

THE NEW AGE

INCORPORATING "CREDIT POWER."

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NOTES OF THE WEEK.

Mr. Snowden's outburst at the Hague was promptly and universally released to the Press for the information of the public. For that reason alone we could safely venture the opinion that the occasions for his violence have very little to do with the realities which are dividing the nations of Europe on the question of war debts and reparations. As a matter of fact the enumeration of his three points proves it. They are three pinpricks. We invite anybody who understands the magnitude of the problem created by the necessity to transfer reparations at all to consider the relatively negligible difference that Mr. Snowden's demands would make supposing they were conceded in full. He insists (1) that there must be no alteration in the percentages fixed in 1920 at Spa: (2) that the allotment of shares in payments must not favour France, Italy, and Belgium: (3) that after 1930 Germany must discontinue payments in kind by goods which compete with British manufactures abroad, and that the receiving nations must not re-sell such goods abroad. Now, it is of course possible to construct a table of monetary figures which will show an imposing total on one side or the other of the British account over a long period of years according to the concession or otherwise of these demands, but the yearly average works out to nothing in particular. Moreover, the significance of any nation's future financial commitments diminishes in a geometrical retrogression as the date for fulfilment recedes. That is why Signor Mussolini dryly announced Italy's willingness to sign any nice-sounding pacts and agreements—the more the merrier. What was at the back of his mind was something like this: Where is the harm in your agreeing on paper to perform impossibilities in concert with your brother-nations? For instance, even to raise the point about what shall be done by Germany in 1931—let alone 1940 or 1960—is to talk nonsense. Nations have to live from year to year; and their experiences this year will decide what they will be doing next. International agreements on money

matters are scraps of paper before a single signature is written, because the signatories themselves have no control over money. And even supposing such agreements reflect the policy of the interests who do control money, there is still no guarantee that they will not have to be revised. For reasons perfectly familiar to most of our readers the policy of the credit-monopolists sets up economic reactions which defeat its objective. The logical end of this policy would be a situation in which all production would be capital equipment, and no production consumable products. It is therefore inevitable that at some point or other the policy must be renounced; and the greater its initial impetus the quicker its downfall. In circumstances like these Mr. Snowden—to borrow from his diplomatic vocabulary—cuts a "grotesque" and "ridiculous" figure. He is setting ten or a dozen ignorant populations in a turmoil of vague suspicions over a paltry twopence which, if he picks it up at the Hague, he will lose before he gets back to London.

On the general question of debts the British Government has itself to blame for the difficulties it complains of. It was all very fine for Lord Balfour to announce that Britain wanted from Europe only so much money as she was obliged to pay America; but unfortunately Britain had previously incurred her own formal obligation to America without consulting Europe, and therefore, in prospect, was party to fixing the amount of Europe's obligations under the Balfour principle. Again Britain agreed to pay her debt in dollars, but neglected to insist on the same sort of privilege as has been accorded Germany in respect of part of the reparations-debt, namely to pay in kind. The most obvious and direct method of raising the necessary dollar-credits to pay dollar-debts is to deliver goods in the dollar credit-area where the debt is due to be paid. That course was not adopted; and, precisely because it was not, Mr. Snowden is obliged to resist the continuance of German payments in kind. The less direct method of raising dollar-credits is to sell goods to countries

accomplished so much. But in this Christian year 1929 Lancashire has no better understanding of economics than to assert that all is well though it strip itself naked if only the people of the tropics will buy its clothes. No more curious way of losing one's life to save one's trade was ever implied by the well-meant utterances of Jesus Christ and Ramiro de Maeztu. If the world thinks to-morrow what Lancashire thinks to-day, the world will present a sorry spectacle the day after to-morrow. While the earth flows with milk and honey, hot-pot, black-pudding, and sheep's trotters, a mountain of corpses will testify to the cold moon the heroism of the Lancashire philosophy; by the practice of which every mother's son of mankind clemmed himself to death to feed the others.

While the position of the Lancashire employers, which is to say, of responsible Lancashire, is pathetic and damnable, the plight of the Lancashire working-classes is pathetic yet admirable. As it was in "Hindle Wakes," let us pray that the representative of Lancashire who really will lead England will be the mill-girl and not the mill-owner. The conduct of the Lancashire workers over the last seven years indicates both a true sympathy and an over-long patience with the industrial kings to whom they have given allegiance. Before the ultimatum of a 12½ per cent. reduction in wages which resulted in the present lock-out the Lancashire workers had tightened their belts nearly to cut themselves into halves. As even the orthodox capitalist press admits, shamefacedly and in terms designed not to let the employers down, the employers are in the wrong. They are crushing the life out of their workers to spare themselves thought. It may be that the employees cannot be described as thinkers; it is not their business to do their employers' thinking, at least according to Manchester principles; it may be, as Lancashire business men have tried for a century to make it, that the employees ought not to be able to feel. They cannot, alas, help feeling, and what they feel about the present lock-out is right: to wit, that when continually expanding power of production entails a continually narrowing standard of living, the system is not worth working for. The employees may just as well hang themselves on their employers' doorposts as starve for working in his kitchen.

Remedies to prevent bankruptcy of the mill-owners, along with starvation of the mill-hands in a repetition of the coal chaos, have been suggested, with gentle remonstrance, to the employers by their friends. These remedies are all comprehended by the word "rationalisation." Lancashire, it is advised at five minutes to midnight, must re-organise its selling department. Its managers must be more ready to supply what the world-market demands; they must write down their capital, though not of necessity their debentures. They must cut out expensive middlemen. Their product, whose cost at the mill is no more than that of their competitors' product, must reach the consumer's back at no higher a price. Well and good; rationalisation is an excellent and necessary remedy for inefficiency. Its harmfulness is in that those who recommend it belong to the half of the world blind to the manner in which the other half lives. Rationalisation necessarily deprives a number of its patients of food and exercise. It is, in short, the cutting off of somebody's consumer income without making alternative arrangements.

