

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Social Credit and Pseudo Science.

We have received two letters commenting on our Notes under the above heading last week. One is from Mr. Cousens, and is printed below. The other is from an anonymous correspondent calling himself (or herself) "L. T.," and is printed elsewhere. With reference to the former letter we deal with some of the points raised, but with reference to the latter we confess our inability to understand what it is all about, and only publish it as an exhibit of a certain type of emotional reaction to what we said.

Sir,—Your notes under this heading will doubtless provoke many of your readers to serious reflection. I, for one, am sufficiently stirred to criticise many of the statements made, and, by what I hope is the exercise of reason, have concluded that some of them are wrong. For, in the first place, there is not a single objective of social action which is not a moral or spiritual objective. Whenever you say that someone or some people should do or refrain from doing anything, you necessarily believe that it is better for them to do or refrain than not to do or act. And the Social Credit Proposals are moral, because they aim at a situation where people may more and more follow their inclinations and less and less be forced to follow the inclinations of others which they don't like.

If the Social Credit Proposals are not concerned with making people healthier and happier in the widest sense of those words, I cannot conceive why you or I or anybody troubles his head about them. Economic Democracy is set over against Economic Tyranny—the pyramid society.

Next the efficacy of the Social Credit Proposals does not wholly depend on the logical soundness of the analysis, but only in part. The National Dividend is part of the one, but it is not put in to meet the deficiency of purchasing power shown by the other, for that could be done entirely by the Price Formula. It is there for the particular purpose of improving the position of the individual in respect of free-jobs. Income could be distributed to people thrown out of useless jobs and paying them wages.

Next, the whole idea rests upon an act of faith, which can in the nature of things only be validated by future events. This is, that human beings, despite their lengthy history of incredible folly, have sufficient will and capacity to co-operate to carry the thing through. A lot of people don't think so and object to Social Credit on those grounds. Social Crediters believe that there is sufficient evidence that this view

is wrong, but the argumentative proof of the truth of this belief would be a monumental task.

However, you yourself are unable to stick to "material objectives," for in these very notes you have hard words to say about power-maniacs, busybodies, and the like, whereas to the purely scientific mind they are merely curious phenomena, whose behaviour is no more to be condemned or abolished on material grounds than epileptics, living skeletons, and Siamese twins. H. COUSENS.

We agree that all social action has a moral or spiritual objective, if we may amend the formula to this: That all persons purposively taking part in social action have a moral or spiritual objective. This amendment differentiates the person, the action and the objective. The property of morality resides in the person and in his objective; but it need not necessarily reside in the action. Taking an analogy from art you can say that all painters engaging in the act of painting have an aesthetic objective, but you may not say that an aesthetic property resides in the paintbrush and paints.

For this reason we do not agree with the proposition that the Social Credit Proposals "are moral" because "they aim" We would accept the proposition that these Proposals reflect a moral purpose in the persons advocating them; and we do, in this sense, agree with the proposition that the Proposals "are concerned" with a moral objective. We also agree that this objective can be stated as that of superseding Economic Tyranny by Economic Democracy.

The argument raised seems to turn on what is meant by the term "Proposals." In using it we were relying upon our context to make clear to readers that we were referring to the fundamental principle on which any proposals must rest if they are to be designated "Social Credit." We were not referring to any "Schemes" that have been, or may be, published; but to their common denominator. Moreover we said that it was the efficacy of the "Proposals" which depended on the soundness of the "Analysis." We meant this in the sense in which Major Douglas speaks when he says that the "Remedy" is the logical outcome of the "Diagnosis." The old jest about using a pill to cure an earthquake can be applied as a serious description of

the fact that a universal economic upheaval can be cured by a small mechanical adjustment in the technique of finance. If we may be allowed to call the fundamental principle of the remedy a pill, it was the pill that we were describing in our argument. We regret that anyone was misled into thinking that we meant the jam you put it in.

