

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	289	THE STATE OF DENMARK. By Philippe Mairet	296
The Locarno Conference—the price of peace is penury—armaments a less menace to peace than "peace-production." Mr. John Hill's proposals for a grant to the shipbuilding industry. The British Government's raid on Guernsey and Jersey taxpayers. The London County Council and short weights—Control Committee's proposals.		THE GRAND INQUISITOR.—II. By F. M. Dostoevsky	296
THE NEW ACCOUNTANCY	291	VIEWS AND REVIEWS. As Woman Sees Us. By Richard Church	297
THE ECONOMIC CONSEQUENCES OF THE BANKING SYSTEM.—I. By C. H. Douglas	293	THE CHURCH FINANCIAL. By "Old and Crusted"	298
THE UNITED STATES OF EUROPE.—II. By Francesco Nitti	294	A RETURN TO REALITY. By R. E. Green	299
VLADIMIR SOLOVYOV AND THE RELIGIOUS PHILOSOPHY OF RUSSIA.—II. By Janko Lavrin	295	REVIEWS	
		Hermetica. An Anthology of Sleep. Roget's Thesaurus of English Words and Phrases. Hits and Misses. Select Dialogues of Lucian.	300
		LETTER TO THE EDITOR	
		By L. Archier Leroy.	
		VERSE	
		Rebellion. By Richard Church (298).	

NOTES OF THE WEEK.

The Locarno Conference has been a "success" if we are to believe the London newspapers. "Britain, France, and Germany have shaken hands on equal terms," says Mr. Garvin in the *Observer*. Germany, "not under compulsion, but on her own initiative, finally concedes Alsace-Lorraine to the French Republic," while the French Republic "recognises the indissoluble integrity of Germany proper." "The dream of Rhineland separatism, and of breaking up Germany otherwise, is for ever dead." Germany will enter the League of Nations. So much for the brilliant shop window. What is in the dark parlour behind the shop one has to guess. For instance, whereas the Acte Final has been "signed," the treaties on which it is based have been "initialled," which is to say that no one is committed to them. In these circumstances it is, of course, quite easy to accept the assurance of the *Observer's* correspondent that "those results have been obtained at nobody's expense," in spite of the fact that he immediately afterwards talks of the "price paid by each party," for this price "does not form part of the texts, although it has naturally been the chief subject of discussion." The best summary of the position would be to say that each party has committed itself to buy something, but not to pay for it. To base any optimism on a situation like this requires great faith. Yet there is no doubt but that such faith is widely held, for nine people out of ten will argue that the will to renunciation is in itself a guarantee of peace. So it would be if (1) the persons who thus agreed to the sacrifice were themselves going to support its consequences, and (2) if they knew exactly the character of these consequences. But neither of these conditions is met. The Agreement is between rulers, but its costs must be met by populations. The consideration is political, but the price is economic. The end is Peace, but under the present financial dispensation the wages of Peace is Penury. There is no escape from the dilemma "Fight or Starve." But, on the other hand, once show us a group of individual nations each of whom can recover all its financial costs from sales to its

home population, then we will show you a group of nations which would not even have to think of issues of Peace or War. When once peace means—and is—Prosperity, then, and then only, will war be "unthinkable." In the meantime it is significant to learn from Washington that President Coolidge "believes that the Locarno Conference is one of the most important achievements in Europe since the adoption of the Dawes plan," and regards it as "a new promised relief for those nations which now maintain extensive armaments," and also expects it to have a "definite effect upon proposals for a second Limitation of Armaments Conference to be held in the United States." Disarmament is here seen to be nothing other than one among several methods of lubricating the administration of the Dawes plan—a plan against which popular opinion in Europe is slowly but manifestly rising. Europe is being manoeuvred into pledging herself to Peace in order that she shall not be able to oppose any resistance to Disarmament; and the reason why the United States wants to see Europe disarm is so that Europe may "save" the financial cost of armaments and so be able to pay off her debts. That this "saving" would mean the cessation of important industrial activities in every country in Europe, and the consequent unemployment of a large number of citizens in each does not appear to enter into the calculations of the President. Why should it? A creditor cannot afford to allow for his debtor's difficulties. But then, equally, a debtor may not be able to afford to allow for his creditor's difficulties; and in this connection it is remarkable how the statesmen of Europe appear to start off everywhere from the axiom that somehow or other America must be repaid—and repaid in dollars or dollar-securities. If once America would say: "We loaned you goods; and in goods we will take repayment," then the unemployed European armament workers could be absorbed in the production of these goods. But no. Europe may beat her swords into ploughshares, but Uncle Sam doesn't want them—he makes them himself. This being so, Europe will not disarm. And there is at least this beneficent feature about the production of armaments, that they are not (in the

present connection) intended for export—they are "consumed" at home. Hence one can draw the ironic inference that, from the point of view of preserving peace, it is safer for nations to construct war goods for themselves than peace goods for each other. The risk of war does not lie in the making of goods but in the attempt to hawk them round in other nations' markets. So we may call upon all pacifists to applaud Mr. Ramsay MacDonald's contribution to the cause of peace in laying down those five cruisers—peace at home, because he created employment and the means of life for British workers; and peace abroad because we are not going to try to "find a market" for the cruisers. Men may use spears when they fight, but it is the pruning-hook which causes the fighting.

Mr. John Hill, secretary of the Boilermakers' Society, has addressed a letter to the Prime Minister suggesting that £1,500,000 per annum be granted out of the unemployment insurance fund so as to enable the shipbuilding industry to increase its production and absorb labour. The average output of ships during the last five years has been 1,200,000 tons. In the same period the yearly benefits to the unemployed shipyard workers have been £5,000,000. If, he says, the annual output could be brought up to 1,800,000 tons, all the unemployed could be provided with work, and the £5,000,000 benefits saved. Against this saving would be the £1,500,000 yearly grant; so the net saving per annum would be £3,500,000. Here be arithmetic. If the unemployed shipyard workers are now drawing £5,000,000 a year, they will draw at least that sum when employed. So the shipbuilding concerns will incur an additional wage-bill of £5,000,000, against which they will receive a grant of £1,500,000. From whence are these concerns to collect the £3,500,000 difference? Mr. Hill has fallen into the old, old fallacy that an increase in production is the same thing as an increase in financial wealth; that work creates money. It is easy enough to construct an extra 600,000 tons of shipping per annum, but it is impossible to see how they will be disposed of when constructed. Even if they are disposed of, what price will they fetch? Here it is proposed to increase tonnage by fifty per cent. on the apparent assumption that the revenue from sales will be the same amount per ton as it is on the present output. Only one thing would make that a certainty, namely that the banks were to guarantee to buy the extra output at the desired price by means of the issue of non-repayable credit. We are not saying this to discourage Mr. Hill; in fact we should like to think that it would encourage him and the shipbuilding administrators to call the bankers into their conference. They are the only people whose "work" creates money, and as the work is confined to book-entries, there is no physical difficulty in getting all the money required without troubling about the insurance funds. There will be psychological obstacles, of course—but after the triumph of Locarno, who knows what might not happen after a round of hand-shakes and diplomatic courtesies?

A committee of the Privy Council, consisting of the Duke of Atholl, Major-General Seely, Sir Henry Craik, M.P., and Mr. W. Graham, M.P., has arrived in Guernsey in order to study the question of a contribution from the Channel Islands to the Imperial Exchequer. Meanwhile the Government has requested that Jersey shall contribute £325,000 a year, and Guernsey £275,000 to Imperial Taxation. Jersey is reported to have thought at first of offering to pay a lump sum of £250,000, spread over five years, but even this the local Parliament, influenced by the attitude of public meetings held all over the island, decisively rejected. Guernsey has offered a lump sum of £225,000. It will be seen that there is an enormous disparity between what the British Gov-

ernment wants and what the Islands are prepared to offer. The British Government's case seems to be confined for the most part to an enumeration of instances in which the taxation per head of the islanders is lower than that of citizens of the United Kingdom. It argues that the Channel Islands look to Britain for their markets, their protection against outside enemies, and their protection at law, while they enjoy the services of British diplomatic and consular representatives. The reply of Guernsey is substantially that she cannot possibly pay anything like the sum demanded. Jersey, on the other hand, is going to raise the constitutional issue and take her stand on the time-honoured principle "no taxation without representation." She will declare that she is not, nor ever has been, a part of the United Kingdom. Her only "industries" are potatoes, tomatoes, and tourists; and her total Budget is only £200,000 a year. The attitude of the British Government is "Impose heavier duties"—"Why should you escape income tax"; to which the Islands reply, "Why should we?" According to the *Daily Express* the controversy has set Jersey, Guernsey, Alderney, and Sark in a ferment; there is talk of "defiance of the British Government, and even of resistance," coupled with references to the Boston tea incident which preceded the War of Independence. Its correspondent concludes by reassuring British readers that—

"Despite the high feeling that exists, there is one point on which no mistake should be made. Jersey has not been invaded by French invasions for hundreds of years, and has no great love for France. She may also lack affection for British Governments, but there is not the slightest doubt regarding her intense loyalty to the Empire."

