

THE NEW AGE

INCORPORATING "CREDIT POWER"

A WEEKLY REVIEW OF POLITICS, LITERATURE, AND ART

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NOTES OF THE WEEK.

The Secretary of the Carlton Club calls our attention elsewhere to the fact that in our remarks last week we managed to convey the impression that the dispute as to the admission of Liberal members arose in respect of this premier political Club of the Empire, whereas only the "City Carlton Club" was involved. We must record our regret for this clumsiness, but are glad to reflect that some of the circumstances we reported were their own evidence to instructed readers that the institution in Pall Mall could not have been concerned. A Club for admission to which one's name has to be put down in childhood with the prospect (if any) of entering at the age of, say, thirty, is not likely to alter its constitution for any reason but that of high policy. Certainly neither money nor party antagonism would be allowed to affect the rigidity of its exclusiveness. It has much the same relation to the "City Carlton Club" that Covent Garden Opera House has to Covent Garden Market. We are all the more pleased to make this correction because we like to be reminded that there still exist institutions impervious to the demoralisation of financial power in its cruder forms. That all institutions, of whatever eminence, are unwilling instruments of high politico-financial policy remains true; but that is another question altogether.

The meaning, in terms of economic security for the individual, of the amalgamation of Vickers' and Armstrong's organisations, is forcibly revealed in the news that twenty-seven technical men in the Armstrong Yard were dismissed, with a month's salary in lieu of notice, on January 31. These men had performed services ranging from about fifteen to thirty-eight years. Twenty-two of them were in a pension scheme, but only four are eligible for pension as being over fifty years of age: the rest will get their own contributions back, plus a quarter of those which had been made by the firm. There are

rumours that the same sort of thing is going to happen at the ordnance works at Elswick. The dismissed men were the backbone of the Yard; there is no imputation against their capacity; the only reason given them by Comm. Craven is that in future all of the designing and estimating work is to be done at the Barrow Yard of the Combine. Here is an ugly picture of Reconstruction as it works out under banking law—for the new Vickers-Armstrong Company is virtually a Bank of England concern, with the Midland Bank as predominant partner. There is not a single mitigating feature in the whole business however it is viewed. Even could it be shown that the sacrifice of these men would relieve the economic pressure on other individuals, conscience ought to revolt against it, for it is not meet that one should die for the many. But nothing of the sort can be proved. On the contrary, these dismissals are as futile on the economic plane as they are obnoxious on the ethical plane. A tyrant who put some of his subjects to death in order to space out the means of life for the rest, and who left the corpses unburied, would not be behaving in principle differently from a system which evicts people from industrial service and leaves them without incomes. The first would reap disease; and the second is certainly going to reap discontent and disorder.

Let us suppose that these dismissed draughtsmen have been drawing £15,000 a year between them. Take any single commodity, say, clothing, as typifying their means of life. Then clearly the clothing industry will lose revenue to that sum. Next, it will reduce production to the equivalent of that sum. Its fixed charges will remain what they are and must be recovered at the old rate through the sale of the now diminished production. Hence the price of clothes rises. If orders fall off, some banker will get nervous about his overdrafts and "reconstruct" the industry by getting some of its operatives sacked and writing down the value of

its shareholders' investments. These shareholders will, in many cases, have pledged their shares with banks as security for overdrafts of their own. The banks will now call on them to repay part of the sums borrowed proportionally to the reduced value of the security. So they will have to divert some of their "clothes-money" to that purpose. Meanwhile, the sacked operatives will buy no clothes at all. Thus, a further "reconstruction" of the clothes industry frowns above the horizon.

"Aha!" we can hear someone say, "you have only drawn one half of the picture: but you must hold to your logic and admit that whatever sequence of evils grows out of this saving of £15,000 will be cancelled out by the sequence of benefits which Vickers-Armstrong will set moving when they spend this sum in another direction." The answer is a denial of the assumption that they will so spend it. It is roughly true to assert that the whole sum will be applied, with other savings, to the reduction of outstanding bank debts, and will be cancelled and disappear from circulation. That is the whole reason why the banks have put their accountancy bailiffs in the concern. They do not worry about dormant industries but about dormant balances. We declare, of all such reconstructions and economies, that they affect the interests not only of the parties immediately associated with them, but of industrialists in general. When concerns like Vickers-Armstrong pay salaries which are spent on clothes, it is the same thing as if they had bought the clothes in bulk and handed them to their employees. In one way it is a pity that this is forbidden by law, for if they had been in the habit of doing so the clothing manufacturers would have instantly discovered that they had a very strong motive for opposing a "Vickers" reconstruction. But since the orders dribble through to them from a multitude of unidentifiable customers, they do not realise that these business economies are at their expense just as much as at that of the immediate sufferers from them. We do not expect industrialists individually to interfere: they are too busy with their own problems: but it is the duty of a body like the Federation of British Industries to listen for the tapping of the bankers' sappers, tunnelling . . . tunnelling.

We rarely hear a British banker say a good word for instalment selling, so we settled down with a fair appetite to digest what Mr. J. Gibson Jarvie said to the Luton Chamber of Commerce on January 20. Mr. Jarvie is the Managing Director of the United Dominions Trust, Ltd., Bankers, of King Street, E.C.2, through whose courtesy we received a reprint of his address. This company engages in financing instalment schemes, and Mr. Jarvie speaks from practical experience gained both in America and in this country. We need not stay to investigate his assurance that the Company has found that the system pays for the financing. We simply need record his statement that in transactions amounting to "many millions sterling" the losses over the last several years have "never exceeded a small fraction of 1 per cent." Last year—a bad year in England—"the loss ratio in England was .059 per cent." that is, approximately, 1s. 2d. in each £100. Evidently the English are good boys with their instalments, and we are glad to know it. Mr. Jarvie deals with several objections to the system, one of which is the risk of widespread default in a time of industrial depression. This is his comment:—

"It has been said that in a time of depression Instalment transactions would result in chaos. It is said people would not be able to keep up their payments, and that bankruptcies and disaster would follow. That statement,

I make bold to say, has never been made by anyone who has carefully considered or analysed the true position. In the first place, up to the present Instalment Selling has never formed a big enough portion of the total trade to mean very much in a time of depression. In the second place, Instalment Selling means that the credits have passed from the producers to the consumers, and that instead of there being large sums owing by producers there are innumerable small sums owed by an almost incalculable number of comparatively small people. *The risk is beautifully spread from a credit point of view, and I cannot imagine that disaster could possibly ensue.* Even in the last analysis the merchant would always have his merchandise to fall back on. In this country, for instance, Instalment Credit is not a new thing, and comparatively large sums of money are invested in it. Nevertheless, within the last few years we have gone through a boom, a slump, a general strike, a coal strike, and numerous other strikes, and yet in my experience the Instalment Credits over the period have continued uniformly good."

Having got his risk "beautifully spread," he proceeds to deal with the objection that instalment selling undermines thrift. He begins with this reflection:

"Money is worthless unless it can be turned into goods. If goods then represent wealth, and Instalment Selling enables more goods to be produced and acquired—and unless there are people to acquire goods it would be useless to produce them—then Instalment Selling surely plays a part in increasing national wealth."

Very sound reasoning from the given premises. We now see "wealth" beautifully spread along with the risk. We approve the idea so far, and read on:

"It is also said that Instalment Selling is largely used to acquire useless luxuries, and the connotation is that without Hire-Purchase the people would not have indulged in the luxuries. This is scarcely true. Undoubtedly luxuries have been acquired by certain people on Hire-Purchase terms, but the extent is much less than is generally believed. Some of that money used for the Hire-Purchase of the useless luxuries would have been dissipated in any event, perhaps in purely ephemeral enjoyment.

"But there is another side to the picture which I desire specially to bring to your notice. Many of these luxuries had they not been procured on Hire-Purchase, would have been bought on open credit. Much of the criticism of luxury Hire-Purchase transactions is spoken by people who themselves are indebted to their jewellers and their tailors. There are many tailors throughout the country to-day who would be delighted to get their business on a Hire-Purchase basis, and it might even be a good thing for trade in general if it were so. Under Hire-Purchase the credit would at least be defined, and the chances are that the tailor would receive his money more quickly."

