NOTES OF THE WEEK.

At the back of our minds, as our readers know, there is always the projected shadow of the coming world-war. It is the imminence of this cataclysm that should persuade our readers to continue, in the face of so much apathy, appealing to our generation to think and to act before it is too late. We are glad rather than sorry, therefore, that the views we have expressed concerning apathy, appealing to our generation to think and to act before it is too late, have now been supported in clear print in the "Metropolitan Magazine" of New York City and, significantly enough, reproduced in our own "Times" of last Saturday (February 5.) The article is of so much importance; indeed, it so transcends in importance anything previously published on the subject—that our readers would be well advised to procure a copy of it, and to attach it to the Douglas-New Age Scheme as a perpetual reminder to themselves and others that our proposals for the subordination of Credit-power to public policy are not just academic or "interesting," but immediately vital. Either, we say again, we shall succeed in obtaining communal control of Credit, or, within a very few years—five, we believe, at the outside—the whole world will be at war again, and in a war of which the end cannot be conceived for frightfulness. No possible doubt ought to exist any longer that these, in fact, are the alternatives before us; and the article to which we have referred is commendably explicit on the second alternative. "Roughly speaking," it begins, "naval competition added to international misunderstanding means war"; and it proceeds as follows: "We are involved in the preliminary stages that lead to war. To say that war between America and Great Britain is unthinkably argues a fatuous ignorance alike of history and human nature. Only sixty years ago civil war broke out in the United States. That was far more 'unthinkable' than a war between two nations. Twenty-five years ago Mr. Cleveland sent an ultimatum to England which meant war unless England backed down. By the grace of God and Lord Salisbury England did back down. Even more recently than that President Roosevelt had forces ready to put into Alaska against the British Empire if a joint commission did not accept the American view on the question of the Alaskan boundary. Twice within the last twenty-five years we have been on the verge of war with Great Britain. . . . There are half a dozen issues between ourselves and Great Britain to-day which at any moment might leap to the front and infinitely transcend such international triles as boundaries in Venezuela and Alaska. If war ever takes place between the United States and the British Empire or between ourselves and Japan the crime will be at the door of blind leaders who imagine that wars can be prevented simply by saying they can't happen. . . . The menace of war is upon us now; at this very moment of writing. . . . Another and more awful world war is not unthinkably but practically inevitable unless real steps are taken to prevent it."

Even apart from the prospect just revealed, however, we are at a loss to discover the grounds for the "optimism" said to be now reviving in our commercial classes. The slump in the cotton trade, the "Times" said on Wednesday, is "fast running its course"; and this opinion was apparently endorsed in more general terms by the President of the Manchester Chamber of Commerce, who opined, good easy man, that the prevalent depression is "only of temporary character." But it is a matter not for opinion only, whether optimistic or pessimistic, but for simple arithmetic; and the arithmetic of the situation, it appears to us, is all against optimism. The broad grounds for the calculation of the course of industry are within the comprehension; we should say, of the President of the Manchester Chamber of Commerce; for they are obviously defined by the amount of spending-power distributed among the ultimate consumers. Ability to produce, such as this country possesses in super-abundance, can only be drawn upon to the extent that ability to produce, as measured in terms of plant and power, has been considerably diminished and is still undergoing diminution. Cash in relation to capital production—a most important
theorem to which we direct particular attention. And since the amount of distributed cash spending-power (chiefly in the form of wages, doles and salaries) is per- petually diminishing as the credit-value of industry (chiefly in the form of plant and power) is perpetually increasing, the state to which we more and more rapidly tend is one of diminishing capacity to and utilisation of an increasing ability to produce. How this growing concretion of productive ability side by side with a declining consumptive ability can afford a basis for optimism we fail to see. The remedy is plainly to distribute purchasing-power at the same rate at which productive capacity is increased; and if this is not done, but, on the contrary, the very reverse process is adopted, the result can only be the continuance and intensification of the present stagnation.

The withdrawal of the Excess Profits Duty which Mr. Chamberlain announced last week has been received, we are told, with much pleasure in the “City.” “Shares of big industrial trusts . . . . appreciated considerably,” says the “Daily News,” adding the correct explanation, without comment, that it was “because it was felt that the companies are in the position largely to secure the profits released by the remission of the duty.” That in a few instances the abolition of the duty, hitherto charged, as all costs including taxes always are, to the ultimate consumer, may result in reduced prices, we have no doubt; but, remembering that our cheap industrial power is not actually trusted, and observing the reaction already induced by Mr. Chamberlain’s announcement on the share quotations of some of them, the conclusion appears to be well warranted that the major portion of the Duty hitherto paid by the consumer to the Treasury will henceforward be paid by the consumer to the Trusts; in short, that prices for the most part will remain where they are.

Mr. Chamberlain has been resting for some weeks in the South of France, out of reach even of the newspapers, and thus there is a geographical excuse for his repetition of the “misunderstanding” that the war has left us a poor country. “To make good the losses of the war, the immense waste of capital incurred in the war,” he says, “will be the work of a generation.” We who have had to stay at home, however, now know that the “waste” of the war, speaking strictly in material terms, has not only been made good by increased productivity, potential if not actual, but that productivity is now so much increased as to be 50 per cent. during and since the war. To affirm after this that the war has left us a poor country is, therefore, either to be guilty of ignorance or of something much worse. A rather deeper misunderstanding, however, is involved in the statement made with the utmost confidence by the “Evening Standard” and similar journals concerning the national wealth; and it has, unfortunately, been given the respectable cachet of Sir Josiah Stamp, one of the secretaries of the Royal Statistical Society. “The community, as a community,” writes the “Evening Standard,” “can only live on work; its stored wealth is real and available for distribution, the “Evening Standard” says, that the stored wealth of the community is utterly insignificant as compared with the wealth which is consumed almost as soon as it is created. Stored wealth, in the only sense of the word that is possible (since stored “output” is nonsense) consists of plant, power, organisation, access to raw materials; in short, of that potentiality of production which it is estimated has been increased 50 per cent. since 1914. And just as far as this “stored wealth” is real and available for distribution, given the distribution of the corresponding spending power, the increase of the money-income of the masses, either by reducing wages or by actually enlarging incomes, would effect its actualisation. Would anybody deny that if it were possible, as it is not under the existing method of regulating prices, to distribute £500 a year per family without affecting the present level of prices, our present productivity would be equal to the demand? Or that “Output” would be correspondingly increased? So far from Income and Output standing in logical sequence, the one depending on the other, the one amount upon the other, the reverse is rather the truth, that Output depends upon Income. We have a marvellous industrial machine for producing wealth; it
is our social inheritance to which invention and capital expenditure are constantly adding; its potential output is almost beyond calculation. Its actual output, however, is determined by the amount of purchasing power actually distributed; and when this is small, the potential output is small. Suppose, however, that for each additional unit of productive ability (or Real Credit) a corresponding purchasing unit (or Financial Credit) were issued, our total purchasing power would keep pace with our total productive power. The community's real income would then consist not of Output only but of a share in the Development values which are the other factor in our production. To arrive at a minimum estimate of the annual income available for distribution, Sir Josiah Stamp must multiply present income, based on Output, at least by four. Our own estimate would be nearer ten.

