

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

The Liverpool Area Committee of the unified Civil Service defence organisation, whose inauguration we referred to some weeks ago in connection with the Demonstration at the Albert Hall, passed the following Resolution last week:—

"That this committee considers a vigorous offensive the best form of defence, and suggests the following for the consideration of the National Defence Committee:—

"There can be no question but that the industrial system working at full capacity is capable of producing an abundance, and that the general public (including Civil Servants) badly needs this abundance. This ability to produce, on the one hand, and the desire to consume, on the other, are apparently defeated by the inadequate purchasing power (money) in the hands of consumers (the general public).

"As the issue and recall of this purchasing power (money) are in the hands of the Treasury and the banking system, we demand a public enquiry into the methods pursued by these bodies which produce such unsatisfactory results."

Copies have been sent to the National Whitley Council (Staff Side), and to all other Defence Committees, together with a covering letter containing evidence in support. This is an admirable lead, and we need not emphasise the importance of its being followed by the other committees referred to. Our readers will act upon it if they are in the Civil Service, or, if not, bring it to the notice of Civil Servants with whom they are acquainted, so that no accident or oversight shall delay or prevent its being officially brought before all the area committees to which it has been addressed. Not only that, but this form of resolution should be pressed upon every other trade organisation whose members' wages or salaries are threatened. It astutely formulates the need of wage-earners as a need for *goods* and then makes the incontrovertible assertion that industry possesses all the means of manufacturing the goods, goods sufficient in quantity, not only for the one section, but for every other section of the public as well. By a fine stroke of strategy, it justifies a particular demand on grounds conducive to the general interest. Then it turns to the question of money; and, far from trying to gloss over the fact that the public cannot afford to

finance these wage claims, it actually singles out that fact as a basis for a public enquiry. The resolution says in effect to the public: "*We wage-earners want to better our own standard of living. We agree with you that this must not be at your expense. On the contrary, what we demand for ourselves we demand for you. There is a means whereby we believe that we can jointly get it. Will you support us in demanding a public discussion of those means?*" What reasonable objection can there be to this statesmanlike attitude? Neither from within the organisation nor from without can there be a single word of criticism which would not stigmatise the critic as a crank or a criminal. Contrast this with the sorry spectacle of the National Union of Railwaymen in full flight from the field of battle, because of Mr. Thomas's illusion that since the whole front of the army of consumers (the "general interest") is longer than the railwaymen's section of it (a trade union interest) his duty is to withdraw his men and leave a gap in the line. If he had only waited a second he might have seen the financiers' troops massing to plunge through the gap and take the consumers in the rear. Thank God for the present discovery of boy commanders of the new trade unionism who can teach their garrulous grandfathers the use of field glasses.

Next month the Council and Assembly of the League of Nations will meet at Geneva to ratify the admission of Germany to a permanent seat on the Council. At present the number of permanent seats is four, held by Great Britain, France, Italy, and Japan. There are in addition six temporary seats, held by Belgium, Spain, Sweden, Czecho-Slovakia, Brazil, and Uruguay. These ten form the Council, each having an equal right of vote on any matter that arises. Lastly, there are two empty permanent seats, reserved hypothetically for the United States and Russia if and when they apply for membership. France, as the *Daily Mail's* correspondent points out, fears that the inclusion of Germany will make the constitution of the League Council less favourable to her; and we ourselves have given reasons recently why it is none too favourable now. She, therefore, advocates the admission of Spain and

Poland. Germany maintains that her application for membership was made on the condition that she should have a permanent seat without a further enlargement of the Council being made at the same time. It takes no long reflection to see that the existence of a League of Nations has altered nothing. It merely provides a convenient *rendezvous* where the Old Diplomacy may carry on its intrigues. For instance, the *Daily Mail* correspondent just mentioned talks, and quite accurately, about France's desire for a more obvious "balance of power" on the Council. The *Spectator*, opposing the idea of admitting any other country than Germany, declares that "an overwhelming reason for keeping the Council small is that in most matters its decision has to be unanimous." This, it will be observed, is also an overwhelming argument for—Signor Mussolini. It does not occur to the *Spectator* to discuss why unanimity was given supreme value in the Council's judgments. The idea might be defensible if the judges were disinterested experts (although even then we allow judgments by a majority in our own highest Court), but these judges are interested petitioners as well. To demand unanimity among them is therefore to demand that their interests do not conflict. But in that case there is no necessity for a court at all, for there will be no litigation. The explanation of the anomaly is that the Council does not exist to compose quarrels but to impose policy. With the exception of France—whose exclusion from the Council when it was formed would have been too dangerous, from every point of view, to be attempted—the occupants of the permanent seats are gold-standard, budget-balancing, thrift-preaching, tax-levying, debt-honouring nations. When we say nations, we mean, of course, certain gentlemen who have been selected over the heads of their respective peoples by secret councils composed of credit-monopolists and their inner satellites. The name given to these gentlemen is "representatives." A very good name. But there is a better—"delegates"; financial delegates. Listen to *The Banker* in its February number: "As regards Germany and Austria; these countries are under a moral guardianship which makes adventurous finance on their part exceedingly unattractive. . . ." If for "adventurous" you substitute "black-leg" you will appreciate why Germany is going to get her Trade Union ticket. Henceforth she will be put on picket duty whenever the International Union of Financiers withdraws its "labour"—we mean its foreign balances—from any national "open shop" such as France is at the present moment.

A flood of light is cast by another remark in *The Banker*, on the impossible nature of the task set the League. "Since prices," it says "under a world-wide gold standard, must tend to be the same all over the area . . ." We said the other day that the League's task was to *ration* the nations. The gold-standard is here seen to be the instrument. It allots shares of trade through price. But in so far as it succeeds in bringing national price-levels into equilibrium it will nullify every single nation's effort to improve its export trade. British manufacturers are told day by day that they must develop their plant and work economically in order to cut the world price and so enter foreign markets? How can they achieve this if a world-wide principle is working towards the elimination of price differentiations as between countries? Must not the effect be to compel the industrialists to renounce their hopes of exporting and shut down their factories? If so, the unemployment problem will grow to unheard of dimensions, and force statesmen to choose between suppressing grave civil commotions and resorting to the old familiar diversion, war. In a one-price-level world there can be no "favourable balance of trade" for anyone. In the long run, even the gold-standard policy itself

will compel nations to seek financial solvency in their home markets. They can only find it under a Social Credit financial system.

The *Spectator* announces an impending change in its make-up. Next week it will have a cover—not a coloured one, but a cover of the ordinary paper bearing the name of the *Spectator* and an advertisement. One of the advantages of this cover is that it will protect the "first page of the editorial text" and keep it clean and smooth. It will varnish that journal's views. But this is not the reason for the change. That is a question of advertisements and finance. We gather from the announcement that a "great many readers have written . . . protesting against interleaved advertisements." Before the war it was the *Spectator's* practice to relegate them to the back pages, and we think the more of its readers for resenting the spectacle of advertisers intervening on points of "orders" from the Treasury benches of the Press forum. But what can you do? If it were not for these interlopers there would be no debates at all. No advertising, no *Spectator*.

"In the old days there would have been a profit on every copy of the *Spectator* apart from the advertisement revenue; but circumstances have greatly changed. The cost of producing the *Spectator* is now more than three times what it used to be, yet the price of the *Spectator* is still 6d."

So fastidious readers must face the fact that they are feeding out of the hand of the advertiser and must put up with his inconvenient desire to "face matter." It is, no doubt, irritating, in the course of following your editor's firm stand for a public principle, to slip up on somebody or other's pink pills; but the philosophic reader will reflect that if Dr. Williams were inhibited from preaching the purging of bodies, the aforesaid editor would not be able to preach the purging of politics. The *Spectator* has no option but to compromise in the manner it sets out. And, having to compromise, it is natural for it to address its readers on the "philosophy, the uses, and the methods of advertising." We select one passage for comment:—

"In America the psychology of advertising has been so far elaborated that it is accepted as worth while for advertisers to set out a general truth or principle without connecting that principle, for the time being, at all events, with any particular article. Thus they create in the public what may be called a favourable state of mind, one which is more capable later of receiving particular impressions."