If rationalisation destroys entirely the incomes of some workers it is no consolation to them that their fellows are clothing the Egyptians. If it merely cut out of cost the middleman's champagne and

oysters it closes a market somewhere. We have no special affection for middlemen if they are unnecessary, nor for the fact that the cost of their toll is excessive. But without arrangements for consuming the present product there can be no virtue in expanding the product while narrowing the arrangements for consuming it. A true sense of the word rationalisation would be co-ordination, between the needs and desires of mankind on the one hand, and mankind's capacity for satisfying them on the other. Less than this is not rationalisation but lunacy. Because cost is a thing to be reduced it cannot remain the sole avenue of the distribution of income. If one employer owned all the industry of the world and distributed only his own profit, to himself, book-keeping would not allow him to price his goods at that figure. Depreciation alone would render a portion of his goods unpurchasable. Sooner or later, as things are, all capital has to be written off.

It has been remarked that the reason for the reduction of wages cannot be the bank debts of Lancashire, for the reason that no interest has been paid on these for some time. The fact that no interest has been paid for some time is itself a sufficient reason. The banks are not contented to go on with no interest. Interest is the sole condition upon which a banker is willing to allow credit to continue in circulation. To withdraw it from circulation would, of course, be a further act of deflation, with consequent effects on markets everywhere. Whether Lancashire should collect that credit or even pay interest on it is not, therefore, a question for Lancashire alone. It is at least a national question. The case of the Lancashire workers is not a case merely against either the Lancashire employers or their bankers. It is the case of the whole world consumer against the world financier; and it is, if the producer could see it, his case, too. In the long run the Lancashire cotton workers, fighting against a reduction of the consumers' income, are fighting to preserve a market for the Lancashire manufacturers, the sale of whose goods depends on consumer income. The manufacturers, unfortunately, cannot perceive their position in the total economy, or their relationship to the consumer in one place is to put a producer out of work in another. They cannot see, in short, that for them to win and reduce wages is futile for the end they have in view.

Incomes and Prices.

In these days of quickened inventiveness manifested particularly in accounting machines lately introduced into the large banks, it is not difficult to conceive of such a mechanism as a costing and pricing machine. Such a machine would have to be constructed to apply the governing principles applied under the present financial system.

- (a) The price of an article is all it will fetch.
- (b) The price of an article must not be less than its cost.
- (c) Cost must cover dividends to private investors.

Let us imagine such a machine in a shop, and consider what it would do under the following conditions. The shop is to sell potatoes, which, let it be assumed, grow wild and can be got for nothing except for the expense of digging them. The potatoes thus represent natural resources in general; and the digging and storing of them in the shop represent industrial activities in general. Let us embody these activities in the person of John Smith, and make him represent the processes of production and consumption.

John, then, digs so many bags of potatoes every day. He brings them into the shop. He dumps them on a weighing-platform attached to the

machine, which records the number of bags brought in. Automatically the machine feeds out to John a strip of tickets equal in number to the bags weighed, and registers that number as the cost of the day's digging. Suppose that John now wants to take the potatoes home for consumption. The machine will require him to push a ticket into a slot for every bag he lifts off the platform. So he pushes his tickets in, the machine cancels its costs, and John gets all the potatoes he has dug that day. Two principles have been fulfilled: the potatoes have "fetched" all the tickets John had, and they have not been sold at under cost.

Under such conditions John can go on indefinitely consuming all the potatoes he "produces," and it does not matter whether the quantity he digs varies from day to day or is fixed. His income will always equal the registered costs. But as our illustration has to embody fundamental facts of modern economics as nearly as possible, we must take into account the fact that production is never ready for consumption within the time-period covered by the production-wages, but always in subsequent time-periods. We can do this by supposing that one day elapses before the potatoes dug are ready for sale. In that case John's digging-tickets for, say, Tuesday, will buy potatoes dug on Monday, and so on.

Now this would not appear to make any difference to John's consumption. If he digs the same quantity every day, the number of bags available for sale in the window of the shop will always be the same as the number placed on the weighing-platform at the back, and since John's tickets are equivalent to the latter—call these the potatoes "behind the market"—they are equivalent to the former, the potatoes on the market; and he can go on buying potatoes at the same rate as he digs them.

But suppose that something happens to cause him to dig more, or fewer, potatoes on any given day or days. At first sight nothing different should result except that he would consume more or fewer on the respective following days. He ought still to consume all the potatoes. Take a week of such fluctuating quantities; the machine should total them up, and issue tickets representing the total. Thus John should be able to buy them all.

This line of reasoning underlies all the so-called refutations of the Social Credit Theorem. Critics always urge that the price of every article offered for sale to the public is composed of items which represent money paid to the public at some time or other in the past. Therefore, they conclude, the public can, in the long run, buy everything that is produced with the incomes they receive for producing it.

The answer to this hinges on the implication of the formula: "in the long run." Let us see what these are in the case of John Smith. Here, the "long run" is represented by the period of one week. (But any period longer than one day will serve for the argument.) Can John wait, say, seven days before he buys potatoes? If so it does not matter how his daily diggings fluctuate, for the machine will total the quantity and the wage-tickets, so that the income put in John's pocket during the week will be equal to the cost of the potatoes on the market. Thus, suppose he digs the following number of bags in seven consecutive days, 5, 10, 15, 20, 15, 10, 5. His daily incomes will be the same series of figures. But since one day elapses before each batch is on the market the two series will be out of register. Thus:

	Mon.	Tu.	Wed.	Th.	Fr.	Sat.	Mon.	Tu.
Potatoes on the market	(?)	5	10	15	20	15	10	5
Tickets in the market	5	10	15	20	15	10	5	(?)

Add the two series up horizontally, and you get the

same total. Of course in arriving at that result you are ignoring the first item in the top line and the last in the bottom; but since this week of days represents an indefinite continuity of economic work (i.e. "the long run") these two unknowns (at either end of eternity) can be assumed to be equal and to cancel each other out. So we can take the six days, Tuesday to Monday, as typifying the situation as conceived by critics of the Social Credit Theorem. During that period you get a total of 75 bags and 75 tickets.

If we call the tickets shillings, on each of the first three days John will have 5s. more than the cost of the potatoes on sale; and on each of the second three days, 5s. less. So if he can go a week before buying, he can save 15s. by Thursday, and use this to make up the subsequent deficit of 15s. which will have accrued by Monday. The fluctuations in production and income will average out. And if the two series are repeated week by week the situation will be the same as if John had dug 75 bags once in six days, drawn his tickets once in six days, and bought his requirements once in six days.