* * *

In announcing a dividend of 20 per cent., Mr. Walter Leaf, Chairman of the London County Westminster and Provincial Bank, warned his shareholders that the year had been one of "disillusion." Had they, then, expected 50 per cent? He then went on to remark that the part played by banks in industry had been "much exaggerated." "Bankers," he said, "do not create wealth ... it is only within narrow limits that they create credit. The function of banks is mainly directive. ... They can influence, in one direction or another, the employment of the funds which their customers place with them; but in the amount of credit of which they dispose they are neither creators nor free agents; they are strictly limited by their own resources." All this is true, of course, but within much broader limits than we should expect Mr. Leaf to admit, for, after all, since bank-loans do not invalidate the currency of the deposits on which they are nominally based, all bank-loans (amounting to hundreds of millions a week) speak in a creation of credit. The primary case against private credit-control is, however, admitted by Mr. Leaf when he protests that the "directive function" of financial credit as can determine the quantity-and quality of our national industry; and Mr. Leaf is surely too modest in affirming that it has been exaggerated. Truly enough, the banks do not "own" more than a small fraction of the total spending-power of the community. What, however, the banks do is to mobilise, through the deposit system, and multiply, through their own credit-system, the financial credit of the community and to direct the stream upon the real credit of the community exactly as it suits their own purpose. Everybody knows by now that industry is run on financial credit; and that, for instance, no factory can set to work without "money" with which to pay wages. Similarly, no factory would begin to work without a prospect of customers each of whom required an effective purchasing power in the form of money. It therefore follows that though, indeed, the banks "own" neither plant nor labour, but since the coming together of both is dependent on the supply of financial credit, the banks, without owning anything, can still control everything.

Ownership of plant, on the other hand, is thus perfectly possible without the control of plant; and, on the other hand, control without ownership is equally possible. Financial credit being in very truth the life-blood of industry, whoever has power to "direct" the employment of financial credit has power over real credit itself; and since, on Mr. Leaf's admission, this is the power and function of the banks, their "mainly directive" function cannot easily be differentiated from an effective dictatorship over industry.

World Affairs.

The catastrophically violent guidance of the Russian people by its rulers has been made necessary, and is still necessary, only because the very long remain so)—the convulsive rhythm, we mean to say, of its history and progress, have been made necessary by the historic character of the Russian people. And, from this point of view, the initiation, existence and maintenance of the Soviet Republic may well turn out to be one of the greatest events in the anthropogenetic history of the human race. The depth and mass of the sins committed against not only Russia but against Humanity during the convulsions which gave birth to the Soviet Republic have been far beyond this reach of reproduction; but before we seek if not found in historic necessity. The anxiety of the Soviet Government to produce a universal and permanent change in the social system of the world, and in the social system of world-economy; to prepare, that is, the material and technical basis for free societies; to prepare, that is, the material and technical basis for free agents; they are strictly limited by their own resources. The primary case against private credit-control is, however, admitted by Mr. Leaf when he protests that the "directive function" of financial credit as can determine the quantity-and quality of our national industry; and Mr. Leaf is surely too modest in affirming that it has been exaggerated. Truly enough, the banks do not "own" more than a small fraction of the total spending-power of the community. What, however, the banks do is to mobilise, through the deposit system, and multiply, through their own credit-system, the financial credit of the community and to direct the stream upon the real credit of the community exactly as it suits their own purpose. Everybody knows by now that industry is run on financial credit; and that, for instance, no factory can set to work without "money" with which to pay wages. Similarly, no factory would begin to work without a prospect of customers each of whom required an effective purchasing power in the form of money. It therefore follows that though, indeed, the banks "own" neither plant nor labour, but since the coming together of both is dependent on the supply of financial credit, the banks, without owning anything, can still control everything.

Ownership of plant, on the other hand, is thus perfectly possible without the control of plant; and, on the other hand, control without ownership is equally possible. Financial credit being in very truth the life-blood of industry, whoever has power to "direct" the employment of financial credit has power over real credit itself; and since, on Mr. Leaf's admission, this is the power and function of the banks, their "mainly directive" function cannot easily be differentiated from an effective dictatorship over industry.

Moscow and Petrograd in action are anger; London in action is fear. Both of these world-centres are centres of essential and ultimate importance. Polar to each other, they are both of them negative at present and both irrational, and both fill the world with woe because, being both central and Aryan as they are, and dominating the world, Aryan and non-Aryan, they keep Humanity in a tension between Anger and Fear. Who has a soul knows what a deadly draught is brewed between this polarity of human impotence and humiliation; between the anger of the Russian Continental Man, and the fear of the British Oceanic Man, between these Aryan twins, of whom one desires a violent resurrection to liberate himself from the density of the earth in which he is buried, while the other does not even know what he desires, for there is nothing which he does not possess. Between Russian anger and British fear humanity is kept in tension and in trial. What, however, is this fear of the Oceanic virile feminism? Why is the fear? Why is Albion going and gone cosmopolitan, Semitised and de-Aryanised? The group-spirits of the kingdom, in other words, the races of Man, do not commit errors. The tension and the trial of the world and of Aryandom between the greatest evolutionary power and tendency of humanity and the greatest historical power and tendency has a meaning, must have a meaning in the necessity of things. What is the fear of Albion? Why is not England in her wealth and might the centre of the pan-human work? What is pan-human work? Is the Human race the Anthropos himself, or not? Is the Human species the Son of God, the One Son, the Son of God, the World Father? is the Human race the Son, or the Daughter? is the Human species the Son of God, the One Son, the Son of God, the World Father? is the Human race the Son, or the Daughter? is the Human species the Son of God, the One Son, the Son of God, the World Father? is the Human race the Son, or the Daughter? is the Human species the Son of God, the One Son, the Son of God, the World Father?
Only Begotten, or not? Is Humanity a Kingdom in the divine and cosmic economy, or is Man a family of brutes? Should not Albion achieve the impossible or the possible and permit her oceanic giant-soul to be possessed and governed by the race of England, thus placing England in her own high place within the Anthropos? What is this soul-killing, spirit-killing, damping, strangling, suffocating fear of Albion the giant and the emanation? 

Every value and function will be tested and tried in the universal human work which will soon be necessitated, if it is not already necessitated by the crisis of the Coming of Age of Humanity, the crisis which underlies the majority of the problems of to-day. The function of the Russian people in the world, speaking only formally and technically in this juncture—for we shall have to consider the world-function of this essential and mysterious block of humanity later—the function of the Russian, to put it briefly, is to arouse historical consciousness in mankind, to inaugurate the history proper of Man, his self-creation, and to initiate the anthropogenesis of the higher spiral. Hence the terrible consciousness of the Soviet creator, the spiritual successor of both Peter the Great and of Ivan the Terrible, the consciousness of his historic location and mission. The function of the British race has been to give birth to the new Aryan Speech, the English language, the pan-Aryanism of the higher spiral, the future language of the world; further to conceive and produce Columbia and America; ultimately and historically, to rule and to conquer the waters of the world for Europe through the Empire of the British man; and, more than all this, to create the character and humanity of this type. We were engaged in defining and valuing the grand normative human character of the British race, when our studies were suddenly interrupted by the announcement of the selection of a Jewish Viceroy for India, an act of high treason on the part of Albion that demanded an immediate consideration of the dangers (to the work of Providence and Man) involved in this satanic deed of Destiny. 

