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THE NEW AGE

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NOTES OF THE WEEK.

The more Government Budgets differ the more they are the same thing. An adequate analysis of any one of them in terms of real economics leaves nothing new to be said of the rest. When Mr. Snowden said that he was the bankers' Minister he was defining not only his own function but that of every Chancellor of the Exchequer: they all must build their policy within the framework of existing financial law. In doing so they inevitably encounter criticism and suffer in their reputations for the simple reason that the needs of the electorate can never be met until the framework itself is changed. "I am not looking for trouble," exclaims Mr. Churchill in his Budget speech, "I am looking for revenue—knowing very well that wherever he looks he will have to blink in the blinding glare of the taxpayers' angry eyes. According to a story recently told us, there seems to be even juridical recognition of this phenomenon as part of natural law in France, for there was a case recorded there wherein a tax collector, in the course of performing his duties, was bitten by a certain taxpayer's dog; and when he applied to recover damages the court held that the risk of dog-bites was one of the ordinary risks of tax-collecting! In a word, while looking for revenue might not be looking for trouble, it certainly was asking for it. The authenticity of this story is rendered the less doubtful when the same realistic bent of the French mind is taken into account. For instance, in a recent case which is authentic, a girl met with an accident in her employment. She was not disabled; she was not even disfigured. But the doctors certified that as a result of the accident she would not be able to bear children. A French court awarded her £300 compensation for "capital depreciation."

But to return to the Budget. The most significant things about it have nothing to do with formal changes in taxes: they have to do with what may be called the velocity of collection. Thus, according to the *Daily Mail*,
"Something like amazement in financial circles has greeted Mr. Churchill's ingenious proposal to collect 13

months' beer duty within the current financial year, not, apparently, by a Parliamentary grant by additional taxation, but by an administrative act."

Hitherto the brewers have been allowed three months' credit before paying this duty; in future they will be granted only two months. So they will have to catch up a month in the current year, thus paying their tax at something like a 10 per cent. accelerated rate, which is equivalent to a rise of this proportion in the tax itself for all practical purposes this year. Another similar trick is commented upon by the *Daily News*. The rule of the three years' average in computing income for tax purposes is to be abolished.

"The motive for this is plain enough. The last three years have been years of depression, and the Exchequer stands to lose very heavily by the practice."

That this is sheer robbery of the taxpayer is plain. It means that while he has been paying income-tax twice and thrice over on some of his "boom" income during a period when he has actually been receiving a "slump" income, he is now to be deprived of his right to receive a draw back. Under the old rule of the average, the taxpayer virtually loaned to the Exchequer a certain amount of his income of prosperous years under an implied contract that he would get it back when his luck changed. Unfortunately there is no luck in dealing with the Exchequer and its parent company, the Bank of England. The Bank, which has no use for the King's head on a currency note, has plenty of use for it on its tossing-penny—on both sides of the coin in fact. So it is that the taxpayer never wins the choice of innings. If he secures any "ashes," it will be with sackcloth thrown in. We do not know what the taxpayers' protection societies are about; but there is urgent need for someone to organise militant opposition to the above kind of procedure.

Lord Rothermere contributes a letter to the *Daily Mail* of May 1, in which he answers a challenge issued by Mr. Churchill for him to point out where any large savings can be effected in national expenditure. Here is a list of his suggestions:—

(a) The cost of the fighting services is to be £100,000,000

this year. "Why not consolidate all three fighting services and allot them a total expenditure of £80,000,000?"

(b) Children should not be admitted to primary schools until six years of age instead of five as now.

(c) Classes should be fixed at fifty pupils.

(d) School inspectors should be reduced in number by 25 per cent.

(e) Board of Agriculture and Fisheries is spending £2,000,000 in addition to the sugar beet subsidy. "I would reduce this expenditure to £500,000 at the utmost."

(f) Government grants for Health and Unemployment insurance now amount to £18,000,000. They should be reduced to £17,000,000.

(g) An immense curtailment of Ministerial staffs.

(h) All further entries into the Civil Service should be stopped, and no vacancies filled without the assent of "outside investigators."

He states that the United States has only ten Ministers, and their pay is £2,400 a year each. France has fourteen, whose salaries total £11,000 (reckoned with the franc at 140 to the £). Signor Mussolini's salary is £400 a year. But Britain has sixty-five Ministerial appointments costing £153,000 a year. He concludes his letter by citing—

"Was it not Lord Maclay, the highly successful Minister of Shipping during the war, who said that for every pound spent by a Government Department the public receives only 8s. worth of value?"

To take this last argument first: we do not know how Lord Rothermere would define "value," but if he means that only 8s. out of every pound spent by the Government reaches the public in wages, in salaries, or in dividends available for spending for consumption purposes, we are obliged to him for the information. It gets us along. As to the missing 12s., we know where the bulk of that goes. Nine shillings goes to the National Debt Service. £358,000,000 out of a total Budget expenditure of £820,000,000 goes in payment of interest and sinking fund. In theory, of course, interest on debt may be used for consumption expenditure. In practice it is virtually all "re-investment" and "reserves" money. The National Debt is not held by private individuals except as leaseholders from the banks and other financial institutions. The beneficial ownership is non-public: it is in the hands of corporations—of whom it has been irrelevantly said that they have no souls to save, but of whom it ought to be said that they have no stomachs to fill. As regards Lord Rothermere's advice, there are two alternative replies: either he is not in full possession of his faculties, or else he is speaking the hidden wishes of an enemy Power. In nearly every item of his programme he is inviting Mr. Churchill to reduce still further the 8s., of which he complains that it is already too low. In not a single item of his programme does he propose anything which will affect the other 12s. Moreover, it has been laid down sufficiently plainly of late—even by responsible Ministers themselves—that there is no place where the economy axe can fall but some personal income will lie bleeding; and if Lord Rothermere wants to see the fighting and civil services, along with every other body of income-earners, crowd into the army of the Trade Union Congress, he is going the right way to bring this about. One would have thought that the recent Civil Service Demonstration at the Albert Hall would have been sufficient to stop any nonsense of this sort. And, if not, one would expect Lord Rothermere, who is so fond of preaching up America to us, to be aware that in that country the economic value of a large volume of home consumption has got past the stage of theory, and is now a matter of business policy. Insofar as he may be reflecting American views on Britain's domestic economy, it is significant to note that the effect of his advice is in the direction of warning this country off a development which America has chosen to adopt in her own interests as she sees them.

The New York correspondent of *The Times* contributes a two-column article on April 30, on the Instalment Plan. In the last few years instalment dealings have developed "vast proportions." Not less than five billion dollars' worth of merchandise is sold in the United States on these terms: 80-90 per cent. of all furniture, 80 per cent. of phonographs, 75 per cent. of all automobiles and washing machines, 65 per cent. of all vacuum cleaners, 40 per cent. of all pianos, 25 per cent. of all jewellery, 13 per cent. of all radio apparatus—these are some of the instances he gives. In addition one can buy, besides a house, a new roof for it, electric fittings, kitchen fittings, decorating work, coal, clothes, grass lawns, tyres, and even tyre repairs. There has also developed the co-operation of private individuals to buy apartment houses on this system so as to avoid high rents prevailing.

"Little communities of such apartments have grown up. They house people of many different denominations, but usually there are too few of them to make feasible the building of a church for their own congregation. What often happens then is that the tenants of many denominations get together and build a church in common. Ironing-out of minor religious differences, a tendency to create a standardised religion—this is the result, a by-product, so to speak, of buying by instalment."

But there set in a reaction to all this expansion a few months ago. It did not stop it, but slowed it down. America is now awake to the necessity of taking stock of the movement. Mr. George W. Norris, Governor of the Philadelphia Federal Reserve Bank, has published a calculation in the *Journal of the American Bankers' Association* that instalment credit now amounts to 20 to 25 per cent. of the ordinary floating or current credit in the United States. People who have criticism of the system to make are now being afforded opportunities to voice them. *The Times* correspondent says—

"Tailors and clothing merchants complain bitterly that men and women alike, since motor cars have become common, pay very much less attention to their dress than they did formerly, and so buy fewer clothes. That is so true that clothing dealers in their own defence are taking up instalment selling of suits and overcoats. . . . A few of the stores . . . have advertised that they will sell any of their merchandise, no matter what, on a system of weekly or monthly payments."