Admirably put. Let us examine and apply this truth. Suppose Dr. Williams, instead of saying to a newspaper proprietor, "Here is £100; let me tell you: pale-faced readers I have some pink pills for them: and put my tale alongside your own so that they can't miss seeing it," were to say instead: "Here is £200: for this I want you to publish an article in which I have commissioned from a criminologist in which he puts forward the theory that people who lead double lives have always been remarkable for their pallor." If the deal came off it would be typical of the methods of High Finance—with one exception, that the Financier does not always have to pay too many writers willing to advertise his "truths and principles" under the illusion that what they write proceeds from their own disinterested consciousness. Reflect on those that have been continuously advertised even in the leading columns of the world's most celebrated newspapers during the last few years. Abstinence, thrift, saving, economy, low wages, low profits, high reserves, stabilisation, high taxation, the sanctity of debt, disarmament, Dawes, Locarno, the League of Nations, and so on—all these dinned into the people's moral consciousness as principles "not connected with any particular article." Yet they are all of them props for the

system of credit-accountancy which the money monopolists desire to impose on the world. It is a bold generalisation but not an unfair one to affirm that there is more advertising in the "matter" than in the advertisement that "faces matter." We can hear in our imagination one of the *Spectator's* purists unburdening himself to a friend—

"Yes, sir. I had just got to the middle of a most absorbing article on the advantage of transferring our currency to the control of the Bank of England, and when I turn the page what do I find but some blatant fellow shouting at me that I ought to take his damned pills. It's a positive scandal."

It is. But the scandal lies in the methods by which a "favourable state of mind" was created in this critic—or, as we prefer to term it, a hypnosis—under which he is unable to see that Dr. Leaf and Dr. Williams are blood-brothers.

Mr. Snowden affords an illustration of such methods. In *The Banker* he contributes an adulatory article on Mr. Montagu Norman, in which he says:—

"I never hear uninformed remarks about the callousness of international finance, but I think of the injustice done through ignorance to a man of the high and unselfish motives of the Governor of the Bank."

We might add for ourselves that we never hear remarks about the brutality of war, but we think of the injustice done to the high and unselfish motives of the Commanders of the King's Forces. There is one appropriate reply to Mr. Snowden's sob-stuff—a reply manufactured by the common people—"Come orf it!" It may be that Mr. Norman's "sympathy with suffering nations is as tender as that of a woman for her child." We can easily believe it, though not perhaps in the terms of soapy hyperbolism into which Mr. Snowden dissolves. Let us say that Mr. Norman is a man of integrity, and have done with it. Then we can make an equally short comment, and say, "Show us a bad system, and we will show you a good man at the top of it."

While the House was dawdling over the discussion of allotments in Scotland, the other night, it was startled by a cry from the Gallery. An elector had got in somehow. "Mr. Speaker," he said, "I am an unemployed man. What are you going to do for me?" He got his answer. He was hustled out in two jiffs and detained downstairs for enquiries. A madman. "What are you going to do for me?" "Now if he had said 'What have you got to say to me?' that would have been the demand of a sane, if unreasonable man; for a Speaker can speak: *C'est son métier*. Then again, 'for me.' Who but a lunatic would demand attention to his personal necessities in a modern democratic State. The selfishness of it, too, when so many nations are suffering. Still, when a man is sacrificed by the State he may easily forget his duty to the State. So we hope he will be dealt with leniently. The Court missionary might give him a card with a form of prayer thereon: "O Lord, forgive my idleness, and make me a good man like Mr. Norman." Then perhaps the Speaker need not close the Gallery.

There was until quite recently one opportunity left to electors to have some fun with their votes as a consolation for having lost all use for them. That was when a member of Parliament received what may be termed a High Call to Office. He had to run the gauntlet of his constituency, and every citizen with a grouch against him could take a good kick at him as he galloped by. This harmless and edifying sport has been suddenly stopped by a Bill slipped through the House (with no notice, as usual) last week. The

reason given is curious: it is as follows. If a Minister is thought to be especially qualified for a certain Office, it is against the public interest for him to risk losing his seat as a condition of accepting it. If all seats were "safe" ones, the need for the Bill would not have arisen; but there are other seats. We can only suppose that psycho-analysis has enabled the Invisible Government to read the mind of God on ministerial selections, and enabled it to dispense with the directions of the *Vox Populi*, which has hitherto been considered to be the Voice of God. We note with relief that the Invisibles still uphold the principle that this *Vox* is indicative of God's will in the case of safe seats: it is only because of constituencies where there is a small majority, where God has given a hesitant cough in regard to the gentleman-about-to-be-honoured, that Dr. Freud has to be called in.

Count Bethlen, the Prime Minister of Hungary, contributes an article to the current issue of *The Banker*, in which he repudiates charges that his Government have been guilty of complicity in the Hungarian forgeries.

"It has been insinuated in certain quarters that the Hungarian Government showed some reluctance in accepting the collaboration of the French police. This is untrue. They followed the procedure which is regulated by the criminal code of Hungary and of almost every country. It is established by Hungarian law that Foreign Governments may, in certain circumstances, be permitted to take part in police investigations, and my Government promptly availed themselves of this provision."

He describes the Hungarian Code of Criminal Procedure, under which the Hungarian police have to submit evidence of the State Attorney. When this official's decision has been given it "cannot be upset by the interference of foreign officials or private persons." But, he continues:—

"The evidence in this particular charge was in process of examination by the State Attorney, when the representatives of the Banque de France demanded the right to conduct their own investigations. In order to comply with this request the matter was referred back to the police."

Hungary is a small nation, but it is like its stronger neighbours in being dependent on the goodwill of banking interests in general for its economic integrity. It will therefore be obvious that whatever other circumstances may confer the right of inter-police collaboration under the criminal codes of European nations, the occurrence of forgery must certainly do so. Forgeries on a small scale involving the currency of the country where they take place can be left to the attention of the central bank, Government, and police of that country. But in a case where a forgery on a large scale involves the currency of another country it would be unsafe for the injured party to rely upon such measures of investigation, especially where highly placed personages were connected with it. The French Bank's representatives, by making their demand were saying in effect that they could not trust to Hungarian efforts. Their nervousness is natural, for they are running a system which is likely to topple down whenever popular faith in the authenticity of paper money is seriously impaired. Also, more important still, the financiers' control of the system is safe only so long as they can keep the public under the illusion that they are nothing more than custodians of the people's savings. In this connection it is not so much the act of forgery that is disliked, as the unavoidable publicity attending upon the punishment of its perpetrators. See how embarrassing it is for bankers who are busily disseminating the above idea suddenly to have to prosecute people for issuing unsaved money. They are in the precarious position of depending for their power on the monopoly of an instrument which almost anybody can duplicate with little difficulty or expense,

let alone national Governments. Any experimenting with credit-creation, of whatever sort, and for whatever purpose, is a threat to the international banking system. Hence, international measures to stop it. The police and physical imprisonment for private individuals; and the exchange brokers and financial blockade for Governments.

NOTICE.

"The Veil of Finance."

The articles we published under this title are now available in pamphlet form, and can be obtained from the Credit Research Library at 70 High Holborn, W.C.1.

The pamphlet runs to 64 pages and will be sold in two bindings—one, paper covers, for 6d.; and the other, stiff covers, for 1s. Postage 1d. in both cases.

The issue of a sixpenny publication of this size removes the long-standing reproach that Social Credit literature is expensive. This price will barely cover costs on the first edition, and COPIES WILL NOT BE OBTAINABLE THROUGH THE TRADE—or, if they are, the trade will have to pay the full 6d. and charge what profit they wish to their customers. Anyone who takes the trouble to send direct for copies can get them for 7d. each, post free. Others must be content to pay a premium to their booksellers. By this means the cheap issue will be reserved as a private edition for the benefit of readers of "The New Age" and those with whom they come into contact during their propagandist activities. It will not be advertised outside this journal, so its existence will not be known except through our readers.

The stiff-covered edition at 1s. will be the one advertised to the public at large, and will be sold to the trade at the usual discount.

The above policy may be modified later on; but for the present it will be strictly followed.

Those of our readers who are regular buyers of literature from the Library are invited to take convenient stocks of the cheap edition on sale or return, and to account and pay for those sold at intervals of a month. The advisability of their doing this in the above special circumstances will be obvious.

The New Age Dinner and Mr. Mitrinovic's Lecture.

SOME IMPRESSIONS.