It is Russia and England, we repeat, the continental and the oceanic blocks of Aryandom, that are centrally responsible for the guidance of the world to-day. These two racial groups, like the two poles of a magnet, are the central pair of opposites in the world-chaos which is being fashioned in the world-organism through the crisis of world-organisation to-day. They are the historical and evolutionary conscience and consciousness of mankind. The primary and deepest polarity is obviously East and West in the racial sense, the Far East and the West both European and American. But the central and highest poles are within the central block of humanity itself, within Aryandom. This mysterious polarity is the interdependence and mutual fulfilment of Russian and British genius for the world’s sake. While Russia in her creation of Soviets is impatient, angry, commanding, desiring a new incarnation, a new dispensation, a miracle, an event never seen in the world before, England, with her Liberalism and Semitism, is impatient but sensitive. Albion, the people, and the lightning and earthquake should lift the world upon the historic plane of consciousness. For Albion is in the world to be the divine and mighty antithesis to Man, to History, to Christ. The world can be worthy of becoming the Kingdom only when one wills Unconsciousness, Evolution, and England’s body, Albion. 

M. M. COSMOR

Our Generation.

At a time when there are so many intentional murders being committed, it seems a pity that an occasional murder should happen by mistake. Yet such is the case: we have for it the high authority of the “Observer,” a paper which it should be a Sunday observance to read, as it is, no doubt, to write. Strangely enough the part where a recent unintentional murder has happened is Ireland, where, if we are to believe the Government, the administration is a marvel of competence and justice. Yet it is not strange, when one reconsiders it, for obviously a murder, in such an expansively regulated country as Ireland, could only occur as a sort of oversight. The “Observer,” therefore showed its accustomed judgment and tact when after a report of a speech by the Secretary for Ireland extolling the perfections of English rule, it inserted under the heading “Murdered in error” an account of an unfortunate error rather than a crime committed by some of the agents of that rule in Ireland. Still one cannot help wishing that the “Observer” had insisted more solemnly—especially as it was Sunday—on the great seriousness of mistakes in murder. Seeing that the murderers, if they may be called so, have been in Ireland, we are not to expect to suffer remorse for what was apparently an error of judgment, they do not need our sympathy. But the relatives of the murdered man may harbour some mistaken resentment against the manner of their bereavement; and we think the “Observer” should have taken greater pains to demonstrate to them the entire justice, or, at any rate, the entire lack of injustice, in an action which must appear to them arbitrary. The equity of the present British administration in Ireland is so universally praised by the Press that we are certain its intricacies have only to be explained to its victims for them to acquiesce in it. Meanwhile the “Observer” has introduced an admirable distinction into the current conception of morality; and when people take life in future we must ask ourselves whether they did it purposely or by mistake. It would obviously be unjust to condemn a man for murdering Smith when he had only intended to assassinate Jones. And the “Observer” is right in shielding with its Sabatian wings the wrongfully accused. 

It is not only the unemployed poor who are suffering just now; the unemployed rich, if we are to believe the “Daily Graphic,” are hardly better off. An enormous number of well-known people, it related the other day, “seem to have returned to London in the last few days. There is very little shooting, hunting is terribly expensive, and the Riviera has palled on many. The Earl of Roslyn is one of those back from Monte Carlo, without his system having had any appreciable effect on the fortunes of the bank.” Overlooking the grammar in this passage, what, we ask, has the poor grudging earth left to give the rich now? How can they possibly support an existence in London where the only things they can get are theatres, revues, night clubs, dances, dinners, and, to put it baldly, nothing more satisfying than all the comforts that the world can provide? Yet, regrettable as their condition is, it is a matter for surprise that the “Daily Graphic,” which must have so many cares of its own, should find leisure to enter sympathetically into their troubles. And still more surprising than the sympathy of the “Daily Graphic” is its naive in publishing the woes of the well-to-do broadcast and in expecting the public, that are very anxious for the news, to feel as well. But there is no fear that an appeal so generous as this will fail of its response; and however ill off the public may be, however nearly they may be acquainted with want, however many wolves there may be at their doors, they are capable of showing no disposition of wolves in sheep’s clothing, if not with very warm sympathy at least without resentment. It is astound-
ing; human nature being what it is popularly supposed to be, it is incredible; it is a manifestation of amiability carried to the degree of evil. In a society with the smallest sentiment of independence, a paragraph such as that of the “Daily Graphic,” published with the imperative notion at such a moment as this, would be regarded as a public insult. But the stycophany of the English masses, reflected in their Press, is abysmal. No wonder the ruling class are blasé to the degree of absurdity; their servile “hands,” on whose credit they live, are incapable of providing any resistance to them. The masses of this country do not spend a cent of their money on whose credit they live, are incapable of providing any resistance to them. The masses of this country do not be to, it is any rate—out of evil. And in this direction it goes occasionally a little too far; from the sublimation to the ridiculous, in fact. Take the “Daily Mail” of the recent railway disaster in Wales, in which seventeen lives were lost. Here it is in two headlines which increase our admiration for its real demigure, the Advertising Manager, “Rail Smash Pictures. ‘Daily Mail’ Free Insurance.” “Railway Disaster. ‘Daily Mail’ Insures You Free.” An advertisement could not be more prompt; an insurance agent could not be more importune; a ghoul could not be more enthusiastically callous. All advertisement is a little indecent, a little insensible; it depends for its psychological effect, indeed, on the adroit emphasis of insensibility; but insensibility carried to this length defeats its aim, and the “Daily Mail” has given us the astonishing spectacle of an advertisement which loses in effectiveness what it gains in vulgarity. For public opinion decrees that while the Press may be as vulgar as possible about all the circumstances of life, it must not be vulgar about death. Death was the only haven left from modern vulgarity. It is the need, sublime and pitiable, to keep up appearances, Simultaneously a certain quantity of money has been distributed to their producers, entitling them to go into the market to “buy” to the value of their money. Let us suppose that the goods number 1,000; and the money distributed on account of them is £100. Supposing all the 1,000 articles to be necessarily sold, and the £100 to be necessarily spent, the average price of the articles will be two shillings. But now suppose that of the £100 only £50 is spent; the other £50 being “saved.” In that event, if the articles must be sold, their average price is not two shillings, but one shilling. Instead of having £100 to divide between them, the goods have only £50, with the result that on the average each carries away a shilling instead of two. What is it, therefore, that the “saving” has brought about? It has simply enabled the owners of the £100 to “buy” for £50 what, had they spent the full, would have

Towards National Guilds.

We have not finished with the £100 in an old stocking yet. We have seen that while it stays there and does not go to market it does not affect prices, being the good little pig that stops at home; but that, as soon as it is put into a bank, it not only goes to market but it goes with a litter; a £100 of cash in a bank is the equivalent of anything from £800 to £1,600 of spending power. For a bank’s loans are a multiple of its cash resources; and are limited only by the obligation to repay its depositors their cash on demand.