From which the sophisticated student will conclude that a good deal of disloyalty to the Empire is being disseminated there. One need not be concerned with the equities of the issue itself to condemn the undignified attitude which the Government has felt constrained to take up under the pressure of its financial problems. The British national debt may be, as it says, £180 a head, while that of Guernsey and Jersey averages £12; but what of that? Has the policy of the Islands in avoiding the piling up of huge costs of capital development been an injury to Britain? Readers of this journal will know of one instance—the building of the Guernsey market-place on local credit—where such avoidance was wisely carried out; and a little reflection on that episode will suggest that Guernsey may not be an *insula grata* in London banking circles, where probably the mortgage deeds of the market-place would be reposing to this day had the islanders raised their market loan in the City. Then another reason for their low taxation is given by one of their representatives as follows:

"We will also point to the economy of the public services in these islands and the total absence of the bureaucracy of the United Kingdom. The privilege of honorary service is valued in the islands, and consequently our taxation is low. Our members of the States of Assembly are unpaid; so are our senior police officers, who perform honorary service, as do our Mayors. In fact, the whole system of Government in the island is, and always has been, a splendid example of the efficiency of honorary service."

and he concludes by saying:

"The Commissioners urge us to tax ourselves more heavily and hand the surplus to them. Do they believe this honorary service would then continue for the benefit of Whitehall and a bureaucracy?"

We hope the Islands will put up all the resistance which they are capable of, for the British Government and its banking system have the power, when they will it, to scale up the standard of life in Guernsey and Jersey; and the fewer obstacles that are opposed to their unnecessary scaling-down policy the more persistently they will adhere to it.

The sight of wings sprouting out of the shoulders of the Food Council has inspired the Public Control Committee of the London County Council to submit a comprehensive report on the question of short weight and measure. Now, either the giving of short weight is general, or it is exceptional. If general, then the nominal price per unit of weight will correspond to the actual weight supplied, and will be commensurately raised as soon as traders are compelled to increase the actual weight. If the rule of traders is, for instance, to supply nine-tenths of a pound of something for 9d., and to call the weight 1 lb., their real price will of course be 10d. per lb. Make them supply a whole pound, and their nominal price will be raised to 10d. On the other hand, if short-weight is an exception to the rule, the general effect of remedying the evil will not be to give more goods to the public. The short-weight trader, in this connection, is almost certain to be under-cutting the price charged by the fair trader. Stop him, and he will have to raise his price to the "fair" level. He will cease to attract more than his "fair share" of customers—a moral comfort to the public, it is true—but nobody will get more for his money. In fact, by the time all the salaries of new officials of all kinds required to apply the revised weight-regulations had been reckoned up, the public would be paying a lot more in rates and taxes than they ever saved on their purchases. The weighing of goods "out of sight" certainly leaves scope for dishonesty, but we doubt very much if that dishonesty is commonly practised. Moreover, whether that is so or not, a very large volume of out-of-sight weighing and packing is done by machines; i.e., it is cheap weighing and packing. Now, if the law begins to compel each retailer to re-weigh (and adjust its contents if necessary) every package of everything he sells, well and good; but this duty involves more time and more money. If everything must be exact weight at the moment of delivery, it will mean either a reversion from machine weighing to hand weighing, or the supplementing of machine weighing by hand weighing, which is more expensive still. On every package which was originally correct and remains correct, there would be an item of unnecessary expense in checking it. Since the Control Committee itself pays a "high tribute" to the "high standard of accuracy generally observed," it is clear that most of this expense will be unnecessarily incurred. The public will have to pay the cost of a thousand good-weight checkings against its contingent gains, arising from the problematical discovery of ten "bad weights." As a means for compelling the retail traders of Great Britain to employ a hundred thousand or so extra shop assistants, a new and stringent Weights and Measures Act would be admirable. Otherwise our advice to the public is to let well alone. There are few shops to-day where one may not see weights recorded plainly enough if he cares to look. It is not the tiny variations in the weights of goods that need attention, but the huge declension in the weight of the pound note—the purchasing power of money tokens. There is nobody but ourselves to tell the public that every issue of bank credit under current rules of accountancy filches a fraction out of the purchase (whether full weight or not) of every citizen in the land, with the result that the buying power of the £, which ought to be at least half as much again as in 1914, is in fact nearer one-third less. Weight juggling in "High Street" hasn't a look in with money juggling in Threadneedle Street.

ECONOMIC RESEARCH COUNCIL'S BROAD-SHEET.

Miss Moralt asks us to apologise to subscribers for the delay which has occurred since the last issue of this publication, and to say that the next will be sent out almost immediately.

The New Accountancy.

The general argument of our articles under the title *The Veil of Finance* will be fresh in our readers' recollections, namely the necessity for a radical change in current methods of measuring costs as the basis for pricing ultimate commodities. What now follows is to supplement this argument by a few remarks which have a direct bearing on the present industrial situation. Perhaps the greatest obstacle to a really widespread recognition of the practical nature, as distinct from the theoretical soundness, of the New Economic proposals is due to the fact that the two essential factors in the case are under two separate controls; that is to say, the creation and issue of credit is the function of the banks, while the recording of credit in costs is that of industry. For observe; if anyone should go to the banker and submit to him *one part only* of the Social Credit proposals, namely that involving the removal of restrictions on the expansion of credit, he could easily prove by reference to the costing and pricing methods of industry, that these proposals would defeat their own end. Alternatively, should anyone go to the industrialist with the *other part* of the same proposals, namely that involving a new principle of costing, he in his turn could demonstrate, by reference to banking procedure, that it was quite impracticable. Moreover, what would seem to clinch the truth of both replies to this neutral inquirer would be that in each case an expert would be delivering judgment on a question pertaining to his own specialised subject—the banker would be pronouncing on credit, and the industrialist on costing. What more, then, would he want to dispel any optimistic illusions hitherto engendered by a too hasty reading of New Economic literature! But a moment's reflection will reveal the catch. What the inquirer would really need to know would not be whether the proposed new credit policy would work well with *current* costing methods, nor whether the proposed new *new* costing methods would work well under *current* credit policy; but whether the *new* credit policy and the *new* costing methods would work together. That is the claim which Major Douglas has made, and that is alone the claim to which an effective answer, if any, must be forthcoming.

Now the best way of visualising the possibilities is obviously to suppose that the banks and industry merged their activities and proceeded to function as one national organisation. Before doing this, let us recall one or two authoritative facts about credit, the authority being Mr. McKenna.

1. Credit is costless. It appears in circulation merely as the result (in cheque form) of entries of loans and advances made in blank ledgers.
2. New bank-credits are not derived from previous "savings," but are an *addition* to them. "A bank loan creates a deposit," said Mr. McKenna. Every loan is extra money in circulation, as long as it is outstanding.
3. Conversely, the repayment of bank-credit is a *subtraction* from current "savings" or deposits. "The repayment of a bank loan destroys a deposit." Every bank-loan repaid means less money in circulation.
4. There is no limit to the volume of credit that can be created and issued: the only limit is connected with how much of it the producers in any given credit-area can make use of.

Bearing these facts in mind we can now bring together our industrial experts. We do not want the heads of business organisations there; we want the experts that matter—we mean chartered accountants. The agenda would be simply this:—

- (a) Taking it as a fact that the nature of credit and the effects of its issue and recall are as Mr. McKenna has stated;
- (b) Assuming that the functions of credit-creation were to be merged in with the other functions of the industrial system;

(c) What alteration, if any, would you advise in the general principles of costing applicable to production of the whole system regarded as a single accountancy unit?

The discussion might probably proceed in the following manner:—

FIRST ACCOUNTANT: "I take it from clause 'a' that the business—shall we say the Federation of British Industries—creates and issues money for its several purposes."

CHAIRMAN: "That is the assumption."

FIRST ACCOUNTANT: "That being so, we had better take some figure, say £200,000,000, and imagine that to be issued."

ALL: "Agreed."

FIRST ACCOUNTANT: "Well, then, the F.B.I. issues to itself £200,000,000."

SECOND ACCOUNTANT: "Mr. Chairman, let us be clear. The F.B.I. here corresponds to a federation of all the industries and trades of every sort in the country; is that so?"

CHAIRMAN: "That is what the first speaker intended, I think."

FIRST ACCOUNTANT: "That is so, Mr. Chairman. Then, to take this £200,000,000, the first thing is to debit the Federation with it."

SECOND ACCOUNTANT: "What about crediting it?"

FIRST ACCOUNTANT: "The sum should be debited because it is an advance of money received by the Federation."

SECOND ACCOUNTANT: "Yes, but the same sum in an advance of money loaned by the Federation."

THIRD ACCOUNTANT: "Both arguments seem to me equally valid, and their logic would require us to debit and credit the Federation with the same sum, which would be violating the double-entry principle that a debit transaction in one account must be offset by an entry (or series of entries to the same amount) in another account."

FIRST ACCOUNTANT: "And quite apart from principle, the practical effect of debiting and crediting the same account would be to close it and leave no record of the creation of the £200,000,000."

SECOND ACCOUNTANT: "We should have that sum in the business and yet have no record of it, whether as a liability or an asset."

FIRST ACCOUNTANT: "It begins to look as if the elimination of the bank as an external creditor is going to be awkward."

THIRD ACCOUNTANT: "Well, we shall have to debit one account and credit another, and I suggest that we begin by debiting the F.B.I. with the £200,000,000 for the reason that that is what we should have done had the money come from a bank loan."

CHAIRMAN: "Is that agreed?"

ALL: "Agreed."

THIRD ACCOUNTANT: "Now we have to find a creditor to take the place of the bank."

SECOND ACCOUNTANT: "Yes; and since the Federation as a whole is debited, the money must be credited to somebody or something not within the Federation—something quite outside it."

FOURTH ACCOUNTANT: "Mr. Chairman, does that not raise the question of the ultimate origin of credit? What I mean is that the creditor ought to be the person or body to which the credit really belongs."