By general consent this year's dinner was by far the most inspiring yet held. There were 102 present, eighteen fewer than last year. Taking into consideration the fact that the price of tickets was 50 per cent. more than on the previous occasion the significance of an attendance like this needs no emphasis. In the company were most of the contributors to THE NEW AGE—Mr. P. T. Kenway, Mr. Brenton, Major Douglas, Mr. D. Mitrinovic, "Old and Crusted," Mr. Philippe Mairet, Mr. Alan Porter, "Richard Montgomery," and Mr. W. T. Symons being present. Mr. Kenway made, as he always does, a perfect ruler of the feast. He is like the cricket captain who, though able to bowl a good ball, knows when to put himself on and when not. In fact, many of us thought that he might have permitted himself a little more liberty in the matter of the length of his own remarks. It is a rare example of self-discipline for anyone who is worth his place in a show to step out into the wings and run it. Of the speeches a remark made afterwards very aptly summarises their quality. A gentleman said, "I don't know who chose the speakers or who told them what to talk about; but, whoever it was, the result is a triumph of organisation." In real truth the triumph arose from an absence of organisation. Naturally each speaker was selected on the ground of his faith in the Social Credit idea and his knowledge of the reasons for the faith that was in him; but the question of what he said was left entirely to his sense of responsibility—each spoke what he was moved to speak. The "triumphant organiser" was the spirit which moved them all. The synthesis was perfect because undesigned. And one day, when the great social synthesis fills all men's hearts to overflowing, it will have come about after this same manner. Of course, some blushing Statesman will be presented with a bouquet for having "organised" it—which will afford a splendid occasion for connoisseurs of controversy to growl during generations afterwards—a matter of even further rejoicing, for a synthesis of good will is not perfected until it includes those who object to it. It would be a rotten world where there was not a single "injustice," for there are a multitude of kindly citizens who will say, "I will fit in

anywhere you like so long as you leave me something to protest against." God preserve them to us.

A remark made by Mr. Symons should be noticed. He pointed out the significance of the spectacle of an "old and crusted" Tory, and a Socialist, being proposer and seconder of a toast associated with a single economic and social objective. This was worth emphasising. It is not out of the ordinary to see the two extreme ends of political society joined to invoke mercy of the brazen heavens; the trouble starts when heavens relent and drop down a few brass tacks.

A word must be said of Mr. Mitrinovic's lecture on the Sunday. There was a large attendance—half as many again as had been arranged for. Those who had feared that the New Economic idea would be dimmed to blackness in a blaze of transcendentalism had a great surprise. The thoughts he expressed were profound—immense and strange correspondences were suggested—but the vein of common humanity ran up through all the strata of his cosmic synthesis and reached its outcrop in a local habitation and a name—Social Credit. It is to be hoped that echoes of his remarkable utterance will be heard in THE NEW AGE from time to time in the near future.

PRESS EXTRACTS.

(Selected by the Economic Research Council.)

"The official figures show that though the load of the National Debt has been apparently lightened by 51½ millions per annum during the last five years, it has in reality been increased in the same period by over 49 millions per annum. This extraordinary result is the consequence of the lower prices and lower wages now ruling more than it was with five years ago. Money now is worth more than it was then. Measured by the cost of living index figures, £176 to-day will buy as much as £255 would buy in 1920.

The whole of the War Debt should be refunded to carry interest at not more than 2½ per cent. upon its issue price, or upon its present market value, whichever may be the higher. . . . Holders of Government securities who refused these terms should be paid off at a reasonable valuation. The money for this purpose could be provided by the creation of Bank of England credit to any required amount.

A bank credit to the requisite amount is all that would be required, and this costs nothing to provide beyond clerical work. . . . Such a programme would, of course, be stoutly resisted by the pedants who believe in the standard. Nevertheless, a start might be made. If the Treasury refused to renew its weekly bills at more than 2 per cent. discount, and paid off all that were not renewed at that rate, the City would be so flooded with idle money that the Bank Rate would have to be reduced drastically. . . . There is no reason why the Bank should charge the Treasury anything for the loan of its credit, since that would be guaranteed by the State."—*The Shoe and Leather Record*, December 25.

"It remains to be seen whether in the long run this country or the United States will ultimately secure a greater advantage from the payment by this country of debts contracted on behalf of its Allies. The reparations paid by France to Germany after the Franco-German war undoubtedly stimulated industrial activity in France and led to considerable depression in Germany. . . . It has yet to be shown that the receipt of this money by America will ultimately benefit her people."—*Times Trade Supplement*, December 12.

"Italy, now well on the way to becoming an empire, occupies a pre-eminent place in Europe, dominating the European situation side by side with Britain."—*Manchester Guardian*, quoting from the *Popolo d'Italia*, December 28.

"During the war, Canadian banks, finding themselves short of gold, sent representatives to Washington, and there applied for allotments of gold out of the great stock which we then controlled. The permission was granted, and the Canadian banks received all the gold they required, but the suggestion was further made to them that they should consider the question of accepting membership in the Federal Reserve System. . . . The Canadian bankers were mentally attracted by the scheme, but emotionally repelled by it; and their final opinion was that public sentiment in Canada would not look with favour upon any such project. And yet nothing could be easier than to bring about some working relationship between the Canadian banking system and our own which would result in massing the combined banking resources of North America and in establishing uniform credit policies throughout the whole of that great territory."—*New York Commercial*, reporting Dr. H. Parker Willis, an American banking authority, December 16.

An Anticipation of Consumer-Credit.

By Francis Taylor.

"The business of a modern and effective financial system is to issue credit to the consumer up to the limit of the productive capacity of the producer."
(Major Douglas in "Credit-Power and Democracy.")

America, to a student of the New Economics, abounds with interest. She is, as it were, a ship setting sail on the uncharted seas of financial adventure. Tradition is useless as a guide to the men at her helm, for never before has a vessel been floated out on such a full tide of credit.

They succeeded in 1920 in running her on the rocks high and stranded. But the hubbub made by her 6,000,000 unemployed made them hurriedly put off to sea again. It is reported, however, that shortly afterwards the workers again became unruly and counsel was taken how to subdue them. They were manipulated in this wise. Henry Ford and manufacturers of gramophones and radio sets were called together, and a plan was disclosed to them by which they might enrich themselves and at the same time keep the many-headed monster in order. The system of deferred payments would, on the one hand, provide a market for the products of the manufacturers, and on the other, it was argued that workers who have to make periodical payments would be particularly careful not to precipitate a strike.

Whether this account of its origin be true or not, the instalment plan of business was adopted and spread exceedingly. "It includes not only automobiles, furniture, pianos, etc., but every range of commodities, such as clothes, radio sets, and even paint for the house," says Lieut.-Col. the Hon. Vernon Willey, President of the Federation of British Industries, on his return from a recent trip to America. He adds:—

"The system has certainly acted as an incentive to work, in view of the necessity of keeping up regular payments."

a sentence which lends much credence to its reported genesis. He shows enthusiasm for it, and suggests that it might with advantage be imported into England.

Here then has been discovered a panacea for the disease of over-production. Without interfering with prices a means has been found of unloading surplus production off on to the consumer, and the obnoxious analysis of that meddlesome Major Douglas has been controverted. A new business philosophy based on the use of credit to its fullest extent is permeating the nation. Even the farmer will find relief from his problems by spreading out his payments over two years or more.

But though the sky seems clear to the ordinary observer, the bankers, sweeping the horizon from their point of vantage, announce that they discern a dark cloud. Their anxiety is voiced in the *American Bankers' Association Journal*:—

"Buying on the instalment plan has become so widespread in the United States that the volume of business financed on this basis now runs into several billion dollars annually. . . . Indeed, the sale of consumption goods through this medium of financing has reached such bounds that seasoned and conservative bankers point to its proportions as the one dark cloud on the otherwise clear horizon of national prosperity."

The system of deferred payments is apparently considered a failure because it has succeeded too well. Like Alice eating the mushroom all on one side, its growth has been inordinately stimulated and the young giant threatens to get out of control. Every New Economist will understand that these billions of credit outstanding constitute a threat to the money monopoly of the bankers. The numerous finance corporations, which have sprung up to finance dealers

and merchants who sell goods on this system, are interlopers from the bankers' point of view. "The so-called finance company," said a prominent banker, "is really a highly specialised commercial bank." This invasion of financial territory is so much the more inexcusable in that the intruder is picking all the plums. This banker continues:—

"Experience has shown that the note of the well-conducted finance company constitutes a most desirable risk. Like the bank, it has no merchandise or machinery, its assets are all liquid, but, unlike the bank, it has no large single lines of credit, its risks being spread over a great number of loans, none of which are over a few hundred dollars each. I mention this, as there are still many bankers who, accustomed to commercial statements, have the feeling that the finance company with an indebtedness of three or four times its capital, is doing a reckless business, the bankers meanwhile forgetting that their own indebtedness usually averages a great deal higher ratio to his capital than does that of a finance company."