The tendency of the system has been to widen out, starting from the principle of only allowing credit on things in the "permanent" category, to cover eventually things of the perishable kind—but there is still a recognition of the difference in the terms, the former being purchasable by thirty payments, but the latter more quickly—by fifteen payments. The total sum represented by purchases is said to be advanced by the bank or finance company for a charge of 2 per cent. to the seller.

In our Notes of April 8, when we last commented on this system, we argued, from general principles familiar to our readers, that the huge volume of consumer credit involved (now said by Governor Norris to amount to 5,000 million dollars—say, £1,000 million) must be placing the banks in the position where they had to stand for a high wage policy in their own interests as creditors of the consuming population. Since then we have been informed from impartial private sources that such a situation is recognised as an urgent practical problem in American financial circles. For instance, a little while ago there was a financial "bear" movement on Wall Street which would have depressed the share values of many of these "instalment" manufacturers' concerns if allowed to operate unchallenged. But, for the sole reason that if so the depression would have reacted detrimentally on the earning power of their employees and thus reduced their ability to keep up their instalment payments, an opposing "bull" movement by another group

of financiers, whose credits were engaged in instalment finance, was organised to counteract this threat, and did it successfully. *The Times* correspondent confirms this in the following remark:

"The great majority of those who buy on the instalment plan are people whose income is derived from wages or salaries. Few of them have any assurance that they will continue to enjoy that income over the full period for which they will be indebted. If there should be a business depression, hundreds of thousands, perhaps millions, of them would be without funds to keep up their payments. The result would be a mass of frozen credit hardly to be matched by even the frozen credit that paralysed the country's progress in 1920-21."

Governor Norris is further quoted as pointing out that

"if 5,000 million dollars' worth of goods were bought in 1925, to be paid for in 1926, that means that the production and distribution of goods in the United States that year were sufficient to provide for the normal purchases of the year, and also to provide for 5,000 million dollars' worth of goods that under normal conditions would not have been produced and marketed until 1926. In other words' (Mr. Norris is here quoted verbatim) '1925 has borrowed 5,000 million dollars' worth of business from 1926, and—assuming that it is already 30 per cent. paid for—is going to absorb probably 3,500 million dollars, or 5 per cent., of the national income of 1926 to pay for it. If this performance can be repeated in 1926, all will be well, but it manifestly makes the situation less sound. . . . The manufacturers and merchants of the country . . . know that people have bought in 1925 all that they could afford to pay for, and nearly 5,000 million dollars' worth more.'"

Two interesting facts occur in the article. There are now something like 1,400 credit corporations (some of them owned by interested manufacturers themselves—particularly in the motor-car industry) engaged in financing the system, and Mr. Norris calculates that by the time the credit has been handled by these concerns the interest charge works out to as much as 20 per cent. One critic of the system is referred to as saying that while it is all very well for great industries to "stimulate consumptive capacity for over-production" (pregnant phrasing, this!) if people would study the mortality of both manufacturers and dealers in the (pioneer) motor industry "they may become less obsessed with the idea that automobile experience is a good guide for others."

Among the quotations here given it is difficult to know where to begin to draw the moral. The dry-plate of the Social Credit analysis bears one latent image, and one only. It does not matter in what kind of developer it is immersed; the plate will always yield up the true form and content of the economic situation. The one feature of this article upon which we will comment is the statement that "1925" had "borrowed business" from "1926." Leave the money notation out of account. What does this statement mean? That the consumers have borrowed production normally due to be made next year. How can they repay it. Only by foregoing consumption to an equivalent extent in some year or years to come. It may not be this year, as Mr. Norris hints. "If this performance can be repeated in 1926," he says, "all will be well." Quite. If production due for 1927 can be brought into this year, then part of this year's production can be used to replace last year's "over-consumption." Words. Words. Fantastic words. The idea of "replacement" in such a context belongs to Bedlam. Replace? What? To whom? In whose interest? If such an idea were carried out, it could only be by a deliberate confiscation and destruction of an immense quantity of concrete necessities and luxuries of life by a community who wanted to use them. But if done in that open way there is no man or woman even of the meanest intelligence who would not start up in anger to prevent it. So it is not done in an open

way. The people are told that they have used up some of next year's money, and must put it back. And with one accord they say "How true." And the loan accounts are closed—and so are factories. No goods are destroyed. That would be murder. But they are prevented from becoming goods. That is birth control. Happily the banker's clinics are not going to be such successful ventures much longer. To both the manufacturer and the consumer the experience of instalment-credit is like the taste of blood to the tiger; and so far as the United States is concerned it is impossible to see how the tiger can be tamed. Not the least significant feature of the situation is the organisation of finance corporations by manufacturers themselves. True that at present they have no greater ambition than to re-discount their credit paper with the banks. But as they get more numerous, and as they become habituated to the manipulation of wide-scale credit operations, there are possibilities of their purposive competition with the banks.

There is still another aspect of this question. It is conceivable that American finance may decide to endure what it cannot cure. The instalment system may be allowed to develop—more and more "borrowings" of the next year's production being brought into each current year. But to the extent that that happens in America it must be prevented from happening in other countries. The ultimate logical outcome of universal instalment buying can be nothing other than the emergence of the fact that the constantly increasing instalment loans can never be repaid under the existing accepted laws of costing and pricing. So while American finance, as a domestic institution, may yield ground to the exigencies of home affairs, one must expect it, as the dominating factor in international financial policy, to set its face against a similar weakening on the part of its subordinate partners in London, Paris, Berlin, Rome, and elsewhere.

THE LEAMINGTON CONFERENCE.

April 23 to 26, 1926.

The free use of the Town Hall, granted to the Economic Freedom League, was a practical demonstration of the aims and objects of the Social Credit Movement. This new departure, necessitating a scattered housing scheme, may have lessened the facilities for social intercourse, but this was counterbalanced by the obviously personal enthusiasm displayed at this reunion of delegates from North and South. Perhaps the visit to Stratford-on-Avon on Saturday for the Shakespeare Festival was one of the pleasantest interludes.

A considerable portion of the business sessions of the Conference was of necessity taken up with the special interests of the E.F.L., but the whole Conference entered into the discussions arising out of the special proposals put forward by Professor Soddy. It was interesting to hear from Professor Soddy, who was present, that his new book, being published by Allen Unwin and Co., will soon be ready. In an endeavour to find as much common agreement as possible, it was resolved:—

1. That the present private money monopoly be superseded by the restoration to the Crown, as Trustee for the Nation, of the Control of Money.

2. That the Banks be required, by law, to keep £ for £ in National Money against their liability to current account deposits.

3. That future issues of Credit shall be through a suitable Government department, and shall be issued automatically as required to maintain the greatest efficiency of the industrial system in the interests of the Consumer.

About forty persons attended the Conference. A happy interval was utilised to present to Mr. Marshall Hattersley and his wife a small token of esteem from a number of their friends in commemoration of their recent marriage. The presentation was made by Mr. A. L. Gibson, and Mr. and Mrs. Hattersley, in expressing their thanks, referred to interesting memories of the two Conferences at Hope.

M. T. G.
J. E. T.

The Coal Crisis.

ROYAL PROCLAMATION.

Whereas by the Emergency Powers Act 1920, it is enacted that, if it appears to us that any action has been taken or is immediately threatened by any persons or body of persons of such a nature, and on so extensive a scale, as to be calculated by interfering with the supply and distribution of food, water, fuel, or light, or with the means of locomotion, to deprive the community, or any substantial portion of the community, of the essentials of life, we may, by proclamation, declare that a state of emergency exists;

And whereas the present immediate threat of cessation of work in coal mines does, in our opinion, constitute a state of emergency within the meaning of the said Act.

Now, therefore, in pursuance of the Act, we do, by and with the advice of our Privy Council, hereby declare that a state of emergency exists.

Given at our Court at Buckingham Palace this 30th day of April, in the year of our Lord one thousand nine hundred and twenty-six, and in the sixteenth year of our reign.

God Save the King.

No doubt everyone has read the above Proclamation. Our reason for reproducing it is to facilitate consideration of two amendments, which are as follows:

1. Par. 4, l. 3. To delete the words "twenty-six" and "sixteenth"; and to substitute the words "twenty" and "tenth."
2. Par. 2, ll. 1 and 2. To delete the words "cessation of work in coal mines"; and to substitute the words "restriction of credit by the banking system."