But this is not a true reflection of what goes on in economic life. The rules under which economic activity is financed do not permit of the accumulation of money in the hands of the public. As weekly wages, or monthly salaries, are received, so they are spent. And they are spent almost wholly on articles of consumption. The margin of money "saved" is also spent, i.e., it is invested in capital production either directly by the individual or indirectly by institutions on his behalf. Industry charges for its consumable production, and it borrows against its capital production. By these processes in conjunction it collects all the money it pays out, and does so within the limited periods mentioned.

The reason is that industry has to fulfil the conditions of the banking system. It stands in the same relation thereto as John Smith does to the machine in the shop. If the banking system were to extend its accounting periods in such a way as to enable industry to leave money to accumulate in the hands of the public to the same amount as the cost of its unsold production accumulated in the form of capital and stocks behind the market, the horizontal equilibrium that we have referred to would work out in practice—that is to say all production could be bought as fast as it could be brought on the market. Against every pennyworth of production not yet delivered by industry to the public there would be a pennyworth of personal income not yet delivered to industry. The public, like John Smith, could hold its 15s. surplus in readiness to meet the subsequent 15s. deficit.

But as things are this cannot happen. Industry is financed on short-term loans by the banks, whereas a very large proportion of the manufacturing carried out by those loans is long-term production. The inevitable result is that money has to be called in before the equivalent production is let out.

In our illustration this short-term loan-period of the machine is one day. John Smith, every day, has to push in the tickets that it has pushed out to him, and take in return the potatoes available at the front of the shop. Let us see what happens to him on the Tuesday, when he draws 10 tickets and there are 5 bags of potatoes for sale. Now, he is obliged to return all the tickets; and the only question is whether we shall suppose him to pay 10 tickets for the 5 bags or pay less than 10 and invest the remainder in what we will call "the shop." The machine will permit him to do either so long as he pays at least 5 tickets for the 5 bags. (Goods must not be sold at under cost.) Let us consider the two extreme alternatives.

Case I. He pays 10 tickets for the potatoes. The tickets he pays are the tickets he has drawn from the machine

that day. When he pays them the machine retires and cancels them. John has no tickets.

Case II. He pays 5 tickets for the potatoes and invests 5 in the shop. Again the machine cancels the 10 tickets. Again John has no tickets. But John is now a creditor of the shop in respect of 5 tickets. But since costs must cover the return to private investors, the minimum price at which to-morrow's offering of potatoes must be sold must be something more than the one-ticket per bag which has hitherto been the minimum. But as John is the only customer this means that he will have to pay himself back his 5 tickets out of his future earnings.

It will be seen that fundamentally the result in both these cases is the same. Whether John spends all, or only some, of his tickets on consumption, he has to yield *all of them up*; while all he really gets is the potatoes.

Referring to the table of figures again, we see that by Thursday John will have received 30 bags of potatoes, and received and paid away 45 tickets. Thursday is the peak of the ascent in production. The descent now begins. On Friday there are 20 bags for sale, but John has only 15 tickets. The cost of the potatoes is the number of tickets John drew for digging them on the previous day, namely 20. There are two alternative consequences, depending upon whether John has previously spent all his tickets (Case I.) or invested part of them (Case II.).

Case I. There being no investments to be charged, the cost of the 20 bags is 20 tickets, so John can buy 15 bags with his 15 tickets. One bag for one ticket. Five bags remain unsold.

Case II. There being (by assumption) a total of 15 tickets invested between Tuesday and Thursday the minimum price will now be more than one ticket per bag. How much more will depend on the size of the "dividend." For the sake of simplicity let us assume that the 15 invested tickets are to be paid out to John at the rate of 5 tickets per day. Adding 5 to the direct cost of the potatoes, there is a total cost of 25 tickets. The minimum price per bag is now $25 \div 20 = 1\frac{1}{4}$ tickets per bag. John can buy only 12 bags. Eight bags remain unsold.

It is not necessary to carry on these calculations for the following days. Enough has been said to show that although John's series of incomes for the six days totals 75 tickets, and the series of costs and quantities total 75 tickets and 75 bags, the total of incomes will not buy the total of production. The reason is that the two series of daily figures are out of register by one day. If John could somehow have got some tickets from nowhere, so to speak, on the first day of the series, so that he could have held his earnings of that day intact until the next day, everything would have worked out satisfactorily. As it was he had always to spend his tickets one day ahead of the market. Whenever there happened to be more tickets than bags, he parted with too many tickets in exchange for the bags. Whenever there happened to be more bags than tickets he received too few bags in exchange for the tickets. Like the British public, whom he here typifies, he was caught both ways round.

To use another analogy; one might prove, in regard to any community of people, that over a period of many generations, for every man born there was born a woman of a reciprocal type; and he might reasonably conclude that in the long run there was bound to be general marital felicity. But supposing the respective types were born in alternate generations, the "right" woman being born just as the "right" man died, there would be bound to be general marital infelicity. And so in the case of the financial question. Personal incomes may be equal to costs in the long run, but they never meet each other on the way. Between them stands the banking machine.

Economic Philosophistry.

I.

It may not be to the advantage of Social Credit as a progressive school of thought, driving towards the realisation of a Social Credit State, to gather together and publish in a somewhat hodge-podge array passages culled from the writings of Major C. H. Douglas under such a title as *The Philosophy of Social Credit*.

Not only is such a title somewhat unfair to the original author of the extracts, it may even be "defeatist" when viewed from the standpoint of any technique having as its watchword such a slogan as "Social Credit in our time."

Be that as it may, there can be no possible doubt that, before presenting a philosophy of anything at all, the fundamental principles upon which it is based—the intellectual concepts and the exact meaning of the words used to express them—must first be defined.

The first word that needs definition is the word "philosophy." For the purpose of this paper we define the word "philosophy" as meaning: *a sequence of propositions antecedently supposed or proved, and so fully in accord with universal human experience that the mind is forced to accept them as basic premises.*

That evaporates the mistiness of a word that may mean anything ("love of wisdom" means what?), and reduces it to the knowledge of phenomena as explained by, and resolved into, causes and reasons, powers and laws.