The second of these paragraphs contains an interesting point. Certainly, at present a tailor, when he posts his invoice for a suit of clothes, casts his bread upon the waters and wonders after how many days it will return to him, and how many times the cloth wholesaler will come barking at his heels for his account—and so on back along the line to the dealer, grower. In the instalment system the financing house issues credit on a consumer-risk to the dealer, which is a modification of the old practice of issuing credit on a producer risk to the manufacturer and leaving him to trust factors and retailers in the meantime. Mr. Jarvie himself makes the term "Consumer Credit" the title of his address and uses it constantly throughout. And his most interesting passages are those wherein he replies to people who oppose instalment credit operations on the ground that it is consumer credit. Here are some of them:

"While production credit is undoubtedly good where the effect of the credit is the increase of National wealth, nevertheless all production credit is not necessarily good. For instance, during the last few years we have had tragic cases of bad producer's credit, cases of companies which have absorbed both fresh capital and loans of money for the purpose of greater production; capital which had subsequently to be written off or materially reduced, and loans which remained unpaid. . . .

"On the other hand, consumer's credit, so-called, may be beneficial to the community even when it is purely

credit for consumption; but I want to make it clear that consumer's credit is not necessarily limited to credit for consumption; in fact, it frequently is the best form of production credit in that the utilisation of the commodities concerned, regarded and classed as a consumer's credit, may be and often is productive in effect.

"I use the term 'productive' in the sense that it may produce greater efficiency; greater service; even greater quantities of goods; and this is not the least important—greater happiness, better health, and more satisfaction. That is a really important point. We must rid ourselves of the idea that consumer's credit necessarily involves the provision of money to provide the satisfaction of a purely passing want which leaves nothing beneficial behind. If that were so, then the age-old habit of granting open credit would be subject not only to the same objections in a large number of cases, but even to greater criticism than has been levelled at Instalment Selling.

"For example, no one will quarrel with the production of a commodity which will add materially to National wealth, and it may be that a consumption credit, which in its first stage would appear not to produce anything of lasting value, but merely to satisfy evanescent desires, will ultimately produce something of greater value even than an original production credit. . . .

"The trend to-day is to move as far as possible from the virtual state of slavery in which so many of our ancestors were engulfed. The ideal to-day is so to arrange our lives and conditions as to grant to everyone of us the maximum of the things which we properly desire with a corresponding lessening of the sacrifices necessary to procure them."

Mr. Jarvie next calls in support no less a witness than Mr. McKenna. In a speech before the Commercial Club of Chicago Mr. McKenna said (in Mr. Jarvie's paraphrase) that when we sell a commodity which is going to last a considerable period, and sell it for cash, we are asking the buyer to pay in advance for all future use of the commodity after its immediate purchase. He instanced the case of a motor-car which costs a certain price. It is going to last at least, say, some three to ten years, according to its make and quality: say it lasts for three years; supposing you pay for it at once in cash, you have paid for three years' future use. Supposing you pay for it within six months, then you have paid cash in advance for 2½ years of its future life. This would seem to imply that even in the case of a motor-car the so-called consumption credit is not a consumption credit at all, for the simple reason that as the payments are made each value is distinctly a payment for more than the value in use for the period it covers." Thus Mr. Jarvie's paraphrase. He then quotes Mr. McKenna verbatim:—

"It is a very proper thing for a man to buy his house through the medium of a building society. If banks lend their system for production and enable the producer to produce in quantity and refuse all assistance to the consumer—I do not mean all assistance to the consumer for immediately consumable goods, but for lasting goods, goods that have got a survival value—the result is that the consumer cannot buy; he has not means to buy all that the producer can produce. And in consequence, you get a condition with which we are only too familiar—warehouses and shops stacked with goods, any number of people anxious to buy them but without means. Credit has been used to create the goods, but credit is not used to take the goods off the counter."

Mr. Jarvie comments on this:—

"His logic seems to me irresistible. The subject hardly justifies argument. I would give you another example. Take the case of a manufacturer who has produced goods in such a quantity that because of his inability to extend credit his shelves and stores are filled. This is a common enough example. In order to carry that stock the manufacturer borrows from his bank either on overdraft or by some other means with or without security, but the goods are not necessarily moved. Supposing the bank, instead of lending that manufacturer the money justified by the stock in his stores, were to provide the money in the form of a loan, so that the manufacturer could not use it, is, supposing the bank provides the credit to the consumer instead of to the manufacturer, what is the result? The manufacturer will move his wares and the consumers will

be able to utilise the commodity immediately. Surely there is no comparison between the relative effects of the two loans, and yet there are economists who would say that the first loan being a so-called production credit is good, whereas the second loan being a consumer's credit is bad. That, to me, is a conclusion which can only be reached by a mind so obsessed by tradition and inherited conservatism as to be incapable of viewing the problem from a common sense point of view."

There are many other remarks of his that we would quote if we had the space. Our views on the instalment system have been given pretty freely in these columns from time to time. While the super-defect in the world's finance economy remains unremedied such a system is inevitable as a temporary corrective to the practical evil of unsaleable production. So long as the general capacity for production continues to expand under the present financial system "consumer loan-credit" (we must reserve the term "consumer credit" for our own use—so long as we can) will have to expand too. To debate the question whether industrial depression may supervene to bankrupt the instalment selling business is to misconceive the true situation. The point is that while the consumer loan-credits are expanding fast enough there will not occur an industrial depression. The risk is that the high controllers of the credit system may decide one day that a halt must be called to the expansion, for it must be borne in mind that an expansion of loan-credit is an expansion of floating debt. If they do that, then some unpleasant things will happen. We are not prepared to measure this "risk." Mr. Jarvie may dismiss it entirely as such; and if so we should be inclined to agree. It should be clear that when once you institute a system of universal credit advances to consumers on the security of their future earnings, you have laid yourself under the necessity of keeping them in jobs. And if you are going on to eternity with the loans, you must keep them in jobs for ever. And if you find it necessary to expand the loans continuously you must enter upon a continuous upward progression of wage-rates.

There is a moral to be derived from the circumstances of this address. Mr. Jarvie makes no pretence to be a "reformer." He is out to do business, and his arguments are designed to promote business. And since the particular business he manages happens to be, as it were, an interim and tentative instalment of the Social-Credit "Consumer Dividend" which must finally come, we find him popularising our own economic philosophy with more power, and over a wider area than our limited resources allow to us to do. Whether he owes anything to contact with the Social Credit analysis or whether his ideas are the independent outcome of his own experience matters little. The fact is that here he is, appealing, so to speak, to the national conscience. He exemplifies that quality of "enlightened self-interest" which we have frequently referred to in these pages, that is to say, he has partially solved the problem of co-relating a private business interest with a general social interest. He is creating *our kind* of atmosphere, and if in the process he manages to pick up some profits for his company, good luck to him—we are only too content to watch other people reward our missionaries.

The Committee appointed last year by the Treasury to consider the question of extending municipal banking has found that this "would not be in the interest of the community as a whole." No student of the credit question expected otherwise. We like the following extract from *The Times'* leading article of January 24 on the Report:

"One of the legitimate aims of a municipal savings bank would be to assist municipal finance. The investment of its funds with the Corporation either at call or in

short, to say nothing of long-dated securities, might perhaps entail a certain absence of liquidity which in times of crisis might be found highly undesirable. It may readily be admitted that such a contingency is in the highest degree improbable; but the whole essence of sound banking lies in provision against improbable risks."