Our speech in support of these amendments (which we take the liberty of moving in the name of every credit reformer in the country) need not extend beyond two or three sentences. The moment that the banks decided, six years ago, to impose Deflation on this country, they had decreed the precipitation of the industrial conflict which, as we write, seems about to descend upon us. That they were aware of this is not a matter of any doubt—in fact, it will be noticed that the Emergency Powers Act, under which the present Proclamation is announced, was passed practically simultaneously with the above decision to call in credits. As Professor Gustav Cassel warned the Financial Committee of the League of Nations in 1920—while theoretically it is possible to deflate prices to any extent desired—

"unfortunately the process is attended by some rather disagreeable effects . . . indeed we have to take care that we do not get into a position in which we have to admit that though the cure was a success the patient succumbed."

So it is not surprising that when the bankers decided to cure the capitalist and worker they took care to present themselves constitutional powers to "larn 'em to succumb" if they languished under the treatment.

That the question of "Subsidy or No Subsidy" is the crux of the trouble, we have insisted on every occasion when we have referred to the coal situation. We do not now propose to repeat our several arguments on it; they are familiar enough by now; but we will repeat our conclusion that for the Government to accept on behalf of the community a final pronouncement against the subsidy without allowing a public inquiry into its economic effects, is, in view of the effect of its cessation, a gross violation of its duty as the custodian of the community's interests. Is it not as clear as daylight that while the threat of cessation of work in the mines may constitute the emergency, it is the threat of cessation of the subsidy that is the immediate cause of it? Work will not cease if the subsidy does not. The picks of a million miners will keep time with the scratches of a banker's pen—now, and always. Let those who are now gibbering in panic at the idea of silence in the colliery pits call round and break silence in the bank parlours if they really want to do anything about it.

And if they want to know what to say, here they are. Let them call attention to the fact that at this

very moment in America there is a subsidy amounting, not merely to a paltry £20,000,000, but to £1,000,000,000, being circulated to the benefit of the community. It is not called a subsidy there, but it is one in fact. It is a loan to consumers as consumers for the express purpose of enabling them to buy American production. Over here, it is an advance of credit to miners to enable them to buy British production—the only difference being that the advance is debited against the general body of taxpayers. American citizens are not being told to produce more before they can buy more; they are invited and assisted to buy more—and the production system is supplying them with so little trouble that the only pre-occupation of Capital there is lest the people stop asking for goods.

Now then, for what earthly reason is it held necessary to stop short with the supply of our little £20,000,000 (i.e., say 10s. per head of the population) when across the Atlantic the people are getting £1,000,000,000 (something like £8 per head)—and probably more to follow? On what theory is it pretended that Uncle Sam's meat is John Bull's poison? And, apart from theories, who is inspiring this incredible tale? In our Notes in this issue we examine the question of the American instalment system, and we direct attention to what is quoted and said thereon. In view of all the facts we see no possibility of avoiding the conclusion that our own political rulers know the subsidy "danger" to be a chimera, but are under external pressure to pretend that the danger is real.

Assuming that Sir Herbert Samuel voiced the policy of the Bank of England in pronouncing judgment on the subsidy without calling evidence, whose policy was the Bank of England voicing? Let us put it more definitely. Is the Bank of England the legal property of British citizens and institutions, or is it true that a controlling proportion of its stock was long ago sold outright to America as part consideration for her financial assistance during the war? And was Mr. Maxton's Bill to nationalise the Bank remitted so promptly to the Examiners for the reason assigned, namely, that it affected private property rights, or for the reason that it affected foreign property rights? Has the rotation principle of selecting the Governor of the Bank been altered in the case of Mr. Montagu Norman because of British opinion on the desirability of his becoming a permanency, or is he the nominee of Wall Street? In raising this question we have not the slightest animus against Mr. Norman. We think, on the contrary, that his efficiency and integrity are unquestionable. Physiognomists who have seen that photograph of him in the *Banker* will be certain to endorse this opinion. But unless the British public are prepared to renounce the last pretence of enjoying democratic privileges they must, in some way or other, at least get authentic knowledge of the forces which actuate their rulers, whether they are openly elected or privately nominated. There are no broad questions of national policy which cannot be intelligently weighed by at least the more responsible sections of the industrial community—where they are unsuitable for indiscriminate broadcasting. Even so, the lowliest individual in this country has the right to know whether his allegiance is asked for the King or for Calvin Coolidge. We should be the last to press for the disclosure of rulers' reasons for policy if that policy "delivered the goods," for then there would be no *prima facie* grounds for urging consideration of an alternative policy.

The occasion of the present threatened strike is a test, not only for the Cabinet but for every statesman privy to the secrets of high politics. Let them put purchasing power in all consumers' purses, and they can shut all their secrets up in their portfolios. How they do it must be their affair. But somehow the people must be got on to a consumption basis relative-

ly equivalent to that of America. If it is easiest to follow America's lead and enable the British population to buy some 1927 coal in the year 1926, let us begin that way. But let us begin. And if any really experienced statesman comes pretending that the strike is inevitable (or if it occurs, *was* inevitable) we shall write him down a traitor. The Announcer of the British Broadcasting Company put this "grave crisis" in its proper environment on Saturday night. After solemnly reciting a night bulletin to the effect that the Trade Union Congress would suspend the strike on Monday night, if there were still prospects of an immediate renewal of negotiations (which of course comes to the same thing as saying that the strike would not occur during negotiations—whoever thought it would?) he switched his listeners over to resume their enjoyment of the Savoy Orpheans band, playing a foxtrot entitled the Bam, Bam, Bamy Shore.

Providence and Freedom.

There is a secret danger known probably to all preachers of an idea: the danger that the preacher may get to disbelieve in it. Not in its truth, but in its power. He may never doubt that it would work, and yet imperil his reason with unavowable fear that it will never be tried. This is, of course, if it is an idea which requires social power for its realisation.

Then he becomes infected with the dismal thought that history is made by the interplay of physical facts and blind unconscious forces. He feels that the prevision of idealist and thinker, even if it sometimes chance to prove prophetic, is a mere game, played in pure illusion as to its importance.

This nightmare theory has various forms, each with a lunatic literature and list of professors. One makes physical force the only real ruler of human destiny; another, money; or everything in society may be made to appear the result of the illusions of sex. Or the social forces may be complexes of all of these, cunningly concealed in conventions and ostentations. There are terrifyingly plausible theories, which the idealist entertains at his peril.

In fact, if unable to break the spell of this paralysing doubt, a thinker has but three alternatives. He may give up his ideas altogether. Or he may accept their impotence as a fact and purvey them as mere decorations—become purely dilettante. Or he may adopt the idea of Providence.

Providence is a soothing idea. It still leaves a reason for a man to exist as a reformer or creator, even if he has yielded to the forces controlling the development of human society as, from a human standpoint, blind forces. It gives him a mystical belief in a Power overruling these forces and achieving its own ends—ends we do not know but of which we should approve if we knew them. There are many such mystics with faith in such a Power though they may not call it Providence. It is a faith which permits a man to work at his idea, after all, since he is one of the means through which Providence prevails. The power is behind him as much as it is behind any other—perhaps more so, if he thinks he divines more of the way of its working. This idea may keep his heart up, and there is a spark of religious intuition in it.

But Providence rather excuses than authorises the thinker's existence. It does not set him free to fashion the world to his will. It makes him the instrument of another, and not even an indispensable instrument. Providence is an idea to which one may cling and save oneself from the despair of impotence, but hardly from the impotence itself.

This most paralysing form of scepticism is doubtless prevalent; and is not only due to reaction from a great war and to the new sense that nearly every

social problem has now grown to the vastness of a world-problem. It is a poison distilled from a century of materialist science and democratic egoism. That is, it has been produced by a certain kind of thinking, and can only be corrected by learning to think differently.

The kind of thinking which produced it was associated with a great increase of knowledge of the behaviour of mineral substances; it was found possible to understand this more and more by the processes of thought. And at the same time it became natural to suppose that the whole world and its life was thus reducible to intellectual formulae—that it was a purely mechanical structure.

It followed that man himself was also mechanical—as, of course, he is, if you *think* about him, for the simple reason that thought allows us none but mechanical conceptions. It is a wholly plausible argument to maintain that you cannot move your hand to the right or the left by original choice; for you cannot choose which you will choose—your choice also is caused by something. Once begin to think about it, and this appears to be the inevitable truth. Whereas, in the instant that one acts, it is the most chimerical unreality.

Hamlet rightly observed that He that made us with such large discourse, looking before and after, gave us not that capability and Godlike reason to fust in us unused. No. But the silliest use to make of it must be to prove oneself a cipher.