Again, for the purpose of this paper, the word "philosophical" shall mean: *Of or pertaining to philosophy, but not the basic premises of philosophy.*

It may be contended that such basic premises are to be found in the several books of Major C. H. Douglas. That may be so, but we should remember that in their original form and context such fundamental concepts are not, and are not set forth as, a "philosophy" as such; they are the outcome of a purely economic and mathematical analysis; and this being the case, there must be a *basic philosophy underlying and giving rise to the economic analysis.*

It seems clear, therefore, that the title given to the miscellany referred to is, or may be, misleading.

1.—The Philosophy of Social Credit has not been defined as an intellectual system of conceptual coordinates; and, until it has been clarified and set forth as such, it is intellectually dangerous to use the term "Philosophy of Social Credit."

2.—On the other hand, the Technical Formulæ of Social Credit have been clearly defined as a practical application of mathematics (in which mathematical logic is accepted as valid without question) to present-day economic and financial problems.

3.—From a consideration of such an application spring a multitude of philosophical conclusions; but these conclusions and speculations, because they spring from a technical application of an exact science, do not necessarily constitute, or embody, the philosophic basis upon which the technical formulæ themselves rest.

Either there is no need to define the philosophy of Social Credit or, as seems to be the case, there is such a need. If such a need exists, then there must be no confusion between the basic premises of that philosophy and the more or less speculative philosophical conclusions springing from an analysis of our economic system.

We are driven then, in the first place, to consider not what are these basic premises of the philosophy of Social Credit, but whether there is a need for any such philosophy at all.

Unless we consider that question we may easily fall into the mistake of trying to concoct, invent, brew or hatch out a "philosophy" to fit round the

mathematical logic of the economic analysis. The result of any such attempt would be to blunt the edge of the logic of the analysis, and, in the end, to put a drag upon the progress of that logic in generating the correct sequence of tactics in accordance with the necessity of the moment; thereby defeating the practical objective of the Social Credit movement, i.e., the reorganisation of social economics in such a way as to equate Consumption to Production.

Yet we are faced with this problem: that because Social Credit lacks its purely philosophic formulæ, formulated and set down in logical order, Social Credit students and thinkers are apt to mistake philosophical speculations arising out of a consideration of the economic analysis for a basic philosophy of Social Credit. The result of this is to create confusion of thought which must, and does, translate itself as a fatal hesitancy in action.

Therefore, although we must rigidly forbid ourselves to hatch out a philosophical system to fit the economic logic of Social Credit, the deepening and broadening of the idea of bringing into actual being a Social Credit régime will depend upon a perfectly clear statement and understanding of the basic philosophy of Social Credit.

Fully aware, then, of the futility, the miserable mysticism of mind, and the political danger of "breeding" a philosophy to fill the need, we may ask ourselves this question:

Upon what first principles, upon what groundwork of intelligent thought, does the Social Credit analysis rest?

If we can find these principles, these primary concepts, and if we can state them clearly, we shall have discovered the Philosophy of Social Credit.

Having discovered them we shall find that we have unearthed the power which must drive Social Credit from the theoretical to the practical political plane; we shall have released the energy within the atom—the "atom" being the living individuals composing the Social Credit movement in all its aspects.

Hence we find our first question answered: There is a vital need to discover and formulate the Philosophy of Social Credit, because, unless this is done, it is impossible to be so sure of our groundwork as to eat away, or smash through, the ideology of every other philosophic system; thereby supplying the only "faith" that can cope with the present economic chaos and bring forth a régime operating the mathematical logic of the Social Credit proposals.

II.

We can now go a stage further. By an examination of the Social Credit analysis we can winnow away all secondary philosophical, quasi-philosophical, and mystical interpretations. The Social Credit analysis, as it stands, implies or postulates certain basic premises. These can be made clear by a winnowing, or negative process; by stating what, philosophically, Social Credit is forced to deny, or contradict, by reason of its analytical logic in dealing with economics.

It is forced to deny:—

1. That Man exists in order to Work.
2. That modern productive organisation cannot dispense with an enormous proportion of human labour, and yet produce as effectively, or even more effectively, without that labour.
3. That the distribution of goods and services need depend upon the quota of human labour employed in the processes of production.
4. That human beings "ought" not to receive purchasing power unless they have taken part in some process of production.
5. That the production of real wealth (goods and services) produces financial wealth in the form of

consumer purchasing power for use as a medium of distribution.

Therefore, Social Credit asserts, positively:—

1. That Man exists to do anything he may choose to do, and can make himself able to do.
2. That modern production could function smoothly using less and less human labour power.
3. That the distribution of goods and services should depend upon the ability to supply goods and services.
4. That human beings could, and therefore "should," receive purchasing power, whether needed in the processes of production or not.
5. That the production of real wealth (goods and services) produces goods and services.

From these denials and assertions the following positive philosophic postulate emerges:—

That any ultimate "destiny" of the Human Race is unknown; that, therefore, the "destiny" of any one individual is equally unknown; and that it can be anything (a) physically possible, and (b) selected by conscious will, instinct, or impulse.

Such a postulate based, as it is, upon the accepted facts of physical existence, destroys at one blow any and every system of philosophy which allows "idea" existence as an ideal entity independent of, or apart from, living human beings.

The first basic premise of the Philosophy of Social Credit would seem to be:—

That the phenomena of the physical universe as translated to consciousness through the five senses must be taken for granted as absolute reality.

It follows that the five senses themselves must be accepted as the only possible gauge of what exists and what is real. There can be no escape from this, because the science of mathematics, used in the Social Credit analysis as the analytical instrument, depends upon the acceptance by the mind of the absolute reality of sensory perception. Counting depends upon actual objects which can be counted; otherwise it becomes "idea," and is thereby put out of use. It becomes, in fact, Numerical Mysticism, which is exactly the position arrived at by orthodox finance in which the number-tickets (money) have no logical relation to the things numbered (goods and services).

We come to the conclusion that the first principle of the Philosophy of Social Credit must state that what we see, hear, taste, touch, smell is reality so far as human beings are concerned. The development and use of mind depends upon all sensory senses; for if a man is devoid of all sensory communication he does not exist. He is literally a dead man, and his mind is dead (does not exist); since the mind itself is the co-ordinating centre of things seen, heard, tasted, touched, or smelled, either by the particular individual himself during his own lifetime, or communicated to him (in whatever form) through the sensory appreciation and records of other individuals.