If industry acted on the same theory there would be no production. When industry borrows bank-credit it incurs, speaking generally, a *certain risk*. And when a particular concern does so it incurs something like a 50 per cent. chance of losing something, if one may accept Foster and Catchings' statistical tables of Corporation declarations of profits and losses in America (*Profits*. The Pollak Foundation). All this risk-taking by industry is approved and urged upon it as "business enterprise"—which it certainly is. So the "soundness" of the banking business seems to depend on the absence of enterprise. To those who realise the fundamental truth that the credit the banks dispense belongs to the general body of citizens, it is curious to reflect on the idea that while the masters and men of industry must put up with all sorts of anxieties, nothing must be allowed to disturb the banker's sleep. What sort of "crisis" can keep him awake after his successful avoidance and exploitation of the August Bank Holiday panic in 1914 passes our comprehension. *The Times* remarks that the fact that a bank is "controlled" by an "authority which is interested in borrowing from it," has, in the past, "sometimes led to disaster." What bank, and what disaster, is not stated. The main ground for the rejection of the principle of municipal banking is that it would divert money from the Post Office and Trustee Savings Bank and the National Savings Movement. It would withdraw a large sum of money (£50,000,000 is mentioned in the Report) of which the Government now enjoys the use, and would hamper the Treasury in its future loan-conversion operations. Of course, lurking behind these ostensible fears is the bankers' principle not to allow the thin end of the wedge of decentralisation to be inserted anywhere in their system. We need not elaborate our views, because we discussed this subject in our review of Mr. Hilton's *Britain's First Municipal Bank* some months ago. Readers who are interested in local affairs would do well to consult this book.

"THE NEW AGE" DINNER.

The time of "The New Age" Dinner next Saturday (February 4) has been moved forward, and is now fixed at 7.30 for 7.45 p.m.

Cruel Sports.

The League for the Prohibition of Cruel Sports addressed a circular letter on December 28 to 216 Masters of Fox Hunts. The letter asked them if they would be willing, in future, "to draw off the hounds when a beaten fox goes to ground or seeks sanctuary in a dwelling or other place." It now publishes in a typewritten circular about thirty replies which have been sent.

We had the opportunity of showing them last week to two men with long experience of fox-hunting, and of hearing them discuss it. We were in luck, for one of them took the side of the League and the other opposed it. In the end, although they did not altogether agree they did dispose of a good many mutual misunderstandings. We will not report the "debate," but report such facts and conclusions as were agreed between them.

The fox was a thief. He fed on farm live-stock, and in doing so inflicted cruelties greater than those he suffered. For example, a little lamb of a few hours old might be licking itself and trying out its legs, when suddenly its throat would be torn open

by one of these marauders. The fox was a dirty animal and spread the mange. The agreed conclusion between the two experts was that he must be destroyed.

The possible methods were shooting, trapping, or hunting. Shooting was inadequate, as he prowled mostly by night. It involved cruelty because the shot might wound him and he might die a lingering death. Trapping was inadequate because it was not possible to know where to lay the traps. It was cruel because of the prolonged pain. Hunting was to be preferred because the fox was either quickly killed outright or escaped whole and unharmed. If there were to be no hunting, farmers and gamekeepers would employ the above less desirable methods. This was agreed. Both agreed, too, that there was nothing of panic in the "state of mind" of the fox during the run. The only "cruelty" here was in the exhaustion of the animal at the end of a long run. In many cases if he managed to reach earth he would nevertheless die in the hole. In those cases digging him out was not a crueller alternative.

Upon this being agreed it became clear that the man who took the part of the League had confused cruelty with sportsmanship. His argument was that if a fox had given the Hunt a good run and went to earth it was "not fair" to dig him out and throw him to the waiting dogs. The dogs ought to be called off, and if the fox was dug out or was "bolted" by a terrier, he should be allowed a clear start on a continued run. From this proposition the other dissented on the ground that the proper object of a Hunt was to kill the fox; that while, from the point of view of the huntsmen the run might be the thing, from the point of view of the farmers the destruction of the fox was the real justification of the Hunt. He supported his argument by remarking that if a murderer gave the police a "good run," nobody would expect them on that account to give him another start after they caught him the first time.

With this "murderer analogy" in mind, both of them sniffed at the League's choice of the expression "seeking sanctuary." They recognised that in principle there was no difference between digging a fox out of his earth and driving him out of a dwelling, or whether one looked at it from a sportsmanlike or from a humanitarian point of view.

It appears to us from these main facts, and others of less importance, that the odium attaching to the driving of the fox out of "sanctuary" has arisen from the fact that in the circumstances of the case the death of the fox is often witnessed by people who are unaccustomed to the sight, and who instinctively revolt at the taking of life, in any circumstances. The mistake of these people is that they impute to the animal the sensations which they themselves experience. If they knew it, they suffer more than the fox at that instant.

On the charge of blood-lust often brought against huntsmen in general, both disputants agreed that while there is certain to be perverts of that type about, the charge is false. If it were generally true the rules of the Hunt would be framed to give full and frequent satisfaction to such lust. But they are not. When a fresh fox is started, the huntsmen and hounds follow along the trail of his scent wherever it takes them, whereas if all they wanted was to see as many foxes shed their blood as possible, they could shorten the run by posting themselves at various points so as to hedge him in where he was started up. But no such thing happens—not even the cutting off of corners to gain distance. The hounds cannot see the fox, and their masters ride exactly as if they also could not see him. "Follow the breaks" is the rigid rule, and woe betide who breaks it. Herein lies the sportsmanlike feature of hunting. The fox gets his chance.

When all is said and done, more cruelty is perpetrated every day of the week in slaughter-houses than in a season's hunting. For instance, there is a law forbidding the bleeding of a calf to death (for veal) until it has first been stunned. This is because the calf must be hauled up alive by his hind legs and be bled from the neck in that position until he is drained as dry as possible. If it is conscious it will make a noise as it feels its life ebbing away; so humane people have concluded that it feels pain, and have got the law passed as stated. But some slaughterers have found that a stunned calf does not yield up its blood so completely as a conscious one. The consequence is that the veal is not so white. Now there ought to be a League for the Suppression of the Demand for White Veal, because dead calves frequently arrive at London butchers' shops with clear rope-marks round their muzzles, and on whose skulls, when skinned, there are no signs of concussion. It is therefore certain that these animals have been bled in a state of consciousness, and their mouths tied up to prevent their making any sound which might reveal the illegality.

We think that the work of the League for the Prohibition of Cruel Sports will do good work insofar as it abolishes abuses of established hunting rules, but it seems to lack discrimination in its judgments upon the rules themselves. As it concedes in its circular letter that "followers of hounds are much the same as ordinary mortals," it must not sweepingly condemn them for continuing their customary procedure when once they have been made aware of the humanitarians' point of view.

Go to the Ant.

Human beings are the only warm-blooded animals—not excepting our kith and kin the gorillas and orang-outangs—that have pushed social organisation beyond mere collectivity, with the partial exception of the bower-birds and a few other avian species, where a comparison between the two civilisations is altogether in favour of the birds.

Only among the countless orders of the *Arthropoda*—and in these only among a very few land-inhabiting ones—do we find a State organisation in any way comparable to our own. But inasmuch as they are a vast deal more ancient than our own, they give us some indication of the goal towards which our own is, in all probability, tending.

In every single instance we have under view, the salvation of the species by State organisation is indissolubly connected with individual degeneration and mediocrity.

Bees, ants, and wasps are cases in point. The salvation of the State has been won at the cost of individual insignificance—often to the extent not only of eliminating all the joy and beauty of life, but even of curtailing its duration. Insects in the past (Libellulo) have developed a spread of wing equal to that of present-day falcons: many of the ancient crabs and trilobites were fully as tall as ourselves.

Compare the sordid salvation of ant-heaps and hornets' nests, and their preservation of forms and lives scarcely worth preserving by their collectivity, with the splendours and the ideal perfection of the non-social forms of insect life; and again, the sordid society of evolved, tailor-made modern human Greece, and then these two comparisons one with the other. Having done so, may we not seriously ask ourselves the question whether the climacteric of the Human Race may not already have been lived through and passed away for ever—at least so far as Europe and America are concerned? For, if Collectivity (or servile "Democracy") has not yet sensibly deformed the Human body, as it has that of ants, at

any rate the tailor-made Western monster is to the ancient Greek and Roman what the sour buttoned-up ant is to the Sphinx and the Apollo. The constant apotheosis of ugliness destroys all sense of the Beautiful in both sexes, and leads to loving and breeding the brutal and grotesque, and to exterminating all who refuse to conform to the canons of hideosity. The reason is not far to seek. It is *Values* that create and mould men; it is the *Mind* that improves matter; it is *Matter* impressed and impregnated with high and noble *Ideals* from generation unto generation that in the end brings forth a healthy, happy, brave and proud type of Man. To put it in other words: the "breeding" of men is ultimately conditioned by religious or philosophic faith.