FIRST ACCOUNTANT: "I agree with that. But according to Mr. McKenna's statement, this credit has never belonged to anybody, it is new credit, an addition to all previous savings or deposits. In fact, it belongs to nobody—"

THIRD ACCOUNTANT: "And therefore to everybody." (Laughter.)

FOURTH ACCOUNTANT: "Mr. Chairman, I really think that last remark contains the solution of the difficulty, although it was made as a joke. Why cannot we open an account representing everybody?" (More laughter.)

CHAIRMAN: "Order, please."

FIRST ACCOUNTANT: "What do you mean by 'everybody'?"

FOURTH ACCOUNTANT: "Well, for one, I'm somebody and you are somebody—we're all somebody—the whole working population is made up of somebodies."

SECOND ACCOUNTANT: "Yes, but we're all part of the Federation."

FOURTH ACCOUNTANT: "I agree. In one aspect we are producers, about to use this credit; but in another we are consumers who hope to get the goods we make with it."

THIRD ACCOUNTANT: "Yes, but we shall buy those with our salaries."

FOURTH ACCOUNTANT: "That may be. But if you're going to make that a final objection to my suggestion, I can't see what other there is."

FIRST ACCOUNTANT: "Nor can I. Well, let us get on. Suppose we open an account—shall we call it the Consumers' Account?—and credit it with the £200,000,000."

CHAIRMAN: "Does everyone agree?"

ALL: "Agreed."

FIRST ACCOUNTANT: "Next comes the allocation of the money among the member firms of the Federation. A similar difficulty arises here, because in so distributing it the Federation is not spending it. Those firms are really so many departments of the Federation; and if one of them, call it 'Department A' gets, for example, £20,000, while we can, of course, record the transfer somewhere, we cannot properly regard it as a cost to the Federation. It is certainly an advance of money, but, for the moment, at any rate, it does not go outside the Federation. It is not an external payment. If we debit it at all, we must do so contingently or tentatively, much in the same way in which the postal-clerk in an office is provisionally advanced a few pounds for stamps."

FOURTH ACCOUNTANT: "I agree. And following out this idea in general, it seems inevitable that the legitimate costs of the Federation over any accounting period you like to take cannot exceed the aggregate of wages, salaries, and dividends actually drawn by individuals in all the various concerns, or 'departments.'"

FIRST ACCOUNTANT: "You mean that all moneys paid and received by these departments as departments in respect of the transfer of materials from point to point within the system should not be regarded as Federation costs?"

FOURTH ACCOUNTANT: "Quite. As I see it, any payment of money must be one of two kinds: it is either an external or an internal payment. Payments between departments are internal, and are not costs. Payments by departments to individuals as personal incomes are external and are costs."

THIRD ACCOUNTANT: "That sounds startling; but the conclusion seems right. Taking a given accounting period, a certain quantity of new production of all kinds appears, which remains in the possession of the Federation until it is bought by someone outside. Now the only money which can be used for buying goods from the Federation itself is that paid out in wages, salaries, and dividends. In other words, the stock of the Federation cannot be reduced except by the purchases by wastage and wear-and-tear of all kinds."

FIRST ACCOUNTANT: "And of course by wastage and wear-and-tear of all kinds."

THIRD ACCOUNTANT: "Yes."

SECOND ACCOUNTANT: "Then you would say as a general proposition that the only costs of the Federation are the money claims on its production distributed to people outside the Federation."

THIRD ACCOUNTANT: "Exactly: no other money payments can possibly reduce stocks—these only transfer them from one department to another."

FOURTH ACCOUNTANT: "Take a case. The Great Western Railway buys £100,000 worth of rails from some steel works. This sum figures as a new cost to the G.W.R., but it also figures as revenue (i.e., a replacement of an older cost) to the steel works. The debit and credit thus cancel out in the Federation's accounts; and rightly, because the Federation itself has not parted with any steel."

FIRST ACCOUNTANT: "And suppose the Federation had allocated this £100,000 to the G.W.R. for its purchase, and the steel works paid it in to the Federation after the sale, the financial record would tally with the real facts."

THIRD ACCOUNTANT: "All this seems to be leading to a revolutionary concept—namely, that the financial cost of all new production is nothing more than the concurrent consumption plus any actual wastage and destruction incident to this productive process."

SECOND ACCOUNTANT: "That's what it looks like. And if that be so, any surplus unsold production of the Federation is the absolute property of the Federation—it is a clear gain in products, there being no liability on them—"

FIRST ACCOUNTANT: "Except the Federation's liability to the consumers. Ex hypothesi the consumers have lent the Federation £200,000,000."

FOURTH ACCOUNTANT: "In that case the problem is to devise a method of paying this off."

FIRST ACCOUNTANT: "Well, the method seems pretty clearly indicated. Here we, the Federation, have a certain surplus of goods, and there are the consumers who have a debit against us. Now, consumers, as such, do not want money except to buy goods. So there should be no difficulty in offering to pay them out in goods."

SECOND ACCOUNTANT: "How? You cannot stand at street corners making presents in kind."

FIRST ACCOUNTANT: "No; but we can surely scale prices down in the next period in something of the same ratio as we have accumulated a surplus in this."

FOURTH ACCOUNTANT: "We'd have to measure the cost of our total production and that of the total consumption in the period, and then regard the excess as a sort of lump-sum discount due to the consumers and to be knocked off the prices of everything they buy."

FIRST ACCOUNTANT: "In principle, yes. And then we should debit the consumers with the money value of the discount against their original advance of £200,000,000."

CHAIRMAN: "I think at this point we may adjourn the meeting. We shall all agree upon one thing, and that is that the costing and pricing of the Federation in the given circumstances would have to be on an entirely different basis from that to which we have been accustomed."

We will leave the matter here. A real discussion of accountants would have to cover the fundamental issues we have raised. That is why the controllers of our credit system are so watchful, not only that industry shall not take over their financing functions, but also that *they themselves shall not take over industry's producing and costing functions.* Their policy is to maintain the complete separation between accrediting and accounting, knowing that on the day when these functions are brought under one control the wits of the business experts of the country will start in to spike effectually the canons of a manifestly effete system of "sound finance."

The Economic Consequences of the Banking System.*

By Major C. H. Douglas.

I.
In a restricted sense the Banking system is a familiar feature of everyday life. Banking premises on corner sites, both in London and elsewhere, probably outnumber, by two to one, those of any other avocation; and the routine operations of Banking, so far as they concern the superficial aspects of business, are part of the equipment of the business man, and even of the ordinary citizen whose resources rise above those of the weekly wage earner. The returns of the clearing banks indicate that over 99 per cent. of the business of this country is conducted through the Banks, and only the remaining fraction of one per cent. is conducted by what is called cash, i.e., legal tender, bearing the King's head.

It is an astonishing—perhaps even a vital—fact, however, that in spite of the all-pervading nature of banking business, it would be possible to put the question "What is the Banking system?" to probably ten thousand people, taken at random, without getting from any one of them an answer which would convey information as to its more important features. Probably the majority of replies would suggest that it is an institution for taking care of money, a less number would add that it lends this same money out again at interest, and a very small minority might add some information as to the activities of the Banking system, and in particular the Bank of England, in providing the Treasury and the great spending departments with ready cash.

But it is safe to say that the majority of even competent business men, in this and every other country, would state (or would have stated until very recent years) that the original basis of a Bank's activities consists in receiving deposits from the public, and that in the nature of things, its activities must be limited by the extent of those deposits.

Leaving out of consideration the statements of orthodox critics of the banking system (not because those critics are not in many cases far more competent and accurate in their explanations than are orthodox Bankers, but because their opinions are not so readily accepted), the most striking contradiction

of this conception of banking has been provided by Mr. McKenna in his yearly addresses as Chairman of the Midland Bank. For the past three or four years Mr. McKenna has devoted a portion, and by far the more important portion, of his remarks to explaining lucidly and accurately the mechanism by which Banks create money, and has stated in so many words that all but an insignificant portion of the purchasing power in existence arises from the creation of Bank credits, which function as money. —I am not in Mr. McKenna's confidence, and I do not know what his object in uncovering a portion of the most important trade secret in the world has been, although I could venture a plausible theory in regard to this.

The exposition has been joined to a lukewarm acquiescence in the policy of a return to the gold standard, and it would seem to be not unconnected with the publicity which has been allowed to (what is called) the policy of stabilisation of prices.

As the title of this address would suggest, it is not my intention to devote much time to the Banking system in itself; I have treated this aspect of the economic problem at some length elsewhere. But it is necessary to emphasise what I consider to be the essential feature of the existing Banking system, a feature which transcends and cuts across all the arguments for and against the gold standard, stabilisation of prices and so forth. This feature may be simply stated.

It is a fact of the modern financial system, as Mr. McKenna has stated, that legal tender plays an insignificant part in providing the purchasing power to enable the goods, which the industrial system produces, to reach the individuals who wish to use them, and that bank credit is the factor of importance in this connection.

Now, a Banker actually creates money just exactly as though he coined or printed Treasury Notes. He lends this money, which is an assertion by implication that the money belongs to him. You do not lend something which belongs to the person to whom it is lent. The Banker's business of lending is conducted with the public as his client, and the question which lies at the root of the financial problem is, "Is or is not this credit which the Banker materialises and lends to the public in fact *public credit*, in which case the Banker should not lend it, but rather return it to those to whom it belongs, that is to say, the public with whom he deals?" For myself, at any rate, I have no doubt that this question of the beneficial ownership of credit lies at the root of the dangerous state of industrial and political unrest all over the world, and that no amelioration of this unrest can be looked for until a satisfactory solution of this credit problem has been reached. To discuss gold standards or any other basis of credit without grasping this issue, is to pursue one mirage after another.