Once we admit any factor other than the absolute validity of sensory perception, the mathematical validity of the Social Credit analysis is blown into the stardust of metaphysical sophism; it becomes "idea" floating in a spindrift of everlasting question-marks, and can no longer hold itself in true relationship to living human beings.

For the sake of experiment, let us admit the "soul-concept" over and above mere sensory perception. We are at once driven to postulate an Over-Soul. No sooner do we admit this than we shall be logically in order in putting forth the following "philosophic" (i.e. non-sensical) argument:

"The Social Credit analysis may be perfectly logical within the strict limits of mathematics, but we must remember that mathematics is but a mind-made system of calculation invented by human intelligence using a limited range of senses, and may

have little or no reality in the Cosmic Reality of the Universal Over-Soul."

Neither "soul" nor "Over-Soul" are more than words trying to express idea separated from sensory experience. They are words—noises—expressing extra-sensory experience, but we have no extra sense with which to experience the sensation!

What has happened? Because "idea" apart from sensory experience has been accepted, non-sensically, by the mind as a real factor, the reality of the five common senses is in doubt. We are driven to "doubt our senses." No sooner is sensory reality in doubt than its counting-system (logic of numbers) is in doubt also. Neither A+B, nor any other calculation, can be accepted as true, or exact. The Over-Soul concept reigns supreme, and we must wait until the Over-Soul, in its own good time-space, sees fit to put matters right in the everlasting and unchanging changefulness of the evolutionary process. Or, worse still: what appears to our poor common senses to be common sense (i.e. that the present economic system is unworkable and fails in its proper function) may in "reality" be part of the Cosmic Scheme of the Over-Soul. It may be "sent to try us."

We see at once what happens when we "cannot trust our own senses"; when, in fact, we are trying to be "out of our senses" doing a levitation trick inside an idea. It is what all idealist and utopist philosophies try to do, and do. It is the attempt to mistrust one's senses; a quite fatal thing to do, for there is nothing left in which to put one's trust.

The reason for this desire to mistrust the senses is not far to seek. It is brought about, and developed by, the interplay of those very economic conditions which the Social Credit analysis exposes. It is compensation for a cramped-up and thwarted physical (sensory) existence. It is a psychological fear of having to be a lone individual in a great and terrible universe. We are not used to being "individual." Physical limitations imposed upon mankind by economic forces, at present beyond its control (a) warp the body—the senses—and, therefore (b) warp the mind, giving rise to (c) a warped mental picture of warped sensory sensations, resulting in every kind of philosophic, mystic, and even psychologic system that sets up Something (idea)—no matter how vague—other than myself or yourself as sensory beings.

Whatever form the Philosophy of Social Credit may take, it will not be able to bear the burden of the logic of the Social Credit analysis unless it first of all establishes the five common senses as the only possible gauge of scientific truth; that is, of Common Sense.

Life-Force.

II.

It would be amazing that scientific truth should change so in a generation if the hypotheses of science did not change with human moods. In his address to the British Association General Smuts is reported as saying that

"the new physics, instead of drawing life down to the level of matter, was drawing matter up to the level of life."

But the old physics was not so concerned to draw life down to the level of matter as to unify both life and matter on the level of causation identified, very unscientifically, with the machine. It was almost one of the thirty-nine articles of Science that, given enough knowledge, a working model could be made of anything, from the planetary system to the human brain; and that the model would be at the same time a perfect replica of the original and a machine. Philosophers were inclined to demand for this machine that some driving force should be assumed; *élan vital*, or its equivalent, being supposed to take the place corresponding to that of

steam or other power in the case of the known machine. But the scientists were unwilling to remember how important a part of a watch is the spring, or of an automatic lathe is the power-plug or dynamo; and they preferred to look upon the universe, including all living creatures, as parts of a machine, the whole being automatic in a sense entirely unknown in any constructed machine. One part of the universe, it was alleged, was in some mysterious way wound up by the running down of another.

In biology the position was similar. Evolution was gradual in the sense that there were neither leaps nor creative effort. The idea that there might be creative effort was left to be expounded by "a literary man" who paid for the publication of his own books. Natural selection was regarded as a perfectly mechanical process, in which the unfit died from starvation or slaughter, while the fit prevailed. That this belief accounted only for corpses and not for evolutionary progress made no difference to the mechanist hypothesis, which supposed that some animals were born with superior organs or with the rudiments of new ones, if not by accident, then by mechanical causes to which only machine, and not creator or inventor, was conceivably necessary. The inside of every living creature was imagined as a machine. Emotion, for example, was set up by friction in the parts. In addition, the relationships between an organism and its environment, and between one organism and another, were also believed to be mechanical. It was not necessary to be a materialist to be a mechanist. Invariably, however, the essential factor was left out. Precisely as the cells of the architect's brains are not to be found in the ruins of the Parthenon, so the stock-breeder's brain is not to be found in the scientifically varied cattle or poultry. The artificial production of variations by cultivation on natural selection lines does not prove that natural selection has any motive force. The varied poultry is as much the work of the poultry-scientist's mind as the architecture is of the architect's mind. The mechanical principles by the aid of which the purpose of the mind is achieved are the foundation, already laid before this particular need of mind became conscious; the foundation on which the human mind could erect its own order.

The position in economics was similar to that in physics, biology, and other sciences. It was actually believed that the laws of economics were mechanical and immutable. The law of supply and demand, it was alleged, could not be interfered with, although, as everybody knows, it had to be interfered with during the war. Whether the economic price, in view of the high demand, was forthcoming for an infantryman's labour or not, nevertheless, by appeal to patriotism, by persuasion, and finally by conscription, his labour was obtained. In spite of all the actual interference with every so-called economic law, many scientists persisted in closing their eyes and repeating, as if it were a creed from a prayer-book, all the mechanist philosophy on which they arbitrarily founded their science.