The diagnosis on which the remedy depends is completely comprehended in the proposition that there is an inherent shortage of purchasing power in the existing system. Therefore the remedy is to bring about an inherent sufficiency of purchasing power. That is the pill that has to be taken. So long as it is swallowed, the vehicle in which it is administered, the sort of jam used—that is, the choice between “schemes,” is not a matter of Social-Credit science but one of general political expediency. It is a matter, in the words of Major Douglas which we quoted last week, of “fitting methods of human psychology” and physical facts “so that (the) objective will be most easily obtained.” Major Douglas’s “Scheme for Scotland” is a beautifully balanced compendium of devices for dealing with a complex of psychological attractions and repulsions—an assortment of different administrative jams severally adapted to a diversity of tastes for jam and distastes for pills. We agree that “the deficiency of purchasing power” could be made good “entirely by the Price Formula.” But we say that if it were done that way the objective of the Social-Credit remedy (we will drop the term “proposals” in view of its ambiguity) would be reached. For when all goods for sale are sold “it does not matter who gets them,” as Major Douglas has said. That is to say the Social-Credit objective is one of technical efficiency the proof of which will lie in the clearing out of industry of production as and when it becomes consumable. The case for the direct National Dividend rests upon the consideration that unless the purchasing power of the poorest sections of the population is raised by a greater proportion of their present earnings than that of the richer sections the productive capacity of industry, as it now exists, cannot be adequately drawn on. Consumer purchasing-power must go to where the margin of unsatisfied wants is greatest if, as will be agreed, the Social-Credit objective should be reached in the shortest time.

Reverting to the “paint and picture” analogy, this objective is reached when paints are distributed. We accept the statement that “if the Social Credit Proposals” (meaning the mechanical credit-price adjustment) “are not concerned with making people happier,” etc., there is no reason why any of us should advocate them. But the reasons why we do so have no effect on the consequences of the adjustment. Our motives might just as well be malevolent as benevolent, but they could no more alter the consequences than can the character of a chemist prevent oxygen and hydrogen, when sparked, forming water. It is true that the ultimate consequences of the Social-Credit adjustment are not calculable, and that our advocacy of the adjustment is an “act of faith.” But it is true in the sense in which the chemist might say that the uses to which water would be put were incalculable. Yet the resultant of the combination of the gases—that is the water itself and its characteristic properties, are matters of knowledge, not faith.

With reference to the criticism that our reprobation of “busybodies,” etc., etc., is inconsistent with our “sticking to material objectives,” this depends for its validity on the assumption that all psychological phenomena lie outside the field of scientific (or materialist or determinist) investigation and interpretation. We do not accept that assumption: so there is no inconsistency. The fact that certain types of people are able to delay the adoption of a mechanical device by infusing irrelevant or superfluous elements into the advocacy

of it surely does not disprove the mechanistic property of the device. What it does prove, if anything, is that they do not like the mechanical property, and would prefer what bankers would call a “managed” remedy administratively designed to implement their own ideals.

The Newfoundland Commissioners.

The Times of January 22 has a leading article on the appointment of the Commissioners who are to take over the administration of Newfoundland, superseding the existing Parliament and Ministers. The senior British Commissioner is Sir John Hope Simpson who, we are told by the writer of the article, has proved himself an excellent administrator among (a) Greeks, (b) Arabs, (c) Chinamen and (d) Indians, his last post abroad being that of Acting Chief Commissioner of the Andaman and Nicobar Islands. His two colleagues are Mr. Lodge and Mr. Trentham, whose qualifications the writer extols but does not describe. The three Newfoundland members are Mr. Alderdice, the Prime Minister (“known for the great fight he has made against political corruption”), Mr. Howley and Mr. Puddester (of whose qualifications nothing is said except that they have “strong recommendations”). Thus is constituted the Newfoundland Dictatorship; and it would be a friendly gesture on the part of the Newfoundland people if they would adopt an International Anthem and start to rehearse the acclamatory greeting, “Hail Simpson” in a posture of obeisance which we suggest might take the form of facing away from their Mighty Excellencies, grasping their toes with their hands, and delivering their acclamations rearwards with chins upwards from between their outstretched legs. This would be a great improvement on the Mussolini-Hitler schoolboy please-sir-can-I-leave-the-room form of salute to which we are all so accustomed nowadays. And if, even off parade, they would get the habit of assuming the same posture when reading their newspapers, they might be better able to understand and approve the inverted logic supporting the Commissioners’ policies of rehabilitation.