The position then, at the moment, is that the Banking system is in the nearly unique possession of the power to create money, and it only creates this purchasing power in the form of a loan, and never as a gift. It is, however, worth while to inquire why it is necessary that either the banks or anyone else should create purchasing power. Why, for instance, is it necessary to have any purchasing power at all which is not represented by a fixed amount of legal tender? This is a question which is hardly ever asked, still less frequently answered. A right understanding of it combined with an appreciation of the part played by the banks, is probably the key to an understanding of the troubles of the modern world.

Suppose that I had a thousand pounds, and that I pay that thousand pounds away for the purpose of building a house. We will imagine that the whole of the thousand pounds goes in nothing but wages, which does not in any way affect the argument, and

we will also suppose that by doing work on something else, the workmen could live and save all that they earned by house-building. Suppose now that the workmen who built the house, who collectively would have my thousand pounds, decided to buy the house and I agree to sell to them for a thousand pounds. Notice that no question of profit arises. The workmen now have the house, and I have my thousand pounds back again. In other words, the workmen have got the house merely by working for it. But these workmen would express it by saying they had paid a thousand pounds for the house.

I am now out of the transaction altogether, and we will suppose I and my money removed to another planet, or we can suppose that I tore up the money when it was returned to me (which is the equivalent of the repayment of a bank loan). Suppose now that the workmen decide to work in the house and make and sell shoes. If they carry on the business on orthodox business lines the cost of the shoes will consist of at least three items (1) wages; (2) raw materials; (3) rent of factory, i.e. house. We will suppose for the moment that they get their raw materials for nothing, and that the "rent" of the house is nothing but an appropriation of money of such amount that when the house eventually falls down they will have got back their thousand pounds. Notice therefore, that neither interest, i.e. "usury," nor dividends, nor land monopoly, are imported into the question. But the simple and vital fact remains that the wages paid during the production of the shoes are less than the price of the shoes by an amount large or small, which is added to the cost of the shoes before the shoes are sold. This amount, which is added to the cost of the shoes, represents overhead charges in their simplest form; and in many modern productions, overhead charges are between 200 and 300 per cent. of the direct cost of the product. The meaning of this transaction can be put into a comparatively short sentence, a sentence

which I think is so important that I would almost suggest that you commit it to memory. When we make goods, we do *not* make money, but we *do* make prices. If you appreciate, as I hope you do appreciate, the importance of this statement, you will realise exactly the position which is occupied by an institution such as the Banking system, which is in a unique position to create the purchasing power which alone will balance the prices of goods produced. You will also realise that the considerations involved in this situation reduce to a position of irrelevance both such considerations as what have been called the "sunshine cure" for business anaemia on the one hand, and a mere stabilisation of prices on the other. Of course it is true enough that if everyone becomes so deeply affected with pessimism that the producing system falls to pieces, because no one thinks it worth while to work, rectification of the financial system will be useless. But without this rectification "prosperity talk," like the even more revolting clamour for good will in industry, is the worst sort of quackery, and if it be once admitted that current costing and financial matters involve a deficiency of purchasing power at any price level, mere stabilisation of prices, even assuming that it were possible, involves a stabilisation of all the worst features of the present industrial and economic problem.

There are a number of interesting consequences of this position which I think are worthy of your attention, because the source from which they proceed is unrecognised, although the facts themselves are matters of common observation. Because they proceed from a common cause it is possible and useful to generalise the defects before dealing with a number of specific instances.

(To be continued.)

The United States of Europe.

By Francesco Nitti.

(Translated from the *Europäische Revue*.)

II.

The material pre-requisites of union were in the past lacking, in so far as the methods of production did not require great markets. To-day when technical advances have developed all means of communication, when isolated cultivation is not possible or not desirable, when the trains cover thousands of kilometres in a day, union is no longer a Utopia, and it may, indeed, be said that the present political organisation of Europe by no means corresponds to its biological development.

Europe, said Herriot in the French Chamber on January 22, 1925, is no more than a little corner of the world. So it may well dispense with some of its old haughtiness. Yonder in the Pacific Ocean problems are at present arising which will demand that all that is to be found in this old Europe of strength, of work, of science, of technique, of accumulated experience, shall be applied to bring a reasonable order into those parts of the earth which are still under the dominion of the natural instincts. "My greatest wish," added Herriot, "is this, to see one day the United States of Europe come into being; and if I have with so much confidence devoted my powers to the League of Nations, it was because in this great institution I saw the first attempt at the formation of the United States of Europe."

Those are words which are full of truth and beauty. And if the way indicated by Herriot is not the most suitable (he spoke of a magnanimous and idealistic democracy, which easily and willingly forgets, like the French, and of an oligarchy of blood and death opposed to this) and if the League of Nations is still on a false track, this certainly does not prevent our making another way.

The United States of America and Europe, including Russia, have approximately the same area, but Europe has a population more than four times as great. The United States of America consist of 48 States, of which each has its autonomy, its laws, its independence; but all are subject to a common law, and the production of goods is nowhere fettered because the whole territory represents one single market. Europe has 35 States, less firmly established, which may yet increase in number, and every one has its protective tariff, and its distrust, every one is more or less insecure and almost all are in a latent state of war with their neighbours. America is far ahead of Europe in the chief forms of production, and that is due, not so much to the disposition of its people, which indeed are composed of the races which in Europe are fighting each other, but rather to the magnitude of the market and the easier exploitation of all resources. The United States of America did not come into being suddenly, they too are the result of a historical development, which it is true did not last long and was accelerated by a common exertion of strength. Of 105,710,620 persons enumerated in the census of 1920, 10,463,131 were negroes; but of the 94,820,915 whites of all European races there were only 58,421,937 with both parents of native race; 15,694,539 had foreign parents; 6,991,605 mixed parents; 13,712,754 were white foreigners. In spite of all, this mixed population, of which a considerable part can speak the language of the country either not at all or very little, has realised the American ideal, and formed the American nation. This shows that the nation is above all a historical conception, and is founded on the feeling and the will of those who form it.

In the present period of European life everything seems breaking to pieces, and never have the powers of democracy and of peace been opposed with such malignity. But that must not trouble us. The way

of mankind, a great thinker has said, is a mountain path. It is with great effort that one ascends, often one seems to be going back, but yet one ascends.

Never was the need for reconstruction so pressing as now, when so much vital power has been destroyed.

The United States of Europe cannot arise suddenly, at one stroke; the struggles and hatreds which hold the nations apart do not admit of an immediate union. But there are turns in international politics, tendencies of thought, and, above all, common economic interests which may change idealistic efforts into necessities of practical life.

An ideal, however lofty, has no prospect of realisation if it does not correspond to an actual need, and the United States of Europe are to-day, even more than an ideal, a requirement for production and a necessary pre-requisite for security. Of this the wisest heads are convinced; only the way to this goal seems still to be shrouded in darkness. And yet the way is not so difficult to find.

There are, in particular two circumstances which may become the foundations of the United States of Europe; one is connected chiefly with the position of Italy, the other with the attitude of France.

It is self-evident that every political union depends on previous economic agreements.

The present divisions lead in every country to the formation of rings, which rule the Press, and are often responsible for the most mischievous confusion between the interests of States and those of certain circles or groups of producers. The removal of tariff walls and the creation of the European Customs Union would bring about an enormous increase in production, do away with almost all injurious trade monopolies and set free the tendencies towards international union.

(To be continued.)

Vladimir Solovyov,

and

The Religious Philosophy of Russia.

By Janko Lavrin.

II.—THE ADVENT OF SOLOVYOV.—(Continued.)

Let us also mention, by the way, that Solovyov of the later period, when he began to preach a reunion of the Churches, is in great favour with those Roman Catholics who are working for a reconciliation between Vatican and Russia. One of them, Mons. Michel d'Herbigny, has written an able book on Solovyov, whom he calls a Russian Newman. The book, although brilliant (in its own way), is not quite reliable. It is rather "twisted"—after the Jesuitic pattern.

Solovyov began his own philosophic career by absorbing the whole of Western philosophic thought. He passed through all its phases. Consecutively, he himself was a materialist, a positivist, an idealist, a mystic. After his early materialist stage, his thought matured under various influences, among which one can trace Spinoza, Leibnitz, Kant, Schopenhauer, partly Hegel, as well as the Russian Slavophiles Kireyevsky, and Khomyakov. As to the older philosophers, he was drawn towards neo-platonists, especially towards Plotinus. He studied also the Church-fathers, the German mystic Jacob Boehme, and others.

In spite of all these influences, his own philosophy is not eclectic. Yet it would be rather difficult to generalise it by one simple formula. In a way, it really escapes all labels and "isms." If a label were absolutely inevitable, we could perhaps style it mystical idealism—as distinct from the rationalistic idealism of Hegel.

Solovyov set out to explore the possibilities and limits of European philosophy just at the period of its greatest crisis and stagnation. It was in the second half of the nineteenth century that philosophy became reduced to a shy *ancilla scientiae*, which did not dare to make a single

step without asking for the necessary sanction of science. On the other hand, the acute critical methods devised by Kant and his followers were bound to destroy philosophy by its own inner contradictions, gradually converting it, but into a sterile mental sport without any contact with real life. Philosophy seemed to be, in fact, doomed to a slow death from senile exhaustion when Solovyov tried to infuse new blood into it and to raise it upon a plane where it would create not dusty "systems," but living life.

