

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

The Select Committee on Public Petitions, in its first report for the session 1927, makes reference to that of the Finance Enquiry Petition Committee in the following terms:—

"FINANCIAL POLICY.—For Inquiry. 2. March 31. There-undersigned Inhabitants of London and other places (Rear-Admiral Beamish) * 27,911
The Petitioners pray the House that a full, impartial and public Inquiry be made into financial principles and policy, and their effect upon prices, taxation and unemployment.

* Your Committee have not, in the case of this Petition, reported to the House the total number of Names appended thereto; as they are of opinion that some of the Signatures are in the SAME HANDWRITING
The Signatures in question have not, therefore, been counted.

So the number of signatories is 27,911 + x. This meticulous elimination of what may be called the inflationary element in a list of signatures—this insistence on the principle, *One Name One Ego*—is very reassuring; or would be if it were applied generally. For instance, if every article "released" by the central publicity department of the associated joint-stock banks was published once, and once only (say in *The Times*), and plainly authenticated; instead of appearing a thousand times over in newspapers large and small throughout the country, in every case purporting to be the individual view of an editor, a leader writer, or an expert contributor, this application of the principle would have some value. But no; this is not how it is done. "John Smith—witness his hand"—yes; but "The Big Five—witness their seals"—!

However, the deflation of the Finance Enquiry Petition is of no practical consequence—the rejected signatures being a negligible percentage of the total. Its sponsors may, too, console themselves by witnessing the withering onslaught from which Lieut.-Commander Kenworthy's petition has suf-

fered at the hands of the Committee. It was a Petition for the legal prohibition of vivisection, and was said by Mr. Kenworthy to be signed by 15,286 persons. They are all allowed to stand—except 15,253. The gallant survivors number 33. They will each, no doubt, receive a decoration in due course. Where are the dead—the dead that are no more? Let the Committee tell; and in its marvellously temperate language.

"But your Committee have not in the case of this Petition reported to the House the total number of names appended thereto, as they are of opinion that 15,253 of the Signatures have been written on sheets not headed by the Prayer of the Petition. The Signatures in question have not, therefore, been counted."

Of course, of course. To sign a blank sheet is to petition for nothing. When John Smith soberly, slowly and laboriously traces out the homely lines of his name he may nevertheless be under a misapprehension of what he is asking for. When ten thousand of him, drummed, deafened, and distracted, flock to the Polling Station to lose, each, his identity in a flux of crosses, there is not the least doubt what he wants. For everyone knows what a cross stands for. Crucifixion. The prayer is enshrined in the symbol. There might, it is true, be a few observers disposed to argue that even so there remained the doubt whether these John Smiths intended to welcome this fate or to protest against it. But the English have always been noted for their horse-sense, and have a short way with pedants. Moreover, it is so easy to interpret an electoral mandate. Mobs never stutter.

At the annual meeting of the National Savings movement, Sir Robert Horne emphasised the fact that the savings of the British people (as mentioned in the Colwyn Report) are now £150 to £200 millions a year less than before the war. Against this Major-General Seely, the chairman, was able to show that at least one section of the people are increasing

savings. In 1916 the total of the deposits in the Post Office, building societies, and trustee banks amounted to £340 millions. Eleven years later the figure had grown to £629 millions, and additionally £493 millions were still due to holders of Savings Certificates. Commenting on these figures in the *Evening Standard*, the writer of the "City Man's Diary" said:—

"It seems to be clear that the number of people who are thrifty is greater than ever before; the trouble is that these people are not in a position to save sufficiently large amounts."

He refers to Sir Robert Horne's complaint that whereas the American manufacturers can scrap obsolete plant frequently, the British manufacturer is unable to do so, because of his "inability to obtain the financial resources necessary." Here, once more, is the exploded fallacy that capital development must always be dependent on the unspent margin of private incomes. That it is so to a very great extent at present is granted. But if consumers are to stop giving orders to industry so as to enable industry to execute more orders from them, where do they both ultimately get to? The present Diarist could not do better than ask his editor for ten shillings to buy Foster and Catchings' "Business Without a Buyer," and take a day's holiday with it. Again, he is puzzled to know—

"Why it is that apparently in spite of vicissitudes, the working and lower middle classes have been able to increase their savings and the more fortunately situated classes have not."

It is largely because of the descent of lower-middle classes to the status of working classes and of the fortunately situated to a lower-middle-class status. The once-rich now patronise poor men's banks just as they compete to live in poor men's dwellings. Given a general declension into poverty and the savings of poverty must rise.

* * *

The *Daily Mail* of May 13 gives an interesting account of the activities of Sir Esmé Howard, the British Ambassador to the United States, who has been speaking to audiences in the South and Far West of that country on the Debt problem. Apparently our diplomats abroad are allowed to talk a brand of economics which gets little or no publicity in the Press at home. Sir Esmé Howard has been examining in public America's position as a great world-creditor who "wished to sell her own products" but at the same time was "determined to protect her own markets from competition." (*Daily Mail's* correspondent's summary.) He re-asserts Britain's determination to hold to the letter of her debt-compact, but at the same time explains what the consequences must be. "We have," he says, "to find some means" of paying. After reminding his hearers that Britain at present buys 25 per cent. of America's total exports, he tells them that sooner or later Britain, and for that matter all Europe, will have to cease purchasing on the American market. Britain cannot pay back capital and interest on the debt and pay for imports from America in addition. That, he insisted, was the logic of the situation if matters were allowed to go on indefinitely as at present. "But," to quote from the Correspondent's report (italics throughout are ours)—

"But he knew in his heart that in practice they would not be allowed to do so, and that as soon as the shoe began to pinch seriously and a crash became menacing, steps would be taken by the experts of all countries to cure it."

"He emphasised that in his opinion the struggle for raw materials and for markets presented the most dangerous source of future friction. People often talked as if international trade were the most potent factor for peace, but as a matter of fact the struggle for markets

frequently brought even those countries who were most inclined to be friends suddenly into conflict."

In justification of his policy in thus speaking, he says in another place in the report:—

"... the best way to maintain friendship is not to cover up misunderstandings by what has been called 'Hands-across-the-sea flapdoodle,' but to expose the causes of the misunderstandings."

Sir Esmé Howard is, it will be seen, beginning to talk in terms of realism. As spokesman for Britain (and, shall we say?—for Europe) he is in the same relative position apropos of American policy on the debt problem as THE NEW AGE is apropos of orthodox financial policy in general. This correspondence of the two situations is worth attention. In both cases (of course the Social Credit case includes the other) disaster is foreseen on logical grounds, and an effort is made to communicate those grounds to a group of people whose present policy will lead to the disaster. In both cases a means of avoiding the disaster is put forward. In both cases again, the group in question will neither change its policy nor discuss it except in a superficial fashion. Hence a deadlock. Now, to examine Sir Esmé Howard's position. It is a much less difficult one than that of the New Economist. Nevertheless he recognises that so long as Wall Street and Washington like to persist in exacting debt-repayment he is powerless to change the situation, though he were to expound the logic of his case in the hearing of every citizen of the United States. As fast as he directed the intellect of one voter, the opposing forces could misdirect the emotions of thousands. Yet he talks. What then is the strategy underlying his propaganda of common-sense? Obviously and primarily, to cause a division of opinion, if not in the group itself, then among the next powerful group or groups in the hierarchy of American government. Secondly, to communicate to every Chancellery in the world the analysis he expounds, irrespective of whether America listens or not. Thirdly, by showing disaster to be logically inevitable, to make America responsible in the eyes of the world's Statesmen if such disaster takes place. Fourthly, by implication, to assure debtor countries in general of Britain's sympathy with the principle of economic reprisals on an unrepentant creditor. The dividend on these polemical investments of the British Ambassador will not be declared immediately; but it is already being earned. The psychological accountancy period has no definite close because it has no definite opening. But the time of the declaration is indicated in a phrase of his: "When the shoe pinches." It is true that the economic shoe does not pinch except through human agencies. There is to be no extra-human judgment. It is rather that Sir Esmé Howard is prophesying a neural explosion.