Our present point, however, is not concerned with what becomes of the £100 when it is put into a bank, but with its nature and possible destiny while still in that stocking. There it said to be “saved,” and laudable indeed are the people who save it. But let us now inquire both what it is, and what would become of it if it were not saved. In return for services rendered, a man is “paid” £100 in legal tender, entitling him to purchase goods to that amount as a set-off against the services he himself has already rendered. That transaction is perfectly just (though not the last word in justice), since he is merely given the purchasing equivalent of the “goods” or services he has created. By his exertions he has added to the wealth of the community, and the community in return authorises him, by means of £100 of legal tender, to receive from the community a proportionate share of the increment. What is he to do with the money? There are three courses open to him: he can “spend” it, that is, take it to market and buy goods with it; he can “save” it by putting it into his stocking; or he can put it into a bank. We have already discussed the difference in their effect upon prices between saving it at home and putting it into a bank: the difference, we have seen, is enormous. What we have now to consider is the difference between spending it and saving it in a stocking. And clearly first difference is that in the one case it goes to market and in the other case it doesn’t. Well, and now what follows from these two operations? The mere going to market of money does not increase the quantity of goods in the market, any more than the staying at home of money diminishes the quantity of goods in the market. Relatively to the £100, representing work done, goods produced, the quantity of goods is already determined; and the only difference effected by the spending or the not-spending of the £100 is the difference of price. After all, nobody can buy more goods than are purchasable; and if everybody were to spend all the money they receive as soon as they get it, the sum of goods would not be increased by the fact, but only the allocation of the goods among the money spent.

An illustration. As a result of a week’s work, a certain quantity of goods is in the market. Simultaneously a certain quantity of money has been distributed to their producers, entitling them to go into the market to “buy” to the value of their money. Let us suppose that the goods number 1,000; and the money distributed on account of them is £100. Supposing all the 1,000 articles to be necessarily sold, and the £100 to be necessarily spent, the average price of the articles will be two shillings. But now suppose that of the £100 only £50 is spent; the other £50 being “saved.” In that event, if the articles must be sold, their average price is not two shillings, but one shilling. Instead of having £100 to divide between them, the goods have only £50, with the result that on the average each carries away a shilling instead of two. What is it, therefore, that the “saving” has brought about? It has simply enabled the owners of the £100 to “buy” for £50 what, had they spent the full, would have
cost them the whole £100. Their “saving” has not increased the sum of goods; nor has it even “saved” goods. The goods have been distributed among £50 instead of among £100 while the savers of the £50 still have that amount of purchasing power for goods still to be produced. It is exceedingly important to note this fact, since upon it hangs a considerable part of the law and the profits. “Savings” of money are not “savings” of goods, but merely of prices; and the market, but many times its amount. Let us put it in market, no matter who takes it, its effect upon prices is to raise them; and here we arrive at the surprising paradox that the people who do not send their own money to market, but save it, in the expectation and confidence that prices will thereby be kept down, “lend” their money to banks which instantly proceed to raise prices by sending not only that deposit to market, but many times its amount. Let us put it in the simple form we have already used. There is a market of 1,000 articles; and £100 has been distributed in spending power among its possible customers. The customers have forfeited all the advantage of their saving; and that, let us say, sends only half its income to market—merely gets the same quantity of goods cheaper than it would if it sent its whole income.

To return to the banks. It is clear that prices are kept down by the “saving” of money only when the saved money is kept out of market, instead of having to pay the whole £100 for the same article; and thereby, to market is many times the amount of the cash received from their depositors: with this consequence, that not only have the customers of our market who have lent their “savings” to the bank nullified the effect of their savings in prices, but they have enabled the banks to send so much more than their savings to market that instead of £50 being at market, the actual amount is nearer £1,000. We are not contending that nothing whatever is to be said for saving or even for banking savings. The meaning and effect of both operations, however, it is imperative to know. Communally controlled banking, by reason of the power inherent in the system just described, may plainly be as great a force for good as privately controlled banking for evil; and people who put their money into banks under private control without realising the effects upon themselves must learn the difference.

One of the chief difficulties encountered by students of Credit is the common ignorance of banking practice, and, still worse, the natural incredulity with which the actual facts are heard. It is the policy of finance, of course, to make a mystery of its rites and ceremonies, since mystery is the religion of Capital, and the poor are supposed to be the people who absolutely need the services of the banks, and as of every other organised faith; but the prevalent incredulity as regards the actual facts ought to be overcome in the case of the religion of Credit as it has been overcome in the case of better religions.

The Everyman Theatre, Hampstead, began on January 24 a three months’ season of Shaw, the plays selected for production being “You Never Can Tell”; “Candida” and “How He Lied to Her Husband”; “The Doctor’s Dilemma”; a triple bill, “The Showing Up of Blanco Posnet, The Dark Lady of the Sonnets, How He Lied to Her Husband”; “Man and Superman”; “Major Barbara.” There are special subscription terms for the whole season, which if generally accepted by the public will afford a substantial financial guarantee of success. Having done my duty in drawing attention to these facts, and with the expression of my hearty good wishes for the success of the season, I feel at liberty to say what I want to say.

Miss Edith Craig is the producer, and if the critics do their duty a considerable improvement in acting may be effected as a result of this season. I wish it were possible to add the mechanical aid of the cinematograph and the gramophone to the equipment of the producer; there is no quicker way of educating an actor into understanding of his faults than by showing him what he looks like. Sir John Martin Harvey has recently declared his disgust with himself after seeing himself on the film; and Mr. Nicholas Hannen, to take one example, has some very ungracious gestures which nothing short of his own perception of them seems likely to cure. For example, he tries to express rhetorical moods by writhing with elevated and crooked arms, like the little boy in the advertisement: “Why don’t they use Lux?” The gesture and attitude are appropriate to the expression of the emotion entailed by trying to wriggle into or out of a shrunken undershirt; but as Mr. Hannen does it to the words: “Yes, the whole world is like a feather dancing in the light now; and Gloria is the sun”; it is so inexpressive that it is hard to see how Miss Craig can do anything to correct these things for herself, and correct them, the cinematograph would be a very useful purpose.

The use of the gramophone would help to correct some of the faults of elocution that several of the company affect in the mistaken idea that they constitute good “natural” acting. When Mr. Leslie Banks, for example, says: “Twentif Senchry Creeds”; I do not feel that Philip Clandon has been adequately expressed. “Suavity and self-possession are points of honour with him,” says Shaw in his elaborate description; and slovenly elocution, whatever else it may express, does not express suavity. Mr. Banks is not the only offender; and if the producer cannot see these things for herself, and correct them, the cinematograph could be of much use.