It is this way of thinking of ourselves as machines or parts of machines which is the most productive source of modern pessimism. It has never become a real belief, or we should already be gibbering and scratching our tails like apes; but it has become a real thought, which oppresses the health of our will. It has made us fear that we cannot control our society, and given us a sense of imprisonment in the recurrent circle of our own volitions and actions. For we begin to think of these also as mechanism, whereas they are *habits*, a very different thing. We are quite capable of forming new habits, though the process is difficult enough, and seldom rapid. It is possible to become increasingly free from the domination of habit of any kind.

The freedom of society to reform itself is one with the freedom of reformer to possess himself. The two things move together as precisely as the mirrored image with the object it reflects. These two freedoms live and have their being in the same faith, which faith is foreign to the very nature of thinking. It is a faith continually renewed by successful experiment, in which it uses thinking rightly as its instrument.

Thus the seed-bed, the nursery, the laboratory of true social reform is experimental psychology—self-experimental. Or it should be called psychosophy, since it is synthetic rather than analytical. Man becomes a force in forming his society just so far as he becomes a shaper of his own destiny.

PHILIPPE MAIRET.

LONDON SLUM.

Great sink where human scourgings lie and rot,
And hulks of men stir in the filth and dust;
Where half the man dies, but the worm dies not
Of dull desire, uncomprehending lust.

Where the pale ignominious soul fades out
And dies for lack of money to maintain
More than the body, which lives on without
Consciousness of the loss, till it too wane.

Civilisation, here thine offal lies,
The excrement of wealth, the world's detritus—
Slight blot upon our earthly paradise,
Slight shadow on the prospects that delight us.

Medal's reverse, and hinterland of glory:
A somewhat too abrupt *memento mori*.

A. S. J. TESSIMOND.

Science and the Modern World.*

II.

In the nineteenth century, writes Dr. Whitehead, "four great novel ideas were introduced into theoretical science." First, there was that fundamental act of scientific faith that nature's abhorrence of a vacuum is absolute; that any apparent vacuum must contain a medium of greater strength and elasticity than whatever may have been removed in the preparation of the vacuum. The undulatory theory of light which, through the work of Young and Fresnel, triumphed over the corpuscular theory formulated by Newton, necessitated a medium capable of undulating. The "subtle, all-pervading" ether was assumed to be the medium required. In the eighteenth-seventies, on ground prepared by Ampère, Faraday, and others, Clark Maxwell completed his theory of electro-magnetism. Waves of light were shown to be themselves waves of electro-magnetic occurrences. To provide a suitable medium for the immense complexity of the new phenomena, ether had to be endowed with such remarkable qualities that people spoke of it as though it were the mind of the Creator. Yet, as Dr. Whitehead remarks, "if you do not happen to hold the particular metaphysical theory which makes you postulate such an ether, you can discard it. For it has no independent vitality." Einstein, for example, doesn't mind whether it exists or not. Something akin to the corpuscular theory of light is again finding favour, with the sad consequence that the fabulous powers of the ether are no longer so indispensable.

Against the invention of ether to render continuity of action intelligible, the chemist, dealing mainly with discontinuity—or "change"—adopted the idea of atomicity. The theories regarding atoms handed down from the ancient of days were unified by Dalton, and generally accepted as the greatest pragmatic certainty ever formulated by chemical science. Later, the discovery and acceptance of atomicity turned out equally as serviceable to biologists as it had to chemists. The cell became as magical a key to understanding and power in dealing with organisms as the atom with chemical change.

The other two great nineteenth-century ideas were, of course, the conservation of energy and evolution, both of which have been for some time referred to as doctrines. "The doctrine of energy has to do with the notion of quantitative permanence underlying change; the doctrine of evolution with the emergence of novel organisms as the outcome of change." Whatever error may have taken root from the materialist cocksureness of certain theorists and publicists over evolution, and whatever discredit religion may have brought upon itself by the Churches' fear of the new teaching, evolution has contributed a great share to the breakdown of materialism. The expansion of science over the field of life has prevented it from ever having the miracle fully explained away. Evolution thrusts upon consciousness the realisation that the quantitative fixity known as the conservation of energy is merely the background of qualitative creation. In varying degrees of emphasis on these antitheses possibly the whole dualist history of mankind can be expressed. The first is reason, the second miracle.

One consequence of the light thrown by the second of these ideas into consciousness is Dr. Whitehead's suggested philosophy of an entirely organic manifest universe; each several event within it organic in its own degree. "Energy is merely the name for the quantitative aspect of a structure of happenings." The firmest dogma of physics is thus plainly incomplete. "The notion of mass as the final permanent quantity loses its unique pre-eminence." So far from

* "Science and the Modern World." By A. N. Whitehead. (Cambridge, 12s. 6d.)

it being the last word that "nothing is ever created, but only moved about," there hides a miracle beyond. What is moved about is not moved aimlessly; it is being organised. From Heaven knows where, there appears to exist as a condition for every proton, nucleus, or man, something unapproachable, which has functions, and which utilises the basic quantitatively fixed energy of the universe as building material for organs with which to fulfil its functions.

Mainly by improving its own instruments, through such workers as Michelson and the German opticians, science has seen through itself. The materialism founded on eighteenth-century common sense, and firmly established by the visible and measurable, which appeared incontrovertible in the middle nineteenth century, has perished by its own hands. By the accepted standards of reasoning, the universe has become altogether irrational. Protoplasm is as far from what it seemed as the atom, which "is transforming itself into an organism." With a public spirit that might well be emulated by bigger people, the atom has replied to the policy of levelling everything else down to its own simplicity, and itself insisted on being levelled up to organic complexity. It has revealed itself as a structure of central nucleus and functional electrons which, although it very much resembles a man, even more resembles a solar system. It must be recognised as an organism because it proves itself an organising genius.

"An electron, in the language of physics, is merely the pattern of its aspects in its environment, as far as these are relevant to the electro-magnetic field." What goes on inside the atom has to be deduced from what ensues, under appropriate stimulus, outside. According to the current—and unavoidable—scientific picture of the inside of an atom, "Whatever vibration takes place is assumed to be attributable to the vibratory action of some bit of material, detachable from the remainder." Under excitation the atom will communicate its vibratory energy to the waves of the electro-magnetic field, but waves of a certain frequency only. "There are a definite set of modes of vibration of the molecule, and each mode has its own definite frequency." There are no half-way houses, in a word. As Dr. Whitehead observes, perplexity arises not from the effort to comprehend what the quantum theory asserts about molecules, but to fit the theory into the picture of what is going on within the atom or molecule. One has to imagine that there are definitely fixed paths which an electron may follow, and that no others are possible. Taking these and other observations all in all, we are forced to think inside the atom in terms which would seem ridiculous in the courts of law. We have to imagine an aeroplane which proceeds round the world, and which may be rendered apparent at London, New York, San Francisco, and so on, but at no spot between. Not being able to imagine the traversing of space without a journey, some alternative theory must be adopted.

The probable theory is little more credible than the probable fact. Yet it appears likely to prove unescapable. Some discontinuity of manifestation must be assumed. Between the points at which the electron may be deemed to be manifest its existence as electron must be in question. Duration may not of necessity be endurance, in the sense of continuity, but it may, as an alternative, be apparent because of "reiteration." Every apparently solid thing in the universe may consist of minute patterns flashed in and out at incredible speed, each having its own frequency, its own "time atomicity." We need not assume that between the strokes of reiteration the "thing" does not exist; we must assume that what does exist is the power to reiterate precisely the whole pattern which is observed to endure. The atom is not irrational with the unreason of a man, but with the creative irrationality of divinity.

RICHARD MONTGOMERY.

A Vagabond in Denmark.

By Leopold Spero.

IX.—SNIPE AND SANDPAPER.

"I will leave my old boots here to be soled and heeled."
(From Polyglott Kuntze's "Book of Words.")

The chain of lakes and river that leads from Silkeborg to Himmelbjerget and far away to Rye, was no doubt originally designed with the rest of the country quite irrespective of man's approval. But the sober, personal Michael Drewsen has made it his own, and tamed even the heather and the woods and the little knobby hills on the northern shore, which show everywhere patches of yellow corn and green barley, and villas with their gardens, and pleasant little resting-places with lawns running to the water's edge, and happy people coming too late to catch the boat, but knowing well that Michael, their guardian angel, will send them another in half an hour. And now, at the landing-stage under the shadow of St. Michael's Mount, young Denmark pauses to refresh itself before the ascent, to buy postcards and ice-wafers and lumps of chocolate on the end of sticks for the girls to munch as they ascend the dusty stairway path over the foot of the solemn hill. Everyone buys a striped walking-stick as a talisman to guard against misadventure, and with its aid we trudge up into sight of the spreading, shining lake, and soon come to where, below our feet, the hillside sweeps down in a glory of soft, luxurious heather, and our feet tread level with the tops of the lowest pines. Laughing pilgrims pass on their way down again, and we pass others who are short of breath, and must pause to puff and wipe their foreheads with great coloured handkerchiefs, and sit on the rustic seats, for which we may be sure St. Michael is responsible. The young boys have now shaken off the shyness and constraint of their first journey. They send the girls in front of them, while they shout and sing the songs they learned in barracks. There are larks going on here in the brilliant summer air, such larks as Michael Drewsen might have played when he was young, before he took to his frock-coat and Oxford trousers, and became a part of Jutland's history.