Solovyov was as dissatisfied with the mere arm-chair philosophy as his contemporary Nietzsche. The passion with which they endeavoured to make philosophy a vital and dynamic element of life is equally strong in both of them; yet their final conclusions represent the most opposite poles imaginable: Nietzsche arrived at the absolute affirmation of the biological man-God (i.e., superman), and Solovyov to that of God-man, whose highest expression he saw in Christ.

The very first important work by Solovyov bears the title: "The Crisis of Western Philosophy." And he bases it on the conviction that "a philosophy understood in the sense of abstract and *exclusively* theoretical knowledge has already finished its development and belongs irrevocably to the past." The possibility of a satisfactory solution of our vital problems he sees not in abstract systems, but in what he calls the integral knowledge. This knowledge ought to synthesise (in his opinion) the acute Western logic with the profoundest intuition of the East; the truth of philosophy with the truth of religion, and both of them again with the active living life. Like Nietzsche, Solovyov, too, stands for a vital philosophy of action, of continuous growth, for a vital philosophy of self-creation. As he himself says: "All the world stands in need of help. And it can be helped not by the will-lessness of the ascetic renouncing all life and social environment, not by the intellectual contemplation of the philosopher who lives by thought alone in the realm of ideas, but by the living power of the entire human being possessing an absolute significance, not negatively or ideally only, but as a concrete reality. Such a thing is the perfect man who does not forsake the world for Nirvana or the realm of Ideas, but comes into the world in order to save and regenerate it and make it the Kingdom of God, so that the perfect individual could find his completion in the perfect society." In this claim Solovyov is at least as manly and warlike as his antipodes Nietzsche. But while Nietzsche's enthusiasm of but inverted and transmuted despair, the enthusiasm of Solovyov is rooted in his inherent faith that man and life have a higher significance, and, therefore, are full of infinite possibilities.

The religious temperament of Nietzsche was perhaps as strong as that of Solovyov. But Nietzsche's tragedy was that he all the time wanted to kill his religious instincts by his anti-religious convictions. Solovyov's convictions and knowledge, on the other hand, are not a contrast to, but the direct outcome and expression of his profound religious temperament. In Nietzsche we can see a continuous divergence between his intellectual and his spiritual honesty—his philosophy is, in fact, mainly the reverse: a antagonism. Solovyov, however, shows just the reverse: a complete harmony between intellect and spirit, between the rational and the irrational truths. His very mysticism is an enlargement, rather than antithesis, of the rational and empirical knowledge. He entirely accepts this type of knowledge. Yet, realising at the same time that man and life are something more, infinitely more, than our brain or our five senses can tell us, he did his best to go beyond them.

If we look upon our deceptive senses and our reasoning capacity not as identical with our consciousness, but only as part of it, then our absolute faith in "science" and "reason" alone becomes shattered. Besides, did not Kant demonstrate the utter unreliability of our "pure" reason? But we may, perhaps, surmise (whether rightly or wrongly) of the truth as a possible result of our deeper, or, better still, of our entire consciousness. We may even say that it is the intensity of such consciousness that determines the degree of the immediate Truth accessible to us: a low and primitive consciousness can take in only a small degree of truth. It would follow that in order to enlarge our perception and knowledge of reality we must enlarge and deepen the whole of our being. Truths of mere intellect (and senses) must be widened into truths of higher intuition and gnosis.

Such, in fact, is Solovyov's conception of what he calls integral knowledge. Its object is neither the phenomenal world alone (which can be reduced to our senses), nor the world of ideas alone (which can be reduced to our own thoughts), but that ultimate reality of all being which alone can give our world and life their ultimate, their absolute, significance and meaning.

(To be continued.)

The State of Denmark.

The decision of Conservatives to demand, at their Conference, severer punishments for Communists, following close upon the revelation of the popularity of the so-called Fascist movement with the Government, raises the spectre of a far more frightful question. Is it not all too likely that there is a deep, unconscious desire for bloodshed, a longing for catastrophe, in the soul of England?

That counter-revolution thus threatens, before revolution itself, will reassure no one with even a little insight into psychology. We know that the unconscious desire, when thwarted, often achieves its aim by a superfluous assertion of the opposite desire. The bashful maiden, who will not hear of love—does she not use the surest means to induce the crisis? The man who cannot bear to be in the room with poisons or edged tools, and avoids the river-bank more than anyone—certainly it is not he who is furthest from the desire of suicide. And the country which produces White Guards before there are any Red ones is not in its heart the most remote from civil strife.

The psychology of nations does no more than repeat that of individuals upon a greater scale. Individuals have their inner revolutions, their complete re-orientations of mind and motive, often occurring in a torture of scarifying experience: and communities are liable to similar spasms in their development; if they could avoid them it could only be by a knowledge of this fact.

Three months ago it might hardly have been justifiable to write so ominously of our position. Six months hence it may be impossible to do so. But at the moment it is useless to hide, and still possible to say openly, that there is a murderous desire suppressed in the heart of the nation, which, if it cannot be sublimated in some apparently needless, quixotic truthfulness of confession, must issue soon or late in evil deeds. It is in the whole nation, not in any one section of it. Not in the obviously impassioned, but in the apathetic also the sign of this red fire is to be seen smouldering. The catastrophe needs the exasperation of a false calmness to excite it. The worst upheavals are preceded and induced by just this callous, exaggerated boredom of the commonsensical, yawning out their endless negative "impossible." Deep, deep in their souls also, achieving its aim by their very dullness, is the yearning for the smash, for the liberation from nothingness, the fatal lightning-flash rather than the fog.

Certainly, all men are the same consciousness. Financier or poet, Home Secretary or Marx-inspired striker, all look out upon the same world with an identical vision. By some, indeed, all things are seen bluer, by some a little greener, yellower, or warmer; but one being beholds the world through many heads. They only think that they are separate saints, not responsible for the criminal desire which they rightly divine in each other, and wrongly deny in themselves. Thus they move, with one dark and unknown desire, to the same disaster.

For what men shrink from is the revolution in themselves. Time and again there comes to every man, in a moment clear or exalted, the intimation that he has a double, a sinner who must be slain. One scoundrel he holds in the hollow of his hand, perfectly his own, to kill with holy innocence. But this scoundrel is also himself, the one being whom he loves with the infinite love of God. So he plays Hamlet; he procrastinates. This villain shall be reprieved until to-morrow—and to-morrow—and to-morrow. Soliloquies. Fine reasoning. Infinite wordy condemnation of the wicked uncle whom he knows to be himself—but the sword sleeps on in the sheath.

And then that holy desire to kill the real assassin, as it fades nebulously in the brain, becomes a coal of hell burning in the entrails. As the lamp of sacrifice goes out, a small, hot, hidden lust of murder is kindled. So Ophelia is killed with words, Polonius with a random stroke, his old friends with a cunning counter-mine. At last he brings all the little world around him to mutual treachery and slaughter, and finally fulfills his destiny by killing the criminal, only as his own life ends. Such is the all-too-normal custom of the miscalled Homo Sapiens—to spare the real criminal, who is himself, and, with a feminine, mysterious coquetry, to drag the world into his failure with him. Failing in courage for one wholesome violence, motives inexplicable, unavowable, drive him to implicate all others in a drama that must come to blood somehow. Thus we goad others to begin the fight, to find ourselves the courage for the blow we shrink from dealing.

For there is no dearer desire, no higher ideal in the heart of any man than to kill the wicked uncle—to wear the crown himself. And even so is the true will of any national community, to overthrow its usurpers and enthrone its own genius. The nature of its healthy development is progress

by the assertion of fearlessly defined ideas. The renewed condemnation of usurping abuses is the very life of the State. Its right rhythm is reforming action, followed by re-action to correct the error. If this rhythm be reversed, as now it is, repression organising before revolt has raised its head, the consequences will not be less, but much more, sanguinary. It is a nation playing Hamlet.

And when a nation can find in itself no clear decision for reform, it may indeed repress itself from revolution, but only to drift into the convulsions of neurosis. It will kill its villain finally together with itself. But the kingdom will go to Fortinbras.

Such, and no other, is the psychology of revolution. It is identical with the psychology of the individual man, in those crises of true insight when he realises the subjection of his ego to his lower self. It is then that he hears the Ghost's injunction, to seize the crown, to enthrone himself, the royal spirit and the rightful heir. A nation can respond to this high call only if individual men can do so.

PHILIPPE MAIRET.

The Grand Inquisitor.*

By F. M. Dostoevsky.

II.

Translated by S. S. Kotelianskiy.