This attitude is sometimes spoken of disparagingly as catastrophism. We have sustained changes of this kind ourselves. In the limited sense described in the case of Sir Esmé Howard we are catastrophists. Everyone who weighs up the forces operative in real Government must be. As one of our correspondents (not a believer in our policy) remarked: "Politicians don't move till something's going to hit them." But in the wider implication of the above reproach, namely, that we believe that the world must suffer a cataclysm as an essential condition of economic salvation, we are not catastrophists. For one thing, the very episode we have been discussing is *prima facie* evidence that Statesmen smell danger and are manoeuvring to cope with it. Much as reformers may chafe at the indignity, it is not the impact of their words on the mind of the ordinary public, which is to be the dominant force in deciding the event. It is not what the public may be inspired to do consciously and altru-

istically in the mass that will contribute most to the change, but what they are doing instinctively and selfishly as individuals under the stimulus of their present environment. Whoever likes it or not, men will continue to react in their own separate ways to the system that oppresses them. But the very multiplicity and incompatibility of their actions constitutes the "pinching of the shoe." Already, the high financier limps a little. Come out at night and fox him along the darker streets, and you will see that brandished cane of his degraded to the problematical uses of a pliant crutch.

It would be premature to attempt to discuss exhaustively the police raid on the Arcos premises. One is at once in the region of the highest diplomacy—in the land of lies. To form theories by assuming the exact opposite of all the facts and reasons given out by the Government would be logical advice were it not for the subtleties of diplomatic fiction. Sometimes the pure truth is the most effective lie. It is not what is said, it is what impression it is calculated to produce, that decides a falsehood. A State document has been missing for some time, we are told. One may believe it—unless he can imagine a diplomatic motive for inducing such belief in certain other diplomatic circles. The only safe ground is to begin with the fact. Arcos, Ltd., was besieged and reduced. Next, a safe inference. The Government wanted to examine its papers or other possessions. Next, another reasonable inference: the Government wished to do this in the most dramatic manner possible; it wanted the news of its action to be broadcast as widely and quickly as possible. Why, otherwise, police methods—and in broad daylight—rather than secret service methods? To an ordinary mind it does seem unconvincing—though, of course, possible—that granted a State document of such critical import as is reflected in the measures taken to get it back, was stolen "several months ago," its recovery now would put everything right. The police had "just heard" that Arcos might have it. Yes; but where had it been in the meantime—who may not have seen it—photographed it—and so on? Moreover, directly the document was first missed, either Arcos, Ltd., was suspect, or not. If it was, the raid should have taken place instantly to be any use; and it could, for the Secret Service could easily have created the "informer" and "evidence" necessary to fulfil the formalities for getting a magistrate's order. If Arcos was not suspect it could have sent the document out of the country. If for any reason this was not desired, we can imagine no place less likely for this firm to keep the document than on its own premises—especially after the similar raids which took place recently in China. On these grounds we are inclined to judge that the present search is not for anything in particular but for information in general. The *Observer* states that it is known that Scotland Yard and the Home Office acted without consulting the Foreign Office. How this is "known" it does not explain. The test will be to wait and see whether Sir Austen Chamberlain or Sir William Joynson Hicks resigns office. Next week we shall be in a position to say more.

In 1925, when the Pollak Foundation in America published *Profits*, by Foster and Catchings, it announced a prize of \$5,000 for the best adverse criticism of the book. These authors have now written a new book entitled *Business Without a Buyer*,* which is a summary of the main proposi-

* *Business Without a Buyer*. By William Trufant Foster and Waddill Catchings. Published by Houghton Mifflin Company, 2 Park Street, Boston, Mass., for the Pollak Foundation for Economic Research, Newton 58, Massachusetts, U.S.A. (pp. xx. + 205. Price \$2.00. Not yet available in England.)

tions and arguments in their two books *Money*, and *Profits*. In the preface to this last book they give an interesting account of the papers sent in for judgment. They numbered 435, and came from twenty-five countries, and from professors of economics in forty universities. Included among the writers were "some of the ablest men in the Federal Reserve System," and "several of the most highly reputed economists in the British Empire." The authors say—

"So far as we can see, none of the criticisms which we have received from the prize essays, or from any other source reveals a fallacy in our main argument."

They give the useful information that the one confusion which seems to have done most to prevent these people from following their argument (which was, as our readers are mostly aware, that re-investments of wages, salaries, and dividends lead to loss of demand, and therefore over-production), is their failure to distinguish between *general* over-production and *specific* over-production. They comment that it is general over-production that causes business depressions, and that general over-production is a *purely monetary phenomenon*, i.e., it could not happen if goods were directly exchanged for goods. This point they elaborate because, as they say, many people otherwise fall into the error of believing that general over-production of goods is impossible.

Another section of the preface describes the contradictions between the competitors' arguments. Some say that there is nothing in *Profits* but "common-sense and well-established doctrines." Many critics say that the authors have "really discovered nothing at all." On the other hand, there are just as many who describe the book as revolutionary. One professor says that if he accepted its conclusions he would have to renounce much of what he had been teaching for thirty years. Another asserts that if the ideas are sound they are the most important economic discovery of the century. One large group of college teachers say the ideas are fallacious; another equally large group say that these are the very ideas they have long been teaching. And so on. We are glad to know that this important aspect of the Social Credit Analysis has met the attention of so many writers and teachers. The authors' manner of exploring some say that there is nothing in *Profits* but "com-the time, a brilliant piece of lucid writing. Their present book is written in the same style, and its matter is adapted for the needs of busy men who do not want to be overloaded with statistics nor wish to have to consider more than one definite point at a time. It is a thoroughly efficient and exhaustive presentation of the subject in spite of its shortened form, and is a decided acquisition to the literature confirming and illuminating the wider synthesis with which Major Douglas's name is associated. The authors now announce that their analysis is ended, and that the purpose of their next book is "to bring about effective action based upon the truth." This announcement is intriguing. So far as we can see, they have effectively closed all avenues of escape from the economic maze but those which we point to in these columns week by week. There are some influential financial interests at the back of the Pollak Foundation, and if the authors advance in their next book to where their logic directs them, their so doing will be in itself a significant event in the progress of the Social Credit movement.

"It was once said by a workers' representative who is on more than one county wages committee that when, in the course of the proceedings, a literary allusion was made, it always seemed to be in a speech by a worker delegate."—J. Robertson Scott in *The Countryman*.

The Quantity Theory of Money.

There is a disposition nowadays to indict the Quantity Theory as obsolete. Such criticism comes from people who are attacking the deflationist policy of the banks. Naturally so, for the deflationists plead this theory in justification of credit restriction, claiming that though their policy produces hardships it does at least bring prices down. But that is no reason why anti-deflationists should reject the theory. It is rather a reason why both parties should make sure that they understand it.

The following short definition of the Quantity Theory is given as follows by one of its critics: "The general price level of commodities varies directly with the quantity of money in circulation—other things remaining the same." He then proceeds to scoff at the qualifying phrase "other things remaining the same," remarking that other things do not necessarily remain the same. But this attitude is unscientific. It logically commits this critic to the proposition that a single law must not be examined and defined in isolation from others that may be operating coincidentally with it. This would inhibit all knowledge whatever.

At the proper time and place the upholders of the Quantity Theory are just as willing to consider these "other things" as are its critics. In fact, more so. For what are these other things? Comprehensively they are frequently summarised by these critics as "psychological conditions." For instance, they make the objection:

"Variations in credit do not affect prices automatically; prices are changed by human agencies as the result of psychological conditions."

The implication is that the Quantity Theory ignores psychology. Quite untrue. The validity of the Quantity Theory depends entirely upon psychology. If producers suddenly became automatons, the course of their prices thenceforward would be conditioned solely by comptometers registering previous costs, and would not be deflected a hair's breadth by even a millionfold expansion of credit. The Quantity Theory pre-supposes that (a) producers are conscious beings, (2) are able to ascertain empirically what money their goods will fetch, and (3) are actuated by a desire to collect the largest revenue possible from consumers. The Quantity Theory is applied psychology or it is nothing.