It was Nietzsche who said: “What is good is easy: everything divine runs with light feet”; and “You Never Can Tell,” in most of its structure, demands that dancing, rhythmic flow. The twins, for example, must be a pair, and play into one another’s hands, sing strope and antistrope, like people trained to it, as they are supposed to be by long experience. But Miss Hazel Jones had to be a twin by herself; Mr. Leslie Banks did not match her in form, colour, or style, and did not even dress the part. Shaw described Philip Clandon as “a handsome man in miniature, obviously the young lady’s twin. He wears a suit of terra-cotta cashmere, the elegantly cut frock coat lined in brown cashmere, gray gloves to match.” Mr. Banks in an ordinary lounge
suit, no hat, no gloves, did not begin to suggest the part. The point is important, because Crompton, in the fourth act, resists the way in which she dressed; and the objection had no point when Mr. Banks appeared like every other young man in the no-hat brigade. The twins are not just ordinary young people, but people with a definite style which contrasts with that of their elders; they are intended to illustrate the advantages and disadvantages of training by free expression of personality, they may be taken as the forerunners of the Montessori idea. They are conscious stage-players; when Valentine goes to change his coat dressed; and the objection had no point when Mr. Coates magnifies the orchestra so that the physical beauty and innocence of the sound becomes pseudo-vitalised, and we are deluded into thinking we hear really great music; really the communication of the soul. Wagner, although he tried to depict the Grail, was not a "grail-artist" in such a thing as "soul-quality. " Yet strangely enough, Mr. Coates, who although he has great powers is not a mystic, does not possess the religious sense, makes more of Wagner than of any other composer. Mr. Coates has a breath of rhythm such as we believe no other conductor possesses. He draws out, prolongs, universalises the rhythm until Wagner becomes a temple, and his music of the nature of prophecy. Attached to this particularity of rhythm is its accompanying danger. Mr. Coates sometimes overdraws the rhythm, prolongs the breath of Time, until it becomes unnatural, and his Beethoven is good only when not treated as he treats Wagner. The Fifth Symphony seduces him into drawn-out breaths which are as unnatural as the prolongation of some of the Pathé Frères films. On the other hand, in that Allegro which Wagner called the Apotheosis of the Dance, but which might be called the Dance of the Stars, Mr. Coates yields to no seductions, and the result is a flow and continuity of life and movement such as is seldom given one to feel.

. . . .

QUEEN'S HALL, January 24. Sixth Concert of the London Symphony Orchestra. The performance of Mozart's "Requiem," gave us the impression that Mr. John Coates was the only singer—certainly the only soloist—who although he has great powers is not a mystic, but he cannot avoid responsibility towards the choir. Mozart's music lacks solemnity, and Mr. Albert Coates must be held partly responsible for the fact that none was infused into it by the performers.

WIGMORE HALL, January 25. Madame Adilia Fachiri's playing of Bach's Concerto in E maj. (with string accompaniment) does nothing to give the idea that the physical beauty and innocence of the sound becomes pseudo-vitalised, and we are deluded into thinking we hear really great music. The two pieces by Castelnuovo-Tedesco, which received their first performance in London at this concert, do not demand a second hearing. They are worthless.

WIGMORE HALL, January 31. Miss Gwendolen Mason's Concert of Harp with Ensemble music. In view of the inclusion in Miss Mason's programme of "Le Jardin Mouillé" (Jacques de la Présle) "Alegria Trios" (Arias are true to his scientific paraphrases; and Mr. Hannen will find quite enough in the part to exercise his undoubted versatility without playing for the laught of the more stupid members of the audience.
moment gaze into that boundless unknown." The inarticularness of the music in the three pieces mentioned is entirely due to the fact that the composers had nothing to say, and were not skilful in covering the deficiency. Mr. Goossens had not much to say in his "Suite" for flute, violin and harp, but the little he did say was said very entertainingly. The "Diversissement" was really diverting. H. R.

Principia Metaphysica: A Commentary.
By Denis Saurat.

II.—COSMOLOGY: LANGUAGES AND CONVENTIONS.

11. Being expresses itself through languages.

Language has two important functions: an individual and a social.

In the individual it actualises the desires, it gives them a tangible, precise, conscious form. Thus, there is in our brain a perpetual monologue going on; and all our thoughts appear to us precisely in words. Not that words, or expression are the first immediate perception we have of our thoughts. Before words, we have the thoughts in a vague state, as intuitions, feelings, complex, sometimes instantaneous; but we immediately translate them into words and thus fix them. It is, however, possible for us to perceive frequently the first stage of wordless thought: but it is very elusive; we experience it best when it happens that our mind is busy at a time when some intuition or perception comes upon us; we defer for a moment putting it into words, because we are putting something else into words just then. And often it escapes us without having been actualised.

The social role of language, which is to make us communicate with our fellow beings, is metaphysically much more complicated, and falls under epistemology (12 to 16).

12. Languages are established by Conventions, which are necessary collaborations of certain categories of being. They help each other in their expression.

No being could have time or strength enough to establish a complete system of language; and if he did, that language would not fulfil its second function, of social intercourse, since no one else would understand it. Madmen occasionally succeed partially in creating a language peculiar to themselves, and thus get out of harmony and communication with the rest of men; but it may perfectly satisfy them personally.

But normal beings copy their languages from each other, thus reserving the greater part of their energy for the expression of themselves in those languages.

But no language can be created which is common to the whole of Being on account of the Potential which remains, and goes on creating, outside any circle whatever. Therefore, collaborations are limited. Some great groups are formed of beings which, being drawn from the same Potential have similar aims, and can use a more or less common language. Also, no two beings can have absolutely the same language, since they have different desires to express. And the more complicated beings become, the more subdivided and subtle their desires, the smaller is the group of beings they copy their language from. But all their desires, the smaller is the group of beings they copy their language from. But all their desires.

13. Matter is the language of desire on the plane of the Universes.

Matter is a language. Not metaphorically, as Carlyle might say it was a garment, but in reality. It is a means of expression with the two functions of language, the individual and the social.

Individually, we use matter to make our desires more intense, to satisfy them: thus we build houses, we grow food, we eat, etc., to fulfil certain needs of ours; even as we use words to express certain conceptions, which is also to satisfy certain needs.

Socially, we use matter to apprise other beings of our existence and desires: thus we put a wall round our properties to mark them as ours to other beings.

Animals and plants also use matter to the same ends: a plant organises matter into wood to give itself a solid place in the world, into chlorophyll to feed itself, etc.

We deduce from that that lower stages of matter are simply the expressions of lesser differentiated desires, which use matter on their plane as we use it on ours. We can experience that fact in our body: deep and powerful, but vague and semi-unconscious desires build up and organise the matter of our bodies, desires which our more conscious desires are built upon, and which preside over the digestive, circulatory, breathing and reproductive functions. We can often experience the change of both desire and matter simultaneously in our bodies, and see that the variations of the second satisfy the first.

Now the language of matter is submitted to laws, even as speech is; but the language of matter is used by the whole physical universe, spreading as far as we can perceive. Its laws are the result of the collaboration, of the action in common, of the whole physical universe, and our part as men in that collaboration is small. We accept that language more than we create it.

Matter is the language of the Universes.


Men have more subtle and precise desires than the universe. Therefore they use the language of matter as an artist uses the language of speech: they give to it new and subtler meanings.

For instance, a rock falls from a mountain and kills some animal; or a man kills the animal by crushing it under a rock. The same material expression has been used. But man has put a purpose into it which is much subtler and more precise than the vague purpose of gravitation behind the natural event. That difference of complexity, that further degree of sub-division in the desire, makes of men's actions a language different from that of the events of the Universe.