And now we arrive at that horrible tower, which we must reach and climb untempted by the clash of crockery from the restaurant in the woods, where charabancs and brakes and cars and bicycles are parked confusedly, and where those who have made the pilgrimage and satisfied their sense of duty sit refreshing and refreshed on the verandah, or lie about in the shelter of the trees, shading their eyes with their hands to see who comes and who is going. What an unnecessary business we do in this final stretch of dusty, log-bound, railed-off stairway. The tower is packed with a press of visitors, young and old, grown-up and children, all paying their nickels to toil painfully up these wooden stairs and out on to the battlement, from which they may look out like feudal lords over the wide stretch of plain and hill and heather, and see far below, like a tiny child's toy, crawling away over the placid surface of the lake, the boat that brought them hither to enjoy their heritage.

Not one of them dare go home and say that he went to Himmelbjerget and did not climb the tower. But having done so much, he may rattle downstairs, pushing his way past other pilgrims, and after a final look round breathe a sigh of relief, and go down again to the restaurant, where everyone seems to have the same amount of money, and even the farmers' boys take a six-kroner lunch, with whisky-and-soda at one-and-threepence, and with a grand air command the waiters to bring strawberries and cream for their lady-loves.

Whatever may be the state of Denmark to-day, there can be nothing much wrong with a society in

which all can afford the same simple extravagances. But the clatter and the chattering, the coming and going, the hooting of the cars as they push round over the mountain top from the dusty roads on the other side, the noise and the heat and all profane propinquities may be exchanged in five minutes for the cool, cathedral silence of the woods, where the dappled gold of sunlight filters in through the branches, and splashes itself on to the carpeted hollows beneath, where peace enters quietly into the soul and cools it with the balm of her benediction. We must be fair to Michael Drewsen, and give him credit for imagining this as well as the happy, bucolic scene we have left behind. And round the rim of these silent cloisters, through winding paths and byways, we shall emerge once more into the sunlight and make our way knee-high through the heather and the blueberries down to the woods far below that lead again to the water's edge.

For a mile or two you may walk along the southern shores of the water which runs from Silkeborg to Rye Station, along narrow paths where there is room only for single file, and even so the twigs of the bushes stretch forth leafy fingers to detain you, and the wild weeds brush lovingly at your knees. To the left the hills rise through the undergrowth and cavernous woodland; to the right, scarcely a yard or two away, where you can smell its damp pleasantness and dream as you go forward to the soft music of the waters, with the airy voices of children breaking in from their play by the shore, the unseen stream widens and moves placidly to its intended sea. Anon some more impertinent arm pushes its way through a frilly cuff of reeds. And there it is, where the path grows damp, and you must jump among tiny pools till you come through to the clearing, a sheltered landing-stage, one of those you waded to when the boat brought you down-stream an hour or two before.

But you must push on, over the lap of the hill to the open and flowered moorland, where a large and ugly board tells you of freeholds for sale on easy terms, and a farmhouse nods its head warningly to keep you and your money away, and strange apparitions in University costume bob up from dips and folds in the ground, trailing down to bathe, and vanishing from your sight into ravines that you discover only when you tumble into them. You follow along the bed of one of these, and come on an instant from your semi-solitude into pleasant company, spread about a fair lawn shaded by trees, half-way home to supper, and breaking the journey as you see. They linger pleasantly there, the young men and maidens, the sober heads of flaxen families that run shrieking with delight at their uninterrupted games. Here are swings for the gallants to pleasure their ladies withal, and a hard-worked roundabout, and see-saws, and a rarely comfortable barn, set with chairs and tables and supplied with winking beer and coloured gassiness in glass bottles, and a rare procession of things to pleasure the eye in the stillness of land and water and the traffic of these cheerful holiday hours. And here is the lovely sunlight, the fresh, caressing breeze of June, the softness of springy turf. Here are all manner of comforts from Nature's pharmacopœia, to heal the heart of weariness and soothe the mind of its despair. And here the hours may well slip away in dreamy content, until the shadows lengthen, and twilight falls upon the hills.

But now the ferry-boat arrives from the opposite shore, skirting the little island in between. Very small is the small boy who tugs so valorously at game of life. His face grows red with the exertion of his captaincy, but how proudly he demonstrates the strength of those small muscles, straining at the rowlocks, with more than one glance at the other boys who would gladly exchange their undis-

tinguished play for his proud privilege of hard work. A real little man, doing a man's work with a boy's enthusiasm he takes us across in less than no time to the farther shore, and tells us that there is nothing to pay at the end of it all; for this ferry is part of the Drewsen dispensation, and the coppers we press into the hand of our skipper are all the more welcome for being such an uncertain harvest in his calculations.

But Silkeborg is yet a long stretch away. To ask how far it is means that the lanky youths who are balancing themselves on bicycles in the dusty path immediately behind you, must dismount and rattle off a volley of polite but completely unintelligible response, you comprehending with a smile which fails to convince, and brings on your head further explanations, still less intelligible. You nod vigorously, and strive to turn the conversation to social matters, whereupon the gauntest and least understandable of these all-too-neighbourly youths takes a sudden fancy to you, lumbers at your side, asks where you come from and whither you are going, and volunteers for your behoof an entire local topography. He tells you the names of all the boats, Swan and Swallow and Tern, Raven and Snipe and Sandpiper and the rest, condoles with you gleefully on the scarcity of the trains, and vaunts his own good fortune in the possession of a bicycle.

There is one thing he will not do. He will not understand that you propose to walk home. So he cannot tell you how far it is, save in other terms than those of Shanks' mare. But he puts you on your road, whose Scandinavian directness you could never have mistaken, now that you know that "höger" means "right," and is pronounced "hoyer," and "venster" means "left." But you must also remember that in Scandinavia they have a word for "second" that is like nothing on earth. How, for example, shall you remember, while the puzzled, prisoned booking-clerk in the guichet awaits your pleasure, that the word for "second" is "andra"? Who would ever expect such an etymological shock, unjustified by anything you can recall of half-forgotten classical lore, or the sweepings of an afternoon, in French or German classes? Still, there it is, stuck fast at length in some cranny of your brain, and now you may proceed, with a sturdy First-to-the-Right and a cunning Second-to-the-Left, freed from over-much company, set up safely on the gravelled high-road, with the empty railway-line on one side and the lake on the other, to guide your courageous footsteps.

Beyond the track there stand in a row the knobby little hills at whose quaint boldness you wondered when you slid by them so indolently on the crowded steamboat. They invite you now, these tender bosoms of the fruitful plain. "Come hither!" they cry. "We are but a thought apart from you, and with us you shall find repose and happiness." But you have been charmed before with that false promise in this land of elves and pixies. The hills and their happiness are farther away than they seem.

Here, however, is simpler business, the straight and dusty roadway, and a gay sweetmeat booth where they are selling ice-wafers. The custodian of the frozen custard digs deep into the recesses of his zinc reservoir, and you raise the piled temptation to your tongue for the first long, exhaustive lick. And then you hear a cry of dismay, and turn to discover that you have snatched the last ice-wafer of the countryside from the parched lips of a small boy, whose embarrassed mother strives to comfort him as he howls loud and long, seeing in you no simple, friendly, perambulating stranger, but a brigand of the marches, who has ridden down to plunder in a savage and unforgivable foray.