In 1920 Mr. Austen Chamberlain announced in the House of Commons that the Government had "set its heart" on deflation. Immediately there was a panic, and prices fell away. On the day the panic began the ratio of money to goods in the market may be assumed to have been the same as on the day before. Why, then, did prices fall? Because producers foresaw the working out of the Quantity Theory in the near future, and acted accordingly. Curiously enough, this very episode is sometimes adduced as evidence that the Quantity Theory is fallacious. It is as though someone announced the principle that the rainfall governed carrying of umbrellas, and someone else denied it because on occasions when a meteorological expert had predicted rain he had seen people start for the office in brilliant sunshine with their umbrellas under their arms.

Then, as to those "other things" which are supposed to vitiate the Quantity Theory. Granting that they will not "remain the same" when credit is expanded, in what way will they alter? The main argument is that an expansion of credit leads to increased production and will result in proportionately more goods coming on to the market. Hence, it is urged, an expansion of credit need not necessarily cause an expansion of price. This, however, is merely an argument that an expansion of credit

need not disturb the ratio of goods to money. But the Quantity Theory does not say that it need. All the Quantity Theory says is that if the ratio is disturbed prices will alter; if not, not. Further, the very claim that increased production will prevent price expansion rests on the assumption that the Quantity Theory is true.

The right attitude towards the deflationists is to refer their arguments not to the Quantity Theory, but to the established practices of manufacturers and traders when faced with the problems arising out of credit-restriction. Whatever qualifications one might consider it necessary to append to the usually short and convenient formulations of the theory, it is bad tactics on the part of credit reformers to reject it. This only plays into the hands of the orthodox, who have only to point to the comparative coincident statistics of credit-circulation and price-levels in all the chief countries of the world during the war to establish an apparently impregnable case for themselves.

Economic Horizontalism.

We publish a letter on the subject of the "horizontal" and "vertical" trust. In our interpretation of the term, the test whether a trust were "horizontal" or not would be the question: Does it produce from beginning to end, and distribute, everything that the consumer needs for subsistence? It is not solely a question of the internal structure of a trust that, in our view, decides its "economic horizontalism"—to put it that way—but it is the wider question of what extent of consumer markets it can supply directly with its own products.

A trust owning and working, for instance, all the metalliferous resources in a given country, but nothing more, could be reasonably called "horizontal" from a structural point of view. But the area of its direct relationship with consumers would be a mere pin's point. It would be an example of economic verticalism. Alternatively: a trust might own, say, coal and iron mines only, then smelting works, rolling mills, and other processes leading up to and including products sold in ironmongers' shops. This trust could be reasonably called "vertical" from the structural point of view. But the area of its direct relationship with consumers would have considerable dimensions. It would be an example, though incomplete, of economic horizontalism.

The distinction is not purposeless from the point of view of the New Economist. For the Social Credit principle rests on this *consumer-relationship*, and not on any particular integration of productive activities as such.

PRESS EXTRACTS.

"Financial reconstruction in itself may mean very little; in recent years it has all too often been undertaken merely as a device for the defrauding of one class of shareholders in the interests of another."—*Manchester Guardian Commercial*.

"Until comparatively recently the main bearings of the best types of motor-engines were scraped for bedding-in by hand, the operation usually taking a man three days. A broaching machine was devised by means of which a set of bearings could be bedded-in in half an hour, but the complicated nature of the machine necessitated the supervision of a skilled man. In one of the largest motor factories in this country the broaching machine was operated by a Greek mechanic, who, on his own initiative, so simplified the machine that it could be managed by an unskilled worker. The only thanks the man received for his cleverness was his dismissal in the very week that his modification was proved to be a success. Further comment is superfluous beyond saying that had such a thing occurred, say, in Henry Ford's factory, the man would have been suitably rewarded and given a position affording greater scope for his inventive genius."—"What Ails the Engineering Industry," by W. F. Watson, *The Quarterly Review*, April, 1926, p. 251.

Scotland and the Banking System.

By C. M. Grieve, J.P.
(Member, Scottish National Convention),
V.

I hope that Mr. Wheatley, in particular, will refuse to be supine—because of the devastating light his stand for Scottish nationalism will throw on the absurdity of those pseudo-nationalists (mainly clerical) who imagine that the "Irish Invasion" is threatening "Scottish nationality." My hope is also dictated by a longing to see Mr. Wheatley turn the tables in this respect, too, on that "Moray loon," Mr. Ramsay MacDonald, who has all along been such a singularly unhelpful lip-servant of Scottish nationalism. Then one of the principal arguments against such features of Scottish nationalism as the Gaelic times, a thing it is impossible to contend against, is too strong for them—"modern industrial civilisation," we are told, "demands uniformity." Yet it is nothing inherent in industrial civilisation that demands anything of the kind—a man who speaks Gaelic can tend a machine as easily and efficiently as a man who speaks English or Esperanto. This uniformity is demanded, not by industrial civilisation, but by the policy of the financial powers which are at present behind industrial civilisation. It is they—not the thing itself—that demands this uniformity, this facilitation of the mass-manipulation of the minds as well as the labour-power of its robots.

Above all, I hope the Wheatley analysis is right because, as a Credit Reformer as well as a Scottish Nationalist, I believe that such a flanking movement as the seizure of Scottish Independence is the best possible tactic that can be employed in the present situation as a whole. I have just referred to the Bourbon psychology of the Scottish banking chiefs—what I have said involves the least "prepared" link in the chain because the least "prepared" believe Mr. Wheatley could carry through at the shortest of notice) would (on the principle that the person of a chain of persons furthest away from a galvanic battery gets the worst shock) have greater effects on Threadneedle Street than any frontal attack on the British banking system. The Old Lady would probably suffer at once from a species of Huntington's chorea. The reason is that the position in Scotland has not been given nearly such an unseizably Protean character as in England. There has been less necessity for "cover" than at the "centre." The facts in regard to Scottish "National" finance that lie to Mr. Wheatley's hands are far more flagrantly indefensible than any similar statistics that can be culled about England. Consider the fact for example that Scotland makes the extraordinary contribution of over £110,000,000 per annum to the Exchequer and receives back only £30,000,000—a terrific disparity to which no other country in the world offers, or ever has offered, any comparison. And consider, too, the incidence of the distinctive economic interests of Scotland as compared with those of England, and the differences of British policy in regard to the one and the other. Scottish fisheries, for example, are vitally interested in the betterment of relations with Russia. The present Government's attitude to Russia is peculiarly anti-Scottish. The implications of that in itself show the power a Scottish Socialist Government would have, even if England retained a Tory Government, to modify English Foreign Policy in a fashion in accordance with the wishes of the Opposition—a far greater power than Mr. Wheatley and his colleagues have just now. Then consider the effect of the present fiscal

policy in regard to whisky on the distillery areas of Moray, Banff, Nairn, and Inverness—whole towns entirely dependent on an industry that is being taxed out of existence, while cheap foreign wines, and English beers, are being preferentially treated by a Parliament so composed that for all practical purposes Scotland might as well not be represented in it at all. Such points, however, only represent the fringe of the obscure position over which such an action as I suggest Mr. Wheatley and his colleagues should take—alike in the interests of Scottish nationalism and of Socialism—would throw a flood of light which is not likely to be released from any other wing on this "stage of affairs."