The sudden change—for it has been sudden—to the realisation that the mechanist hypothesis is not enough cannot be attributed to scientific discovery alone. It is not merely curious that Nietzsche, who in his doctrine of eternal recurrence resembled a mechanist in a nightmare, was also the prophet of "will-to-superman." In the late nineteenth century the hypothesis of mechanism dominated the conscious, but not the unconscious, mind of all philosophers and scientists. Will was unconscious

for the reason that it was apparently being swept along "by the forces of progress." Nietzsche became hyper-conscious of will because he protested against the goal to which "the forces of progress" appeared to be sweeping him. That paradox between determinism and Utopianism displayed by the followers of Marx is closely akin to the conflict between will and mechanism among scientists and philosophers in general. Both the "scientific socialists" and the scientists were engulfed, as regards their will, by the same flux of progress. But the Marxians suffered in the flux, and therefore remained conscious of will, the result being the paradoxical struggle to bring about the inevitable. In art, philosophy, politics, and science, the idea of mechanical causation was dominant in the conscious mind; and the idea of creation and invention—that is, of the primacy of purposive mind—was continually breaking out of the unconscious. Hence arose the popularity of Bergson, Nietzsche, Butler, Shaw, and the movements associated with these protagonists of "something creative" and not merely "reflex" in mind and evolution.

The hypothesis which now rapidly replaces mechanism—General Smuts has coined "holism," while Dr. J. S. Haldane uses the term "co-ordination"—corresponds to the human and political needs as generally perceived to-day, precisely as the idea of mechanism fitted the conviction of inevitable progress. According to *The Times* report, General Smuts said in his address (the italics are mine):

"Evolution from the most primordial forms of matter to the highest forms of mind was a continuous process, advancing by small creative or emergent steps. At each step something new emerged which was not there before, which was not even implicit in the emergent steps. . . . It was all a creative flux."

There is apparently no difference between the qualifications, "creative" and "emergent" steps; or was the word "creative" altered to emergent because creative used alone would break a taboo? The political world is in "a state of chassis," as Jack Boyle said, and nobody, except a few cranks, wants to do anything very drastic or inventive about it. Consequently everybody, except the said few cranks, hopes that, by a series of small, "creative or emergent steps," order will "emerge" out of disorder, a higher form of mind out of a lower form of matter, without seriously shaking anybody up, and without requiring any preliminary effort of creative thought and will. It is as though General Smuts had been speaking of world politics, and had said that little things went on happening all over the place, conferences, reparations commissions, and so forth, and that suddenly something new emerged, such as the Bank of European Settlements, which was not even implicit in the emergent steps. The something that will emerge, without a sign to anyone, therefore, is the unknown child among the bulrushes who is going to lead us out of Egypt. Similarly with the blessed word "co-ordination." What the political world needs is co-ordinating effects of trustification and rationalisation. The point here is not whether or not they do need these things; it is that suddenly, as the need for these things is perceived, the philosopher-scientists perceive that the precisely corresponding capacities or faculties are the unique characteristics of life. In short, the search for a synthesis, with which the more sensitive philosophically minded intellectuals have lately expressed the discomfort of their souls, has now reached the scientifically minded. Whereas the intellectuals, however, were conscious that the origin of the need for a synthesis

was in themselves, the scientists see the blessed co-ordination as a newly discovered principle in organic nature. Thus science is precisely as anthropomorphic as religion, and a good deal more so than philosophy need be, after the thought of the modern philosopher-psychologists.

R. M.

Drama.

La Vie Parisienne: Lyric, Hammersmith.

In his entertaining book on the Lyric, Hammersmith, which was also a history of very fine work for the theatre, Sir Nigel Playfair defended the kind of show he provides against the censures of pedantic critics. He liked to put together, he said, a song, a tune, a dance, wit, costume, and colour, and all that contributes to cheerfulness. Where he digs his gold, in whatever century, makes no matter, provided the result drive away care. It is a sad enough world, and of all medicines against pessimism, from alcohol to Christianity, the Lyric, Hammersmith, stimulates most successfully, and with the least ill after-effects, that something in us not ourselves that makes for gaiety. "La Vie Parisienne" succeeds. It is so infectiously gay that it is almost as impolite to enquire what it is composed of as to ask what is used in French cookery. Throughout the show the laughter of the audience recalls the drawing of corks and the pouring of champagne.

"La Vie Parisienne" is of French raw material, but not of French manufacture. The music, of course, is Offenbach's, about which nothing need be said. Sir Nigel is as well aware as anyone that Offenbach's music "could not, really, survive Sedan; much less could the original jokes of Meilhac and Halévy survive a Channel crossing." While Offenbach contributes the tunes, therefore, the Lyric, Hammersmith, contributes the words of both French and English lyrics, as well as the dialogue between the French and English characters on their different customs. Mr. A. P. Herbert had apparently conceived some, and collected other, jokes and epigrams either too good for *Punch*, or inappropriate for the shadow of the English vicarage. Instead of frittering them away on a small and furtive audience in the "Pink 'Un," for subsequent publication in the "Pink 'Un," for subsequent publication in the house and ultimate school dormitory circulation, he has presented them to a French lady to let fly at Hammersmith, where years of modern education in the "Beggar's Opera" and other pre-Victorian work has prepared an audience to enjoy the present joke and risk the eternal consequences.

Ruskin contrasted "the Englishman's silently conscious pride in what he is with the vexed restlessness and wretchedness of the Frenchman in his thirst for 'gloire,' to be gained by agonised effort to become something he is not." In the very multitudinousness of Ruskin's adjectives on the Frenchman is visible the hypocrite's effort to escape from envy of the poseur. It is Ruskin's Englishman—the provincial of Europe—who has his leg so enterprisingly pulled in "La Vie Parisienne." The time is 1863, when English ladies consulted the image of Queen Victoria as to what was proper even in Paris, at least until their husbands were out of the way. England was famous as the country in which it was a duty to have children, but a crime to desire, a vice to perform, and a sin to enjoy, sexual intercourse, whereas in Paris it was a gentleman's obligation to desire and enjoy whether he consummated or not. In Paris, the English youth learned—in the mysterious way in which one does learn these myths—sex was not regarded as the devil that tempts one's mind off business. As a consequence his combination of business with the anticipation of pleasure consisted in working for wealth enough to go to Paris whenever he wished. Queen Victoria is

not dead; her ghost stands at every elbow, even in London, ready to materialise the instant she expects to see anything she frowned upon. If nations have, as Mr. Yeats said, "antithetical selves," Paris is still the place where the Englishman dreams of realising his. Did not somebody remark of the arrest of clergymen in Hyde Park that no judge could be hard on them since their stipends would not take them to Paris?