The financial risk is not taken by the producer, but it is insured by these specially formed Finance corporations, and again is widely re-insured. The banks can share in the spoil only indirectly by making it possible for the selling companies to extend the credit through the discounting of notes and trade acceptances. They also buy the collateral trust notes of manufacturers and finance companies.

This uneasiness of the banks at what they consider over-extension of credit expressed itself in action. As a result of several meetings between representatives of the banks and of the finance corporations, the National Association of Finance Companies was formed to keep the terms of automobile paper on a conservative basis. This Association now includes 243 concerns, and the automobile business done on credit during the past year amounted to some \$2,250,000,000 worth, or 75 per cent. of the total automobile sales.

Meanwhile, serious warnings of coming disaster were issued through the Press and platform. A writer in an important technical journal laments the happy past.

"Time was when a man could borrow \$5,000 to buy a house, but not \$500 to gratify his desire for some luxury. But the barriers thus placed by wise bankers have been thrown down through the establishment of finance corporations which will lend money to finance the purchase of luxuries. This practice not only tends to double the cost of retail selling, but strikes at the very moral fibre of the nation by discounting the need of restraint, or self-denial. It does violence to all the teachings of thrift, and only the thrifty nation is the happy, progressive one."

Finally, his virulence breaks in fierce denunciations. "Is not this gluttonous selling our modern feast of Belshazzar; an orgy of merchandising, a mad desire for volume at any price, and without regard for that day of reckoning forecast by the handwriting on the economic wall?"

At the recent Convention of the National Hardware Association, the secretary deplored that the partial payment plan had impregnated practically all lines of business and denounced Henry Ford for starting the country toward economic and financial ruin. Another speaker estimated that the partial payment system of sales had already created a public debt amounting to more than \$4,000,000,000. While acknowledging that these methods have been a great stimulant to business, and have raised the standard of living of many individuals, he feared they may prove a very serious boomerang to the business of the future.

Some interesting remarks on credit have been made by Mr. J. H. Tregoe, Executive Manager of the National Association of Credit Men. He compared the money in circulation in 1896 and 1924. The increase per capita in the twenty-eight years was about 65 per cent. But industrial production in this period increased 600 per cent. This great stride in industrial and commercial development was

not based on the supply of money, which is of use only for payment of balances and pocket purposes. At the turn of the new century, something undoubtedly happened to energise industries and make possible their rapid development. That "something" was the adaptation of credit to the building up and the realisation of great commercial possibilities. Mr. Tregoe significantly adds: "A dollar in money will buy only a dollar's worth of goods, but a dollar used for clearance purposes and as a basis for credit, will buy many dollars' worth of goods."

Here then we have the declaration that credit granted to the producer has enabled him to increase production by 600 per cent., while in the same period the currency had increased only by 65 per cent. Now payment by instalment is one means of lessening that gap between 600 per cent. and 65 per cent., and enabling the consumer to buy something of this vast increase of production. In fact, the consumer stands in the position of benefactor to the producer, who practically says to him, "My dear fellow, I shall be much obliged if you will only take this car off my hands. It does not matter about payment. Just a trifle down, and your I.O.U."

The points made by Mr. Tregoe were stressed by Mr. R. Erskine, President of the Studebaker Corporation, who defended the use of credit in the automobile industry at the second annual Automobile Financing Conference held at Chicago in November. He said in memorable words:—

"The whole business structure of the nation and our present standard of living are supported by credit, and principally by consumer credit. Credit to consumers, and time payments are made operative by our finance companies, rediscounting through our banks and trust companies, which normally supply commercial credits. Manufacturers, merchants, and financiers fully realise today, as never before, that the wheels of business cannot be kept turning, on a broad scale, without mass consumption—that credit must be available to consumers as well as to producers and distributors of the products of industry and agriculture. Mass consumption is necessary to support mass production, and high wages and mass credit is the Atlas which holds up all of them."

Credit-issue to the consumer is bound to come shortly in some form or other. But the change is likely to come gradually and piecemeal. The present credit-controllers will put off as long as possible the inevitable change which will deprive them of their power. Meanwhile they wriggle uneasily, yield here an inch, there an inch. I believe this system of payment by instalments bears much the same relation to the issue of consumer credit as the "dole" does to the dividend. Both mark new lines of defence, concessions grudgingly won by the irresistible march of facts from those who hold the fortress of finance. *C'est le premier pas qui coute*, and the value of these strategic withdrawals lies mainly in the change of psychological outlook effected thereby. The "dole," grudging as it is, and offset by pressure to emigrate and by birth-control propaganda, is yet a recognition of the individual's right to sustenance apart from the work done; and payment by instalments, offset as it is by the spectre of mortgaging the future, is a recognition of the fact that production must be unloaded on to the consumer, and that credit must be granted in some way to him as well as to the producer.

It has been stated above that there are at least four billion dollars of consumer credit outstanding. Will it ever be paid off? The cumulative psychological effect of the extension of credit to the whole nation cannot fail eventually to lead to the question being asked, "Why should we pay back this credit? Is it not the credit of the American people? Does it not belong to us?"

The Four Archetypes of the Social Synthesis.

By Filioque.

A most extravagantly skilful rhetorician once wrote a book with a deadly earnestness of purpose. The action transformed his laurels for the time into nettles, his applause into hissing, and set him down in public opinion for a fool. Nevertheless, "Unto This Last" remained the only one of his books that Ruskin himself heartily believed in, as a wise father knows his own child. And although the fallacies it punctured are now mostly dead or dealt with, this book is the most vital vestige of its author. Writing in an unaccustomed passion, he delivered unexpected truth. A man battering his head upon the granite fortress of the evil of life itself may well light up stars in his own brain. And this old Tory, attacking current political economy, did re-discover in himself some true categories of society, the right structure of the social aspect of life. It seems that while brandishing his pen (of a peacock plume) in impotence against the Babylon of Manchester economics, Ruskin did provoke a lightning in his inner mind, a flash of vision of the four principles, out of which he again proclaimed the four castes, in his four-part treatise.

There are four Powers that rule the Community of Man, and they create the four types that Ruskin, perhaps rather crudely, recognised. The Indian Code of Manou had fixed them in a living form, Plato divined them, every man truly thinking upon his state or nation perceives them more or less distinctly. To ask why there should be precisely four principles is just as wise as to ask why there are four limbs to a man's body. The answer to this question would be nothing less than the ultimate, finished compendium of all the sciences. There are four Archetypes of Society, as there are four limbs, because we find them there in fact.

It was as Archetypes that Plato knew them; as actually present creative ideas, but the way that he displays them in his Eutopia is a parable, misleading to the unwary. They are not classes of men, although the order and class-organisation of a society ought clearly to reflect their differences. No man is, socially considered, a pure embodiment of one Archetype alone. Every man embodies all four, more or less, in his social life. In some way, for instance, directly or indirectly, he serves all by changing the substance of the earth. In some way he is a distributor. In some way he is a guardian of some virtue or value; and, finally, he is an end and an origin in himself.

These four are no more classes of men than the life of the oyster is an oyster-shell. They make and unmake classes as oysterdom creates and scatters shells. In the depths of Man these Archetypes dwell together: and encircling the highest peaks of his contemplation, where the heavens of thought are cloudless and its horizons most remote, the four Powers outshine all lesser stars, like their guardian constellations in the Zodiac. There they are known as the Bull or Tortoise, sign of slowness, endurance and earth-transmutation: as the Man, dispenser and distributor of Justice and Right: as the Lion, great-hearted guardian of the passions, and as the Eagle, relinquishing the earth to take the light of the Sun in the very eyes. And these signs are but signs alone—the merest symbols of the high realities they signify. Dwellers in this infinity and eternity, the Archetypes are all of the one same uttermost dignity: there they may be called equal in God. As creators of the Society of Man their parity is again perfect. It is only in a limited view, and for a certain perfect reason that the four castes have been ranged in a hierarchy with a sense of higher and lower.