15. In speech and art are the beginnings of the language of desire on the plane of ideas. (Most speech is action.)

Ideas begin to exist in men, and they are infinitely more complex and subtle than men. They need therefore, a means of expression correspondingly subtle and complex. That necessity caused the formation of speech, which is modified much more easily than matter, because the collaboration that forms it is much smaller and much more easily influenced. But man uses speech first as a means to clarify and express his purpose in action, to prepare and organise action. Speech is properly a language of transition: of the period during which desires sub-divide into ideas. Therefore most speech is action. But in the arts, which have no purpose on the plane of action, and should aim only at expressing ideas, man is beginning to lay the foundations of a language of ideas, in which speech shall have a part also.

16. Beings, in their expression of themselves, modify the Potential around them. As the Potential is common to all, beings communicate with each other through their perception of the modifications of the Potential.

When we act or express something, we actualise a
part of the Potential. The next being who wants to express a desire similar to ours will find a difference in the Potential: it will be either easier, or more difficult, for him to express himself. Just as, if we put a wall across a path, people going along the path will perceive it; or if a wall near our wall or upon ours will be helped by it. Those differences in the resistance of the Potential to a being's actions are the source of that being's perceptions of the outside world. He has a great part in common with the outside world, when the world modifies that part, the being necessarily feels it.

For the purposes of collaboration, beings modify the Potential purposely, in order to affect their fellow beings and convey definite impressions to them. Languages are thus wilfully organised modifications of the Potential. Thus matter exists outside us as the sum of the modifications, which all beings using it have brought into the Potential. This view of matter as a language synthesises the opposing views of idealism—since the language of matter is a creation of a collaboration and realism—since at the same time it has an outside and independent reality. The vibration which is the basis of all language, matter as well as speech, is an elementary vibration of the Potential which is considered under (32). From this follows the definition of the senses, since metaphysically,

17. The senses are the powers which translate perceptions of the modifications of the Potential into languages, that is, vibrations into matter, colour, sound, etc.

18. In the organisation of the world, the pain which emanates from all creative activity is being perpetually rejected: partially non-expressed. A quantitatively expressed pain in the Potential and tries to express itself through individuals. That is the Evil Element in the Universe. Evil is pain felt separately from its cause, creation.

When we work we naturally and necessarily try to make the work as pleasant as possible: to get out of our creation only the pleasure, and avoid the pain. (See 5.)

That the pain we thus reject remains in the Potential is perhaps best exemplified in the fact of envy. All the beings who witness a successful work in some degree envy it, and often endeavour to wreck it, and thus express the pain it causes them by venting their resentment upon its cause.

Thus around a prosperous nation envy and hatred accumulate, and ultimately give rise to wars. In envy, in anger, the evil element of pain which is in the Potential becomes active, actualises itself as a need to make some being suffer.

But as every being acts in the same way, trying to avoid the pain which it should legitimately bear in its creations, there is loosened in the Universe a tremendous and ever-increasing quantity of suffering which desires to be expressed. That is Evil. And if that element can capture some being, express itself in him and make him suffer, it appears to us that such a being suffers causelessly, which is our conception of evil.

19. The Conventions protect against Evil the beings that belong to them.

A Convention is a union of beings who have fundamentally similar desires, or desires which can help one another in their expression. All stand by one another, by acknowledging and supporting any action, any creation of any member of the Convention. All agree in rejecting pain out of their creation: comfort is essentially the mark of conventionality. And as their united strength is much greater than the evil loosed by any particular individual act of creation, Conventions succeed in protecting their members as individuals. They may come to grief, however, as a group, when through their systematisation of laws, they stand in the way of the further development of the Potential. Then Universes perish entirely.

But while they last, Conventions are efficient; they are specially efficient against such manifestations of evil as appear among their members: in a certain degree, they prevent such feelings as envy against the successful members from becoming effective.

20. Accidents are violations of Conventional laws.

Such violations being outside the protection of the Convention entail suffering.

When a being acts in such a way that his desire goes, in expression, against the laws of the Convention, the Convention refuses to take the expression into account. That being is left to fight for himself against the pain which comes out of his creation. That he might accomplish; but the evil element, attracted by that pain, which is a beginning of actualisation for the Evil One, concentrates out of the Potential upon the isolated being. And the being is delivered to the Evil One, and suffers accordingly.

That is recorded in the old myth that all those who act against the Convention of men (which is morality: see 21) go to Hell. It is further acknowledged by the fact that men, quite against their better or reasonable instincts, make malefactors suffer, torture them, or kill them. Joseph de Maistre, in the “Soirées de Saint Petersburg,” thus justifies the old system of punishment by torture. Social ostracism against defaulter is the civilised form of the same fact.

But the Universal Convention punishes most, and most severely, as it is the most powerful and the most precise. Thus a man who steps on a point of space where the laws of gravitation do not allow him to step in order to express his particular desire, falls, in accordance with the law he neglected, and suffers, is mauled or dies, because the Evil One is let loose upon him; nothing in the universe helps him in that attempt at an expression which the laws of the universe do not allow.

21. Man belongs to two Conventions: the universal convention: which is the material convention; the human convention: which is the moral convention.

We have seen under (9) three degrees in the concentration of the Potential: Universes, men, ideas. For each degree there is a language, for each degree there is a Convention. The Universal Convention is expressed in the laws of matter; matter being its language. The Human Convention is expressed in the laws of action, action being its language. The laws of action are morality.

This second convention is much more fragile than the first, because far fewer beings have part in it; and also because it is comparatively recent. Indeed it is not yet quite accomplished, since there are several different religious systems of morality; and since in each system a great number of individuals do not follow the laws. The systems of morality establish themselves as religions, thus claiming, rightfully, metaphysical existence, and the power to damn those who do not follow their laws. But their power is very limited, as compared with that of the Universal Convention, because man is only a transitional phase between universes and ideas. Also they are incoherent and badly organised, because in the Moral Conventions, ideas already exist in some way, and cannot be ruled by such conventions. And the Moral Convention thus tends to ostracise ideas.

On the other side, the Material Convention, which is so much more precise and powerful, is getting to be a cramping force in the development of the Potential. Many things which we desire, and desire legitimately, are forbidden us by the laws of matter; just as many ideas are unwarrantably forbidden us by the moral law.
22. Man’s specific work is to prepare the third Convention; the Convention of ideas, which is the Metaphysical Convention.

Creating is for man the same as discovering. In the Material Convention, in the Moral Convention, are the elements ready for the Metaphysical Convention. Each successive stage is only a development of the previous one, which is too narrow. By the study of the two Conventions, man will derive from them, at once creating and discovering it, the rule of the organisation of ideas.

He creates the rule, because in him, in his consciousness, it is evolved. The Potential creates it in him, but man is the highest point of the Potential (up to himself); thus man is the creator; he brings to light in himself something which was only in the Potential before, and in that way he discovers the rule of the World of Ideas.