The general policy that is being pursued in regard to all Scottish matters is far better exemplified in the Erribol disclosures. Consider the facts. In 1919 the Scottish Office purchased the estate of Erribol for £12,000 and took over the sheep stock of the late tenant for £45,110. Since that date only one small holding has been created in connection with the scheme, embracing, with previously constituted holdings, an area of 5,500 acres. Twenty-six thousand five hundred acres still remain to be absorbed, and the sheep and other stock have been disposed of for £10,724, after being offered to the crofters for £17,265 cash, an offer they manifestly could not avail themselves of. The loss on the whole transaction is over £33,000. The only possible conclusion is that the scheme has been deliberately neglected by the Scottish Office—devised as a blind behind which the diametrically opposite policy could be pursued to that which it was pretending to follow. It is perfectly obvious that the Government had never any intention of settling the crofters on the land—that it is its real policy to incur such losses, to ship off the crofters to Canada, and to allow the land to degenerate into deer forest. Over the whole field of Scottish affairs the same policy has been ceaselessly pursued by Liberal, Tory, and Labour Governments alike; and the amalgamation of the Scottish banks with the English (which at one stroke withdrew fifteen millions of Scottish money to London headquarters and gave the great London financial corporations a stranglehold over Scottish business) along with such subsidiary developments, or sequelae, of the same policy, as the amalgamation of the railways, and the increasing English control of Scottish newspapers, represents one side of that picture of which the inevitable obverse is the fact that the collective area of deer forests (1,709,892 acres in 1883) is now 3,599,744 acres; seventeen Scottish counties to-day have a population less than it was fifty years ago, eleven have less than in 1821, and five less than in 1801; and of the entire remaining population of the country more than 45 per cent. (over two million people) live more than two in a room!

These tendencies are continuing at an accelerating rate. This is the price Scotland is paying for its "sense of participation in a larger nationality"—a sense that even then must be qualified by recognition of the fact that the "larger nationality" will in turn be subjected to the "same policy" as the "smaller" (although, both, no doubt, may continue a while longer to have a "sense of Empire")—unless Scotland comes to the rescue of England, via Mr. Wheatley in the way I suggest.

(Concluded.)

TO THE CONSUMER.

My friend, I promise you a boom—
(So long as you do not consume!)

TO THE PRODUCER.

My friend, produce! you know you ought—
(Though your production can't be bought!)

L. S. M.

The Physics } of { Religion. The Religion } of { Physics.

By M. B. Oxon.

I.

The reason for the heading of this article is not, as might be thought, mere charlatanism, but to emphasise that the subject is a very difficult and diffuse one. It resembles a cross-country race, and any one who is not ready to take the jumps as they come, but insists on looking for a gate, will soon be thrown out. There are two ways of preserving the balance—we may do so by keeping our centre of gravity always above our point of support, or by changing our point of support so that it shall always be beneath our centre of gravity. Anyone who wishes to follow what I am trying to say will certainly fail, unless he is ready to relinquish, for the moment, all his convictions at an instant's notice and take the standpoint needed.

Of late various articles in these pages by writers on the Trinity, and other cognate subjects, seem to have met with a rather cold reception. Other articles have pointed out that our present production-consumption cycle fails because it is a duality and does not include the credit which makes it a Trinity. Possibly many of those who assented to the latter statement would have preferred the word Trinity to have had a small T. This habit of keeping our religion in a separate box from the rest of our world is very prevalent, and as long as it continues we shall go on being content with a little Sunday-religion which quite contradicts our week-day action. But some who do carry their religion with them all the week may find that they have limits, often set by a subconscious part of their being, as to what company it shall keep. I would suggest that Religion is at home in all company and that no thing, or act, but has its place in Religion.

More than this, in so far as we try to bring our religion into concrete verbal form, as we always must do with anything *about* which we wish to think, the paucity of our language and the inefficiency of our mental processes are soon borne in upon us, even if we have not made the discovery before. This has always been the case with religion, but it is only of late years that our mundane world has become so full and elaborate as to demand a further elaboration of mind to deal with it. All our mental processes, and the concepts derived through them, as, too, the methods of language and words by which we seek to convey our results to others, are based on the concept of space. So powerful is the sense of sight, and the space which results from it, that it gives a formal, or spatial, tinge to the most unlikely concepts. We may, by pondering deeply on such ideas as Good and Bad, reach results in which we can feel sure that space plays no part, but we have only to say "good, bad, and indifferent," to find that we have arrayed them side by side with "indifferent" in the middle!

All the concepts at which we have arrived as the result of the contacts of our different sense organs with the "outer world," are artifacts of our own making. Not only is it impossible to prove that other things correspond at all with the concepts at which we have arrived, but in the light of modern knowledge it is most improbable that they do so. And in all our constructs, not only of objects, but of all nouns, and of the relations between them, we are limited to the three-spatial world in which we live. We have only three categories into which we can distribute relationships. We are much hampered by this.

Take a sheet of paper and lay it on the table; it is a two-dimensional frame of reference; it would contain the bottom of a box. Set it up on edge; it

would contain the front of the box. Set it the other way, and it would contain the end of the box. It is a two-dimensional frame of reference, but it has contained in turn three dimensions of the box. Draw a line on it. As it lies on the table this represents, say, a path across a field, set it on edge, and the line represents, say, the slope of a hill. Wave a magic wand over it, and one of the dimensions of space has disappeared, and time has taken its place—the line is a barometer curve. Do it again; the second dimension of space has gone, and the curve is that of wheat harvests in successive years. Again; and time has gone too, and the curve represents changes of volume of imports per head of population. Now, clearly, nothing has really happened to the paper and the line. The magic change has been in our mind, we have changed our "frame of mind," of which the paper was the outward and visible sign.

We are always changing our frame of mind, so frequently that a certain, fairly restricted, number of changes have become so natural that we do not notice them at all, and take them all for one, and it is very difficult indeed to mark the changes (except by some result, e.g., that we "remember" or "forget" something). Not only do these changes take place by reason of our "thinking," and so on, but also by reason of the physiological activities of our body, for we cannot rightly separate our minds, as we habitually do, from our bodies: each reacts on each—*mens sana in corpore sano*.

Suppose we multiply our sheet of paper by three and set them together to make a corner. This set of three two-dimensional frames of reference, containing the three dimensions of space, represents very well the relationship between the anatomical, physiological, and psychological "bodies" of man; or rather which a man uses, for they really belong to Nature, and when a man is born he, as it were, "bites off a corner," and this little four-cornered bit he carries with him for his life; it is his Cross.

We will now make use of some of the well-known "Flatland" ideas. Clearly a two-dimensional consciousness moving in the floor is different in some way from one moving in either wall, even though they are all two-dimensional. They can only meet along the edge which joins them, and so with the others. There is only one point, the tip of the corner, which can meet them all. Such a point as this is that which is known as the Triple Point in physics. It is possible to arrange things so that ice, water, and vapour can exist together at the same moment. If we change the temperature some of one of them passes into one of the other conditions. The change of temperature, as it were, "tilts" them through the looking-glass of "no-thing" to the other side, it is "No-thing" because it is more than any thing. Pressure will do the same as heat; a wire with a weight attached to it will cut its way through a block of ice and leave no slit behind it, for the pressure "tilts" each particle of ice in turn into water, which then turns back to ice when the wire has passed. Of course, this "tilt" is not in any "direction of space," and since space itself is only a construct, like all other concepts, it has and can have only the three dimensions we have given to it, hence "tilt" is only to be looked on as a descriptive analogy. But it is descriptive of a condition which at present is much in need of some descriptive method.

The "direction" in which the tilt takes place is not a fourth dimension of space, nor is it Time, as Einstein proposes. Time is one of the protean appearances to which such a tilt may give rise, but only one among many; it depends, so to speak, on "which side of space we fall through." But the whole subject is fatally complicated by the assumption of space as a thing in itself; it would really be much less misleading to regard it as the "holes in matter."

Views and Reviews.

CURRENT IDEAS.—II.

If it were possible in the very elementary experiment of dissolving and crystallising a substance to obtain details of its modes of consciousness, I suspect that the *various stages* of the processes would be accompanied by varying emphasis on the time and space concepts respectively. When the process of solution was in full swing, the period would be one of violent atomisation, the goal of which would be the entire absence of form. Everything would appear to be in unceasing flux, the unknown swirl of the solvent being a mystery. The concept which would then dominate would be *time*. During the process of re-crystallisation, atom after atom marching with military precision to its appropriate place on the emerging crystalline shape, the concept of space would dominate. During crystallisation the central fact of consciousness would be the realisation of shape in space; not "flux," but the formative principle would be the mystery and the force. Possibly here may be found a clue to the antithesis between "romantic" and "classic" when they are used somewhat vaguely as representing feeling and thought respectively. Feeling is of flux, thought is of form.