"Decide Thyself who was right: Thou or he who questioned Thee then? Recall to Thy mind the first question, not the actual words, but their meaning: Thou wishest to go into the world and Thou art going with empty hands, with a promise of freedom—freedom which men, in their simplicity and in their native rebelliousness, cannot even comprehend, and which they fear and dread—for nothing has ever been more unendurable to man and to human society than freedom! And dost Thou see the stones in this barren and scorching wilderness? Turn them into loaves, and mankind will run after Thee like a herd, grateful and obedient, yet ever trembling lest Thou withdraw Thy hand, and Thy loaves cease. But Thou hadst no desire to deprive man of freedom, and rejectedst the offer; for what freedom is that, Thou thoughtest, if obedience is bought with loaves? Thou answeredst that man doth not live by bread alone. But art Thou aware that in the name of that very earthly bread there will rise against Thee the spirit of the earth and he will fight with Thee and conquer Thee, and all will follow him, crying: 'Who is like this beast, he has brought us fire from heaven!' Art Thou aware that ages will pass and mankind will proclaim with the lips of its wisdom and science that there is no crime, and, consequently, there is no sin either, but that there are only hungry people. 'First feed them, and then demand virtue of them!' that is what will be inscribed on the banner which will be raised against Thee, and through which Thy temple will be destroyed. In place of Thy temple there will be erected a new building; there will once more be erected the dread tower of Babel; and although this one, too, like the former one, will not be completed, yet Thou couldst dispense with that new tower and stop the sufferings of men for a thousand years—for it is to us that they will come, after having tormented themselves a thousand years with their tower! They will find us again then under the ground, in catacombs, hiding ourselves (for we shall again be persecuted and tortured). They will seek us out and cry out to us: 'Feed us, for they will seek us out and cry out to us: 'Feed us, for those who have promised us fire from heaven have not given it us.' And then it will be ourselves who will have completed their tower—for he who will feed them, will have completed it—and it will be ourselves only who will feed them, in Thy name, and we shall lie to them saying that it is in Thy name. Oh, without us they will never, never manage to feed themselves! No science will give them bread whilst they remain free. But it will result in their laying their freedom at our feet and saying to us: 'Rather enslave us, but feed us.' They will, at last, realise themselves that freedom and earthly bread sufficient for all are inconceivable in combination, for they will never, be able to share the bread out among themselves! They will also grow convinced that they can never be free either, for they are impotent, vicious, worthless, and rebellious. Thou hast promised them heavenly bread. But, I repeat again, can it compare in the eyes of the weak, the ever vicious and ever grateful human race with earthly bread? And if, in the name of heavenly bread, thousands and scores of thousands will follow Thee—what is to become of the millions and scores of thousands of millions of creatures who lack the strength to reject the earthly bread and to

* Part III., Book V., Chapter V., of *The Brothers Karamazov*; first published in the *Rusky Vestnik*, 1879-1880.

choose the heavenly bread? Or are only the scores of thousands of the great and strong dear to Thee, and the remaining millions, numerous as the sand of the sea, who are weak but love Thee, are they merely to serve as a means for the great and the strong? No, to us the weak, too, are dear. They are vicious and rebellious, but finally they will become obedient also. They will marvel at us and consider us as gods for this that we, having placed ourselves at the head of them, have consented to endure freedom, of which they had become afraid, and consented to command them—so terrible will it become to them at last to be free! But we shall say that we are obedient to Thee and rule in Thy name. We shall deceive them again, for we shall no longer let Thee be among us. From that deception will come our suffering, for we shall have to lie. That is what that first question in the wilderness signified, and that is what Thou has rejected in the name of freedom, which Thou has placed above everything. Whereas in that question was contained the great mystery of this world. By accepting the 'loaves,' Thou wouldst have responded to this universal and perennial anguish of man, both as an individual and as combined mankind: To whom shall I bow? There is no anxiety more unceasing, and more tormenting to man than when free to find as soon as possible someone to whom to bow. But man seeks to bow to that which is incontestable; indeed, so incontestable that all men at once agree to its universal worship. For the anxiety of those wretched creatures consists not only in finding something before which I or someone else would bow, but in finding a something in which all as well shall believe and before which all shall bow, and necessarily *all together*. This need for worshipping *together* is the paramount torment both of every man individually and of the whole of mankind from the beginning of the ages. For the sake of that universal worship men have exterminated one another with the sword. They have been creating gods and calling to one another: 'throw away your gods and come to worship ours, else death to you and to your gods!' And so will it be to the end of the world, even then when gods will have disappeared from the world—all the same, they will prostrate themselves before idols. Thou knewest, Thou couldst not help knowing this basic mystery of human nature; but Thou has rejected the only absolute banner, the banner of earthly bread, which was offered to Thee, in order to make all men bow down to Thee incontestably, and Thou has rejected it in the name of freedom and heavenly bread. See what Thou hast done further. And yet again in the name of freedom! I tell Thee that man has no more tormenting anxiety than finding him to whom he can hand over with the greatest haste the gift of freedom, with which the miserable creature is born. But only he will control the freedom of men who will set their conscience at ease. With the bread there was offered Thee an incontestable banner: give him bread and man will bow down, for there is nothing more incontestable than bread. But if at the same time someone gets hold of man's conscience beside Thyself, oh, then he will even cast away Thy bread and will follow him who will have seduced his conscience. Therein Thou wast right. For the mystery of human life is not only in living, but in the purpose of living. Without a firm conception of what to live for, man will not agree to live, and will rather destroy himself than remain on the earth, although there were loaves in plenty all around him. Just so, but what has come to pass? Instead of controlling men's freedom, Thou extendedest that freedom to them still more! Or hast Thou forgotten that peace and death even are dearer to man than the free choice in the knowledge of good and evil? There is nothing more alluring to man than the freedom of his conscience, and yet there is nothing more tormenting. And, now, instead of stable foundations for appeasing man's conscience once and for ever, Thou hast taken all that is extraordinary, conjectural, and indefinite, Thou hast taken all that was beyond men's power, and Thou consequently hast behaved as though Thou didst not love them at all. And who, indeed? He who came to give His life for them! Instead of controlling men's freedom Thou hast multiplied it and overburdened with the torments of freedom man's spiritual kingdom for ever. Thou willedest man's free love, that he follow Thee freely, fascinated and captivated by Thee. Instead of the firm ancient law, man himself was to decide henceforth with his free heart what is good and what is evil, having only for guidance Thy image before him. But did not it occur to Thee that he would, finally, reject and contest Thy image even and Thy truth, if he was to be weighed down by such a dreadful burden as freedom of choice? They will cry out, at last, that the Truth is not in Thee, for it was impossible to leave them in greater perplexity and torment than Thou hast done, by having set them so many anxieties and insoluble problems. So that Thou Thyself has laid the founda-

tion for the destruction of Thy own kingdom, and Thou must not blame anyone else for it. Nor is that all that was offered Thee. There are three powers, the only three powers on earth, capable of subduing and captivating for ever the conscience of these impotent rebels, for their own happiness—and these powers are: miracle, mystery, and authority. Thou hast rejected all—the first and the second and the third, and Thou Thyself hast set the example.

(To be continued.)

Views and Reviews.

AS WOMAN SEES US.

Man is an inseparable trinity of soul, mind, and body. Alas, how sadly is the harmony broken in everyday life! Not one person in a million can be found with an equal reverence for and discipline amongst his three selves. And if he were for and discipline amongst his three selves. And if he were found, he would be treated as a faddist and a crank. At first sight, indeed, the only path towards a large and special achievement seems to be to stimulate one at the expense of the others. Society becomes divided into athletes, ascetics, and intellectuals; all of them, because of their specialisation, and morbid and unhealthy in the majority of their being. It requires courage, and humility, to rein in our impetuosity, and to prevent our weaker member or members from being sacrificed to the stronger, in order that some spectacular feat of egoism may result. But the more common danger is that of effecting a weak compromise between soul, mind, and body, whereby all three surrender to each other, and live in a condition of inactivity and covert rebellion. That is the condition of most middle-aged people; a sort of brave tearfulness, a harping on "what might have been" if their lives had not been so impetuous, or so calculating, or so sluggish, according to the tendency of the predominating partner in their three-person being.

I saw recently an article in the *Spectator* on men's dress. It was signed by "A Woman." As I read it I was struck by its extraordinary freshness, courage, and originality. It advocated the most revolutionary changes in our garments. It pictured a young Conservative member entering the House "in a raspberry marocain Russian blouse, tight-fitting military breeches of duller red face-cloth, and black suede Hessian boots"; and a young dramatist attending a first night "in a three-quarter length fur coat and round fur cap, over bottle-green evening clothes, with a café-au-lait cambric pleated shirt and folded cravat."

That may make the drab city-haunting man smile, as he would at some fantastic suggestion of the Russian Ballet. But this merciless woman went on to speak of men's *bodices*! She made man see himself as a physical degenerate in comparison with free-limbed, airily-clad woman. She derided his spindly legs, his bald head or lustreless hair, his ridiculous neck and drooping shoulders. She poked fun at his ridiculous undergarments, the exposure of which would humiliate any one of the *dramatis personae* of the *Iliad*—"his kidney-exposing waistcoats, his braces, his thick underwear."

Man cannot here smile in his superior way; for this is a serious and irrefutable criticism of him as the being made in God's image. One can imagine woman thinking that, if man continues in this physical degradation, her future metier will be that of a sick nurse; and that from her right as a lover and a mother she will turn with loathing and contempt to cast about in her mind for some parthenogenetic means of re-establishing the dignity of the human race.

Food and clothing are as great a necessity as prayer. We should treat them with as much seriousness and forethought; by their proper use disciplining the body and urging it to its noblest, healthiest, and most varied life, so that by its flexibility, its sensitiveness, its power of endurance, and its nervous speed, it may be a stimulant and not a drug for the rest of our being. It should be the substance of the mind, as God is the substance of Christ. Why then? Is this matter of clothing the body to be taken frivolously; is it to be deprived of all significance by being conventionalised? This is to defeat the purpose of the human body; which is the specialisation, the centring of the whole universe in its full stantial individuality. It will bereave the soul of its full adventure, and the mind of its full organisation, in the material world. Here is a study in symbolism about which Mr. Chesterton should exercise himself—if he has not already done so. I can imagine him enlarging on the meaning of the poet's "swinging robes," on the significance of Wagner's uniform; and on the psychological importance of badge and

craving for silken garments as an aid to composition. That is part of the æsthetic ritual of clothes.