Nevertheless, that rule is far beyond him; he can only prepare its coming; by sub-dividing and resolving his desires into ideas, and using what intelligence, what self-consciousness he has, in organising what he sees of the ideas. Man has always acknowledged his powerlessness to create Conventions for himself. He has acknowledged a God as the founder of the material Convention, as the creator of the World. He has acknowledged another God, a Messiah, as the founder of the Moral Convention. A further concentration of the Potential, a further manifestation of even such another God, will be necessary for the foundation of the Metaphysical Convention. But such Gods are, and work in, Man and being generally.

Views and Reviews.

THE BASIS OF ETHOLOGY.*

It has been made perfectly clear that experimental physiology, in all its forms, has revealed no more of the fundamental powers of the mind than has metaphysical psychology. Localisation of functions is admitted generally as a principle, but the functions localised are sensory and motor, not mental, functions. The neurologist does not look for mental symptoms; the laboratory methods of the experimental psychologist are incapable of revealing them clearly; while the psychologist, per se, is precluded from discovery of the fundamental powers of the mind by his very abstraction.

The fundamental powers of the mind by his very abstraction are incapable of revealing them clearly; while the psychologist, per se, is precluded from discovery of the fundamental powers of the mind by his very abstraction and generalisation. We get a man like Dr. Lynch, in his New System of Psychology, telling us that the fundamental processes are “Immediate Presentation, Perception of Unit, Memory, Association, Agreement, Generalisation, Feeling of Effort, Impulse, Hedonic Sense, Sense of Negation, Conception of Time, Conception of Space”—a mystic Twelve, and every one a Devil of unreality. Far from being fundamental, most of these processes are final and very complex syntheses; some of them, like Memory, are attributes of all the fundamental processes; and none of them is a concrete datum. As Ribot said: “Like all general terms, consciousness must be resolved into concrete data. Will, in general, does not exist, but volitions; and in like manner there is no consciousness in general, but only states of consciousness. The latter are the reality.” There is no memory in general, either, but a multitude of memories differing from one another in their clearness and strength. A good memory for dates may co-exist with a bad memory for everything else, and so forth.

It is impossible for us, at this time of day, to accept the mind of man as a metaphysical abstraction; we must, as Ribot said, “explain how it is born, and from what lower form it proceeds.” Evolution is a fact; and man not only shares with the lower animals many of the fundamental processes, but possesses powers that are peculiar to himself. Dr. Lynch’s fundamentals, curiously enough, contain nothing peculiar to man, or characteristic of the realities of natural history. Gall stated seven conditions which must be satisfied before a mental quality can be considered primitive or fundamental:

1. When it exists in one species of animal and not in another.
2. When it varies, according to sex, in the same species.
3. When disproportioned to the other mental powers of the same individual.
4. When its appearance and disappearance is independent of the other mental powers.
5. When its action or repose is independent of the other mental powers.
6. When it is capable of being transmitted from parent to child.
7. When it is capable of preserving independently a degree of normality or abnormality.

It is clear that the demonstration of a fundamental power requires a series of proofs; and the method used by Dr. Hollander is the only one known to me that provides that series of proofs. There can be little doubt, for example, that the desire to satisfy hunger and thirst is a primitive power when we know that it is capable of exaggeration (bulimia, and dipsomania), of diminution or, even, of complete abolition, anorexia. The desire has no necessary connection with the need for food; appetite is no indication of digestive power, as every dyspeptic knows; and Dr. Hollander quotes considerable evidence of artificial and accidental lesions, and tumours, of the anterior tip of the temporal sphenoidal lobes, accompanied by voracious appetite, which indicates the probable cerebral seat of this primitive power.

In like manner, he proceeds with other primary powers, bringing to a point the evidence of natural history, experimental science, congenital or acquired defects, and emphasising particularly the importance of focal lesions, circumscribed hemorrhages, the presence of growths or foreign bodies. The wealth of evidence alone justifies Dr. Hollander’s very modest claim to “induce, not necessarily the acceptance of my theories, but a fresh investigation of the subject of mental functions, on the lines suggested by me; not on the basis of former cases, but on new ones as they happen to occur.” When we find the French report on head injuries during the war, based on 5,000 cases, denying the occurrence of mental symptoms, and Dr. Richard Eager, on a similar number of cases in England, making a similar assertion, we might conclude that the brain was not the organ of the mind if we did not remember Crichton-Browne’s scathing criticism of what passes for diagnosis in these cases. “If the patient is free from delirium and can say ‘Good morning,’ and put out his tongue when told to do so, it is recorded that ‘his mental faculties remained entire,’ that ‘there was no deficiency of intellect,’ or that ‘he was clear and collected to the last.’ This testimony, of course, to be of any value, necessarily supposes a skilful and exhaustive exploration of the mind in all its departments, and a scrupulous attention to minute and intricate details in each particular case. Being founded, however, only upon the most superficial examination, it is not merely valueless but mischievous and misleading. To evidence of this kind must, I believe, be traced many fallacies which have impeded scientific progress, such as the statement that a whole hemisphere of the brain may be destroyed without the mind suffering in any way, or that every part of the brain has been found disorganised in one case or another without any derangement of the mind having existed.” As Huxley said in another connection, the
whole question turns on "the value of evidence," and one positive observation of, say, a change of character following brain injury is worth more than all the negative observations.

The chief value of Ethology, as Dr. Hollander expounds it, is the demonstration that the instincts, the emotions, the sentiments, as well as the intellectual activities, all have their appropriate seat in the brain, the approximate cortical centre for each being indicated not only by focal lesions but in many cases by successful surgical operations. If the theory of the plurality of brain injury is worth more than all the negative demonstration; and although there is no known means for a variety of causes, we see how useless education and exhortation are to those who are not cerebrally organised to benefit by them. That there are definitely moral imbeciles in existence, Dr. Hollander proves to demonstration; and although there is no known means of developing faculties that are not naturally bestowed, the clear recognition of the fact should divert effort to more fruitful purposes than talking conundrums to the deaf. Similarly with professional criminals, the recognition of the fact that we are dealing with men not merely with an excess of passions but a defect of the inhibitory power of the intellectual and moral centres, should modify considerably our treatment of them.

A. E. R.

Reviews.

Essays in Moderation. By Arthur Herald. (Swarthmore Press, $5 net.)

We do not pretend to estimate the value of these essays. If moderation becomes identical with Christianity, we see no reason why it should not be called Christianity. Christianity, we know, is a life; in Matthew Arnold's phrase, it has a method, a secret, and a temper—and of these three, moderation seems to be equivalent to "temper." It cannot, we think, comprise the whole of the Christian life; Talleyrand, although a Bishop, was not propagating Christianity when he said: "Above all, gentlemen, no heat"; but he was enjoining moderation. Moderation is really more than the emotional state necessary to the proper working of the intellectual faculties; it is as good psychology as mechanics to reduce heat (whether we call it temper or friction) to a minimum. We cannot, with Mr. Herald, define moderation as "the ability to perceive and to keep a proper sense of proportion"; that ability is quite obviously an intellectual one. Nor can we agree that "if we are to have goodness, and beauty, it is impossible to be moderate"; that life? "Life," says Dr. Haldane in his "New Physiology, "is a whole which determines its parts. They exist only as parts of the whole." It really seems to be time for the Christians to show a sense of synthesis equal to that shown by the physiologists; for it was not moderation that Christ came to give us but life, and that we might have it more abundantly. "The gift of God is eternal life," not moderation. For the rest, Mr. Herald wanders into an Utopia of moderation, in which, curiously enough, he betrays a touching faith in the theoretical possibility of a more perfect Utopia.