So far, so good. But "our" religion, Christianity, had from its very inception a *low type of Humanity* in view; and (with the exclusiveness characteristic of all strong movements) it has never even tolerated a higher type among its votaries. Arising from the scum and dregs of the Roman Empire, this religion stood for the miserable needs, greeds, and ideals of the proletarian "lower classes"—the humble, the feeble-minded, the bungled and the bungled. Hence it evinced an urgent (and most natural) desire for love, peace, charity, benevolence, brotherhood, justice, with a corresponding spite against all those who did not themselves require the exercise of such tame and sugary "virtues," and a furious and undying hatred against all who were imbued with *active* ideals, or who objected to submerge themselves into the mass. Now love, brotherhood, justice, and so forth, *may* be the attributes of the Higher Men: that is for the Higher Men themselves to decide. *But they should never be conceded at the impudent demand of the rabble.*

As Nietzsche has reminded us, we have now to pay the price of 2,000 years of Christianity and of its criminal, vicious, and diseased Table of Values. And our Society is on the point of an ignoble death from suffocation by its own refuse. . . . So go to the ant, thou sluggard—but only to avoid his pernicious sociological practices, before it is too late!

SAMUEL F. DARWIN FOX.

The "M.M." Club.

For Friday evening, February 3, the "M.M. Club" have arranged a Reception which will take place at the Lincoln's Inn Restaurant, 305 High Holborn, W.C.1 (nearest stations are Holborn on the Piccadilly Tube and Chancery Lane on the Central London). All visitors interested in Social Credit are cordially invited. The proceedings will last from 5.30 till 10 o'clock—conversation and refreshments from 5.30 till 6.30 and from 8 o'clock till 10 o'clock. A meeting for discussion of the economic situation and other relevant matters will be held from 6.30 till 8.

The Society for Individual Psychology.

On Sunday afternoon, February 5, the Society for Individual Psychology will be "at home" at their rooms, 55 Gower Street, W.C.1, from 4.30 onwards. The proceedings will comprise social intercourse and a discussion of the relation between Social Credit and modern psychology. Readers of THE NEW AGE who are interested in either of or both these subjects are heartily invited to attend.

"According to the computation of the National Industrial Conference Board, the production of 100 persons in 1899, including office and management personnel as well as manual workers, was matched in 1925 by the output of 75 persons in the food and food products industry; 83 in textiles; 81 in iron and steel; 101 in lumber industry; 103 in leather manufacturing; 61 in paper and printing industry; 47 in chemicals; 63 in stone, clay and glass manufacturing. In automobile industry it took in 1925 only 30 workers to produce what 100 men took in 1925 only 30 workers to produce what 100 men produced in 1914."—*Commercial and Financial Chronicle*, Nov. 5, 1927.

Views and Reviews.

VITAL ECONOMICS.

(Concluded.)

The whole attitude of Puritanism, its attempts rationally to justify its thought, conduct, and discipline, and its image of God and Christ, are comprehended in the single focus of thrift, from the financial economic and Malthusian myths at one end that there are not enough places at the banquet of Nature for all the people to sit down, to the religious myths that the accommodation of Heaven itself is limited, to be competed for by the harshest self-denial. For thrift as reflected by Puritanism there can be only one motive, and that motive is the dominant emotion of Puritanism. It is fear. No more serious criticism can be directed against an attitude to life than the statement that its root is fear, since the more motives are enquired into the more clear it becomes that fear is passive hatred, as trust is passive love. To fear God is to distrust God; it is to hate God—without sufficient moral courage to challenge Him. How often has it been observed that the extreme of Puritanism is atheism; that the atheist in nine cases out of ten is one for whom Puritanism was not Puritan enough, and who had courage to go beyond.

The central concept of Puritanism, then, is the fear of God, next to which comes the fear of one's neighbour. Finally, there is the fear that nobody would undergo any discipline whatsoever if he were not driven to do so—by fear. That terror of what people may think is in the very heart of Puritanism. Wherever it flourishes conduct ceases to be governed by practice, tradition, or even principles, and gradually degenerates to being controlled entirely by fear of what the neighbours may say, a fear whose natural reflex is the defecation of public opinion. This omnipresent fear is definitely pathological, an assertion which, were there no other evidence, would be demonstrated by the hatred corresponding to the fear displayed by Puritanism towards *creativity* in all its modes; towards art, beauty, and love. Did not somebody remark that the Puritan's main objection to original sin was that it was original? Other evidence, however, is available for those who regard this as insufficient. The fact that the more Puritan one becomes, the greater also becomes temptation, is of high pathological significance. It is said proverbially that the Puritan has to fear both God and His Neighbour because he so strongly desires to have his fling that neither could keep him in check alone; and that the Puritan is worse than the pagan once the blinds are drawn. Puritan fear, in a word, indicates a state of inner conflict. It shows that the impulse to prodigality, far from being foreign to the Puritan, is continually pressing for his allegiance to be withdrawn from the discipline of rigorous thrift to which he has attached himself for self-preservation.

This neurosis, which has afflicted Europe for over four centuries, was possibly inevitable in her history. Mankind was called upon to make a new adjustment—the adjustment to an enormous increment of power. Southern Europe reacted to that increment like a somewhat irresponsible heir to wealth he had not earned, a simile justified by the fact that Southern Europe did enjoy an inheritance not only in the form of her climate, but in the legacy of cultural wealth from Greece and Arabia. Northern Europe reacted to the increment of wealth as would a child brought up in such poverty that he had never had anything before except what he earned. It reacted, in other

words, with avarice, growing ambition, and consequent Puritanism. Its representative man became not Christ, not Leonardo, not Savonarola, but the self-made man—the millionaire who could boast that he had made every shilling by his own wits, the man who could say that he started a nobody and finished a President of the State. Northern Europe (including America) became a competition in "getting on" which was itself an extreme compensation against the fear of one's neighbour. Men fought to become millionaires in the hope of attaining *absolute security*, a goal which, as is explicit in all experience, philosophy, and religion, is in itself pathological inasmuch as absolute security is something that life does not provide. The thrift attitude instilled into Northern Europe by Puritanism is based on the fear that any day Nature may withdraw her bounty, and all inventions be abolished by act of God. In spite of all that is known of economics, there exists in a vast number of minds an illusion with regard to thrift; it is the assumption unconsciously underlying much "savings propaganda" which amounts to the belief that when a pound is put in the bank the depositor is entitled to a rabbit or a joint simultaneously hoarded away in the refrigerators of Smithfield.

This is by no means either a defence of prodigality or a repudiation of all discipline. It has already been admitted that the attitude of mind fostered by the Renaissance resulted in some instances in anti-social acts that threatened to destroy the society which renders creation possible. But it is intended to repudiate a morality based on fear of the universe, as Christ repudiated it when he invited us to consider the fowls of the air, notwithstanding, as the Puritan would no doubt remind us, that in a hard winter birds starve to death in vast numbers. From Christ to Nietzsche the ego of the western world has repudiated this "fear-morality," which rose to the dominance of Europe only when the social justification for it began to disappear. Since then, which is to say the Reformation, Europe, instead of becoming the great creator, has degenerated to the accumulator, the reproducer, the miser of the means of life.

All revolts against Puritanism hitherto, except those of that European ego consisting of the "free" spirits, have been in the nature of outbursts of prodigality, which did not lead to any alternative way of life, whether in the shape of the Restoration life and manners in England or in the condition of European cities at the present time. Licentiousness and irresponsibility have been opposed to thrift. Yet the ego of Europe, despite Europe's recent fit of self-destructive madness, is still alive. That beam of light in which de Gobineau, Nietzsche, and Blake, perceived how unnecessary it is to be bound in order not to burst is not entirely lost. It is possible to adjust to accumulation to use; to take the steps necessary for the full enjoyment of that increment of power, steps which, when taken, seem invariably to increase it. Adjustment of productive power and use in the vital economy of the individual promotes bodily vigour, healthy growth, and a spirit of peace. It may be called, if one likes, Christianity. Adjustment of productive power and use in the vital economy of society would similarly promote social vigour, growth, and the development of a culture. This is Social Credit; an attempt at a solution in modern terms and on the economic basis of life, of the neurosis which still dominates the mind of Europe because of her fear to adjust herself to the example of the Renaissance.

