to lead us, someone we can trust as hasn't got an axe to grind—and this is where you and Mr. Arthur come in. Instead of clearin' out to New Zealand, put yourselves at the head of the men you've known since you were lads, and lead 'em as your forefathers led 'em for centuries afore these blasted 'limited companies' and 'finanshul magnets' poisoned the life-blood of the nation!—moreover, we don't want any trouble—no riotin'; but it would be just as well if we'd a bit of discipline—and a trifle o' drill, just to help us line up nice an' orderly if there's any bunkum about 'taking drastic measures,' as they Lunnon papers talk about. . . ."

"Good heavens, what a fellow you are, Jim! By gad, Arthur, is 'Certificate A' going to come in useful after all? There's something in what the lad says. . . . Jim, come up to the Hall after work to-night, and we will talk over with the Squire and the Rector."

But Jim did not hear. Slowly he raised himself to his feet, all the splendid, clean, six-foot of English brawn and muscle of him, and gazed across the valley, already dim with the brooding haze of the sultry August heat. There was a curious, faraway look in his eyes as the unconscious poet that slumbers in the unplumbed depths of unspoiled natures became suddenly articulate in this single-hearted son of the land.

"What! leave all that at the bidding of strangers! Never again to brush the dew from the grass in the dawn, or watch the purple shadows creep over the hills in the evening. By God, No! . . . This is the land to live in, to work for, and, if needs be, . . . to fight for!"

Another Remedy for Unemployment:—

"For the men who want work and cannot get it I have the greatest sympathy. I would advise them to go to God in prayer." [In a sermon broadcast from Belfast station by a Presbyterian minister.]

Build Bonnie Babies.

If we all chose to live on potatoes, and to lower wages to the level suitable to a diet of potatoes, our trade would expand and the population would increase.—Dean Inge.

LETTERS TO THE EDITOR.

SCIENCE AND RELIGION.

Sir,—It is my hope that Mr. Anderton may be right in prophesying that my "superior attitude" will remind readers of THE NEW AGE of the attitude of the High Priests of Finance, for the true superiority of mine may then be evident.

The parallel between the orthodox financier and the orthodox agnostic is indeed a very close one. Both of them are "agnostic" in the matter of "salvation" and seem proud of the fact.

Concerning the matter of Adolescent Insanity, I am, perhaps, more qualified to speak, since my work lies amongst the insane. In my experience, "religious" manifestations are commoner in the middle and last decades of life, but they are fairly frequent at all ages.

The reason for this is, I think, that though they are poles asunder, insanity and religious consciousness are closely akin—a fact which man has always realised intuitively.

Even that materialistic genius Freud lays it down as an axiom that "no matter how we may treat a mental patient, he will always treat himself psychotherapeutically." In plain English, he will go in for "soul-healing." The religious manifestations of insanity, then, are possibly the patient's attempts to balance his disease by its opposite. And this is true to some extent of the healthy adolescent also. If he has had a happy childhood, his "internal cosmos" has been one simple and direct contact with the external world. "Of such is the Kingdom of Heaven." But now this harmony has been destroyed by the advent of new and powerful factors. These are the lately awakened sex-impulse and the rapidly organising formal-intellect. Torn between these great forces, the adolescent is an "agnostic" in the only real sense of the term—a tragic doubter—for adolescence is a tragic period, no matter how we may smile at it. What wonder if the adolescent should seek relief from his conflict now in the childish blasphemous atheism of irritation, or again in the naïve Hosannah of religious self-love?

The Churches do well in trying to help these poor young souls. The trouble is that there is so little religious vitality in the Churches—or in any of us, for that matter—that we have little of the Bread of Life for the starving, though plenty of the stone of uncomprehended dogma.

To return to Mr. Anderton, I withdraw "Index Expurgatorius" with apologies.

Finally, Miss S. F. Meade seems anxious to break a lance with me about something, but I regret that I do not quite grasp her point. An ignoramus, so far as I know, is one who is ignorant of some truth, or even one who wilfully ignores it. I cannot see how this can be stretched to mean one who "is ignored."

NEIL MONTGOMERY.

"THOSE CARTOONS."

Sir,—My letter in your issue of August 20 appears to have been taken too personally. This is a pity, as I alluded to the cartoons by way of illustration only.

Mr. Kenway pointed out a letter which appeared to him to be out of place, and, as a cartoon was published at the same time which I thought was equally out of place, I used this as an illustration. However, I am quite prepared to defend the views which I expressed. Such cartoons as these appear to play to the unreasoned passions of the mob. It was for this reason that I dubbed them vulgar. They seem to me more fitted to the pages of the wild "Red" weeklies.

Mr. Mackey asks for an explanation of the last "how." I confess to a difficulty at once in trying to explain what I mean by the "real spirit," as I ungrudgingly admit that the cartoons (but, of course, I am not quite sure that I have gathered *what* they represent!) appear to be based upon a fundamental truth, namely, that the financial system has us all in its grip. But he has drawn a hard-and-fast line between the Labouring classes on the one hand and the Financial classes on the other, whereas no such line really exists. The truth is that the financial system forces us all to prey one upon another, and that greed is found in varying degrees right to the bottom of the scale, just as the slavery is found even at the top. There are few of us who are not in some measure "Financiers."

If it is claimed, as it often is, that exaggeration is necessary in a cartoon, then my answer is that, if the exaggeration must amount to distortion, we are better without the cartoon.

In conclusion, may I say that, if I offend Mr. Mackey, I am sorry? I only wish I could say that I liked his cartoons, but that would not be true.

N. F. EILOART.

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