What is the comfort of twenty öre in such a pass, of a stick of chocolate-cream, or even a toffee apple mounted on a stick? The mind of a child is direct

and simple, and knows what it wants and when it wants it. It would have been better if you had taken that ice-wafer from your own caressing mouth and offered it to him as it was, marred, but still the real thing. You had not the courage to do that. You could not face the anxious eyes of the hygienic Danish mother. So you have lost caste, and the best thing you can do is to go straight on, straight along the high road, past the red cottages and the insurance advertisements, past the little clearing where an ancient cottager is digging black peat from behind his garden, and stacking it in heaps, past the blue expanses of the lake and the green and yellow crops, for a mile and another mile and more, until you come to the shelter of the woods again, and branch off into their cool shade, away from the high road to the strand at Hattenaes, where there is another café, and a lawn bordered with hedges, and a landing-stage running out through the reeds into the quiet waters. Here you may sit and drink your beer, and know that in half-an-hour at most another fussy little white boat will hurry up out of nowhere to take you back for forty öre over the blue bosom of the waters where the great castle surveys you from the rise, until you slip into the green and narrow stretches between the woods on either side, and so to the villas and waving handkerchiefs and kiosks of Silkeborg, to the little yachts in moored rows, the cars hooting noisily out from the town into the open country, and small boys to whom each new returning craft is a fresh arrival from the golden land of adventurous romance.

The True Inwardness of Catholic Sociology.

By N. E. Egerton Swann.

II.

The more fundamental ideas of the social doctrine of the Catholic Church go back to the New Testament. But a steady process of development was going on from the Apostolic age onwards. Many of the implications of the New Testament ethics were more fully elaborated from time to time, and detailed applications were made to various practical problems of social life by their fathers. But these were far more minutely worked out, and the whole doctrine was thoroughly systematised by the schoolmen of the Middle Ages, and the principal points were codified in the Canon Law. It was at this period that the prestige of the Church and its power of influencing social conditions were at their height, and by consequence that it devoted most attention to social and economic matters. In this process of development, as has been pointed out, elements were, at several points, absorbed from pagan philosophy. It is open to an orthodox apologist to contend that (apart from one or two glaring inconsistencies which must be acknowledged) such elements were, in the main, genuinely "baptised into Christ"—that incompatible material was rejected, and that, where necessary, a new colouring was given to what was adopted. But however that may be, the Catholic tradition, considered as a rich and variegated culture of very diverse origins, retains undiminished its significance as a historical phenomenon.

Now when we set the medieval conception of the economic life of society alongside that of our time we are at once struck by one tremendous contrast. To-day it is taken for granted that all such matters as wages, prices, and rents must, in the nature of things, be determined by the mere chance flow of "supply and demand," in other words, this whole sphere of human activity is avowedly made over to a sheer clash of economic force. A medieval could not well have understood how such an idea could enter into any sane man's mind. To him it appeared perfectly natural that a *standard* in such matters

must be resolutely maintained. Moral first charges on industry and commerce, he confidently postulated as a mere matter of course. These, for him, lay at the very base of the whole economic process, and must be its supremely regulative factor. The whole outlook was summed up in the key-phrase, "the Just Price." That is the outstanding contribution of the Middle Ages to moral economics.

Roughly speaking, the principle was that, in all buying and selling, a full and real equivalent must be given on each side; there must be no attempt by either party to get the better of the bargain. This was laid as a strict obligation on the parties to the transaction; to fail to carry it out was a sin. Further, it was held to be, in a general way, the duty of civil rulers to proclaim, from time to time, the just price of all articles of ordinary consumption, and to give to this the force of law. In practice, the function of price-fixing was carried out by various authorities. Apart from the decrees of feudal lords, both municipalities and local guilds were largely responsible for it. The methods of arriving at the just price were, it is true, somewhat rough and ready, and rather vague, and only an approximate estimate was aimed at. But the general idea was to take into consideration both the cost of production and the state of the markets. That is to say, both the producer's claim to a fair remuneration (which meant, in those days, maintenance according to the customary standard of his class) and the necessities of the consumer, especially of the poor, were cared for; it was attempted to hit off a fair balance between the two. In the actual calculations common estimation was very largely relied on; but this meant, chiefly at least, the average estimation of *experts*. The point is that such estimation was regarded as *evidence* as to what price was truly just. People had no doubt that there was quite objectively a real "Just Price," and that the problem was to discover this. It was not at all supposed that whatever price common estimation might accept was thereby *made to be* a just price. That would have meant, in effect, falling back on "the higgling of the market"; it would have amounted to a giving in to our modern heresy that wages must follow prices. The medievals, on the contrary, were quite clear that prices must depend on (among other factors) wages. Their whole idea was to settle the price *beforehand* for a market, and expressly to prevent its being determined by any bargaining in the market itself.*

It is indeed disputed how far the medieval "Just Price" had a good effect. Mr. Coulton in "The Medieval Village," cites Caggere as holding that in Italy it often operated to the advantage only of the landlord, and to the detriment of the consumer. But, if Caggere is right, this may have been due, when it occurred, to some special temporary or local conditions. From the accounts which we possess of the methods of medieval markets, it would seem obvious that they must have done much to check alike profiteering and undercutting by unfair competition. No doubt there was a certain amount of evasion, but this would have been a matter of isolated and individual tendencies, and would not affect the general *tendency* of the system. In any case, the Just Price remains a noble idea, and even if so unsuccessful, tempts to put it in force were ever so unsuccessful that is no reason why, with our greatly increased economic knowledge, we should not, by more scientific methods, succeed where they failed. Certainly, their methods were crude and unscientific, and though it is probable that, in the then simple conditions, they worked on the whole for good, they undeniably broke down in the end, perhaps, through their being outrun by the growth of financial capital.

What is needed to-day is to apply the *principle* of

* For a full account of the "Just Price v. O'Brien, Essay on Medieval Economic Teaching," Chap. III., Sec. 11, paragraphs 1-6.

the Just Price in a much larger way, and by highly scientific and, it may be, subtle methods, to our far more complex society. We have to affect the whole atmospheric conditions, so to say, of the vast field of our intricately entangled industrial and financial relations. The dividing line between the medieval and the modern outlooks in the matter remains to-day the important dividing line between types of social theory. It is a question between those who do, and those who do not, insist (and insist in a *practical* sense) on the setting up of a standard, on the underpinning of the economic system by moral first charges. The issue between Socialists and advocates of private ownership is, in the main, irrelevant. The really crucial alignment cuts right across the conventional controversies of Press, platform, and Parliament. No Socialist programme, as such, tends in the least to supply the one thing needed. It could only produce any serious effect in this direction when it had been pushed to the point of practically complete Collectivism. That goal it is highly doubtful whether it is possible to attain; and still more doubtful whether it would prove at all desirable, if attained.* At any rate, in the meantime, Socialism provides no help. It is true that many Socialists are now concentrating on a minimum wage programme. But a minimum wage, so pressed against an overwhelming mass of counter-forces, must tend to be very much a *minimum*; the whole policy inevitably (however unwittingly) looks towards a "fodder-basis." Nor is it at all certain, to say the least, that any minimum can be *guaranteed* under the rule of the accepted financial orthodoxy. The possibility was strenuously denied by the F.B.I. in a memorial put out a few years ago, and backed up shortly afterwards by Lord Weir in an important letter to *The Times*; and certainly they produced very strong arguments. Even sympathetic capitalists, like Mr. Seeborn Rowntree, who strongly uphold, in *principle*, a full living wage as a first charge on industry, have yet pleaded that it cannot be realised immediately, and have urged the necessity for a temporary reduction of wages. They admit, therefore, that there are times when, under the present financial system, no given minimum can be maintained. And it is hard to see what guarantee there can be that such crises may not recur indefinitely. But, as regards any *immediate* policy, the ordinary Socialist is in the same boat with Mr. Rowntree.

We must, in fact, boldly defy the "law of supply and demand," which (like most economic "laws") is far from being an absolute law of nature, but purely hypothetical. The latest phases of economics encourage the belief that prices are precisely the factor that it is easiest to regulate—at any rate, if this is done in connection with a social control of credit-issue, and if instead of *fixing* prices after the medieval manner, they are determined by the flexible and adaptable means of a certain ratio to costs. The Just Price being thus established would underpin the whole economic system and give a secure basis for a true *standard* wage, settled by far more human considerations than the bare limit of "living."

Patent applied for.

"The alteration of the franchise so as to eliminate the idiotic principle of 'Mob Voting,' the revision of the Monetary System as advocated by Kitson, Douglas, and others, the restoration of Trade Credits, are salient features of the Nationalist Party Programme."—*Leaflet*, by L. A. Howard, issued by the National Fascisti.

The price of economy.

"It is curious that when the Admiralty proposals for saving money become public, those who have cried out for economy resent them. Nobody dislikes putting dockyards out of action more than I do, but there can be no economy without putting somebody out of employment."—*Mr. W. C. Bridgeman, First Lord of the Admiralty, at Colwyn Bay.*

Drama.