As long as the governing ideas of society in religion and politics are stabilised, and in no apparent danger of disruption, men in general do not recognise any necessity to give conscious attention to those ideas or to government. They are free to attend to artistic creation on every plane, in the crafts as in the arts. It is a paradox of Socialism that its devotees so often plead that the individual had more privileges when he had less liberty. In a stable polity and economy the impression produced on the individual consciousness is that there is space to be filled with satisfying shapes. There is no swirl, no revolution, anywhere. In music set forms are taken without question, melody and harmony being poured into them. In the drama laws and unities are accepted without protest or discomfort, as laws of nature. The basic style of architecture is unquestioned, only design varying. Established forms exercise over the poet only the welcome discipline that creation must yield to for it to be creation. Limitation, by providing a certainty in place of a thousand possibilities—and, therefore, a thousand doubts—makes free.

In protesting against "time-philosophy," as such, Wyndham Lewis explicitly avoids the question of music. He ought equally to avoid the question of poetry, since both are arts to which time is fundamental. My suggestion that not time is the enemy, but flux, or the swirl of formlessness, is supported by consideration of music. If music, as Walford Davies phrased it, is a picture painted on time, then classical music should be a picture painted on a defined quantum of time, framed in some form of time almost as a painting is framed in a spatial shape. It is one of the characteristics of the modern that he strives, in music as in poetry, to rid himself of—he describes it as freeing himself from—the imprisoning influence of form. Regarding details, however, I will say more as I proceed. The hint is out, however, that the alleged creative nineteenth century has actually been the destructive century. Siva has been in power in the spirit.

In the nineteenth century the process of breaking up the conceptual universe was tremendously accelerated. As Leonard Woolf in his latest series of essays remarks, the nineteenth century was a break-up of images, ideas, religions, and philosophies. From the Renaissance the Western World has not crystallised; it has gone more and more into solution

and swirl, with its most violent period of the process in the European war. The Roman Catholic Church, incapable of organic growth, was brittle because it was rigid, and it split into innumerable churches and sects; nearly two hundred sects of Puritans were counted in England in the seventeenth century. All efforts to provide a shape in place of the dissolved church failed, Napoleon's being the final tragedy. The nineteenth century has accurately been called the century of "means," in that its economic application of discoveries and inventions multiplied mankind's *means* of expression. Yet justification, if it is to come at all, is still awaited. Power within the emergent nations, as also power among them, has been so rapidly re-distributed—and used when gained only for the further extension of means—that every citizen has been compelled to practice individualism whatever he professed; he has had to keep his eye on the State, and study with his whole attention the politics of *change*. Science, the chief source of the re-distribution of power, has itself been hypnotised by the single fact that everything is in *process*. Flux—again I emphasise flux rather than time—has become the conscious mystery. Psycho-philosophical inquiry has been dominated by the shapelessness of a universe of which every cell and atom is ceaselessly changing.

From this it will be evident that the "time" philosophy of Spengler may not proceed from deliberate choice of medium or from chance. It may rather be that the world is actually in dissolution, and that every sensitive consciousness is affected by the fact. Spengler may be a considerable advance on Bergson and the nineteenth-century "flux" philosophers inasmuch as he looks out for the form which the new crystallisation is to take, for the locality in which the crystallising rod is to be put into the liquor. Nietzsche, to furnish another instance of a philosopher who perceived flux, was as sensitive to living in a world of becoming as any thinker of his time; yet his Greek leanings made him yearn for shape. He was none too sure, of course, whether to plump for shape as it is imposed on the marble by the chisel, or as the fountain takes it when the water is released. He did not really know which to choose between the method of Vulcan working with a hammer, or the method of Vulcan in wrath, throwing a flower of fire into the sky with the crater for flower-pot.

Nevertheless, Nietzsche, in formulating his superman with an *absolute* if heroic morality, was striving to give Europe an alternative to flux, with all its accompanying political and social formlessness, democracy, individualism, freethought, and protestantism. Actually, as he saw, this philosophy of flux was really a false myth. It produced no freedom because it stimulated no creation, such creation as there was being the banner of rebellion against the prevailing mode, or a return to the classicism of Greece. The protest of Wyndham Lewis against flux—for I shall take it as wholly against flux and not as against flux only insofar as flux is in time—I welcome. That it has been dismissed by reviewers who do not like work, smiled at patronisingly by successful writers who are as satisfied with their generation as they are self-satisfied, and discounted as "extremist-propaganda" by the host of mediocrities who believe mutual toleration the supreme virtue, is nothing against the work. Its criticism of the modern movement in literature, of such as James Joyce, Gertrude Stein, and of all who betray their wish to avoid responsibility at any price, even at the price of meaninglessness, is the first note of the trumpet of doom for all that seductive eccentricity now uttered as literature.

R. M.

Chesterton's Gospel.

By Hilderic Consens.

In its widest and vaguest connotation Distributism is an attractive idea, for its essence is the belief that a general diffusion of property would lead to a society of independent and happy citizens. It conceives of a community where the extremes of wealth would be so narrow that the richest would be unable to oppress the poor, and the poorest would have wealth enough to enable them to withstand prospective oppressors. Mr. Chesterton's "Outline of Sanity" presents the case for Distributism in this wide sense. Indeed, he expressly declares that he includes forms of Distributism for which he has no great liking; even the "Dividends for All" of Social Credit.

The promise of the book is not fulfilled. Neither in analysis nor in construction is he convincing. His pages have the merits of his stories, and those who read them will be amused. But the artifices of fiction are mostly useless in sociology. The Socialist, the Capitalist, the Trust and the Big Shop are his characters of villainy and unreason. His heroes are the Peasant and the Small Shopkeeper.

His ideal is "self-support, self-control, and self-government." He calls for "vows and volunteers," asserting that we need the heroic virtues proper to a crisis. He wants men to become small holders engaged in subsistence farming, and those others of us who are not peasants to buy of the "small man." The choice, he says, is between a peasantry which might succeed and a commerce that has already failed. He suspects Machinery almost as narrowly as Mr. Penty, and would damn all forestallers and monopolists.

His gospel is a moral gospel; his summons is to right conduct. Because he cannot apparently envisage a non-moral problem, he has hardly a word to say about finance and money, and what he does say is wrong. If he were in trade, for example, he would learn that long credit is offered, not to entangle the borrower, but because enough business cannot be done on short credit. The Big Five prefer short-term bills to long-period loans, as Irish peasants are now complaining. Most transactions carry a cash discount to encourage prompt payment.

Again, all moralists must face an examination of their own practice. Does G. K. C. follow his own prescriptions? Not a bit of it. He has not ventured out as a peasant (nor have Messrs. Belloc or Penty) in all the years they have praised peasants, though older men than they have done so. He asks us not to buy from Selfridge's and, apparently, asks the farmers not to sell their product to United Dairies, but he himself has had nearly all his books since 1919 published by large and well-established firms—Cassell's (until a few days ago part of the biggest combine in England), Chatto and Windus, Hodder's, Benn, and Methuen. His theory decries the big concern, his practice enhances its profits. He calls for heroes to wring a livelihood from "trackless wastes," but I doubt whether he himself smokes Hampshire tobacco, contents himself with home-brewed beer, or has imitated his ancestors in forswearing the use of cotton so as to increase the sale of English wool.

Though G. K. C. talks at large of England, he errs in describing what he thinks is going on in it. Small shop-keepers are not disappearing—as a tour of the towns and villages would show him. Neither is the "Trust" their enemy; on the contrary most of them get their living by selling, amongst other things, the products of the tobacco, cocoa, newspaper, oil, soap, match and other large combines. If G. K. C. kept a general shop he would find himself

harassed by agents of the trusts endeavouring to get him to increase his trade and put more money in his own and their pockets. They would supply him with advertising matter, present samples to his customers, and teach him the latest selling methods. The Department Store makes a great noise in England, but it is not such an enemy of the "small man" as the Multiple Shop and the Co-operative Store, neither of which does G. K. C. deign to mention.