R. M.

Drama.

L'Ame En Peine: Inc. Stage Society.

As its first production of the season the Incorporated Stage Society presented a further example of the work of M. Jean-Jacques Bernard, whose "Le Printemps des Autres" was performed at the Everyman Theatre a year or two ago. "L'Ame en Peine" is an interesting illustration of the author's method, and of his power of making characters grow in the audience's mind. One meets his people as nobodies, as any loungers in the park, or as any guests at a hotel; but they have hardly uttered a word before one is interested in them. One learns more about them than they appear to tell, since they never obviously explain themselves. Often the self-knowledge which the character is groping for is apparent to the audience before it is attained by the character. But this play is not as good as the earlier production, inasmuch as it does not grow organically in the theme. As early as the first act, when Marceline's brother, having forced her to confess her marital unhappiness, suggests her identity with one of Maeterlinck's babies, it is evident that instead of meaning being drawn out of life, life is going to be trimmed to fit the meaning. It may or may not be true that each human being is born with only half a soul, and must wander disconsolate over the earth unless it meets and unites with the person of opposite sex who holds the corresponding half. But this hypothesis was not true enough for M. Bernard to apply it to all his characters; for two of them to be in Maeterlinck's world the rest had to live in ours.

M. Bernard's work gives acting opportunities for delicate inflection and subtle but effective restraint. Each line is accompanied by undertones of additional significance. The smallest parts offer scope—for example, the conversation in the part between Antoine and Emile, with which George Zucco and Frederick Burtwell made the audience hold its breath for fear of missing something. D. A. Clarke-Smith's clever Lemesle on one side of the stage while Alice Bowes played Ida in a breaking love-affair on the other side—and she played the part sincerely and well—hinted that the French, those realists about sex, are prone to sentimentalism about love.

That Maeterlinck spoiled his own works by fancies irrelevant to life is of little importance, but it is a serious thing that he should be able to make a play containing characters of this quality unreal. Whenever the characters were living on their own spirit the play was real; and every time they were put under the constructional obligation to interpret Maeterlinck it was impossible to believe in them. Any theory that might set young people searching for their affinities in the belief that it was the principal task of their lives must continue to be dismissed by every common-sense doctor as a useless fantasy, especially as, according to M. Bernard, the ironical agent which sets the task strikes the seekers blind at the critical instant.

Two White Arms: Ambassadors.

Cary Liston, late Commander in the Navy, although he had found peace, home, and a loving wife, could not settle down. Happiness palls. But resource is the soul of farce, and when he heard that a gentleman, found in circumstances where the privileges of gentlemen are greater absolutely than the rights of husbands, got successfully away with it, his wife being entirely satisfied by his doctor's certificate of loss of memory, and read the same evening that a man of the vulgar sort had spent three months away from home with no better excuse, a great light dawned on Cary Liston. As we saw it dawn we were not taken aback when, in the next act, the garage-proprietor's mysterious new salesman turned out to be Cary. His freedom was brief, however, for one of his wife's friends appeared, as

fate decreed, to buy a car. Though it be profanity to say so except in farce, doctors are as human as husbands, so that Cary Liston's doctor duly obliged with the certificate both of disease, and, at the right moment, of cure. We left him, therefore, where we met him, poorer in one respect only, to wit, in that he would have to find a new scheme for any further escape.

Dr. Dearden has brought farce up to date, and thus puts it ahead of where the medical profession is suspected of being. In a genial mood, he mocks at all the ultra-modernisms of medicine, from the bedside-manner to psycho-analysis and auto-suggestion, as well as at the patients who ride these latter as hobby-horses. The fun includes even a post-Bolshevik epigram, in which the garage proprietor remarks, in defence of the new talker-salesman against the old-fashioned working mechanic, "When a man sells stuff as he does I'd engage him if he had Trotsky in the lining of his hat." The scene in the garage is the play. Mr. Leon M. Lion's production of that act, with Owen Nares' salesman, Frank Harp of that act, with Owen Nares' salesman, Frank Harp's proprietor, Olwen Roose's Trixie, the proprietor's daughter, and Nigel Bruce's mechanic, may make the play one of the farces of the year. By comparison with this farce of action in the garage, the psycho-analysis and suggestion seemed literary and laboured.

The Hairy Ape: Gate Studio.

Mr. Peter Godfrey, who produced Eugene O'Neill's "The Hairy Ape"—and produced it magnificently—completely ignored the sub-title that describes it as a comedy. Although he brought out the humour, it was the humour of tragedy, at which the intelligent members of the audience properly refused to let the ones who didn't belong there laugh. Produced in this way, "The Hairy Ape" is not a criticism of manners, morals, politics, marriage, or any other social institution. It is a violent vomiting up of society as a whole. At the end of it society has been damned, the aristocracy along with democracy. The witness is so fully identified with "Yank" Smith that modern society makes him, as it made Yank, feel sick.

Yank Smith was king of the stokehole. He was king because to him alone of all the men there coal was food, dust breath, and speed life. Paddy had a persuasive way with him, but it was only the long-ing for the dead and done with, for sailing-ships, white canvas, and fresh air. His oratory of heart-ache availed nothing with the fore-castle crowd against the fanatic enthusiasm of the Yank for steel ploughing water at twenty-five knots an hour. Presumably Yank Smith would have been in the stokehole yet—"where he belonged," where he was master of things—if the Shipping Line president's daughter with her dilettante inclination to social service had stayed on the promenade deck where she belonged. She wanted to see how the other half lived, however, and she lied and deceived her way, under the engineer's escort, into the stokehole. Her super-civilised whiteness so obviously out of place among sulphur and smoke made havoc of Yank Smith's mind. With perfect logic, he hurled a shovel at her.

He was no longer the steel-armed man who made the steel ship move, in contrast to the passengers who were baggage. He was in the grip of a mania to get even with the sightseer who had spied on him, who had looked him, if not called him, a hairy ape. He went with the socialist, Long, to spy on her and her like in Fifth Avenue, where, he saw at once, he no more belonged than she did in the stokehole. His enraged soul revolted. The police locked him up. Steel, so lately the symbol of mastery, now became the symbol of his impotence, whereat Yank Smith became fanatically desperate to destroy all things steel. From prison to the I.W.W., whose

officials he found when once inside were ready for anything—except violence. They threw him out as a stupid agent-provocateur, and he realised that "Nobody guts me but me." Crazy and isolated, he turned at last to the creature to which he had so often heard himself likened. It was no use. He belonged nowhere. When after hiding at the Zoo until everybody had left, he tried to explain himself to the gorilla, and at last opened its cage to make friends, it crushed and strangled him in the first embrace.

Mr. Peter Godfrey is a producer with ideas. Here he has combined naturalism with impressionism in acting, setting, and lighting, in a manner that achieves complete reality. There is no lavishness of means; in each scene every stick of furniture, bar of steel, or shadow, means something. Obviously Mr. Godfrey could not set Fifth Avenue on the Gate Theatre stage. But he did suggest Fifth Avenue, and by the time he had his fashionable crowd there, he had the entire doll-spirit of wealthy New York. The stokehole scene was a triumph of lighting, and the Zoo scene a triumph of shadows. The play, since it questions civilisation, is a man's affair, and the two actresses were kept in appropriate restraint. All three indeed. Henry Scatchard delivered Paddy's oration movingly, rightly shifting the centre of gravity of the piece for the time being to himself. Norman Shelly's Long was a study that earns the highest praise. As for the immense part of the Yank by George Merritt, what can be said of its sustained power and sincerity, but that those who see it will cherish the memory of it? Having seen Mr. Godfrey's tragic production of the play, however, I should like to see a comic production by Arthur Sinclair. It is difficult to say which of the two would have proved the more tragic.