Mr. Herbert's leg-pulling of the moral English is done with delicacy. The audience's imagination is roused to full activity by the lightest touches. In two respects, however, this comic-opera, which was to me much more enjoyable than the "Beggar's Opera," fell short of what it might have reached. In his determination to have certain jokes in, Mr. Herbert has dragged them in, their context indicating with what unskilful labour. The French dressmaker says to Julia: "In Paris we have no character; in London you have no environment." To enable this to be said Julia had to ask Antoinette if she had studied the influence of environment on character. From Julia, a crude English country miss, who had just refused to conspire with Antoinette to see her lover because "she could have no secrets from the authors of her being," this came unnaturally and suddenly. This sort of thing happened too often. In addition, some of the lines of Mr. Herbert's lyrics are merely padding and rhyme. Of the production generally there can be only praise. Two scenes, the first and third of the second act, one at the Customs Barrier, *Gare du Nord*, Paris, and the other at the *Café des Etrangers*, are magnificent ensemble, that one could see with pleasure over and over again. In the second of these the Englishman and his wife are brought separately to the same café, she expecting an aristocratic ball, and he *la vie Parisienne* for husbands only. Each one has accordingly to be enticed out of the way every time the other enters, with appropriate change in the entertainment. It is an exhilarating scene.

Throughout the entertainment it is amusing, but particularly so in the last act, in the dressmaker's showroom, to observe the cleverness with which Sir Nigel Playfair combines sentimentality with burlesque of sentimentality. It is no doubt one of the secrets of his large audiences. For those who can still enjoy sentiment that is what the song about the lighted candle in the window was; for those who wish to mock at sentimentality, mockery it was. The performance given by Kathlyn Hilliard as Antoinette, the French dressmaker, itself ensures success. It is not only good comic opera, it is first-class comedy. As her dress-designer and future husband, Henry Caine also gives a good comic performance, while the English family, by Herbert Langley, Vivienne Chatterton, and Kathleen Burgis, is excellent.

PAUL BANKS.

THE AFTERTIME.

When the gold has gone from your hair—the blue from your eyes,
And the long, long dream has been dreamed out at last,
Will you remember a story told between sighs,
Of a woman of old—who gave but did not take?
Oh, will you remember that woman of long ago,
Whose noons and eves were desolate for your sake?
All things pass out of mind. It maybe this too has passed,
And sad for my sake I would not have you go.
So I will not grieve your passing. I only crave
Of your forgetfulness; this side the grave.

ELSIE PATERSON CRANMER.

LETTERS TO THE EDITOR.

"THE NEW AGE" GUARANTEE FUND.

Sir,—I was intending to send you a copy, as I have done in former years, of my letter to subscribers, covering the year's statement of accounts of THE NEW AGE Guarantee Fund, and perhaps you will allow me, at the same time, to make a comment on Mr. Crawley's letter in last week's issue.

If we had enough money to invest any, I am sure that no one would be more pleased than Mr. Crawley, for the fund would then afford a real guarantee of the continued publication of THE NEW AGE.

The word "guarantee" was used when the Fund was started, in 1923, to support you, sir, in your gallant rescue of the journal from an ignominious decline. The need of the moment was for some assurance that the certain loss on its production would be met for a time. It was proposed to repay any unexpended balance of subscriptions.

As it has turned out, we have needed every penny to keep the paper going, and our banking account is not an investment; it is merely the alternative to the stocking, or to my keeping the money in my personal account, an unsatisfactory proceeding for subscribers, especially if I should have a difference with an omnibus!

Will you please print the enclosed, and allow me to urge all readers of THE NEW AGE to make an interest-free "investment" in the Fund by which it is maintained. The return is in "goods" and not in money. But it is a good investment, for which something might well be withdrawn from the coffers of iniquity.—Yours, etc.,

W. T. SYMONS,

Hon. Sec. THE NEW AGE Guarantee Fund,
29, Upper Bedford Place, London, W.C.1.

LETTER TO SUBSCRIBERS.

Dear Sir or Madam,—I am sending this letter and Statement not only to those friends who have subscribed to THE NEW AGE Fund during the past year, but to some of those who subscribed previously, and to a few others who should be informed of the precarious position of the paper they value. The serious situation disclosed by the figures can only be met by the fullest possible response from all those who are not prepared to allow the work of THE NEW AGE to come to an end. The paper's continuance during the past year would not have been possible, despite the generous response to my Appeal in June, 1928, but for the munificence of one friend. The circulation and expenses remain about stationary.

The value of the Notes of the Week, apart from their delightful vivacity, can now be gauged roughly by the change of emphasis in the wide-spread criticism of financial control. In the Press, and in places where they talk, criticism is no longer merely negative or limited to Producer Credit schemes, but begins to be constructive along Consumer Credit lines. We are in the crucial time for extending this enlightenment and pressing the right method; and the weekly inspiration of THE NEW AGE is needed by all those who are engaged in this vital activity.

The quality of the contributed articles to THE NEW AGE—all of which are free gifts of the writers—holds the adherence of a large number of readers for whom the association of Social Credit with whatever is vital in modern thought, is of more immediate concern than the technique of financial reform.

THE NEW AGE is therefore two-sided and has unique value. It cannot be spared; and I hope you will respond as liberally as you possibly can to the urgent need for considerable funds to maintain it. The journal is entirely dependent upon our voluntary support.

I enclose form for subscription, and addressed envelope. Please subscribe soon and generously. The money is paid over without any deduction for expenses.—Yours truly,

For the Trustees of THE NEW AGE Fund,
W. T. SYMONS, Hon. Sec.

"ADVERTISING SOCIAL CREDIT."

Sir,—It is rather a surprise to me that the two articles in your issues of June 27 and July 18 on "Advertising Social Credit" have drawn forth no comments in the correspondence columns, either indignant or appreciative.

The angle is a new one and put forward with a rather taking freshness, and under its apparent flippancy contains a lot of good common sense.

It seldom happens that those with a difficult intellectual proposition to propound possess the faculty for advertising it. The two things do not go together. Bernard Shaw is an exception, and I am inclined to think he stumbled into the

habit of self-advertisement, in early attempts to salve a hurt spirit.