With regard to his favourite peasants, he wants men to live on the land, "not by carting things off it"; but the Danes are prosperous precisely because they are so skilled at "carting off" that it is said that in Denmark, if a man has but one egg, he can sell it, provided it is a good one. The Irish live also by carting their goods away to England. In France, it is true, the peasants are prosperous partly because their children die off faster than anywhere else in Europe except Spain; but even so the survivors appear so anxious to get into factory and town life that periodical scares about rural depopulation are raised. Of the Italians, who are so anxious to emigrate, of the peasants of South-Eastern Europe who have the same ambition, he says nothing. The passion for independence on the land is in truth a local phenomenon. When the Irish, the Italian, and the Slav emigrate, do they go on the land? They do not. They assemble in the factories of New England and Chicago.

For G. K. C. machinery probably means Diesel engines and pumping plants, whereas it means much more realistically those engines of independence, the bicycle, the sewing machine, and the gramophone, and the tens of thousands of other end-products. Standardisation of unit, e.g., screw or cotton thread—does not mean standardisation of end-product. It is fashionable to talk of men being slaves to machines. But, in fact, the great enslavers are the cow, the sheep, and the pig. Occasional attention to oil and temperature keeps most machines in order, but animals and crops call for unremitting care. The more self-sufficing a farmer is, the more rigidly is he controlled by hostile forces. The agriculturists can get prosperity and freedom only by (1) division of labour, (2) partial specialisation, (3) employment of improved technique, (4) increasing use of mechanical power and devices, and (5) satisfactory selling prices. All these things to G.K.C. are anathema. Most farmers, however, do not disdain them. They are quite willing, provided they see the likelihood of a better income, to feed cake to their cattle, use a Fordson instead of horses, change their breed of sheep, grow a new variety of wheat, or employ another cow-keeper. While it would be foolish of a Kent farmer to replace his orchards with oats and barley, it is not foolish to sell hops to London brewers, or buy woollen goods from Bradford.

Agricultural difficulties centre round finance, and did so long before either trusts or department-stores were heard of. More than a hundred years ago one crisis succeeded another, and, apart from bad harvests—which called for insurance—they arose from price fluctuations. Prices could not be depended on from one season or month to the next. Nor can they be now. Let the Distributists wrestle with the problem of reasonably stable prices, and with the other problem of a satisfactory ratio between agricultural prices and prices of manufactured goods. Meanwhile I can inform Mr. Chesterton that there is a nice tract of land suitable for small holdings offered for sale near Basingstoke. But I warn him that he will not in all circumstances be allowed to do whatever he likes with his own pig, because there is such a thing as swine fever. It would be edifying to see him skinning his own cow and tanning the hide preparatory to making his own boots; for so "he would live in independence off his own property."

Drama.

Double Dan: Savoy.

Scots are noted for their talent in craftsmanship. If you know what you want the Scot will provide it for you absolutely to specification. If you don't know what you want he will not bother with you. It is this particular talent that has set him at the penultimate head of so many organisations, especially in engineering. The Savoy Theatre has a tradition for presenting farcical comedy reaching even to burlesque; and because it knows what it wants Mr. Edgar Wallace can provide it. The Lyceum has a stomach for blood, for thrills that set the marrow, and make the audience thankful that London street-lighting is as good as its policemen are plentiful; and Mr. Wallace can equally provide that. I have no doubt that from the same raw material of detectives, crooks, policemen, and a dream of a girl—the last of which Scotland produces in any quantity—Mr. Wallace would accept an order for a play from every theatre in the British Empire. If theatre-managers will prepare specifications he will make play-writing into an industry. He will justify the term play-wright.

"The Ringer," which ran for a year at Wyndham's, was as well constructed a puzzle-play as was ever staged. Mr. Wallace has not, however, maintained the same standard in "Double Dan," whose first act betrays the joints and patches. Wish Wynne, in the part of Gordon Hanbury's maid-of-all-work, made inconsequential entrances and exits in the second scene of the first act to say things that had nothing to do with what had gone before or was to come. I could believe that this was a smaller part originally, which had been expanded to give the audience more of Wish Wynne. If this is so, although there could hardly be too much of so clever and entertaining a comedienne, the play has nevertheless suffered for the turn.

The first act as a whole does not help the play. The opening scene was carried over only by the acting of Clive Currie, who, despite a thinness of material, made the audience hug itself with his comic picture of the confidential clerk at the bank illicitly keeping an appointment in a private room at a Soho restaurant with a lady he would not have introduced to his superior. Scene two of this act takes place inside the bank, in the office of Gordon Hanbury, where he and the Hon. Peter Dunn have been found jobs by their successful parents, not because their earnings were required, but because work is a good thing for frisky young animals. Why these young men did not close the bank and run a book-maker's business in the office must have been due to their parents' neglect in failing to send them to the L.C.C. psychological committee for the selection of vocations. Perhaps another reason was that even book-makers nowadays must learn to keep books—with more than average skill. Fast as the young men were, their horses were slow, and some of the jokes which these dragged in can be described only as horse-chestnuts.

When the characters had been introduced to one another the play gathered speed. Long before the end it ran away. It developed into sheer burlesque of detective plays in general. The audience has no problem to solve, it has merely to be spectator at a riot of nonsense in which everybody—crooks, detectives, and fools with money—are at the same time in league and at loggerheads with everybody else. Mr. Wallace has not mastered this medium—and burlesque of a thriller is not easy—or he has written hastily. The women's parts are not well made, there being little to distinguish one from another. Even the characters of Double Dan—outside his disguises—and Gordon Hanbury, whose money was Double Dan's object, hardly differed,

and there is little wonder that they exchanged identities. Three actors surpassed their opportunities—Wish Wynne, Clive Currie, and Peter Haddon, as The Hon. Peter Dunn, as delicious a representation of the silly ass as the most fastidious judge of horse-flesh could wish.

The Terror: Lyceum.

The Lyceum play, although designed for different ends—which it achieves—is much the same in raw-material before it goes through the mill. It is composed of convicts, detectives, a silly ass who is not quite what he appears, a pompous female amateur sleuth—who must surely represent the public—a dream of a girl, and three tons of golden sovereigns of no use to anyone, because the only person who knows of their whereabouts hardly dare tender them. In "Double Dan" a fool and his money could not be parted, because an angel rushed in to take care of the fool. In "The Terror" a lunatic and somebody else's money are finally parted because a fool rushes in to take care of an angel. "The Terror" is what I believe would have been called in the other play "a special nap." It is likely to thrill the big theatre full of people into bolting their windows, hiding their heads under the sheets, and wishing it were morning for months to come.

Production and cast have gone a long way towards making the show. Dennis Neilson-Terry provides a treat of detective-play acting, while Felix Aylmer, Franklyn Bellamy, Henry Carlisle, Mary Glynne, and Gwen Wyndham, all enter whole-heartedly into the spirit of mystery to give the audience the sole disappointment of having had to be shown who was the Terror. That they did not spot him was not so much due to the author's success in misleading them, though he tried hard enough, as to his refusal to lead them. The technical faults of the play which force themselves on the attention, in addition to the somewhat clumsily scattered false clues, are the repetition of a darkened stage and a shock just before the curtain of an act, and the scene behind the screen in the last act. If even the key-hole is covered we may as well go to bed ourselves.

Apart from these I could allow myself to be swept along by the shocks, and to be rescued from any excessiveness of them by the humour which filled the intervals. This alternating current of shock and fun which Mr. Wallace can turn on is perhaps his greatest asset and contribution to the thriller. Nothing lasts long enough to hurt or to threaten monotony. The experience is like a shower-bath, rapidly changing from warm to cold, though not at regular periods. It is even more like riding on the switch-back racer at Wembley—in the dark. Once outside the theatre, of course, the return of civilisation and safety brings back a colder logic. For a while one is tempted to cross-examine Mr. Wallace about the carelessness of his characters and the steps of his plot in the manner in which his detectives question the wrong people. That is one way of revenging one's self for letting the author take advantage of one's incompetence and gullibility.

PAUL BANKS.

CODES.

They wove for me a little cloak
Of worsted brown and strong,
They wove it firm, those moral folk,
That I might wear it long.