* * *

But the body is the expression of man through his senses, and it should revel in that sensibility, utilising every means in its power to heighten its susceptibilities and to increase the subtlety of its gesture. Clothes should be an instrument to that end. They should help man to externalise his passion for variation; they should express the urgent and God-given power of vanity. At present vanity is a poison rankling in the mind and soul, breeding intellectual and moral conceit. Let man, like woman, rather vent it upon his back. It may seem hyperbolic to suggest that "a little fop shall lead them," but there is some truth in the idea; he is most usually the humblest of men.

RICHARD CHURCH.

The Church Financial.

By "Old and Crusted."

And all his gains, it did appear,
Were only thirty pounds a year,
Besides, th' augmenting taxes press
To aid expense and add distress:
Mutton and beef and bread and beer,
And everything was grown so dear;

How hard his lot! how blind his fate!
What shall he do to mend his state?
Thus did poor Syntax ruminate.

(Tour of Dr. Syntax in Search of the Picturesque.)

The present prospects of the Church weigh heavily on my soul. Oh! that the words of a statesman-like philosophy could win their way through the ignorant zealotry and sordid vulgarity of the leaders of the day!

Political economy, at the highest, can never be a pure science . . . an abstract conclusion in a matter of political economy, the premisses of which neither exist now, nor ever will exist within the range of the wildest imagination, is not a truth, but a chimera—a practical falsehood. For there are no theorems in political economy—but problems only. Certain things being actually so and so; the question is, how to do so and so with them.

(Table Talk of S. T. Coleridge.)

The painful separation is at an end. Once more yesterday's *Morning Post* graces to-day's breakfast table, and *The Times* is relegated to its legitimate place in the lounge, where it lends an air of dignity and repose to a somewhat casual household. There is just the difference between the old "Troglodyte" and our "National Institution" that there is between pepper, freshly ground and fragrant from a little wooden mill, and the insipid dust shaken from an antiquated castor—the one that is usually empty, or has a loose top which falls off on application, and is a constant source of irritation to the master of the house. Now the day of our happy reunion was, of all days, a Thursday, when the only Dean is as welcome as ground pepper at the first meal of the day—and he has been in good form of late. To begin with, he has been holding forth at some length on the dearth of curates, a subject on which a dean should be heard with respect, for he was one himself once. The root of the trouble is, that although there is a large potential demand for deacons and priests—we could do with two in this parish, where the vicar is struggling with the work of three men on the stipend of half a one—the market price of a curate is deplorably low; in fact, he is generally quoted at something less than a tram conductor. Of course, the dean is aware of the monetary difficulty responsible for this slump in Levites, but he has not the remotest idea of the cure, and some of his suggested remedies verge on the grotesque. Recognising the impossibility of providing the vicar with efficient professional assistance in the present state of parochial finances, he falls back on the clerical-minded laity, and suggests—what think ye?—that retired colonels should be roped in as lay preachers! What would I not give to hear my late C.O.—a most suitable subject, for did he not belong to that gallant regiment the Peace-Makers?—hold forth in my parish church! Fill it? Why, there would not be standing room on the second Sunday. He has a flow of language, a richness of invective, and a fund of anecdote that would have left the late beloved Father Dolling—God rest him—standing at the post! But why stop at the colonel? Why not give the sergeant-major

a chance? Those who worked their way through the ranks to a commission during the late gentle bickering, and had their shortcomings minutely analysed by that great man on the barrack square, would willingly renew acquaintance with him in the pulpit.

Another snag is the cost of production. A high-grade curate cannot be turned out at a low figure by mass production, neither will pathetic appeals to work harder, pull together, and accept lower wages solve the problem. The on-costs of a first-class education cannot be recovered in the current price a penurious public is prepared to pay for a high-grade Oxbridge divine. The nearest approach is the celibate seminary article turned out by Theological Colleges, Ltd., but the dean will have none of this. He, with good reason, believes in a married priesthood and—he does not see where the money is to come from. Well, let us inform him that there is such a thing as a cultural heritage and a reserve of national credit out of which college authorities could be reimbursed for supplying a highly finished article under cost. The financial committee of the Church Council could also have their minds set at rest regarding the stipend of the new curate. Detailed information will be supplied on application.

* * *

Next week the very rev. journalist dealt with "Revolutions." Now I can hear someone ask, What on earth have curates to do with revolutions? Well, more than meets the eye, as so often happens.

According to Dr. Inge there never was but one revolution—the Industrial revolution—

"which began in England soon after the accession of George III. and profoundly modified the whole structure of society."

So it did, and the end is not yet. This revolution created those hideous black towns with their congested masses of stunted bodies, whose spiritual welfare caused grave anxiety to the chief pastors of the Church. Unfortunately, they did not receive tithes of the newly created wealth, so, in spite of much liberal support from individuals, these provision of priests to comfort and teach inforn slaves of the loom and mine was always inadequate. To-day the situation is aggravated by the increased cost of living and the very obvious fact that the great profits accumulated since 1914 are mainly in the hands of a new class, to whom the crying needs of the Church do not appeal. Hence the significance of the second "real revolution" that is even now knocking at the door and promises such great things to all who are suffering in mind, body, or estate.

When the learned dean and his brother dignitaries have grasped all that is implied in those pregnant words of Douglas,

"Money is nothing but an effective demand,"

and,
"The proper function of a money system is to control and direct the production and distribution of goods and SERVICES"

for which reason,
"so far from money, or its equivalent, being a minor feature of modern economics, it is the very keystone of the structure,"

they will, perchance, lend their powerful aid to forward that peaceful revolution in our financial system which will bring to all men in ample measure, not only the bread which sustains life, but the spiritual food for lack of which their souls perish

REBELLION.

My neighbours are good people.
They are charitable, industrious, reliable.
Their children are well-mannered.
My neighbours are indeed a model family;
Generous, seven-day-a-week Christians,
Practising what they preach.

But I hate them.
The sight of them in their convenient garden
Fills me with primæval blood lust,
So that I long to run my lawn mower over their faces,
To poison their little dog,
To do disastrous things to their daughters,
And to ruin their son's career.
They have a piano.

RICHARD CHURCH.

A Return to Reality.

Depression prevails in the temples of the Muses. Even the most genuine artists are sick of themselves—perhaps we should say, the most genuine artists especially. The works they compose seem to be sick of themselves; they have no greatness of soul in their bearing, no self-confidence. Indeed, the very fountain of art is boredom. At times there seems to be energy; but, no! boredom itself has produced that show of energy. The many enthusiasts for modern art would sharply deny that this is true; the few productive artists might possibly deny it. Nevertheless, the noise in the air is the noise of yawning.

We can observe in our time a strong sense of dependence on the past; and the most settled public taste unmistakably turns away from the present. The more remote the culture, the more we admire it. Instinctive self-distrust pervades most modern craftsmanship, though it takes strange disguise. Most clearly of all we can see this in our musical life.

Our addiction in musical taste to the classical forms of the eighteenth century, and to the lesser structural perfections of the nineteenth, is instructive and genuine enough. The balance of Will and Idea in those periods seems so spontaneous to us. We feel a need of that balance. A programme sustained entirely by contemporary compositions could hardly be endured, and obviously there is no demand to hear such programmes. To a sane mind it is perfectly evident that in modern music there is a disconnection between Rhythm and Melody. There are few men whose personal will is strong enough to control rhythm and give a satisfying form to their work. In consequence the general public relies on the individual genius of such great personalities as Beethoven and Bach, in whom the human will, mastered in form, is yet understood and has gained full expression of itself.

In great art we are not conscious of the negative aspect of human labour; we do not feel the conflict of experiences, the tentative, painful growth of thought and its instrument of expression. These are implied, summed up, and reconciled in one magnificent affirmation, which endures through time as the Masterpiece. In the music of to-day we are jarred into consciousness of all that the form contains of inner agony in the movement of its forces towards manifestation.

Every creative artist knows this commonplace in bitterness. To-day, however, the crisis is unprecedented. There is no lack of restlessness and desire for creation, but its achievement is mainly self-critical, and hence destructive.

The interpenetration of art and the other forms of social life in human consciousness has sapped the Muse of the power to detach herself, and in the sanctity of her own peace to build a significant and stable organism for the song of the Age.

In older times patient education in the accepted tradition led the genius of the individual instinctively to its own natural expression without much outward social experience. Now, in the conflict of personal criticism, the artist learns by necessity, and with what humility he may, his place and value in the social whole. His very inspiration becomes diffuse in the glare of his terribly acute scientific consciousness. He becomes a focussing point for contending forces, and, in the recoil from his own formlessness, takes refuge in an exhibition of technical ingenuity. The most portentous artists to-day are the most insatiably experimental. And their fate is a hard one. They suffer withering exposure to the standards of judgment of a public acutely aware of its own and other people's deficiencies. Is it to be wondered at that collective creative integrity is lacking? In the multiplicity of fortuitous opinion the only ultimate appeal is to a bygone Absolute.

In the sphere of music an immediate remedy is obvious. The insistent voice behind the disordered rhythms cannot now be ignored. It must be faced. If our composers much longer are to be barred from our offended ears, the apparent inability of the twentieth century to produce recognisable Art will be confessed. We should subject ourselves to a rigid self-examination by reviewing the entire content of modern music. Not only the familiar, but all contemporary composition should be strictly heard despite our trembling hearts. It should be studied not with immaculate and detached superiority, but in anxiety and with prepared courage; not studied only, but experienced as a living, inevitable reality.