All craftsmen, cultivators, and makers of all utensils, are the transmuters of the earth into the

Body of Social Man. No service could, of itself, deserve a loftier esteem, nor train its workers in a richer wisdom. But it has been hitherto necessary to brand it with an exoteric appearance of inferiority, simply in order that the spirit of the craftsman might not lose itself in the love of the dense material he works in. The pain of labour in this sphere is not greater than the pleasures of success are tangible, and it is a virus of indignity which has kept these workers wakeful in the spirit. More or less of shame, therefore, has been purposely fixed upon these social types of the Archetype of physical power: and they are called the *lowest* caste. Manou calls them Sudra, and in Plato they are Slaves. We might provisionally call them Craftsmen, standing, as we do, in the dawn of a day which will redeem their reproach for ever.

The disgrace of the next caste, which is that of distribution (finance) and transport, is of different origin. The princely dignity of this caste is to be the very blood and the reciprocating system of Society. This is the vegetative life of Community, and one of its functions is the hoarding of the necessary reserves of material power. The abuse of this power of reservation has made it necessary to quicken its drowsy sense of honour by insult. To increase and to direct the fluid element in the economic life—that is the function of this caste. Its tendency to *cheat*, to play for safety by slowing the streams it controls—all this is simply the natural defect of its truly harrowing responsibility as custodian of the actual physical life of Society. Manou names this caste Vaishya, and Plato simply calls it the class of Merchants. We have really no word to express this general function, which includes many particular ones, including technology and the application of higher sciences to industry. But our English expression, *Political Economy*, almost exactly signifies the Vaishya function of Society. Ruskin's book upon this subject has an almost purely Vaishya value; and it is interesting to remember that his last word of praise of his father was to declare him "an entirely honest merchant." Indeed, all Western Europe and the British Empire—but particularly England—is typically a Merchant Civilisation, and England's own eminence in the world has been, and is even yet, her Vaishya virtue. Such must be her ultimate meaning in history. Moreover, the pessimistically-minded should remember that, in this as in other things, only the best could become the worst. It is only the greatest original genius for trade, transport, and finance which could possibly provide the occasion for its supreme abuse: it is the greatest releasing of the flow of wealth which has ended in the choking up of all the arteries of economic life. That sin of selfish saving, the hoarding and self-fattening abuse, is the virtue of a race of mercantile genius vested in a shop-keeper nation. Here it degenerates unchecked into the superstition of saving, into a sin specially sanctified, made into a sacred system and protected by a Mystery. What else could possibly happen, where the two higher castes decayed, and the servants of their traditions also worshipped the golden god of the caste they should command?

But it is exactly from experience of the best and the worst of anything, of the best and the worst together, that the ripened truth may emerge. Thus the serpent of wisdom appears in the midst of the knowledge of good and evil. If we have greatly betrayed the life of the world, greatly have we also served it. Based upon the hard-won, neutral knowledge of our good and evil, we should dare to prophesy that out of England's long travail in Vaishya virtue and Vaishya vice will come forth her gift to the world, an amulet of Vaishya wisdom, serpent and dove in one.

For which consummation of our greatest period, an inner revolution of thought is the needed prece-

dent: which means no more nor less than the perception, in their reality, of the four Archetypes that have been but erratically conceived by such thinkers as Ruskin and Auguste Comte. The fact of this change of thought will be outwardly known and recognised by a growing manifestation of the now debased virtues and values of the two higher castes. When we begin to take a pride in appointing responsible rulers—which is the opposite of taking refuge in dictators—and when the highest formulas of religion are esteemed, not as discredited superstitions, but according to their right rank as the summits and beacons of human reason—then we shall know that two types of men other than Vaishya and Sudra are regaining their own consciousness and autonomy.

There will be men who delight in the knowledge of passion, which is known through its discipline; whose characteristic virtue is the willingness to die, not only militarily, but politically, a virtue practically extinct among us. Such are the Kshatriya, the Guardians of Plato. And there will be some men who have a sense and knowledge of the heights of thought and all the depths of being. There will be Brahmana, who can rise in contemplation to the vision of the Four Archetypes themselves. And these alone perceive the Living Forces which create the Community of Man.

Hegelianism.

Every philosophy has been and still is necessary. None have passed away, but all are affirmatively present as elements in a whole. No philosophy has ever been refuted. What has been refuted is not the principle of this philosophy, but merely the fact that this principle should be considered final and absolute in character. Our attitude to a philosophy should thus contain an affirmative side and a negative; when we take both of these into consideration, we do justice to a philosophy for the first time. We get to know the affirmative side later, both in life and in science; thus we find it easier to refute than to justify.

The greatest necessity in Philosophy is to possess one living idea; the world is a flower which is eternally produced from one grain of seed.

Philosophers are the initiated ones, those who have participated in the advance within the innermost sanctuary; others have their particular interests—this dominion, these riches, this girl.

If the Truth is abstract it must be untrue.

Common fancy puts the Absolute far away in a world beyond. The Absolute is rather directly before us, so present, that so long as we think, we must, though without express consciousness of it, always carry it with us and always use it.

The knowledge of Mind is the highest and hardest, just because it is the most "concrete" of sciences. The significance of that "absolute" commandment, *know thyself*—whether we look at it in itself or under the historical circumstances of its first utterance—is not to promote mere self-knowledge in respect of the particular capacities, character, propensities, and foibles of the single self. The knowledge it commands means that of man's genuine reality, of what is essentially and ultimately true and real of mind as the true and essential being.

This science must often submit to the slight of hearing even people who have never taken any trouble with it talking as if they thoroughly understood all about it. With no preparation beyond an

ordinary education, they do not hesitate, especially under the influence of religious sentiment, to philosophise and to criticise Philosophy. Everybody allows that to make a shoe you must have learned and practised the craft of the shoemaker, though every man has a model in his own foot, and possesses in his hand the natural endowments for the operation required. For Philosophy alone, it seems to be imagined, such study, care, and application are not in the least requisite.

There is a fundamental delusion in all scientific empiricism. It employs the metaphysical categories of matter, force, those of one, many, generality, infinity, etc. Following the clue given by these categories, it proceeds to draw conclusions, and in so doing presupposes and employs the syllogistic form. And all the while it is unaware that it contains metaphysics, in wielding which it makes use of those categories and their combinations in a style utterly thoughtless and uncritical.

The foremost requirement of philosophy is that every thought shall be grasped in its full precision, and nothing allowed to remain vague and indefinite. It is the fashion of youth to dash about in abstractions.

The ideals of youth are limitless in extent; reality is called sad because it does not correspond to that infinite. But active life, efficiency, character, all have this essential condition of fixing themselves upon one definite point.

"He who wills something great," says Goethe, "must be able to limit himself." By volition alone man enters actuality, however distasteful it may be to him; for indolence will not desert its own self-brooding, in which it clings to a general possibility.

A statesman of experience and culture is one who knows how to steer a middle course, and has practical understanding, i.e., deals with the whole extent of the case before him, and not with one side of it which expresses itself in one maxim only. On the other hand, he, whoever he is, who acts on one maxim, is a pedant, and spoils things for himself and others.

Self-consciousness attains to satisfaction only in another self-consciousness.

(Selected by "Theta.")

NIGHTFALL.

Silkily stroking out the grasses
The wind passes,
Leaving them peaceful, slaked
By his caresses.

The clouds lie stretched at rest,
Their lover the sun being gone, their love burnt
out;
And, passion sated,
Sleep.

The winds, their search abated, keep
Asylum in the hills' soft breast.

And there is hush and surcease of all zest.

Do you too rest,
And of these tears now
No more!
For see, Love,
To-night there is no footsore, weary moon;
Only a steadfast star.

A. S. J. TESSIMOND.

Christ, the World-Light of Gnosis.

By Eugen Heinrich Schmitt.

The overcoming of the heavenly force-phantom. The fall of the old God of vengeance. The new idea of God. The divine man. The origin of evil. The new meaning of knowledge.

It is clear from what has been already said that the maintenance in the sphere of phenomena of physical force, of perfection of power manifesting itself in external effect on the senses, as the most glorious, the divine, constitutes the great obstacle not only to the knowledge and self-knowledge of the human race, but also to the establishment of a nobler morality in harmony with the growing light of knowledge.