I, who would dance in gossamer
With poplars on the hill
Or wander naked with the wind,
They clothe in worsted still!

SAMUEL F. DARWIN FOX.

Catholic Sociology Once More.

The Anglo-Catholic movement, it would seem, is not going to let the subject of the social obligations of the Faith drop. The report of its second Summer School of Sociology has now appeared.* It is of the greater interest to THE NEW AGE readers in that it is edited by Mr. Maurice Reckitt. Its special subject is the social teaching of the Sacraments.

The volume is calculated to give rise to very mixed reflections. Certainly it is all to the good that so well-organised and enthusiastic a movement should (so far, at any rate, as a very large number of its keenest spirits are concerned) be putting its mind diligently on assimilating and reapplying the great social tradition of the Church. The corporate mind expressed in that tradition, especially in its full-blown form in the Middle Ages, is, at bottom and in its main principles, so sane and central that those who sincerely follow its guidance must inevitably be led along very large and human lines. In some of its most characteristic positions, too, it has so struck down to the bed-rock of realities, that these must in the nature of things be capable of re-expression in the light of, and practical adaptation to, our modern conditions. The tradition has, it is true, often been much misunderstood and misrepresented; but its true content has now been something like objectively established and put at the disposal of every enquirer through the labours of such expositors as Dr. O'Brien and Mr. Tawney. If the Anglo-Catholics really set themselves to work this vein fully, they must surely be led *en masse*, in the end, to a splendidly satisfying sociology for our day.

At present, however, they seem to be all over the place. The reports of the various study circles and the general discussions at the conference in question reveal a jumble of unco-ordinated and undigested opinions. Thus the first report of one of the circles simply assumed as something to be taken completely for granted that St. Paul's *obiter dictum*, "if any do not work, neither shall he eat," constitutes a "Catholic position." However, at a later session of the same circle it is noted that "it was thrown out as a suggestion that every citizen should be given a small but adequate living income." Similarly, another study circle seemed anxious to commit Catholics quite unreservedly to support of the League of Nations, but in full session a very vigorous protest was made against this.

But underlying all these matters of detail is a very serious danger arising out of the very nature of Catholicism. Its great emphasis on authority is always liable to override due and legitimate private judgment and personal responsibility; its devotion to historical continuity easily hardens into a rigid and unchanging tradition. As a fact, in the very introduction to this volume Father Tribe goes wrong at the outset by declaring that "when the Sacraments are restored to their right place in the mind and the religion of the average Englishman, their social consequences will not be slow to follow." That just is not so, as all experience, particularly the history of Roman Catholicism since the Reformation, makes certain. From this point of view there is no value in the mere encouragement of sacramentalism in itself; the whole issue lies in the way in which the Sacraments are taken. Canon Raven, who was present rather as an erratic block than as a professed Anglo-Catholic, saw the real point, and rammed it home relentlessly in a magnificent paper. He raised in particular the question whether you can force a rigid law on everyone, or whether you must allow much for the special circumstances of the individual,

* "The Social Teaching of the Sacraments, being the Report of the Second Anglo-Catholic Summer School of Sociology." Edited by Maurice B. Reckitt. London: Society of SS. Peter and Paul. 2s. 6d.

before you can say precisely what is right or wrong for him. A study circle subsequently took up the point, but it could do no better than uphold a distinction "between rules which had behind them the force of Catholic consent and those of less universal acceptance." To hold that *any* dogmas are absolutely infallible and irreformable is fatal; this is exactly the differentia of a Catholicism that can and one that cannot help the present age. It is to be hoped that in this case, too, there were some members of the school who dissented from the judgment of this circle.

It must be mentioned that the Rev. W. G. Peck read an outstanding paper on Fellowship and Sacrifice in relation to the Eucharist. This, together with Canon Raven's paper, and the Editor's summing-up, constitutes by far the most valuable matter in the volume. Nevertheless, it will all repay the closest attention. It concludes with the announcement that this year's school will consider the Catholic attitude towards property. After that, a restored Catholic Sociology ought to be well on the way.

N. E. EGERTON SWANN.

Reviews.

Capital For Labour. By W. Francis Lloyd and Bertram Austin. (Ernest Benn. 3s. 6d.)

This book, by the authors of "The Secret of High Wages"—a learn-from-America publication, it will be remembered—is one of those appeals to the common sense of industrial administration which only succeeds in making that common sense look in all directions at once. It poses a series of reforms, hangs a sermon on each, and finishes with the decrepit peroration: "Are we still going to wait and see, or shall we think and act." They might claim that their comments on defects in the industrial system have been accompanied by appropriate remedies. But that is the trouble. They are so appropriate as to be already obvious to the people whom the authors are instructing. For once in a way we find ourselves in sympathy with Mr. Austin Hopkinson, who derides these authors, in a review of this book in the *Banker*, by referring to the teaching of grandmothers to suck eggs. These philanthropists in itemised reconstruction are as big a nuisance as that other school of commentators which sublimates the whole question into terms of psychology. What little analysis they do (which is, of course, the easiest part of their task) betrays at times their unfitness to offer advice. For instance, speaking on the advisability of giving workers shares in industry (called "B" shares in contradistinction to the capitalists' "A" shares) they envisage a time when the voting power of "B" shares would become greater than that of "A" shares. "In other words," they proceed, "the control of the firm would pass from the original capitalists to the employees." (Our italics.) Indeed! Let us quote a sentiment from Mr. Austin Hopkinson's review. Whatever he does not know, he certainly knows what goes on in relation to "control" in business life; and he says: "There is no reason to object to democratic ownership of capital, provided that democratic control of capital is rigidly excluded." He implies what is the truth; that ownership is not control; and the more numerous the owners the less their control—a fact which disappears at once of these writers' dream. But apart from this, even if their suggestions were derived from accurate diagnoses, they would be useless. For they are not co-related. For instance: "Heads of businesses should not treat salesmen (i.e., travellers who call to sell them goods) as inferior beings or infernal nuisances." But leaving aside the fact that trade is so bad that they actually are infernal nuisances both in numbers and importunity, where does this get us? Similarly, they urge that

boards of directors should not administer their business as boards, but should elect one of their number to take over the exclusive job of management, and then let him alone. Quite so. But why pad a book with items like this? Lastly, the work as a whole ignores the fact that the power of initiative in industry has passed to the bankers. That industrialists are frequently blockheads is agreed: but before setting about curing them it would be as well to ascertain what they could do with their perfected wisdom. They might, of course, conceivably think of investigating the principles and practices of their financial masters. But not through anything said to them in this book.

The Wrecking of a Scientific Age. By Frederick Soddy, M.A., F.R.S. (Hendersons. 6d.)

This is a reproduction of Professor Soddy's Terminal Lecture to the students of the University of South Wales and Monmouthshire at Cardiff on January 22. Its chief fault is that it says too little about science and too much about money. In this respect it falls far short of the author's "Cartesian Economics." Students of credit will find his statements on the financial situation of interest but it is doubtful if they conveyed much to the audience to whom he originally addressed them. It is a pity that with his great specialised knowledge he did not deal with the physical aspects of production and consumption. Until these have been graphically and comprehensively presented the analysis of the money question is more likely to cause confusion than conviction. However, it is all to the good that lectures like this are being given. They do at least create an atmosphere of suspicion about the policy and practices of the financial interests who run the economic system, and so prepare the public for the definite developments which will soon be manifest in the political field.

Her Adopted Father. By M. Soderland. (Wallace Gandy. 6s.)

This is a novel, and nobody could deny that it is a remarkable one. On page 13 we are told that "a smothered sneeze tished its way upon the murk." But 13 was always an unlucky number. The story, which bears no relation to anything in particular, least of all the correct use of the English language, is what some people might call a thriller, but what we could call by other names. No doubt, like measles, it had to come out. "But how come?" as they say in those dry but still United States.

Pastiche.

ON JOHN SMITH.

[The fact remains that every 'John Smith' has not yet returned the vociferous 'Yes' to the offer of more purchasing power.—Recent letter to "The New Age" by the authors of Coal.]