In case Sir Stafford Cripps and Sir Oswald Mosley feel tempted to taunt The Times for its condemnation of them for upholding the principle of Dictatorship in this country (see THE NEW AGE of last week) let us warn them not to overlook the fact that the Newfoundland Dictatorship was “recommended” by a “Royal Commission,” and was “approved by the Government and Parliament of Great Britain at the request of the Government and Parliament of the Dominion.” Thus while it was aristocracy which proposed, it was democracy which disposed; and the full legislative and executive powers now to be assumed by the Dictators rests on the gilt-edged security of the gold-standard will of the people. If anybody should remember to face us with our description of the snoring which took place in the House of Commons during the all-night Committee stage of the Newfoundland Bill, let us remind him that the truth about things lies buried in the sub-conscious, and that the highest wisdom is communicated to men in their dreams. If he should ask why we did not say this at the time, the answer is that we have only thought of it since. We are not too proud to learn from our own correspondence-columns.

There is another, and more interesting, passage in The Times’s commentary. The writer first explains that the change of system was a “necessity” in order to secure “help” from the “British Treasury” to avoid “default” and the destruction of “Newfoundland credit,” and thus the consequent impossibility for future Dominion to “obtain the capital needed for future development.” That is to say, the change was rendered imperative by immutable laws. Having said this, he immediately proceeds to reassure his readers that the change, though unavoidable, need not be on that account undesirable. This is how he says it:

“But the newly appointed Commissioners are not

to be regarded—certainly they do not regard themselves—as in any sense mere bailiffs for the bondholders.” (Our italics.)
Who said they were?!

In view of the fact that the Government’s policy with regard to Newfoundland has been acclaimed by the trade Press in this country the reason for the allusion to “bailiffs” must lie in Press comments elsewhere, or, if not, must be regarded as having been provoked by our own allegations. We gave our reasons when making them; and it must now be left for events to show whether the assurance given by The Times is true or not.

The writer goes on to explain that the financial collapse was only “part of a general breakdown of the political, economic, and social organisation.” This is typical bankster dialectics, taking the form of the insinuation that the particular is caused by the everything-in-general, and therefore diametrically opposed to the Social Credit truth that it was the particular that caused the collapse of the everything-in-general. Further, by the use of the words “political” and “social” in conjunction with the word “organisation” the writer repeats the old trick of insinuating that the breakdown was due to the human factor involved in tasks of administration. Under a strict logical test the whole defence put forward by The Times could be resolved into the proposition that the economic collapse caused itself!

Mr. McKenna on the Trade Revival.

In his annual speech to the shareholders of the Midland Bank Mr. McKenna referred to the fact that deposits in the joint stock banks had risen by £300,000,000 during the last year. This increase, he said, was due to the action of the Bank of England in buying securities and gold. On a 10 per cent. ratio of credit to cash this would require the Bank of England to spend merely £30,000,000 to make this expansion of credit possible. For drafts on the Bank of England when paid into a joint stock bank rank with actual currency as a credit-basis. In so far as trade has revived it will be seen that what The Times calls “political, economic and social organisation” becomes more stable. It cannot be argued that the organisation and stability improved before the Bank of England launched out on its buying policy. So in reference to Newfoundland it would appear that if trade has to be revived it will be by the same method as shown by Mr. McKenna with reference to this country. And there is a hint of it in the article from which we have quoted, where the writer says that “budgetary equilibrium will not be restored by cheeseparing.” But there is no comfort in that assurance for the people of Newfoundland, because there is another way of balancing Budgets, which is by direct and indirect taxation. If the taxable capacity of the Newfoundland population is at present fully tapped (which appears to be the case) the Commissioners will no doubt be prompted by the bankers to feed more credit out into circulation, thereby increasing the general capacity to pay taxes to the desired extent. The banks do not make limited credit-supplies their prime consideration; what they are intent upon safeguarding is the doctrine of the balanced Budget by orthodox methods so far as the visible acts of the Government are in question. The main reason for substituting the Commission for the political government is that it affords the bankers better means of ascertaining taxable capacity, and making sure that it is fully exhausted before they take steps to balance the Budget by new credits. And the new credits, if or when issued, will be used to hire the Newfoundland mortgagors to improve the property from which they have been evicted by cosmopolitan mortgages.

More About Dictatorship.

On January 24 The Times returned to the subject of dictatorship (of the Left or the Right) apropos of Mr.