No one can afford to ignore "The crowd," and particularly a movement like Social Credit. I am not accusing you of doing so. But here in these articles by E. L. there lies a stimulating and, I think, rather brilliant suggestion. I should have imagined it to have raised a storm among your readers. Is the silence, I wonder, because they find the subject a little outside their range. I happen to have dealt with advertising for a good while, and know something about it.

That the writer really understands public psychology is obvious, if only from his final piece of advice, "Leave out the bit about money without working." That shows really brilliant insight: it is, literally "too good to be true." It is like the bit of embroidery that the good story-teller adds to his true story and which makes us instinctively disbelieve the whole.

I don't know just how it could be done or whether it could be done without a lot of expenditure; but the wise popularisation of a few of the salient features of Credit Reform might change the whole mental atmosphere on the subject. It is true when the world takes up a thing it usually transforms it out of all recognition (I often wonder what Christ thinks of Christianity); but none the less, Social Credit will have to become popular some day if it is to achieve anything. Better invent your own tags and slogans than have worse ones coined for you.

NORMAN F. WEBB.

THE TECHNIQUE OF CONTROVERSY.

Sir,—Will you allow me to comment on one of "E. L.'s" suggestions in THE NEW AGE for 18th July? He holds that it is so difficult to receive the idea of "money for nothing," that all points under this head are to be "taboo." The weak point of this proposal seems to me to be that (apart from its conflict with the idea of scientific accuracy and its doubtful ethics) its concealment is fairly certain to produce a reaction if the "propagandee" should come across the notion from other sources. He might not unreasonably wonder what other implications of the Theory were being kept from him, and cease to have any faith either in the theory or its exponents.

I. O. EVANS.

VACCINATION.

Sir,—My letter was intended for you and not John Grimm, but as he has rather side-tracked my statement, by assuming that I was touching on details of treatment, may I amplify my short sentence and say that now the total number of notified cases of small pox is an insignificant fraction of the population, whereas when Sydenham wrote it was a most widespread and fatal disease at all times. When it became epidemic in 1720 there were 20,000 deaths in Paris alone, which was, probably, about 10 per cent. of the inhabitants.

M.B. OXON.

DEPOSITS AND INVESTMENTS.

Sir,—I thank you for your reply to my letter. I am afraid I did not make my point clear, and it is this: Why should any of THE NEW AGE fund be handed over to its opponents' keeping? In my letter I mentioned that the Trade Unions had invested their funds, the word "invested" should never have been used, as I am not in a position to know whether their funds are invested or no.

G. W. CRAWLEY.

[Funds kept on current account can be drawn out in currency notes at any moment without notice. We keep them there for our own convenience and safety. (We had burglars in our office a couple of months ago.) Mr. Crawley will find evidence of Trade Union investment in every T.U. balance-sheet that he may come across.—ED.]

ANSWER TO CORRESPONDENT.

H. M.—All our allusions to the destruction of food—wheat-burning, calf-shooting, etc.—are based on reports that have appeared in the newspapers from time to time; and we believe that in every case the reference has been reproduced in THE NEW AGE. Only quite recently, in connection with a contemplated loan to finance a grain-surplus on the American continent, a London newspaper referred to the "destruction" of grain as one of the measures that might be adopted to protect the price. The instance of calf-shooting appeared in the *Daily Mail* a year or so ago, and we printed the particulars at the time.

RETROSPECT.

AUGUST 13, 1925.

The Government decides to grant the Coal Subsidy—its economic consequences explained—the *Observer* attacks it and calls for the enrolment of citizens for "citizen service in emergency"—Mr. Wheatley warns the workers to prepare for the "greatest struggle in their history."

AUGUST 12, 1926.

The transfer of the Belgian State railways to bankers' control—more taxes to balance the accounts.

The Bishop of Gloucester attacks the principle of the coal subsidy—denies that the manifesto of the Churches on the mining dispute is a "Christian solution."

Mr. Baldwin's cable to America—"no cases of starvation among miners' families."

Mexico—the Roman Church's boycott—business losses—President Calles' attack on interference of "foreign priests"—the Monroe doctrine extended to spiritual matters.

AUGUST 11, 1927.

The naval conference at Geneva breaks down. The Bishop of London on his world tour—notes the Americanising of Canada—pleads for a revival of Anglo-American friendship.

M. Desouches on a United States of Europe.

Non-political Politics. Editorial article on the presentation of money made to Lord Oxford on his retirement.

AUGUST 9, 1928.

Report of the Industrial Transference Board—explains why transference of labour is impossible!

Merger of financial newspapers.

Over-production of paper for news-print.

Mr. J. M. Keynes in the *Evening Standard* on the Bank of England—it must "change its methods"—his proposals amount to producer-credit-expansion—hopes for a slight rise in prices to encourage production, but no rise in costs—derides the "we-can't-afford" formula. Our commentary—no financial reform which requires a victory of one Party over the others is the right reform.

The Come-to-Church Movement, by John Grimm—material problems obscured by irrelevant moralisms.

Twelve O'Clock.

"Shakespeare strikes twelve every time."—Emerson.

Edited by Sagittarius.

"Heat and mechanical energy are mutually convertible; and Joule's equivalent is the rate of exchange. (The first law of thermodynamics.) Waste and wealth are mutually convertible; and the Douglas equivalent is the rate of exchange."—Anonymous.

* * *
"All countries which must resist imports of goods must resist imports of men—and for the same reason."—Notes of the Week.

* * *
We have been, for long decades and even centuries, trying to live as if the soul of man were not a reality."—Maurice B. Reckitt.

* * *
"When the next and last catastrophe occurs, the man who knows the run of the sewers will be king."—William Repton.

* * *
"Unemployment is the true test of scientific achievement."—New Age leaflet issued June, 1924.

* * *
"Philosophy is the account which the human mind gives to itself of the constitution of the world."—Ralph Waldo Emerson.

* * *
"The cheapness of man is every day's tragedy."—Ralph Waldo Emerson.

* * *
"As common sense is founded on common experience, to say that something is opposed to common sense is not necessarily to say that it is opposed to truth."—Prof. James Rice.

* * *
"To the Egyptian, gold was the type and symbol of immortality. To the Roman, power. To the pre-war Briton, sound currency and character. To-day, it symbolises scarcity and glorifies the vice of thrift. It has become an instrument of internal discipline and international policy welded in defiance of natural physical laws."—Anonymous.

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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.

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