This obstacle to the progress of culture finds its explanation in the crude and naive fundamental views of the intellectually immature human being. What impresses him above all else is the physically powerful, the glaring, the striking. The ethereal activity, fine, scarcely perceptible to the senses, ilimitable, infinite, whose light alone illumines for him the world of the things of sense, the light of thought and spirit, whose subdued undulation, whose immeasurable living radiance *he himself* in truth is, this he never notices, or looks on as something shadowy, unreal, negative. So many thousand years were required before a great and wise man turned his eyes on this seemingly unreal inner world and compressed the problem of all the wise into the sentence: "Man, know thyself"; and a yet greater wise man conceived his individual spirit life, his spiritual ego, as one with the original source of all beings, and above all of all spiritual beings, and said: "I and this original source, *I and the Father are One.*" He knew himself one with this all-permeating, all-illuminating activity, and his fellow men as equally the life of the all-light, as also rays of the sun of the spirits, when he said: "I am the light of the world," and "You are the light of the world." This was the Christ, who awakened in Jesus of Nazareth.

Just as the moral teaching and the life of this "Light of the world" presented a picture of mildness and non-resistance, so the ideal of God which he announced was in complete contrast to the God of the old world, to the heavenly lord of might, the executor of horrible vengeance. He illustrates this in the Sermon on the Mount, in harmony with his moral teaching, setting up as our example that heavenly father who lets his sun shine on the evil and the good and his rain fall on the just and the unjust. His God avenges nothing, and without discrimination sends forth his heavenly light into the darkness; pours forth upon all creatures the inexhaustible abundance of his blessing, and raises all to his holy heights. The old God of violence, worshipped by the Jews, the God who orders murder and wholesale murder, he denounces as that God who stands not in the truth and has shown himself a murderer from the beginning, as the principle of all violence, and as the demoralising pattern of human crime, as the principle of evil, as the deceptive appearance of heavenly perfection to yet undeveloped humanity. In face of the sinful, criminal efforts of those who wish to kill him, he declares that their God is that notorious God who sanctifies such crimes, indeed, commands them, and himself vengefully performs them; and so the great principle of his morality ruins mankind. His father and living origin is the mild source of that forceful spirit-light in which he does not believe blindly, but which he sees within him in living splendour, who is reason and love (John iii.). It is the God within, who stands in the strongest contrast to the violent God of the old world, with his inducements to crime: Ye seek to kill me. I speak that which I have seen of my father; do ye also what ye have

seen of your father. Why then know ye not my language. My word ye cannot understand. Ye are of the father, the devil. He is a murderer from the beginning, he is a liar and father of lies (John viii.). This same lord and "Prince of this world" is represented in the scene of the Temptation as the striving after the lordship over the Kingdom, the earthly rule by violence, which naturally belongs to him, namely, to this principle of demoniacal character. And Jesus rejects with scorn the offer of such a lordship by violence, and with it the old "Lord of Hosts."

In his great idea of all-powerful gentleness, of the spirit-light free from violence, he recognises, however, the moral governance of this existing world, the humiliation of the blatant animalism which presumes to enthrone itself in heaven; and he sees the idol of force-rule (in face of the light-thought of infinite compassion) sink into the dust to which it belongs: "I saw Satan fall like lightning from heaven." In his parable he represents the last judgment as the judgment of a king who judges the assembled nations, the living and the dead, and lets the good, the blessed, enter into his father's Kingdom, into the Kingdom of light, into the inheritance prepared for them from the beginning of the world; and in beautiful figurative contrast he represents the terrors of the kingdom of darkness in the picture of an unquenchable fire, the fire of sensual desire, of sensual indulgence and the craving for power; which instincts from their nature can never be satisfied. But with devilish cunning the zealous servants of the old kingdom of darkness, the slaves of the principle of revenge, have seized on this beautiful figure, which they have crudely taken as literal, and have set it up as a justification for their God's insatiable lust of vengeance. In this frightful distortion, however, they have forgotten a parable—that the same Jesus has expressly said that *he judges no one* (John viii., 15), and that the judgment consists solely in this, that the light came into the world; but men loved the darkness more than the light (John iii., 19). They have forgotten what he asked of the disciples who urged him, like Elias, to bring down the avenging fire of the old God of vengeance on a place in Samaria, where the people would give him no shelter: Of what spirit are ye the children, that ye know not that I am not come to destroy souls? (Luke ix., 54-56), like that spirit of vengeance whom he elsewhere describes as the devil, as Satan who falls like lightning, as destroying fire from heaven, and as the demoralising spirit of lying and murder from the beginning, who through such an example on earth sanctions only murder and violence with his pretended holiness. The priests of "Belial" (literally of the heavenly "lord of violence") have forgotten that Christ is the good physician not for a short term on earth but in eternity; that in sinners he sees only patients, not objects of vengeance and retribution as with heavenly or earthly justice; that he is in eternity the good shepherd who gives his life for the lost sheep, and fears not the wolves, in order to save his own, i.e., all human souls. They have not seen that this mild thought and it alone is divine light, and world redemption, and world judgment: the world-judgment before whose softly radiating splendour the splendour of the pretentious animal will vanish from the earth, will sink into the abyss of general contempt, as promises the Revelation of John—vanish from that earth which, with the final obliteration of these relics of ancient barbarism, shall according to this promise belong only to the meek, the harmless.

The man who lives only to nourish his body is like one who thinks he is crossing a river on a log of wood, when in fact it is a crocodile.—Shankaracharya.

The Essence of Democracy.

III.

The principles affirmed by adherents to the democratic values as the essence of their faith divide themselves into two contradictory groups. The first comprises assertions of individual rights. The second does not comprise, as one might by normal association anticipate, affirmations of individual duties, but of further individual rights—which it is the function of the State to safeguard. The real difference between the two sets is that the second is necessitated by the operation of the first, and designed to limit the first. As typical of the first we may take "the right of every individual to live his or her own life," "open competition for everything," and the right which democracy has above all others inscribed on its banners: "equality of opportunity." The practical effect of these principles has been that each individual is not only an end in himself, but *the* end in himself. The right to do and think as he likes, to appropriate whatever he can get, to be a law unto himself, utterly irresponsible, furnishes the interpretation of what democracy has expressed by liberty. Throughout the adoption of these orientations, which present the strong as demanding a social state of adventurous anarchy, an opposing set of principles has been asserted with increasing vehemence: typical of these are greater supervision by the state of almost every act of life, strict limitation of the power of individuals, "audit of the party funds," insurance for everything, and safety first. In practice democracy consists of two hopelessly warring schemes, one intended to set each person free to regard his native caprice as the final arbiter of worth, and the other to protect him from the consequences. The uncivilised individualist has to be more or less socialised by a mesh of sumptuary law that grows more complex, more personal, and more prison-like every year.

Although the same person may not at one moment advocate *laissez-faire* under the pretence that private evil is public good, and "hang the profiteer" under the pretence that public evil is private good, nevertheless the two opposing orientations do unquestionably reign together in the same minds. When the individualist outlook is conscious and articulate, the protective is repressed into the unconscious. When circumstances change, it is the protective outlook that is conscious, and the individualist that is repressed and denied. Only a slight change is necessary in a person's prospects to invert his values. To-day, with a profitable deal at his finger-tips he shouts, "laissez-faire"; to-morrow, if some smarter individualist carry off the prize and leave his heart enraged, he calls on the State to institute Queensbury rules. The very people who profess to live by risk are most afraid of risk, and in many cases are afraid to move until the State has covered their tracks. And if the movement prospers they are invariably ready to pretend their title to all the gains. In the mind of almost every person in the land the two sets of principles are present, one articulate, the other lurking in the unconscious. One is for liberty, the other for protection; one is for anarchy the other for patriarchalism. No matter which attitude be expressed, however, the individual recognises no responsibility: he reiterates only his rights, his interests, and his claims. Anyone pleading for a modified attitude is looked upon as the echo of a number of antique platitudes that are no longer serviceable in a more highly developed world. Worst of all, however, in order to clothe brute anarchy with philosophy the one hopeful and redeemable principle of which mankind is aware has been degraded, namely, human nature.

The individualist side of democratic value was contributed chiefly by the new wealthy and their professors in the early and middle nineteenth century.

Yet it was not repudiated by the oppressed, who claimed, if their views be stripped of the sick devil's morality, equality of opportunity to become equally capriciously directed; otherwise they would not have altered their destination when the wind changed in the repeal of the Corn Laws. During the time that this individualist outlook grew the remnants of the English aristocracy, the nobleman, the gentleman, and the squire, instead of living up to their superiority of caste, largely surrendered their spirits to the new outlook. Instead of setting superior example by protecting their people, they were moved, owing to their own insufficient discipline and weakness, to join in the general anarchy. They did not resist the new upstarts, but themselves appropriated the common-land, and in place of encouraging the growth of food by Englishmen, turned to the raising of wool for anybody. The banishment of the agricultural labourers to the towns was like throwing them to the beasts. In consequence of the failure of the old aristocracy to put up a real fight nothing is left but mixed oligarchy tempered by paternal legislation; and it is difficult to imagine anything else possible where the values of society are anarchy and collectivism.