MacDonald’s speech at Leeds on the previous day, which is described as the opening of a “campaign” in defence of the National Government. We referred to The Times’s comments on dictatorship in last week’s issue of THE NEW AGE. The present article is a sequel to the other, and the two combined may be regarded as the official brief to which every Minister in the National Government who takes part in the campaign will speak. Apropos of this, it has already been recorded by Press reporters that the Prime Minister does not speak extempore to the same extent as has been usual, but reads certain passages from documents prepared prior to the meetings which he addresses. No doubt as the situation develops we shall witness an extension of this cautious policy; and there is no need for us to elaborate reasons why it will be adopted. There are so many alert critics about, thanks to the Social-Credit campaign of the last several years, that the bankers daren’t trust these ignorant political figureheads to formulate their claims to “success” or their explanations of failures. Readers who care to follow this up will be able to compare reports of the series of speeches which will be delivered, and to see by comparison how they follow the pattern of the argument formulated in the articles above referred to.

Unemployment and Political Tension.

The Times devotes its first leading article on January 23 to the march of unemployed men from all parts of the country which began on the previous day: Mr. McGovern, M.P., headed a detachment of about 400 from Glasgow. The Times does not say anything to raise a scare. It divides its attention between commiseration for the marchers on the one hand, and, on the other, solicitude for the pockets of sympathetic citizens, on whose charity these men will depend as they progress through the various towns en route. The article contains a reminder to generous people that it is highly important for them not to let down the finance of normal local voluntary relief systems in order to respond to the more dramatic appeal residing in the spectacle of hungry marchers.

But although no hint of a scare appears in this article there are indications to be seen by careful observers, and a certain amount of confidential information in club circles, all tending to point to trouble. Of course nobody supposes that the marchers and their immediate sympathisers will be able to cause embarrassment to the authorities, however violent they become. But the tension of the whole system is so great now that it only requires some slight permutation of a cluster of circumstances to precipitate a major issue of real gravity. As so often repeated in these pages, the ferment of Social-Credit enlightenment is at work simultaneously in every plane of the social and political structure. And however slowly the ferment may appear to be working, it has to be remembered that every new step the bankers take to keep this system running on established financial principles will warm up the ferments. Further, although in every plane of society there exists a vast majority of individuals who at present are ignorant of, or indifferent to, the policy and practices of the bankers, there is, practically speaking, hardly one person whom the bankers could rely on to defend them for love. Loyalty to Finance is a matter of money, and any Government which is in a position to counter-bid the bankers in the purchasing of loyalties will grab the lot for the reason that the new loyalty will run along the grain of individual conscience and feeling. Anyone who compares even the slave Press as between the present day and, say, three or four years ago, will notice a perceptible increase of irreverence towards the banks. The fear of reprisals from the City keeps the Press within bounds; but the potential force of that fear is a constantly diminishing quantity for the reason that everybody is getting to understand something of the way in which the bankers have been maintaining their supremacy. To

know how a person who can harm you is able to do it, and to know that it is a method potentially open to anyone, is to brush away the mystery which invests fear with dynamic power. Not only Social-Credit teaching, but practically every sort of credit-propaganda and credit-experiment, converges on establishing one clear fact of fundamental psychological importance, namely, that there is nothing super-human in the wisdom or in the powers of the Money Monopolists. Their only claim to pre-eminence over other sections of the community has rested on their competence as a break-down gang. And since a system which doesn't break down is now being realised as an early possibility their tenure of their job is getting precarious.

Social-Credit Tension.

It is curious to notice that differences of view within the Social Credit Movement are becoming more numerous and more open as time goes on, and that this phenomenon is most conspicuous in places where the success of the Movement is apparently the highest. *Farming First* of November to publishes a two-column editorial attacking *The New Economics* and a New Zealand "Douglas journal" in respect both of political and technical pronouncements made by those papers. The old Gladstone slogan looks like being attached in its original jocular sense to Douglas in the adapted form: "What did Douglas say in '31?" For some time past *Farming First* has been publicly alluding to a certain letter received from Douglas in that year as lending authority to its own point of view on an issue wherein other Social-Credit organs take the opposite view. The letter appears to have had reference to the question of New Zealand's economic self-sufficiency. Obviously no fundamental principle is involved, so we need not express any opinion on the matter. What we may observe is that it has engendered a considerable amount of heat if we go by the tone of the article in question. Among the items in it is one where the writer quotes the two Douglas journals referred to as expressing opposite views on a dictum of Mr. Scullin's that "taxation creates a shortage of purchasing power"—the one denying the statement and the other endorsing it. He makes this the basis of the comment: "Both these papers are sacred, and may not be criticised; but which is to be believed?" And he asks in so many words: Are we to refrain from attacking everything that "shelters behind the sacred name of Douglas." He claims that the attacks made by *Farming First* have not been harmful to the Movement, and have "saved Douglas supporters a lot of money," adding that there are "a lot of extravagant schemes abroad . . . that Douglas Social Credit is not 'in' yet," and that until it is, the "bestly rules of finance will have to be observed." He concludes: "There are still those who would make a gain of you; there are others who think Douglasism a good horse to ride to obtain their own ends, but will bring nothing but discredit to the Movement."