PAUL BANKS.

Gaelic Poetry.*

By Hugh M'Diarmid.

When Dr. Petrie addressed a meeting of the Royal Irish Academy upon that celebrated example of early Celtic workmanship, the Tara Brooch, he said:—

"I shall not easily forget that when, in reference to the existence of a similar remain of ancient Irish art, I had first the honour to address myself to a meeting of this high institution, I had to encounter the incredulous astonishment of the illustrious Dr. Brinkley (of Trinity College, President of the Academy), which was implied in the following remark, 'Surely, sir, you do not mean to tell us that there exists the slightest evidence to prove that the Irish had any acquaintance with the arts of civilised life anterior to the arrival in Ireland of the English?'"

The above passage is from the preface to Dr. Douglas Hyde's "Literary History of Ireland." I do not intend to go into the causes of so remarkable and widespread a misconception. The matter is fully analysed in Dr. Hyde's book, in Daniel Corkery's "The Hidden Ireland," and elsewhere. But the same thing prevails in Scotland and Wales, both of which are belatedly seeking to emulate Ireland's literary revival. The ultimate issue may well be a triple entente—amongst Irish, Scots, and Welsh at home and throughout the Empire—to overthrow the Anglo-Saxon hegemony in "English culture" and establish a paramouncy of neo-Gaelic elements. The thing goes even deeper than that.

* "A Celtic Anthology." By Grace Rhys. (Harrap, 7s. 6d.) "Poems from the Irish." (Augustan Books, Benn. 6d.) "The Dark Breed." By F. R. Higgins. (Macmillan. 3s. 6d.) "An Introduction to Contemporary Welsh Literature." By Saunders Lewis. (Traethodau'r Deyrnas, English Series, No. 1. Hughes and Son.)

As Robert Graves points out, dealing with Skelton and Shakespeare, in "Another Future of Poetry" (Hogarth Press):—

"The two principles of prosody correspond in a marked way with contrary habits of life, with political principles; the Continental, with the classical principle of pre-ordained structure, law and order, culture spreading downwards from the educated classes—the feudal principle; the native English, with what Mr. John Ransom calls the Gothic principle, one of organic and unforeseen growth, warm blood, impulsive generosity, and frightful error—the communal principle, threatening the classic scheme from below. . . . The future of English prosody depends enormously on the outcome of the class antagonism that undoubtedly is now in full swing. A Red victory would bring with it, I believe, a renewal of the native prosody in a fairly pure form, as the white domination of the eighteenth century made for pure classicism, and kept it dominant until the Romantic revival, intimately connected with the French Revolution, re-introduced stress-prosody."

The vast majority of the English-reading public know nothing of Gaelic poetry. The nineteenth century writers in English in Ireland, Wales, and Scotland themselves knew little more, but they made certain translations in forms incapable of transmitting the essential qualities into English, and they evolved a species of poetry of their own out of high-coloured, romantic conceptions in little correspondence with the realities in name of which they preferred them. This is the literature of the "Celtic Twilight." It makes what English readers and reviewers recognise as the "Celtic note." Just as the Irish school carried this far further than their peers in Scotland and Wales, and supported it by an ever-increasing recovery of ancient texts, and exploration of technique, so the younger Irish poets have gone beyond this whole "Celtic twilight" position, and we find F. R. Higgins—the best of them, intimately related in technique to the poets of "The Hidden Ireland"—claiming that—

"Not with dreams but with fire in the mind, the eyes of Gaelic poetry reflect a richness of life and the intensity of a dark people. The younger poets express themselves through idioms taken from Gaelic speech; they impose on English verse the rhythm of a gaffed music, and through their music we hear echoes of secret harmonies and the sweet twists still turning to-day through many a quaint Connacht song. For, indeed, these poets, in the lineage of the Gaelic, produce in Irish lyric—with its exuberance and wild delicacy—the memories of an ancient and vigorous technique."

This, at least, accurately describes his own very refined and beautiful work.

I can say nothing of that wonderful technique here. In these days of new and neo-classical tendencies it is well worth the study of every poet—in any language. But how long will it be before its recovery is recognised as the essential objective of all Anglo-Gaelic poetry? Political influences—however unconscious—lead J. C. Squire (like another Dr. Brinkley) to wish that Burns had written in English; lead Mr. J. G. de Montmorency in the *Contemporary Review* to exclaim naively over Brian Merriman's *Cúirt an Mheadhna Oidhche*, surprised to encounter such a poem in a literature that all English-educated people know "harps on a single string"; and make even Mrs. Rhys omit the later—and, by the same token, far more truly Gaelic—poets in Ireland and prefer instead the work of the earlier revivalists; earlier work and therefore more assimilable to English Scotland and Wales the same concessions as she gives Ireland, and since they have not gone so far, this means that Mrs. Rhys's anthology gives by far the best selection of Scots and Welsh work to be found in any collection of date. But how much of it all is really Celtic? One thing is patent. The technique which prevailed for hundreds of years—imitating no foreign models; so that poets like Keating, "undoubtedly a man of broad learning," wrote poetry "not in the style of

Virgil or Dante, nor yet of Ronsard or Spenser, but as the Irish poets who preceded him"—is not represented or indicated; no selections are given of really Irish poets, but only of those who are conveniently English enough.

As to Mr. Humbert Wolfe's seventeen "Poems From the Irish," excellent as they all are, they are far too "few and far between" to be representative. They remind me of Dr. Johnson's definition of a net—"a bundle of holes tied together with string."

Light for—and from—the Blind.

The religions of great men have a strong fascination, and a close examination of them discloses certain fundamental principles common to them all. It is with great men as with sects and creeds—both heathen and Christian: the Ten Commandments and the Sermon on the Mount are common ground to them all. What seems also general is their recognition of Swedenborg as a great seer. Among those who have felt his influence or testified to his greatness in the past such names as Darwin and Spencer, Emerson and Whittier, Dickens, Ruskin, and Kingsley; Carlyle and Henry James; Flaxman, Blake, and Coleridge, the Brownings, Balzac, Coventry Patmore, Ward Beecher, and Lincoln occur to the mind; and now Miss Helen Keller adds her testimony to the influence of the "Aristotle of the North," as he has been called, upon her life.

Helen Keller is a well-known figure to everyone interested in the blind, and to more interested in courage, though not everyone familiar with her name is aware that she is also dumb! Such limitations—we should have written afflictions before we knew of her life—appal the ordinary mind. Her heroic spirit, however, has triumphed over these and other obstacles, with the help, of course, of the four-in-the-morning labour of John Hitz, sometime Swiss Consul-General to America, who, at the ripe age of seventy, undertook the study of the Braille system as a preliminary means of communication with the blind-deaf girl of fifteen he had determined to teach.

Miss Keller's latest book,* making the sixth, treats Swedenborg's difficult philosophy of the unchanging Divine Love that will do everything to win, but nothing to compel, very lucidly. Her account of Swedenborg's versatile life, his anticipation of so much of modern science, his psychology, which was, if we might coin a phrase, mental quite in advance of that of our own day, is faithfully—if not ever, does not always appear to coincide with that of Swedenborg. For example, though she does not hide her sympathy with those strivings for better material conditions summed up in that much-abused word "radicalism," she does not sufficiently stress Swedenborg's account of the communicative basis of heavenly civilisation. Actually it is an outstanding feature of his writings; especially so in "Heaven and Hell" in the chapters relating to government, occupations, houses and dwellings, the rich and poor, marriage, etc., which are, as Emerson pointed out, "of such universal application" that they should not be missed, on any account, by anyone interested in economics or sociology. His statements on Government, public service, communal sharing, houses, and temples of wisdom, writing and speech, etc., show that the outstanding characteristic of celestial civilisation, according to Swedenborg, was that

"the delights of heaven are united with uses inherent in them, Heaven being a communion sharing all it has with each of its inhabitants. . . . All, however numerous they may be, feel delight in their employment and work from the love of use and none from the love of self or gain. There can be no love of gain for the sake of a living, because all the necessities of life are given them freely; their homes, their clothes, and their food are all free gifts."