For a long time I have grown increasingly anxious to trace a certain man, who may or may not, for all I know, have two sons. His name is almost a byword, yet nobody seems willing either to produce his body or even to direct me to his address. I doubt whether any recondite secret since the beginning of time has been so well kept, so absolutely withheld from a person really wanting to know it, as the identity of one, John Smith. Apparently the people who know him are divided into two camps. One of them seems keen to prevent his doing anything to the prejudice of his soul, while the other seems equally keen to prevent anyone bothering about his soul until he gets a new suit. I suspect the first party of having kidnapped the fellow for his good, he keeps so quiet.

John Smith is an extraordinary person; he is so extraordinary in that he is the most ordinary man in the world. Indeed, that is the only fact about John Smith I have been able to confirm beyond doubt, and it makes me keener than ever to find him. John Smith—perhaps it is why he is so reserved—is the average man. He is the man in the street, for the reason that he hasn't the wherewithal to go into the shop, and being the average man, is clearly unable to obtain a house. John Smith, therefore, is of no fixed abode. From the fact of his keeping so quiet when everybody is talking

about him it may be presumed, my dear Watson, that he prefers to acquire reputation by being somewhat of a mystery, from which it is evident that he is of a pronounced hermaphrodite character. John Smith, to sum up, what little appears to be knowable, is a poor man who needs a new suit. He is not likely to be particularly noticeable in a crowd; on the contrary, being the average man, he is logically unnoticeable. And he does not grow much beard, though his hair is of medium length.

True, the femininity of John Smith was not borne out by the reply I received to an enquiry of a person reputed for a knowledge of disputed and doubtful identities. "John Smith," my informant answered, "is the Unitarian's Tom, Dick, and Harry," all of which seems masculine enough. Anyway, perhaps those three gentlemen do not require their surnames mentioned because they are the children of John, to the exposure of whose identity the quickest route may be by seeking the woman. The worst of it is that Mrs. Smith seems even more modest than John. Speculation having to be indulged in, I plunk for the opinion that John Smith and Honest John are the same person; had John Smith not been honest he would have cut a more public figure. His is the sort of publicity which, as we must agree from his poverty, does not pay.

The nearest approach to a true clue up to now comes from a schoolboy, who has unearthed a work giving many intimate details of the man's life. John Smith, according to this work, at some time borrowed a hundred pounds at four and one-eighth per cent. from Harry Jones, and the schoolboy was requested to calculate how much he owed after failing to pay the interest for twenty-nine years. It struck me at once that a text-book on arithmetic ought not to have associated itself with immoral dealings such as arrears of interest, especially without saying what Harry Jones had done about the Statute of Limitations. Anyway, the facts about John Smith mount up. He is registered at some money-lenders besides being known to writers of text-books on arithmetic. His credit must at one time have been good for a hundred pounds, although it may now be good for nothing. After consulting more of these financial works I feel myself gradually drawn towards the conclusion that John Smith is himself a financier, which compels revision of all my tentative guesses. Whether, on the whole, he made a profit no balance-sheet appears to show.

At last I have established the tragic truth about poor John Smith, I find that he is dead. Carlyle wrote his epitaph, which almost enables us to write his biography. "Here lies John Smith, who in nearly sixty years of useless life converted twenty tons of good food into manure." The whole story unfolds itself. John Smith was a consumer; and this may throw light on why he is dead. It may be even that his death is hushed up by a benevolent conspiracy between the two camps who refer to him so as not to discourage the others. By name John Smith signifies beyond doubt an honourable descent from a line of producers, from a family that practised one of the oldest mysteries or crafts in the world, having been patronised by Tubal Cain. For some reason during the nineteenth century his line ceased to be producers and became consumers, yet were able to get little beyond mere food, which, lacking opportunities for culture, they merely returned to the earth in order not to be down on the transaction. The three male children, Tom, Dick, and Harry, indicate the intensification of natural increase occasioned by poverty, and they have forgotten, in a cosmopolitan world of machines, their family name, or are perhaps, ashamed of it; while Mrs. Smith must have married again to get rid of the unfortunate name. John Smith has joined John Brown, and the two souls go marching on, the former's in discussion of the economic system that caused his demise, the latter's in a tune that might cause anybody's, even Europe's. John Smith preferred, in his immortal transactions recorded in arithmetic books, to rob the money-lender to pay—if no one else—John Barleycorn. Peace, therefore, be unto John Smith. J. S.

LETTERS TO THE EDITOR.

THE PHYSICS OF CAPITAL CHARGES.

Sir,—The article under this title in your issue of last week opens up an avenue of approach to our economic problems which is full of possibilities. Economics, without money and without price, is a region where the financier must at last meet the industrialist on his own ground—where he must discard the technicalities of his credit-instruments and descend to such mundane matters as tons, gallons, kilowatts, etc.

For the purpose of illustration, the writer has assumed various figures concerning, and relationships between,

certain factors of our industrial system. In such assumptions, a very considerable margin of error may be allowed without in any way vitiating the general argument, but it would be very interesting to know whether sufficient data are available to any NEW AGE readers to provide reasonably trustworthy figures in lieu of those assumed.

If information could be obtained, for Great Britain, relative to

- (a) The annual percentage increase in total productive capacity.
- (b) The annual percentage rate of depreciation of industrial plant, in the most comprehensive sense of that term.
- (c) The proportion which consumable products and capital goods respectively bear to total production.
- (d) The percentage of material waste, including sabotage, in productive industry.

the value of this presentation of the economic problem would be considerably enhanced.

But, in any case, whether reliable figures are forthcoming or not, such a presentation is invaluable in clearing away financial and other smoke-screens, and leaving us face to face with the clarifying fact that "the kernel of the problem is factory cost."

A. W. COLEMAN.

[The subject was dealt with from the physical angle by Major Douglas in *The Control and Distribution of Production*, Chapter IV., to which readers who have this book may care to refer in conjunction with our particular application of the same idea.—ED.]

OF FOXES AND GEES.

Sir,—I should like to tell Mr. Samuel F. Darwin Fox that I have thoroughly enjoyed his letter. I saw, as soon as I read his second article, that I had mistaken his meaning. But, really, his cry about "goose gabble" and "bleating democrats" and "the fit and the unfit" sounded so exactly like the whining bark one hears so continuously from certain neo-Darwinians who call themselves Eugenisists—foxes in distress snowed under by geese—that I think I may claim fair excuse for the mistake.

All the same, I don't think I am a Utilitarian—certainly not a Benthamite—and not many people call me a moralist. However, as Mr. Fox claims *tout comprendre*, perhaps he knows better. I will do my poor best to understand the aesthetics of any articles he may write in the future.

HAROLD W. H. HELBY.

HORIZONTALISM v. VERTICALISM.

Sir,—In a recent issue you printed a letter from a correspondent who pointed out that your use of the words "vertical" and "horizontal," as applied to industrial combinations, does not correspond with the ordinary use of those terms elsewhere. Your comment was that you admitted it, but that you were taking the responsibility with your eyes open. Could you possibly make the difference a little clearer?

I had previously formed the opinion that by "vertical trust" you meant the combination, in some form or other, of firms engaged in producing *different stages of the same commodity*, from the raw material to the finished product (including instruments, etc., necessary for its production and commercial forms of its waste products). One might consider them as a combination of grub firms, chrysalis firms, and butterfly firms. If so, this is certainly what D. H. Robertson in *The Control of Industry* (Cambridge Economic Handbooks) and L. G. A. Knowles in *The Industrial and Commercial Revolutions* mean by the same adjective.

By "horizontal trust" I supposed you to mean the combination of firms producing *the same stage of the same commodity* (i.e., all grub-makers or all butterfly-makers). In this case the two writers whom I have cited appear to differ. By "horizontal integration" Knowles means what I am suggesting that you mean, while Robertson (who employs the word "lateral") means the combination of firms producing commodities related in some other way than as stages of the same final product—e.g., leather boots and leather pocket-books, or bicycles and small arms.

Thus, if I was right, the difference apparently only exists in the case of "horizontal," and then only as the idea is expressed by some economists.

A. O. B.

[We refer to this subject elsewhere.—ED.]

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