What all this refers to we do not know. The important thing is that all the parties to the disputes are avowed supporters of Major Douglas's remedy, and appear to believe that their conflicting views are compatible with fundamental Douglas principles. If that be so, the visit of Major Douglas to New Zealand may be expected to clarify and compose the situation. In the meantime we endorse, as a general proposition, what *Farming First* says about finance and extravagance. Leaving aside all sordid considerations, there is no doubt that differences of view must arise about the expenditure of money. Every individual has his own ideal of the sort of society he would like to bring about, and since the Social-Credit remedy opens the way to the fulfilment of every personal ideal considered separately, every person holding an ideal can be expected to join the Movement on that account, that is to say, without reflecting on the fact that lots of ideals are mutually exclusive in their nature, while lots of others will be

rejected by popular opinion or left to wait their turn when the remedy is first applied.

Now, one particular type of ideal is instantly and automatically fulfilled on the adoption of the Douglas remedy—that is, the extirpation of extreme poverty and a general step forward towards economic security. The unity of the Movement is the most easily preserved when the largest proportion of its members are content to work for and accept this first instalment of what they desire. If they all did that—if they were all willing, in a sporting phrase, to take a chance on what would happen afterwards, then one major cause of disunity would disappear. The Movement (in theory) could be organised throughout on a single pattern because it had a single, narrow, intelligible, and feasible objective in the results of which everyone would participate.

But another major cause of disunity would remain. An idealistic concept of society as it will be after the adoption of the remedy is not the same thing as a realistic grasp of society as it is now constituted. Moral fervour in support of the objective does not impart technical competence to frame a policy for reaching the objective. Unfortunately, there are lots of people, probably a majority, who confuse the two things and think that it is sufficient to know what is wanted in order to know how to get it. They inherit the notion from the pseudo-democratic political system under which the bankers have been running things for the last few generations. It consists in choosing policy without consulting the people, and then inviting them to vote on various technical methods of working it. This is an inversion of true democracy wherein the people should choose the policy, and leave the implementation of it to technicians. Instead of the people being asked which they would prefer, bread, or stones, the bankers choose stones, and then ask the people to decide between Conservative, Liberal, or Labour quarriesmen with their rival techniques of blasting and shovelling. In this way the average citizen has got lost between means and ends, and accepts the most plausible or least unpleasant (as he sees it) way of doing something as a substitute for the exercise of the right to choose what shall be done. And through having been repeatedly invited to pronounce judgment on technicalities which he has not been trained to understand, he has the feeling that no training is necessary, and that he is endowed by nature with the qualifications necessary to adjudicate on technical problems. The bankers, needless to say, do all they can to foster such an impression.

Now the Social Credit Movement is to-day something more than a "Movement" in the ordinary connotation of the term. It is a complete society in its structure and properties. Membership of the Movement should be recognised as equivalent to citizenship of a country. And, just as in political life to-day the vast majority of citizens can play no direct part in the administration of the policy they choose (we are speaking ideally), but leave it to trained experts, so, in the Social Credit Movement, the vast majority of members should realise that participation is equally superfluous. Our meaning may be illustrated by reference to Major Douglas's diagram pre-figuring the economic system as an inverted triangle representing consumers containing an upright triangle representing producers—the large outer triangle being the "democracy of consumers," and the small inner one the "aristocracy" of producers. In the present frame of reference these triangles would represent an "aristocracy of realists" within, and subserving, a "democracy of idealists." We do not mean that realists would have no ideals any more than we should suggest that trained public servants have no sense of citizenship. Nor do we mean that there should be any dictatorship of the familiar legalistic sort. (It wouldn't be tolerated any way.) What we want to emphasise is that if there is to be any concerted effort in the Movement

at all to implement the policy, and if it is desired that this shall be exerted with the greatest possible efficiency, the need for advisory leadership should be self-evident. It is already so to many Social-Credit citizens, but we are thinking of the hosts of new immigrants who will be taking out naturalisation papers in the Movement.