And it would need much resolution to live so determinedly in the life of the present. Imagine a Schönberg week, or a Crystal Palace Honegger festival! Musical criticism would begin to have a significance in current life equal to that of the Faculty of Medicine.

Music was first an expression of rejoicing; it then had the exalted wisdom of the human soul in collective expression. And great emotion can only be realised in the depths of human self-conscious experience.

R. E. GREEN.

Reviews.

Hermetica. Edited, with an English translation, by Walter Scott. (Clarendon Press. 2 vols. 30s. net.)

The writings in Greek and Latin attributed to Hermes Trismegistus are the chief monuments of Egyptian religious philosophy. It is best to be silent in the presence of such grandeur. But did they put the fear of God into the late Mr. Walter Scott? Not a bit. His conception of editing these abstruse and profound texts was to alter everything he couldn't understand. He shuffled the sections about most ingeniously in order that they should never mean anything unusual. He changed, left out, or interpolated words at his own sweet will. Of course, being a good, modernistic editor, he put brackets and double brackets and square brackets and heaven knows what to witness to his handiwork; but it would be a labour of Hercules to dig out the original text from beneath his own cheap neo-platonism. It would have been different—the question would then have been moral—if Mr. Walter Scott had been a religious genius. But Mr. Walter Scott was stupid. No German professor was ever half so inane; not even the professor who discovered the truth about the dedication of Shakespeare's sonnets: "To Mr. W. H., i.e., to Mr. William Himself." There is no need to search for examples; the very first sentence of the very first book in the Corpus will show the method. A translation of the original text would begin: "Once, when I had come to consider the things which are, and my thought was lifted very high, and my bodily senses were held in restraint, just as when men are weighed down by fullness of food or weariness of body. . . . Thus in sleep by fullness of food or weariness of body. . . . We are introduced to an apocalypse "in the spirit." The mind is so concentrated that it cannot be muddled or perplexed by the senses. But poor, naïve Mr. Walter Scott! He was bothered by our author's comparison of himself and a glutton or farm-hand. So he composed a text which translates: "Once when I had come to consider the things which are, and my thought was lifted very high, and sleep held my bodily senses in restraint, but not at all like men who are weighed down by fullness of food or weariness of body. . . ." You see; Mr. Scott's Hermes could stick to a philosophical chain of reasoning in dream-land, a remarkable capacity. "Once, when I was thinking hard about the theory of economics and was incidentally asleep. . . ." No, no! Went to sleep, perhaps. But the edition is valuable for one thing; in the voluminous notes many passages are quoted from other ancient philosophies and religions; some of them are illuminating and they would otherwise be hard to come at.

An Anthology of Sleep. By Catherine Alison Phillips. (Guy Chapman. 6s. net.)

This is mainly pre-Freudian sleep, a pleasant, innocent kind of experience. On the other hand, there is a simile from William Browne that might have come from a case-history:—

Much like a man who dreaming in his sleep
That he is falling down some mountain steep
Into a soundless lake, about whose brim
A thousand crocodiles do wait for him,
And hangs but by one bough, and should that break
His life goes with it yet to cry or speak,
Though fain he would, can move nor voice, nor tongue.

How well we know that fall! How well we know those crocodiles, monsters that we are! Cannot some psychoanalyst rewrite the lyrics of sleep? Something in this manner:—

Awake, awake, the morn will never rise
If she should guess your wicked phantasies.

Or Blake might be made to declare:—

Wretched Babe, in thy face
Foul desires I can trace.
Secret sins and secret smiles,
And low, precocious infant wiles.

The poets included here idealise slumber. Morpheus is a benevolent god, and even though he is the brother of Death, he is jocular and more amiable than his brother. Mrs. Phillips has drawn very widely from English and classical literature and compiled an excellent anthology.

Roget's Thesaurus of English Words and Phrases. (Longmans. 7s. 6d. net.)

A thesaurus can be a dubious blessing if it is used to evade the labour of thinking. Browning, we are told, was not above using a rhyming dictionary; and modern poets have been heard to defend the practice. Still, there seems to be something shabby in it, and other modern poets have been heard to assert that it actually interrupts composition and makes it harder to rhyme with fitness. It is something the same with the famous Roget. If he is used as a dictionary of synonyms, he becomes, as it were, a drug of addiction. The necessity for clear, personal thinking is abolished; selection becomes automatic, and an unfortunate habit of slipshodness is formed. It is only in despair that the book should be consulted during composition—only if you are in a hurry, and the right word is on the tip of your tongue, but you can't bring it into consciousness. A better plan is to read the book straightforwardly, with no immediate purpose but the increase of your vocabulary. Better still, it may be read as an occasion for making distinctions, seeing shades of difference in words that seem almost the same. And it would be best of all to read it with the intention of grasping the categories of logical process that are implicit in our speech. The new edition is revised and enlarged by the addition of 2,000 words, most of them having "only recently become part of the language, as the result of progress in the various arts of peace and the unfortunate necessities of war."

Hits and Misses. By Philip T. Kenway. (Arthur Brenton. 3s. 6d. net.)

Mr. Kenway's rhymes are familiar to readers of *THE NEW AGE*. Most of these were written since the war and have been inspired by the credit proposals of Major Douglas, and his enthusiasm as a propagandist sometimes clouds self-criticism. There is a distinct improvement in his verse, but "Temper" and "The Cave Man, 1922," are the best things in this volume. The opening verses of "An Architect" are the most amusing:—

Penty was brought, he gazed distraught,
Silent awhile apart.
Then said: "It's sure there is no cure,
Save in a Change of Heart."

Mr. Penty, however, asserted that repairing a house and setting the economic system right were two quite different problems.

Select Dialogues of Lucian. Translated by Francis Hickes, 1634. (Guy Chapman. 3s. 6d. net.)

Lucian was the type and glorification of undergraduate wit. His sceptical and ingenious mind would allow no pomposity to pass undetected, and he had a charmingly deft way of pricking bubbles. And if he left himself with no seriousness, if, though he could laugh admirably at human failings, he had never seriously analysed himself, still it is good to have one such figure in literature. We may say for him that he renders Anatole France unnecessary, and after we have read Lucian even Voltaire does not seem so indispensable. Francis Hickes translated the dialogues when the quick, sensual, and varied language of the Elizabethans was still alive; a little shadowed, a little stiffened, but capable of good and surprising uses.

LETTER TO THE EDITOR.

"WAGNER'S MUSIC DRAMA OF THE RING."
Dear Sir,—With reference to the above book, recently reviewed in your columns, I should be extremely grateful if you would allow me to correct an unintentional error in courtesy and recognition.

The quotations from Wagner's essay "Die Wibelungen," appearing in Chapter 2, are, of course, from William Ashton Ellis's translation of Wagner's prose works, published by Messrs. Kegan Paul, Trench, Trubner and Co. The copyright of the prose works and all other published literary works of the late Mr. Ellis is vested in Mr. T. Francis Howell, by whose kind permission the above-mentioned quotations are reproduced. I now desire to make acknowledgment of this permission, and to express regret for its inadvertently not having been made in my book.

Anticipating your courtesy in giving publicity to this statement.
L. ARCHER LEROY.

SUBSCRIPTION RATES.

The Subscription Rates for "The New Age," to any address in Great Britain or Abroad, are 30s. for 12 months; 15s. for 6 months; 7s. 6d. for 3 months.

The Social Credit Movement

Hon. Secretary, W. A. Willox, 70, High Holborn, London, W.C.1.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

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 mentioned below.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the population by the absorption at home of the present unsaleable output, and would, therefore, eliminate the dangerous struggle for foreign markets. Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

Attention is directed particularly to the following amongst the considerable literature on the subject:—

- "Through Consumption to Prosperity," by Arthur Brenton, 2d.
- "The Community's Credit," by C. Marshall Hattersley, 5s.
- "Social Credit," by C. H. Douglas, 7s. 6d.
- "Real Wealth and Financial Poverty," by Capt. W. Adams, 7s. 6d.
- "Cartesian Economics," by Professor F. Soddy, 6d.
- "The Flaw in the Price System," by P. W. Martin, 4s. 6d.
- "The Deadlock in Finance," by A. E. Powell, 5s.
- "Economic Democracy," by C. H. Douglas, 6s.
- "Credit Power and Democracy," by C. H. Douglas, 7s. 6d.
- "These Present Discontents: The Labour Party and Social Credit," by C. H. Douglas, 1s.
- "The Solution of Unemployment," by W. H. Wakinshaw, 10s.

A preliminary set of five pamphlets, together with a complete catalogue of the literature, will be sent post free for 6d. on application to the Credit Research Library, 70, High Holborn, W.C.1, from whom the above-mentioned books may be obtained.

The undermentioned are willing to correspond with persons interested:—

- Bournemouth: W. V. Cornish, 77, Maxwell Road.
- Dublin: T. Kennedy, 43, Dawson Street.
- London: H. Cousens, 1 Holly Hill, Hampstead, N.W.3; Major C. H. Douglas, 8, Fig Tree Court, Temple, E.C.4; E. A. Dowson, 23, Effra Road, S.W.2; D. Wemyss Lewis, 176, Camden Road, N.W.1; E. Wright, 38, Bromar Road, S.E.5.
- Manchester: F. Gardner, 24, Mansfield Avenue, near Blackley.
- Middlesbrough: Mrs. E. M. Dunn, Linden Grove, Linthorpe.
- Newcastle-on-Tyne: W. H. Wakinshaw, 12, Lovaine Crescent.
- Rotherham: R. J. Dalkin, Wickersley.