Before the cry went up for protective legislation, however, the new governors of England, notwithstanding their power, would acknowledge no responsibility. Responsibilities hitherto entrusted to the monastery, the gentry, or the guild, were repudiated by the new individualism. The care of the sick, the poor, and the aged, it was claimed, was no man's duty. Society had, in fact, ceased to be an organism; each separate cell was for itself, and "let the others die if they cannot acquire their keep." The blood of society refused to feed the members, declaring itself its own god; the stomach fed the blood, if at all, against its will, asserting its right to keep all it could swallow for its own greater power; it was the stomach's by right of possession.

Such Christian gentlemen as begged for a new discipline to replace the lost discipline were scarcely heard. The greater cry was for a new system, a system which, taking for granted the inherent greed and ambition of man, would keep them in check; a system that would protect the common man, first by statutes, inspectors, and policemen, and second, by splitting all the power of the State into grains—to be shared out equally. Individualism, which is to say, lawlessness of the spirit, appeared quite a good thing even to reformers—with honourable exceptions—who demanded simply that opportunity for spiritual lawlessness should be guaranteed to all. England, they proposed, should not be governed by men of character privileged with power enough for the task, but by every man in the street, who would express his unit of political power on every public business. Thus a system has gradually arisen in which the consequences of "every man and woman for himself" has been tempered not so much by sharing any real power as by protecting the outcasts. Dependent slavery in return for subsistence is held out for all who fail in the open competition. The solution becomes more and more automatic; the automatic payment of contributions, and the automatic establishment of title to benefits through the bureaucratic application of a codified statute, threaten to become the type for all new improvements in the system. Factory acts, acts for protecting women and children, compulsory registration, workmen's compensation acts, insurance acts, every kind of external limitation of the unspiritual desires of the successful, or of external protection of the unsuccessful, continues to multiply; and alongside the same old cries of equal opportunity for all, as though the effect of every piece of legislation were not to privilege certain people, such as women, children, or employers, or to stigmatise certain people such as employees.

RICHARD MONTGOMERY.

Ways and Means.

By "Old and Crusted."

I heard a very warm debate between two professors, about the most commodious and effectual ways and means of raising money, without grieving the subject. The first affirmed, "the justest method would be to lay a certain tax upon vice and folly; and the sum fixed upon every man to be rated, after the fairest manner, by a jury of his neighbours." The second was of an opinion directly contrary: "to tax those qualities of body and mind for which men chiefly value themselves; the rate to be more, or less, according to the degrees of excellence; the decision whereof should be left entirely to their celling; the highest tax was upon men who are the own behests." The highest tax was upon men who are the greatest favourites of the other sex, and the assessments according to the number and nature of the favours they have received; for which they are allowed to be their own vouchers.

(A Voyage to Laputa.)

"Good heavens!" said the Archdeacon, walking up and down Eleanor's drawing-room. "Good heavens! Good heavens!"

Now, these exclamations certainly betokened faith.

(Barchester Towers.)

The squire was in the chair. On the platform was a *faux* array of clerics, including a picturesque archdeacon, a canon of super-venerable appearance, and several rectors and vicars in various stages of disrepair. The room was filled with a representative gathering of villagers, and a few of the newer prosperous, who had been induced by the possession of a cheap car to settle in their midst and add a little crude colouring to their humdrum existence.

The occasion was the perennial problem of the "Church Schools." The local Education Authority had inspected the buildings and sent in a list of urgent repairs and improvements entailing the outlay of a considerable sum. The question to be decided was, should yet another effort be made to raise money, or were the buildings to be handed over to the County Council? After listening with exemplary patience to the familiar arguments for and against, the meeting decided by a narrow majority to make one more attempt to save the schools, and so render it possible for the children to receive that instruction in the faith of their fathers which some of the clergy show no indecent haste to provide.

Once more we are faced with the old, old problem, where is the necessary financial support to come from? Unfortunately, the diocese does not run to a dean, and if it did, it is doubtful whether he would have the imaginative power and courage of Jonathan Swift and suggest that

"the women be taxed according to their beauty and skill in dressing, wherein they had the same privilege with the men, to be determined by their own judgment," so to avoid "grieving the subject" we are committed to the inevitable orgy of bazaars, whist drives, rummage sales, and cacophonous concerts to the end that no inconsiderable portion of our limited purchasing power may be diverted from material to spiritual purposes. But this village is not alone in its predicament. Throughout the whole length and breadth of the county there are schools "scheduled" by the Education Authority for alterations and extensions, with the result that much clerical energy is deflected from its prime duty of ministering to the spiritual wants of the people to the excogitation of schemes for raising money that ought to be at its disposal for the asking.

The irony of the situation is intensified when one remembers that these reverend gentlemen when visiting their market town or the neighbouring great city will see palatial bank buildings rising on all the most valuable sites, and it will not occur to them to ask how it is that vast sums can be lavished on these insolent structures yet not a five-pound note be available from the same source for the sacred cause they have at heart? And it does not end there. Consider the case of this village. There is a derelict brickyard that could supply the necessary building material (and incidentally a little of that much-desired timber; there are tons of gravel and sand to be had for the cost of carting; there is a resident architect of exceptional taste and skill who would willingly devote his talents to the service of the church; more than one builder and contractor eager for work, and quite a number of carpenters, bricklayers, and labourers who would welcome a job on their own door-step. But that all this potential power should lie idle until Mrs. Straw has purchased my discarded trousers for Billy and the little Straws are making the village street gay with the discarded finery of the Hall children will never strike the archdeacon as fantastic and absurd, but appeal to him as a dispensation of Providence to be accepted in a spirit of Christian resignation.

Let it not be inferred from the foregoing remarks that I undervalue the intelligence of the country clergy. Far

from it. The parish priest is generally the one person in the neighbourhood with whom an educated man can foregather on equal terms, and whose society it is a delight and privilege to cultivate. As for the higher ranks, it is certain that the Lords Spiritual could more than hold their own in a tussle with the lords of high finance, and I would back a dean against a bank director any day.

Now it is the duty of the Church to teach, and effective teaching implies the possession of an open mind graced with humility to learn; but humility is not the outstanding characteristic of the Episcopate, neither is it the particular merit of deans; as for archdeacons we are perhaps unconsciously influenced by the classic example of Dr. Grantby, but if their lordships could be persuaded to devote a little time to the study of Social Credit, it is just possible that many of the difficulties they have to face in the vast sweep of their pastoral duties would disappear, and their anxieties relieved to an extent exceeding their fondest hopes. It is worth the attempt, but who shall persuade them to take the first step? Perhaps Mr. J. E. Tuke. I have just read his earnest, convincing pamphlet "A True Social Order," and would dearly love to send a copy to every bishop, priest, and deacon in Great Britain, for it would be difficult to put the case for the New Economics, from the spiritual point of view, in simpler, clearer language. The final paragraph sums up the whole matter:—

"God has shown us the way to the fullness of life, and opened up the path to the Kingdom of God here upon earth. What is it that prevents us enjoying this fullness of life? Have we not shown that it is the failure of our economic system? Our social heritage and economic freedom are as surely the free gift of God as the Eternal Life which is ours without money and without price."

It is true there are many roads leading to the same goal. That ardent Anglo-Catholics, and quiet, sober-thinking members of the Society of Friends have arrived at the same conclusion is surely proof positive that the basic facts underlying the teaching of the New Economics have their roots in those divinely implanted instincts which have been the inspiration of all great reformers, and have given men heart of grace to fight on when the odds against them seemed almost hopeless.

Let my Lords remember that great truths are not always revealed to the wise and prudent. A Yorkshire weaver may have as deep an insight into the things of the spirit as an archbishop, and a keener appreciation of the obstacles that stand between him and "fullness of life." It has been my privilege to meet one.

Reviews.

Pushkin. By D. S. Mirsky. (Geo. Routledge. 6s.)