These will, in many cases, come inside with plenty of experience in the running of political movements, and full of historical knowledge thereof, but it will all be irrelevant to the problem of how to secure the adoption of the authentic Social-Credit remedy by a Government. The reason is that no precedent exists which is even remotely comparable to the present alignment of battle and disparity of forces. In all former struggles the bankers have helped one side or the other (and both very often!) or have preserved the benevolent neutrality of the bystander who holds coats and picks the pockets. But in this struggle we are up against the implacable hostility of Finance, allied and organised on a worldwide basis, and in command of an overwhelming preponderance of the means of misrepresenting our policy and obstructing our activities.

How can the voluntary energies of ten people and their collective resources amounting to ten shillings be best employed to overcome the hired energies of a million people backed by ten million pounds? That is how the problem stands. And unless those who have made a careful study of it in all its aspects are to take the lead in counsels of strategy then concerted action had better not be undertaken at all. There is a feeling prevalent that anybody who arises in the name of Social Credit and starts something going shall be given a free advertisement in *THE NEW AGE* without reference to whether it is good in itself or whether it will divert energy and money from other things of greater importance. For us to voice any doubts, or permit others to express them, would be an "unfriendly" act or would disturb the "unity" of the Movement. Very well, but by reason of our silence readers interested in *THE NEW AGE* naturally assume that its position is secure. Some of them know that it never has been, and that its maintenance in the immediate future depends upon circumstances which cannot be foreseen. This matter is engaging attention among our advisers, so we need not pursue it further for the present. Let us talk about bacon.

The Price of Bacon.

The *News-Chronicle* of January 26 points out that before the quota was imposed in 1932 the wholesale price of Danish bacon was 52s. per cwt. To-day it is 96s. per cwt. This "rigging of the market," it says, is costing the consumer at least £10,000,000 per annum. This is an aspect of the boosted "trade revival" that will bear some thinking about. Ten million pounds is roughly 3 per cent. of the £300,000,000 indirectly put into circulation by the Bank of England (according to Mr. McKenna) through the purchase of securities. So you might say that the bacon-eater is paying the interest on the securities and on the advances made by the Big Five. At any rate it can be conceived as working out that way in principle. So the finance of the "revival" is as "safe" as it is generous.

Tension in the Church.

Speaking of tensions, *The Times* of January 27 discusses the controversy provoked by Lord Hugh Cecil's protest against the Dean of Liverpool's having invited a Unitarian minister to preach the Assize sermon in the Cathedral. *The Times* is able to discuss the matter impartially, for the religion which it stands for is that of the B.B.C. It deprecates the invitation on the ground that, though inspired by the desire to promote religious unity, it "tends to have precisely the opposite result." Whatever the various churches may have in common, their "essential differences must be recognised." In other words, so long as they unite to extol the virtues useful to the Money Monopoly, their disunity on

doctrinal grounds need not matter. This get-together principle tends, says the writer, to "affront many devout and simple folk" and even causes some of them to "look towards the Church of Rome." Naturally nobody wants to see a flight of Churchmen's capital to Italy.

Social Credit Secretariat

All Douglas Social Credit Groups, Study Circles and Associations not yet affiliated to the Social Credit Secretariat are invited to apply for affiliation in order that they may participate in the important constructive activities now taking place. All affiliations will be published in *THE NEW AGE*, and enquirers wishing to be referred to the nearest affiliated group should apply for information to the Secretariat.

W. L. BARDSLEY, Secretary.

8-9, Essex-street, Strand, W.C.2.

Major Douglas's Arrangements.

According to correspondence, and also an announcement in *The New Era*, the following arrangements were (or still are) in progress for Major Douglas's visit.

Fremantle.—Civic reception.

Perth.—Civic reception. The Western Australian Cabinet will tender a State Luncheon.

Sydney, January 25.—Reception at the Town Hall in the morning. Luncheon and talk to Commercial and Business executives at Farmers' Blackland Gallery at mid-day. Lecture at the Stadium, Rushcutters' Bay, in the evening.

Sydney, January 26.—This is a public holiday. Major Douglas has private engagements up to mid-day, and leaves for New Zealand at that time on the s.s. *Wanganella*.