The Cat's Cradle.—Criterion.

Aimée and Philip Stuart, the authors of "The Cat's Cradle," having had sense to let Marie Tempest re-write their play, and good fortune to the extent of her acting in it, have gone to Monte Carlo, the one place in which they could hope to spend their profits. It is anything but obvious why Marie Tempest should have had to alter the play. At some time or other the tag has probably been used of every woman that "it's not so much what she says as how she says it." To use it of Marie Tempest is to mean it. She could make a Parliamentary oration sound lively and subtle. Almost anything would appear clever coming from her, and the occasional failure would prove to have been a little too clever to begin with.

Without Louise Hampton to pin it down this comedy would have blown away, especially as it was staged on a tiny island where the wind might be expected to list. The island was so small that one ought perhaps to call it an islet, which Shelley, on one of his off-days, rhymed with violet to enrage Mr. St. John Ervine. Whatever one call it, it was a matter for gratitude if for no other reason than that it justified the engagement of Tom Reynolds as the hearty old salt whose duty was to pilot visitors backwards and forwards from the world. It was, unhappily, an island that liked to be visited, so that Brigham was kept so busy piloting that we saw too little of Tom Reynolds. We saw enough, all the same, to assure us that the salt had not lost his savour.

We were more than a little puzzled during the first act that a decent potterer-about like Michael Hastings should have run away from his wife. It really looked as though, in spite of all induction to the contrary, there might be a case after all in which it was the woman's fault. When we met her we acknowledged promptly that in the depth of ultimate cause the blame was properly the man's. We couldn't sympathise with him for running away, because we couldn't forgive him for marrying her, since we simply couldn't understand it. It appears a general principle of the stage that the only couples who can be got to part are the couples who couldn't have been got together. What we could forgive still less was his letting her have custody of the child. There can be no excuse at all for abandoning one's only son to a woman from whom one must protect one's self with a trench of sea.

To run away from Hester was to run away from a mere ghost. She was the most strait-laced and complacent adherent of Methodism that died out in 1914. That Louise Hampton made Hester live, if not of real flesh and blood, is a great tribute to Louise Hampton. Hester had a half-sister; a widow, an actress, a woman of the world, big-hearted and humane, and glorified by the name of Angela. Angela is Marie Tempest, and it is Marie Tempest that the audience goes to see, since it regards Marie Tempest as a fair substitute for a play any day.

Through the excessive anxiety of Hester that the administration of divine justice should not all have to be crowded into one overworked last day, Angela's daughter was illegitimate. The decree against her first husband had been annulled on information betrayed to the King's Proctor by Hester about the premature nuptials of the second. In addition Hester was a miser who misappropriated, to augment her secret hoard, all the funds sent by her open-handed husband for their boy's education. The poor Puritan, in fact, was encumbered by all the ugliness ever attached to Puritanism without a single one of its compensations.

The big scene, in which Marie Tempest and Louise Hampton re-fought the contest between the generous sinner and the selfish Puritan would have set a lot of hearts throbbing thirty years ago. Young people of both sexes would have risked eternal damnation and the parental strap to be on the spot and applaud generosity. Nowadays the battle can hardly happen except on the stage, and it dates all who can be moved by it. The Puritan was not even allowed to state her case. We knew, although we were intended to overlook the significance, that Angela wanted Hester's boy to be given a chance of life and freedom only to give Angela's daughter a chance to make a husband of him. Why Hester did not plank down such a good and obvious reason for continuing to tie the boy to her apron-string, and thus turn the tables, I don't know; perhaps it is the weakness of modern Puritanism that it has to act always on the defensive. Perhaps it is different in the author's original version. In either event, we were left to understand that the young miss, another instance of memorised Freud superarmed by her mother with the witchcraft of Eve, was left a clear field to annex the young man. Both of them deserved what they got.

PAUL BANKS.

LETTERS TO THE EDITOR.

"WE OF THE NEW AGE."

Sir,—The criticisms and the would-be superiorities of Messrs. Philip T. Kenway, and "M.B., Oxon." (THE NEW AGE, January 21, 1926) read very quaintly. Unless "We of THE NEW AGE" wake up, I would respectfully suggest, they may become known—and ridiculed—throughout Great Britain as a sort of Society of Strong Protesters; people to whom no conceit is sacred save their own. And of that, God knows, there is enough.

There is something very comical about these profound "We's" of THE NEW AGE. Anyone, for instance, with even a grain of world-wisdom, knows that Australia is the Siberia of the British Empire. One would imagine, then, that people who are so tremendously interested in Fyodor Dostoevsky—a former Siberian convict, whom prison cured of intolerable conceit and converted into a real Russian spiritual liberator—would at least be prepared to listen, calmly, to the report of a living ex-convict on conditions in Australia. But no! Because I have had the temerity to flog Will Dyson as a typically useless, swollen-headed, and conceited Australian of this generation—swollen questions his ability—they fly into a paragraphic, o-good-gracious sort of panic. They complain about bad smells. They shriek that poor Mr. Dyson is not there. They faint. They gibber. In fact, their literary stay-laces have to be cut, lest they expire.

Poor things! Some Englishmen are exactly like that. They are so intoxicated with the "We"-ishness of their own wee-ness, that the idea of anybody else, either in Siberia or Australia, possessing an utterly different outlook on life, is almost enough to choke them. Well, then, let them choke. Whilst I value very highly the privilege of expressing myself in a paper like THE NEW AGE, I do not care one solitary brass farthing for the opinions of Mr. Philip T. Kenway, or for those of "M.B., Oxon." I am not writing for a desiccated, dried-up virgin England, believe me. On the contrary, in my five articles, published in THE NEW AGE of January and February, I have addressed myself solely to the virile intellectual manhood and to the spiritual muliebrity of that land. I wrote, in particular, for Wells and for Orage. I don't know where the latter is, or what he is at; but when I was in prison in Australia last year, disciplining myself as a sort of John the Baptist for the saving of the British people, I read an article of his in the *Atlantic Monthly*, advocating a return to the Indian spiritual base. Back to the Upanishads and Mahabharata was his cry.

Toiling in the forest with axe from dawn till dark, I thought about that article for many weeks. For I have a vast respect for A. R. Orage. But my opinion, then and now, is that England already contains enough damned Buddhists to sink it. What else are "We of THE NEW AGE"? Nothing but a lot of twirlers of the silly prayer-wheels of abnormal self-conceit. Their prejudice is insulation and isolation combined. Not that I object to insulation for a specific end. Real writers, I take it, are like electricians, in that they desire to send a certain current of electricity over a given wire. So their first aim, of course, is to surround the human heart—the carrier of the intellect—with a thick coating of indiarubber prejudice. The current must not leak. It must be delivered in a highly concentrated form. And so we get this egregious gospel of personal Gautama-ism from Messrs. Philip T. Kenway and "M.B., Oxon." as a sort of leakage from the Douglas wire of THE NEW AGE.

I am not fool enough to mistake the Kenway leakage for the real electric force. But I notice that THE NEW AGE is smeared over, nowadays, with a queer Tibetan hostility to woman, and to all things that are virile and alive. Whilst one end of the paper—the "Notes of the Week" end—is conducted with great ability, the other end, in the language of Gordon Craig, is largely a dull, silly, and melodramatic conspiracy against vitality; against both red and white heat. From such things, which lack the sun of life, it is not possible to draw any inspiration. So, whilst I appreciate very much the clear studies of Tolstoy and Solovoyov made available for us by M. Janko Lavrin, I object as a whole to the asceticism of the latter-day New AGE. On the part of the brethren—to paraphrase what Ananda Coomaraswamy has said of Buddhists themselves—too often the theme is one of extreme misogyny. They remind me of a lot of sterile Paphnutian monks, all gloating secretly over the memory of Thais, and all proclaiming loudly that the only picture of Woman which really impresses them is that of a woman's corpse, lying like manure—vide the Pall Canon—on the charnel field.

Their pose is a lie. "We of THE NEW AGE" know that it is a lie. And I smell rotteness behind that lie, make no mistake. "Go on, if you want to," I would say to such,

"with your policy of Bensonising England. But I warn you that we have had lily-waving cults in London before, and that they came to a bad end."