A scholarly monograph on Pushkin is contributed by Prince Mirsky to the new Republic of Letters, in which he asserts that "with rare exceptions the English enthusiasts of Russian Literature are not a race likely to understand Pushkin." Why then does he write? Is it for Russians who will read his English study, or for the English exceptions who read Russian? The reason is important. English readers have been seriously handicapped by the lack of any complete life of Pushkin, even in Russian, and by defective translations written very often "by persons with no English literary culture whatever." Prince Mirsky gives us now a full size portrait, and we shall expect further work from Professor Elton and Mr. Maurice Baring, two of our best Pushkin translators. We shall then be able to appreciate Pushkin as a poet. Prince Mirsky goes straight to the point, moulding biographical details with a critical analysis, which is profoundly impressive, for it embodies not only his personal valuation, but the judgments of all the best critics who have preceded him. Pushkin is never solitary. We see him in a literary and historical perspective. He stands on the dividing line between two epochs, for he is both the concluder of the old and the beginner of modern Russian literature. We see him related to Shakespeare, Sterne, Byron, and other European writers and to "the subsequent destinies of Russian literature." Whether he discusses the restrictions of a public and imperial censorship under which Pushkin worked, or whether he reproaches the biographer and psychologist who strove to analyse the lyrics for historical evidence or sexual sources, Prince Mirsky's judgments are, as he says of Pushkin's, "always judicious." It is unfortunate that slang expressions—"fed up" (with "taedium vitae" to balance it later), "wind of," "stunts," and "pulled the poet's leg"—should have been used, for otherwise the language and the terse, concise

style of the book gives no hint that the writer is not English. There is a valuable bibliography at the end of the book.

Gogol. By Janko Lavrin. (Geo. Routledge. 6s.)

This is the second volume of the New Republic of Letters to be devoted to Russian literature. The difference between Prince Mirsky's method of approach to Pushkin and Mr. Lavrin's to Gogol is significant, for it shows how antithetical Pushkin and Gogol were to each other as artists and men. Whereas Pushkin developed naturally, reacting to social conditions in a normal and spirited manner, Gogol was morbidly introspective and withdrew into himself, a creature of inner conflicts. To understand the work of this complex genius it is necessary to know the man, and it is through Mr. Lavrin's psychological judgments that this book will be valued. His literary judgments are, however, far too slender. They are overweighted by lengthy quotations. In a book of 57,000 odd words some 20,000 are taken direct from Gogol. This robs us of that quick response, which should be reserved for a first reading of the complete works, and robs the author of space. His statement that "a great artist is untranslatable" injures the value of his numerous quotations, and destroys his comment upon Zhukovskiy, whose translations of certain classics "read even better than the originals." Again, if it is true that "only second-rate poets and writers translate well," then our interest in Gogol should be cancelled altogether, but we prefer to believe Prince Mirsky is right to encourage English scholars to venture further in the translation of Russian classics.

The Conduct of the Kitchen. How to Keep a Good Table for 16s. a Week. By X. Marcel Boulestin. (William Heinemann. 3s. 6d.)

M. Boulestin is as interesting as usual. He remarks that the whole art of cooking can be reduced to two processes—"either you want to extract the juices or to keep them in." Judging by the leathery meats and watery vegetables they habitually serve, most cooks seem to be unaware of the simple method of securing these results. There are three reasons why most housekeepers cannot manage on 16s. a week or less per head; they buy expensive and un nourishing food, they cook it wastefully, waste what is not eaten, and eat far too much or too often; stockbrokers feed like navvies without any call to.

Kitchenette Cookery. By G. F. Scotson Clark. (Jonathan Cape. 2s. 6d.)

In a rather superfluous introduction to her husband's book, Mrs. Scotson Clark declares that it "is not intended for those who look upon the griddle cake as an article of diet." The only reply is that there is no disputing taste, but that yeast raised, with butter and syrup, they are better than pan-cakes. It is regrettable to see even a "tiny" piece of baking soda recommended for cooking green peas, but there is much useful advice for beginners—professed cooks will never take any—such as to fry in a covered stewpan, and to use the frying pan for roasts instead of a baking dish, which is not easy to clean. The remarks on boiling are also very necessary, and the caution, which will go unheeded, against using soda in aluminium; even soap is superfluous in dish water, it probably causes more breakages than clumsiness, but cooks like tepid water and so they will continue to give themselves trouble with washing up and drying. The directions would have been better without attempts at humour.

LETTER TO THE EDITOR.

SOCIAL CREDIT AND WAR.

Sir,—I quite agree that we can be ardent pacifists without signing letters. But the most important thing about your comment on my letter (next, of course, to its genial courtesy!) is that, combating my deduction, you tacitly admit my premise. If we have your expert authority for the statement that war is a necessity for the present financial system, then the least expert of us can draw the simple deduction that lasting peace must be the death of that system. If, as you say, "the financial system is itself trying to end war," and if even this almost almighty power is trying in vain, that only shows the necessity of facing it with a people of whom so many are resolved to die rather than kill women and children, that war will be impossible.

ARNOLD EILOART.

[We have never said that war is a necessity for the present financial system. We have said that war is the necessary outcome of that system.—Ed.]

"Letters to the Editor" should arrive not later than the first post on Saturday morning if intended for publication in the following week's issue.

SIX WORKS

BY

Major C. H. DOUGLAS

IT IS SUBMITTED THAT AN EXAMINATION OF THE PRESENT FINANCIAL SYSTEM AS EXPLAINED BY THE ACCEPTED AUTHORITIES THEREOF, FROM THE POINT OF VIEW OF THE NEW ANALYSIS, WILL SHOW THE CONCLUSIONS ARRIVED AT BY MAJOR DOUGLAS TO BE INEVITABLE; THEY CANNOT BE CONTROVERTED, AND THE REMEDY SUGGESTED IS A SCIENTIFIC REGULATION TO REPLACE AN ARCHAIC AND UNREGULATED SYSTEM.

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FORTHCOMING MEETINGS.

THEOSOPHICAL SOCIETY LECTURES.

Mr. C. F. J. Galloway will be lecturing on Social Credit as under. His titles are "Towards a New Social Order," and (at Folkestone) "Theosophy and Economics."

Thursday, February 25.—Maidstone, The Old Palace, 7 p.m.

Friday, February 26.—Chatham, Masonic Hall Library, Marrion-road, 7.30 p.m.

Sunday, March 14.—Folkestone, "Adyar," 58, Shorncliffe-road, 3 p.m.

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MONEY. By W. T. Foster and W. Catchings. Price, 15s. Postage, 8d. Mr. Foster, formerly President of the Reed College, is now Director of the Pollak Foundation for Economic Research. Mr. Catchings, formerly President of the Central Foundry Company and of the Sloss Sheffield Steel and Iron Company, is now a member of Goldman, Sachs and Company, and a director of numerous industrial corporations. This book attempts to show the fundamental difference between a barter economy and a money economy; to show how business depressions and unemployment arise out of that difference. It traces the circuit flow of money from consumer back to consumer, and the obstruction in the flow. It is a foundation for the work entitled "Profits," next quoted.

PROFITS. By W. T. Foster and W. Catchings. Price 17s. Postage, 9d. This book, in the authors' words, "is the only considerable attempt to present the statistical proof that industry does not disburse to consumers enough money to buy the goods that are produced." The following is a summary of their conclusions:—

"Progress toward greater production is retarded because consumer buying does not keep pace with production. Consumer buying lags for two reasons: first, because industry does not disburse to consumers enough money to buy the goods produced; second, because consumers, under necessity of saving, cannot spend even as much money as they receive. There is not an even flow of money from producer to consumer, and from consumer back to producer. The expansion of the volume of money does not fully make up the deficit, for money is expanded mainly to facilitate the production of goods, and the goods must be sold to consumers for more money than the expansion has provided. Furthermore, the savings of corporations and individuals are not used to purchase the goods already in the markets, but to bring about the production of more goods. Under the established system, therefore, we make progress only while we are filling the shelves with goods which must either remain on the shelves as stock in trade or be sold at a loss, and while we are building more industrial equipment than we can use. Inadequacy of consumer income is therefore, the main reason why we do not long continue to produce the wealth which natural resources, capital facilities, improvements in the arts, and the self-interest of employers and employees would otherwise enable us to produce. Chiefly because of shortage of consumer demand, both capital and labour restrict output, and nations engage in those struggles for outside markets and spheres of commercial influence which are the chief causes of war."

The Pollak Foundation offers a prize of five thousand dollars for the best adverse criticism of this book.

THE CREDIT RESEARCH LIBRARY, 70, HIGH HOLBORN, LONDON, W.C.1. Telephone: Chancery 8470.

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