Swedenborg did not build Heaven by halves. His provision for creatures matched his provision of comforts. He wrote, in a passage that charmed Emerson:—

"The inhabitants of Heaven are continually advancing towards the springtime of life, and the more thousands of * "My Religion." By Helen Keller. (Hodder and Stoughton. 6s.)

years they live, the more delightful and happy is the spring to which they attain. . . . Women, who have died old and worn out with age—come into the flower of youth and early womanhood and attain to a beauty which exceeds every conception of beauty ever seen on earth. . . . In a word, to grow old in heaven is to grow young!"

Miss Keller appreciates the nobility of this Utopian state of affairs, which so moved Robert Owen. Unfortunately, however, she does not appear to have mastered the psychology of the free gift element (Swedenborg repeats it to allay incredulity!), which is entirely absent from our civilisation. Thus she is led to write:—

"We know, for instance, that it is impossible so to plan the economic systems in the world that we could all be much richer and freer and happier in producing comforts and pleasures than we are to-day."

It is true only of to-day that the mind rebels at the bare idea of any other citizen having "something for nothing," or fears to give plenty lest he thereby lead a brother into profligacy. We think that none are so deserving or would spend to such good purpose—as ourselves!

Technically, the publication has two defects. The chapters cry out for titles, and the reader for a short foreword on the author's life. The Rev. Paul Sperry's introduction tells us almost nothing. Miss Keller's life is itself an epic, and should be so treated.

"My Religion" does not suffer from the vice of sectarian propaganda or special pleading so common to this class of work. It is vital, sincere, and outside the rut of religious literature.

J. M. EWING.

Financing Production.

Sir,—It is said that one criterion of having got hold of the truth about any subject is that it enables one to see what all the other fellows are thinking. It was noble of you to give me not only an answer on the above subject but—that rarest of things—an answer in terms of my own question.

As I have thought as long and strenuously on these subjects as most, and am really seeking for light on conclusions that are as yet tentative with me, I would like your answer on a further point. I put it because my own tentative answer can be condensed into two lines. I pursue the same illustration.

If there is an outcrop of coal on a hillside which is nobody's, and I propose to dig it out and sell it for a living, but first need "capital" in the form of a pick which costs £1; then, you hold—details apart—two new pounds should be printed, one for me to buy the pick with, and the other for the customers to help them buy the coal. Your reason is that the new pound which I pass to the shopman for the pick gets annihilated. And you want there to be one new pound in the world to correspond to the new wealth. I take it, then, that you want to secure that there be enough new money coming into existence every year. I had got thus far, and agree with you. But the splitting question to me is the next one—enough what for, exactly? I trust I have not deprived you of space for an answer.

J. W. SCOTT.

Enough to pay for the pick. There is nothing else to pay for under the hypothesis here agreed on, namely, that the coal costs nothing to get out. A little reflection on what we said last week will make it clear that when once the coal-consumers can put up the money for the pick (this can be in instalments as the pick-owner wants them) they can get all the coal that it is physically possible for the pick to dig out during its serviceable life. So long as the quantity they need is not less than that which the pick will dig out there will not be any unsaleable coal or any such thing as the present familiar phenomenon of under-consumption outside industry and restricted production. This will be seen equally clearly even if the illustration is widened to include the hypothesis that the coal-consumers are hired by the owner of the pick to get out coal and are paid wages for doing so. In that case the total wage-cost of the coal will be offset by the total earnings of the consumers. Add to this wage-cost the £1 for the pick and you arrive at the total cost for the whole quantity of coal. And if you add £1 in new money to the earnings of the consumers you make their total incomes equal to the total cost. The volume of the monetary figures on either

side of the equation will be larger, but that is of no significance at all in this illustration. (It has a bearing on the question of international trade. There is plenty to be said on this, but there is no use in going into it unless and until we establish our case in regard to some closed internal economy such as we are now considering.) What matters is that there must be this equilibrium. The obstacle in our present system of financing is the problem of supplying consumers with "pick-money."

Let us illustrate the importance of this problem by considering what the pick-owner will do if our indicated remedy is not applied. Confining ourselves to Mr. Scott's postulates, it is clear that if this man digs coal, say ten tons, and will not sell except for money, he cannot dispose of any coal at all. There is no money in the market. But now adopt our alternative hypothesis which includes the element of personal wages, and we may conceive of, say, the pick-owner getting ten tons of coal out costing him £10 in wages (including his profit, i.e., his "wages" of superintendence) and £1 for the pick; total cost £11; and the consumers (including himself) having £10 to meet the cost. In that case the pick-owner will probably begin by selling 10-11ths of the quantity for the £10. Let us assume the quantity sold as nine tons, leaving one ton as unsold stock. Now if he should be able personally to consume this stock, he will settle the problem by doing so. But we must remember that this one ton is a symbol of the unsaleable production of a modern economic system, and that such production, if not actually, is potentially (as we shall see in a moment) in enormous excess of the consuming power of the small number of individuals who are at the head of the administration of industry generally. So let us assume that this pick-owner can live on the coal he buys with his money profit, and has no use for the remaining stock except to sell it. In that case he will not continue to dig ten tons, but will reduce production next time to eight tons—hiring less labour and paying out less wages accordingly. Hence you may suppose him, at the end of the second period to have eight tons of new coal which has cost him £8 for wages, and to possess, in common with his fellow consumers, £8 in money. But he has one ton of old stock which makes the total quantity nine tons—the same quantity as he last sold. For this he wants £9 (£8 wages cost plus the still unrecovered pick-cost). He can only get £8, so he sells 8-9ths of the coal for £8. If you work this sequence out, you will see him not only producing less and less coal (and, of course, paying less and less wages), but also selling a less and less proportion of the diminishing quantity he *does* produce. For instance, when he reaches the stage where he gets out one ton of new coal at a wage-cost of £1 he will have two tons altogether costing £2 to sell in a market possessing £1—so that he will now sell only half his coal. The incidence of the pick-charge on total price becomes heavier throughout the sequence. In the end he produces less coal with his pick than without it.

Let us generalise from this, and say that when once you begin with an irrecoverable overhead charge (however small it may at first be in proportion to subsequent money payments to individuals) you begin a process of continuous diminution in the quantity of production and in the quantity of current earnings incidental thereto. In the illustration, if there had been no attempt to recover the cost of the pick of outputs of 10 tons each wholly bought by consumers for £10. But introduce the £1 charge for the pick and you soon arrive at a production of only two tons; and only a half putting this right by ensuring that at any given time the full capacity and that all the consumable goods produced are purchasable by consumers.

Now, in a complex economy like ours it is impossible for anyone to foretell at the beginning of any particular period the exact quantity of physical production that can be made available for consumption, much less the individual quantities of the multitudinous categories of goods which industry is making. But if the Government and the banks agree to devise a credit scheme to equalise total personal incomes with total production costs, they can ensure that the unknown quantity of goods, whatever it may be, can be priced to fit the consumers' purse, and with benefit to both buyers and sellers. For remember that the hypothetical pick-owner, while he was delivering a less and less fraction of his output and yet exacting in payment all the money he distributed, he, as a consumer, was becoming, along with his customers, a victim of his own procedure. There was a general shortage of coal.