The method of indirect election of the House of Commons, for example ("each ward elects a Warden . . . . and the Member of Parliament for the Division is chosen by the Wardens from among themselves") may "obliterate abuses with which we are only too familiar," but will certainly introduce abuses which we are not familiar. To adapt Tolstoy: Utopia is only possible if the Wardens choose the wise and the pure: none but the wise and pure can choose the wise and pure; but if everyone were wise and pure, there would be no need of Utopia.


"Why talk so much of Bolshevism?" "It is Marxian Socialism that holds Russia by the throat." "Karl Marx was a German of the Germans, and Marx has done more for the Fatherland than all the hordes of German agents that have filtered across the world." "It is them Germans again. They are always at it. They started revolutionary upheavals in India, South Africa and Ceylon, and "let loose sheer hell" in Ireland. They made the financiers of France their cat's-paw, and originated strikes in vital war industries in England. But Russia gave them their chance. "A body of extreme propagandists, with Lenin at their head, were brought into Russia in sealed carriages, and plunged the whole country into a cauldron." There you have the Bolshevist revolution in a filbert. Writers who set out to prove the failure of Bolshevist Russia to achieve prosperity or liberty have in truth no difficult task. The material facts speak for themselves, when our authors let them. But of understanding they betray not a glimmer.

PRESS CUTTINGS.

The League of Nations has held its first anniversary, and at first sight we might feel hopeful of its future on reading of what it has done. Certainly the enthusiasm of its leaders is sincere. But nothing has been done which the financiers of the world did not allow it to do, and we shall be making a vast mistake if we think that the League, backed by pious resolutions on the part of the Church and Labour, is going to prevent war.

The main cause of war is economic, although racial interest and bad patriotism undoubtedly help to develop its working. The struggle for foreign markets, which goes on without any word of official disapproval from the Church and without any intelligent alternative policy on the part of Labour, is itself bringing war nearer every month. Whilst we are talking about peace, competitive industry, controlled by privately managed finance, is hastening us towards a catastrophe.

It is an open secret that the War Office is "perfecting" poison gas (no doubt for some beneficent purpose). It is obvious that the loud talk about the "impossibility" of war between Britain, U.S.A. and Japan is itself a nervous apprehension that the horror is both possible and even probable. We can see the murderer getting in at the window and then say, "Oh! Impossible." When shall we face facts?

The control of finance by irresponsible banking magnates and credit manufacturers carries with it the control of the policy both of prices, industry, and of Government. The competitive struggle for the profits, by financiers is itself economic war; it is only a matter of time for it to become military war of a devilish charac-
generally—but what is far more important, he makes constructive proposals which deserve consideration. But these ideals must be applied to facts, and the communal control of credit is one of the most vital ways of preventing it by removing its cause. The ideal of the Church on international relations as expressed by the Bishops at Lambeth was, as a Christian gentleman, beyond doubt the right one. But the communal control of credit is not only an important objective. It does not mean that the world can be saved by accountancy, or that the world can be saved by accountancy, or that the Church is a Christian nation, beyond praise. The ideals of its inherited culture, its plant and machinery. According to the previous definition of capital this credit is absolutely essential if we are to avoid appalling disaster at home and abroad.—Rev. Paul Stacey in the "St. Peter's (Coventry) Church Magazine."

In his book, "Credit Power and Democracy" (London: Cecil Palmer, 76. 4d. net), Major C. H. Douglas condemning the present economic system—a not unusual procedure in these days of dissatisfaction with conditions generally—but what is far more important, he makes constructive proposals which deserve consideration.

We therefore place a brief epitome of these before our readers, so that they may be able to form an estimate of their value. The proposals are already being considered by Labour, which makes it all the more essential that manufacturers and business men generally should know about them.

The author's main line of argument can be best indicated by a series of propositions:—

1. The whole industrial system—banks, factories, transportation—exists for the sole purpose of delivering the goods and services required by individuals. This does not exist for the purpose of providing employment, nor to give pleasure to craftsmen.

2. By far the largest proportion of the productive capital of the world is a function of the use of plant, machinery and scientific progress.

3. The possibility of using these comes from the inherent power—whether physical or intellectual—which, properly used, increases the human capacity to deliver goods and services.

As scientific progress improves tools and processes, thereby adding to the inherited culture of the world, a diminishing number of individuals is required to produce the goods and services demanded by society.

If, then, it is agreed that the industrial system exists solely for the purpose of delivering such goods and services, anything that tends to facilitate this should be assisted rather than restricted. That the function of credit is to be considered as a whole be in a position to get its goods and services with less trouble than before. The only improvements in the tool of capital should result directly in a fall in prices.

At the present time capital production demonstrably results in a rise in prices. This demonstration is perfectly simple: Just as real credit is a correct estimate of the capacity to deliver purchasing power required, so, in a sense, the general level of prices is equal to the number of units of goods in the general market divided into the total amount of money, therefore any expansion of credit under this arrangement results in a rise in price of a given quantity of goods.

All financial credit is based on real credit, which is again based on real capital and therefore all capital production raises prices under the present system; although the position of real capital to-day is such that the production of the goods and services required by civilisation could not possibly engage the attention of more than one-twentieth of the available labour if such capital and labour were employed to the best advantage.

Under modern conditions the bank stands in the same relation to the productive organisation or manufacturers as does this latter to the employee: that is to say, before production can take place the bank has to advance money to the manufacturer, who in turn advances it to the employee.

The genesis of the whole productive system will therefore be seen to arise in the creation of credit. Bearing in mind that production without a market has no more value than demand without production, it must be clear that the origin of the credit principle is essentially social in nature, and that the banking organisation in no sense originates credit, any more than a capitalist unless it be Society as a whole, to operate it for the benefit of all.

The author then sums up his conclusions:—

"The present unrest is essentially due to a breakdown of credit; that is to say, the great mass of the working population has lost belief in the most complete of nature and in the efficiency of the machine of civilisation to deliver goods and services on reasonable terms. This breakdown of real credit is due to the use of financial credit to raise prices, and so deliver money to its manipulators rather than to lower prices, and so deliver goods to the public."

The general principles of the proposed remedy consist simply in so controlling this issue of financial credit, which admittedly controls production, that production may be directed to the elimination of waste and to the delivery of the goods and services necessary to Society. Secondly, it is suggested that prices should be regulated in relation to credit issued, so that the amount of purchasing power considered in relation to these prices may, if necessary, be a fully effective demand. Since the total productive capacity of Society is very greatly in excess of the rate of consumption, the total amount of financial credit issued to individuals should exceed by this demand taken from them by the agency of prices. The remainder would be latent effective demand.

The author makes these proposals as the only alternative to a dictatorship or a Marxist revolution.—"The Organiser" (February, 1921).