So much for Mr. Philip T. Kenway and "M.B., Oxon." When Will Dyson, in January, 1922, exhibited his indignant washerwoman-complex in THE NEW AGE, *vis-a-vis* my articles on Australia, I did not complain because I was not there to reply. The point about Dyson is that, six months after his return to Melbourne *Punch*, that Australian paper promptly fell down and died. It is still dead. It lived for sixty years or so before Dyson, last year, began to make it and all Australia sick. I would suggest, very quietly, that Will Dyson has carried home with him from London a queer morbid germ. Where he got it from is his own concern. But I intend to cure him and the entire sick and pimply Australian generation to which he belongs. I shall cure him with the whip.

And why not? My country, Australia, began upon a convict basis. It is still stricken with Botany Bay ideals. To cure Australians, therefore, of their present stupid, convict-like indifference to the plight of England, they must be flogged. They must be subjected to the last stinging rigour of the literary lash. They must be crucified with an iron criticism, so to speak, at the cross-ways of all the world. It is policy to hang, draw, and quarter this drifting gang of demi-Dysons. As to what shrieks may be emitted, in London or elsewhere, I care nothing. When I went, voluntarily, to prison again in 1923, it was with the firm intention of preparing myself for the post of national executioner. I have not spared myself. I have lived in the wilderness literally stark naked, toiling like a slave. I loved Australia enough to spurn Australians and all their political ideas, lock, stock, and barrel. "We of THE NEW AGE," no doubt, are not accustomed to that kind of feral earnestness. Well, they will learn. For I shall be in England, shortly, with the prospectus for a New Australia in my pocket; and there are those in London and elsewhere, superciliously sniffing at the base, smell-garnished universe, who require Australia's national medicine—to wit, the whip.

GRANT MADISON HERVEY.

Brisbane, Australia. March 20, 1926.

THE JEWISH QUESTION.

Sir,—It appears to followers of the New Economics that THE NEW AGE and Major Douglas, among others, desire to let no opportunity pass of associating the Jewish race with the financial policy to which they are opposed. To call the phenomenon an obsession is certainly no exaggeration, and it would be in the interests of right thinking to clear the matter up.

The Jewish race numbers some 13,000,000 people, of whom a very uncertain handful are in what Sir Josiah Stamp has termed "the inner circle of international finance," where they exercise presumably some influence on financial policy. As financiers of this calibre, they, no doubt, deserve much that is said against them, and were the matter to stop at that point a considerable measure of agreement would be found. But when the remaining millions of Jews are included in the accusation as accomplices and abettors, and are "exposed" with them, the matter assumes quite a different aspect.

As could be expected, the "exposure" is introduced and qualified by some such phrase as "we have not yet found evidence that the attitude towards our economic policy is conditioned by racial considerations," or such a crowning mercy as "until we do, we remain neutral"; or it may take the form of "some of our best friends are Jews, etc." But at the same time these considerations cannot be allowed to interfere with the voicing of a just prejudice in the name of "efficiency." Psychology knows nothing of any such function as a genius for money, and evolution lends no support to a belief in its hereditary nature, yet the notion persists that "the Jew is inspired by a genius for money with which centuries of political ostracism by Christendom, leaving him no other objective for his energy, have imbued him." History and common observation make it clear that at least 99 per cent. of the Jews have always been, and are to-day, engaged in the ordinary pursuits of life, and like the rest of the ordinary people of the world had, and have, no use for politics as a means of advancement or self-expression. The remaining handful are upstarts beside the ruling houses of Europe, and have just as much connection with the masses.

The outlook that thus "inspires" the Jew is surely too complimentary, however, when it makes "ambition impelled by patience and concentration" a specifically Jewish characteristic.

But the trump card played against the Jews is that they do not protest against the machinations of Jewish financiers, and they are admonished to "bury" these offensive elements

lest the anger of the Gentile fall upon themselves. In its most esoteric form the accusation is made by those who have an intuition that the failure of the Jews is not really intentional, but is the manifestation of some mosaic or other spirit working in them. They say that quite subconsciously the Jews are being used by this spirit and all unknown to themselves, they are in harmony with orthodox financial policy. It is for their own good that they should exercise that spirit. This attitude shows distinct leanings towards that of the Inquisition, but, as the New Economics is a strictly mathematical and scientific affair, the intuition provides, no doubt, some sort of recreation from the strain of severe intellectual exercise.

The English people may be silent in the throes of deflation, Germany under the Dawes' scheme and Austria under the tutelage of the League of Nations, that is put down to ignorance of finance, and too close a concern with the daily grind; but the silence of the Jewish members of these nations, who are equally affected, is believed to require some mysterious explanation. Admittedly, it is a tough job to persuade almost anyone of the workings of finance, and there is no case known yet of a business man publicly endangering his overdraft. Yet it is supposed to be quite reasonable to expect that 13,000,000 Jews, scattered over the world from Harbin to the Antipodes, and from China to Peru, should either as one man, or through their no doubt elected representatives, rise and denounce out of their communal subconsciousness, those unknown few who are presumed to be assisting at the preliminaries for the destruction of civilisation.

If the New Economics bases itself upon reason and is a scientific technique for the release of humanity, those who carry its message should have need of no other support than a passionate love of humanity and a desire for the freedom of all men. Its aims will be nearer achievement if its propaganda is directed in that spirit and clearly against the relevant opposing policies. In so far as it devotes itself to stirring up anti-Semitic prejudices, it will be diverting support and loosening passions which will rise against quite innocent men, women, and children, while the real enemy sits in the seat of the scornful and remains unscathed. This is clearly the state of affairs on the Continent, where anti-Semitism of a virulence to satisfy the most ardent has full scope. It was also the policy of Czarist Russia.

In the achievement of the objective of the New Economics, the conversion or eradication of 13,000,000 Jews as a preliminary appears to be neither clearly necessary nor immediately possible.

S. P. ABRAMS.

"THE TRUTH ABOUT BORSTAL."

Sir,—I am much obliged for your laudatory notice of my book, in which, however, your apt sub-title: "The Varsity of the Under-dog," may be mistaken for the title of my book, which, alas, is less brilliantly called *The Truth About Borstal*.

Your reviewer obviously knows a good deal about the subject, and his statement that there are no adult prisoners at Wandsworth is true enough, although it may be found that I have anticipated the findings of the Conference which is now debating the subject.

Your reviewer concludes by summing up my work as "a sympathetic, business-like book, written without sycophancy or petulance. No highbrow could have done it so well." I had to read that twice before making up my mind whether this was meant to be highly complimentary or merely subtle! However, I have given myself the benefit of the doubt. Pray Heaven I am not rebuked!

SYDNEY A. MOSELEY.

AN EDITOR'S PROGRESS.

Sir,—I notice that in one of his articles Mr. Orage refers to me as a Roman Catholic. May I correct this error? I am not a Roman Catholic. I was never received in the Church. My appreciation of the religious side of the social problem never led me to take this step, though rumour from time to time has credited me with having done so.

I find Mr. Orage's account of his spiritual or intellectual wanderings very interesting, especially what he has to say about the inadequacy of reason. As an old friend of his I should like to say that it always appeared to me that faith in the all-sufficiency of reason was his besetting sin. To want a clear intellectual analysis of the present situation to liberate moral and emotional energy which at present is half paralysed by intellectual entanglements. But Mr. Orage appeared to conceive of reason as a motive force. I incline to the opinion that all my differ-

ences with Mr. Orage turned on this. Mr. Orage always wanted a purely economic solution of the social problem, that is a mechanistic solution, apart from morals. In my opinion such a thing does not exist. Hence my inability to accept Douglassism. Major Douglas has, I think, performed a valuable service in directing attention to the problem of credit. But the solution he proposes is a mechanistic one, which I think is impossible. There are moral questions involved in the problem of credit. It is an aspect of the problem of usury which is partly moral, if not entirely so. The Medieval Church failed to deal successfully with the problem of usury because it assumed the problem was entirely a moral one. Douglassism, it seems to me, falls into the opposite error of assuming it is entirely mechanistic.

ARTHUR J. PENTY.

MR. CHARLES DOUGHTY.

Sir,—I would like to endorse Mr. Webb's opinion of the worthy features of THE NEW AGE, and to add my testimony publicly, often declared privately, more particularly of the value of "Old and Crusted's" contributions to your paper. Their obvious sincerity and kindly humour; the homely illustrations bringing Social Credit right into our everyday lives, are most convincing. I have had practical evidence of their value as propaganda.

Can Mr. Grieve not give us an article on Mr. Charles Doughty, or is this writer not sufficiently in the line of development of modern literature?

S. A. R.

Transvaal. April 6.

The Social Credit Movement.

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.

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 un-saleable 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.

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