The knotty point all the time is this £1 for the pick—is it really true that this money disappears and leaves consumers short? You can modify the illustration a little and consider

what would happen if the pick-owner had not bought the pick from someone else but had hired labour to make it. Say he began by borrowing £10, hired people for £10, and set some of them to gather coal by hand and others to make the pick. Suppose he got nine tons of coal as well as the pick. His total cost is £10, and the consumers have £10. Let us assume that the coal-gatherers got £9 and the pick-makers the other £1. The owner may now sell them the nine tons of coal for £10, in which case he would get his pick for nothing. But he may choose to sell the nine tons of coal for £9, leaving the consumers with £1 in their pockets. In that case they would be able to pay for the pick and so fulfil our prescribed condition. But this is where the banker steps in. He wants his £10 back long before the pick has been used up in coal production. Banks have the power to recall loans whenever they like; and nobody needs to be told that the customary term of outstanding bank-loans is a matter of a day, a week, or at best a month or two, whereas a very large quantity of production (factories, machines, tools) has a life ranging between a month and fifty or a hundred years. So we can assume our pick-owner to be told to repay the £10 at the point to which we have carried the story. In that case, having only £9, he must get the other £1. So he invites the consumers to invest their £1 in his pick, which they do. Now he can repay the banker, who cancels the credit; and there is no money in existence. We have now a co-operative company in place of a single capitalist. The Company now borrows £10 from the banker. Its shareholders employ themselves at a total wage of £10. With the aid of the pick they can get a total more coal than before. Let us assume 20 tons. The total cost of this quantity is £10, but there must be added the £1 (or, at any rate, an instalment of it) for the pick. Let us assume a total cost of £11. They would now sell to the banker. At this point there is no harm, because at least they share-up, say, 18 tons instead of the previous nine tons. But observe that they have now entered upon the same sequence of reduced production which occurred under the pick-owner's régime. That is to say that if they apply to their production planning the same principles as are applied to-day by industry generally, they will only produce the quantity they expect the "market" to take. In the present illustration they will plan to produce only 16 tons next time, because they will have estimated the "market capacity" at 18 tons, and, having got two tons in stock, they will not require more than another 16 tons. Moreover, even if they did not volitionally decide to do this, their banker, who can say yes or no to their applications for loans, would decide so for them. (A case in point was reported recently in the United States. The cotton crop was so much greater than the "market would absorb" that the growers were left with unsold stocks exactly in the same manner in which our hypothetical coal company was left with its two tons of coal. The consequence was that the banks which financed operations in the Cotton Belt announced that they would not loan money for sowing the next season's crop unless the growers agreed to cut down the acreage sowed by 25 or 33 per cent.)

Reviews.

"There and Back Again." By Mary Crosbie. (Phillip Allan. 7s. 6d.)

If ever there was a book improved as it neared its end, this is one. The first two hundred pages do not ring true to life. They seem to have been written to satisfy the modern reader, without sincere impulse. They lack strength and clarity. But when Miss Crosbie tells of the war, and its aftermath, of the heart and soul of a mother robbed of her son, she creates a world of living people, men and women who feel and think, and live. And she writes well.

"Shakespeare as a Letter-Writer and Artist in Prose." By R. L. Mégroz. (Wishart. 7s. 6d.)

Most ingenious and cleverly argued, and, of course, charmingly written, this little contribution to *belles-lettres* makes a wider appeal than one would suppose in a country where we all shout Shakespeare and never get any further. Mr. Mégroz is infected, like most Shakespearean students and enthusiasts, by the fascination of his subject, and cannot agree that he makes out his rather elaborate case with regard to the subtleties of Shakespeare's choice in writing some of his letters in prose and some in poetry, and making Tinker and Tailor speak in verse while rich men eschew it. But since he avoids pedantry, we are prepared to sit back and listen to him with pleasure, if not with profit.

Verse.

By Muriel Stevens.

UNEMPLOYED.

Under the lamp he stands,
Coat-collar to his ears, his frozen hands
Bulging each pocket to a mound,
As corpses bulge the ground.
Long he keeps vigil there
Under the friendly light,
While his slow, blue eyes stare
Moodyly at the night.

And watching him, I think
How unemotional is that broad back
Which bore a soldier's pack;
And still again
Those limbs that writhed in pain
Down Arras way;
While eyes, once mad with fright,
Stare moodily
At the night.

THE CAGED BIRD.

Old Mother Cogswell
Has a caged bird,
It hops all day
But says no word,

While she does nothing
Herself but sit
In a little back room
And smile at it.

Old Mother Cogswell
Never goes out,
Her feet are swelled
With rheumatic gout,

But she's quite happy
(So she declares)
To watch her bird
And say her prayers.

His speckled coat
Is her delight,
His tiny beak,
His eyes so bright. . . .

She nods to herself
As he hops about,
(She loves him too much
To let him out)

And he's quite happy
You may suppose,
To watch the veins
On her old nose.

Her faded looks
Must compensate
For trees and sky
And nest and mate.

His fill of beauty
He may trace
In those dim eyes
And that grey face.

THE "NEW AGE" DINNER

This will be held at the
CRITERION RESTAURANT,
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Time 7.30 for 7.45 o'clock.
The Dinner will be presided over by John S. Kirkbride, Esq., of Lowdham. Major C. H. Douglas will be the guest of the evening.
Tickets, price 10s. 6d.
Apply to the Manager, "The New Age," 70 High Holborn, W.C.1.

LETTERS TO THE EDITOR.

THE CARLTON CLUB.

Sir,—On page 146 of your issue of January 26, a statement is made to the effect that "the Carlton Club has decided to admit Liberals to membership," and in the course of further comments, which perhaps have reference to something which has occurred at the "City Carlton Club," it is stated that "the Committee of the Carlton Club cannot make it pay on subscriptions from Conservatives."

As neither of these statements has any vestige of foundation, so far as the "Carlton Club" situated in Pall Mall is concerned, may I ask you to be good enough in the next issue of your paper to correct the entirely false impression, which, no doubt unintentionally, has been given by the paragraphs in question, and to make it plain that your remarks refer to the "City Carlton Club," or at any rate that they do not refer to the "Carlton Club" in Pall Mall.

WALTER BAIRD, Brig.-General,
Secretary, The Carlton Club, Pall Mall, S.W.

[We refer to this letter in the "Notes."—Ed.]

THE REVISED PRAYER BOOK.

Sir,—I am afraid I cannot have made myself quite clear in explaining my objection to your analogy. In my opinion, it simply does not hold so far as religion is concerned, because the relation between Church and State is not to subordinate the former, but for both to function in different spheres. Thus it is possible for me freely to admit your contentions about Establishment and Parliamentary control of doctrine, which belong not to the Church but to the State, while at the same time maintaining that only in its own sphere can an analogy be drawn between religion and economics, and further, that Social Credit suggests the only analysis of organised religion which has any validity. That analysis I identify with Protestantism; and my letter was intended to show that there was some hope of the ultimate triumph of Major Douglas's economics in the material world so long as the British nation maintained this attitude in that of religion. The falseness of the analogy you draw can best be seen by considering the difference between credit and faith. The shareholder puts money into a company, but the Churchman does not put money, but faith, in the Church. And no one will seriously maintain that, as a true Churchman, he expects hard cash in return for his investment. What he does receive is religious blessing, and I maintain that, unlike money, this is an ultimate product. A Churchman does not put faith in Church doctrine to receive mere financial credit are two aspects of the same thing, and consequently the organisation embodying it, though it may seem from the ordinary point of view to resemble that of a company, must really be compared to that of a Social Credit State. It is precisely through this confusion that the Roman Church has been led to regard itself as a trust in which the believer is supposed to yield up his faith to the dictation of a few. Membership of the Church, which for the Roman is merely a means to an end, has become for the Protestant an end in itself—and he has his reward. As for woolly ideas about subsidised religion being good for the country, that is another question. What matters is that the Church, so long as it is subsidised, is a moral organ of the State, and therefore considered representative of the State's philosophy. That is the sole point for which I was contending.

C. J. HUNT.

THE "POWER" COMPLEX.

Sir,—Re Mr. Cousens's letter in NEW AGE of January 26. I do not myself argue "Ex uno disce omnes." My second letter was intended to illustrate the logic (or illogic) of the simple peasant.

I have, however, no doubt that you are right in thinking that a proportion of those freed from the necessities of working for private masters will still seek private masters. You say "more than half." That leaves about 40 per cent. who will prefer to work either for themselves or the State. This will considerably reduce the command over-services now enjoyed by private employers. They realise this, and do not like the prospect. Their dislike must not be allowed to interfere with progress towards economic freedom. It must either be combated by argument or side-tracked by achieving the *fait accompli*. Personally I prefer the former plan; at least to begin with.

HAROLD W. H. HELBY.

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 unsaleable output, and would, therefore, eliminate the dangerous struggle for foreign markets. Unlike other suggested remedies, these proposals do not call for financial sacrifice on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

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