The seating capacities of the three places of meeting are, in the order named above, 3,000, 1,000, and 14,000 respectively.

Economists and Bankers.

"There is, of course, no reason why economists should not accept service with the banks; but once they do so, they have no right to pose as independent experts entitled to advise Governments in matters of national policy.

"Universities who lend members of their staffs to private financial corporations are surely recreant to their trust, and they should not be surprised if the public suspects their disinterestedness."—From *What's Wrong With Economists?* by Professor R. F. Irvine, *New Era*, Sydney, October 26, 1933.

A Rival to Wheat.

For countless ages wheat has been one of the staple foods of mankind, but a possible rival to it has now been discovered in Queensland. This is Mitchell grass, which resembles wheat in appearance, but has a smaller kernel. Experiments in selecting and breeding new types of the grass are now being made. It is expected that forms with larger kernels will be discovered, and if by this means the grass is made more productive, it may become a valuable source of food.

Mitchell grass has the great advantage over wheat that it is perennial, and, therefore, does not need sowing, it is perennial, and, therefore, it roots more deeply, and therefore annually. In addition, it roots more deeply, and therefore would be less affected by drought. It could be grown in many areas that are unsuitable for wheat, and its introduction would add to the available quantity of staple foodstuffs. Australian aborigines are reputed to grind its kernels for food, and its value seems to be proved by the fact that stock feeding in districts where it grows have a reputation for stamina and hardness.

Keynes on Roosevelt.

"If America is able to emerge from the trough of the slump, it is probable that the industrial activity of the whole world will move upwards for some months to come. It is the problem of how to avoid falling into another slump after no long interval which will be still unaltered."—J. M. Keynes in the "New Statesman and Nation," January 20, 1934. Art. on "President Roosevelt's Gold Policy."

Let No Dog Bark.

By B. J. Boothroyd.

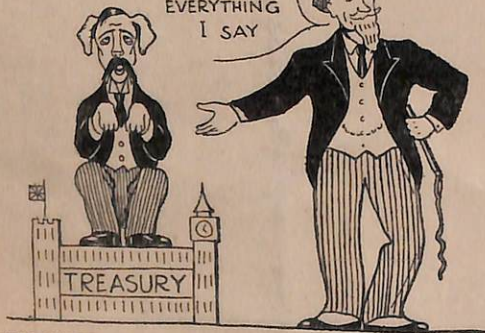
This is the time of year when the nation gets its annual ration of moral and economic education. In other words, when the banks hold their meetings, and their chairmen put the world right.

There is a certain atmosphere about these speeches. I imagine the Israelites felt it when Moses came down from the Mount with the book of words.

Bishop Goodenough, chairman of Barclays, was first in the pulpit this year, followed by Archdeacon Lord Colwyn, of Martins. Both were in true Sinai form, and covered all over with apostolic succession.

The main purpose of these speeches, apparently, was to emphasise the two primary conditions of the Revival:

THIS ANIMAL, LADIES & GENTS, UNDERSTANDS EVERYTHING I SAY



THE BANKS ARE EXPRESSING APPROVAL OF THE GOVERNMENT'S FINANCIAL POLICY (NATURALLY).

Confidence and Sound Principle. "Confidence" you all know. It is the thing we sit down and wait for when the Bank has dictated nine expedients to the Government and produced nine flops.

"Sound Principle" is never defined in the speeches, but from inference you may gather that it is based on the Elimination of the Consumer.

Various policies were enumerated for putting this principle into operation. Foremost of these is Foreign Lending. No explanation is given of it, as none is needed. It is merely a natural instinct to send money out of the country in case a consumer should get it.

There are others, of course. Lord Colwyn said that low rates of interest were mainly responsible for our improvement. Mr. Goodenough said that low rates would achieve little without Confidence, which was the main cause of our improvement. Lord Colwyn said that the chief thing was to fix the exchange rates, which would tie our fortunes to those of the U.S.A., but added that the American programme might not prove stable.

That's clear enough so far: the chief thing is low rates, which are but little use alone. Another chief thing is fixed exchanges, which we may not get, and, if we do, may not prove stable. We may therefore take it that revival is inevitable on Tuesdays, Thursdays, and Saturdays, and not inevitable on all other days including Sundays and Bank Holidays. And they need holidays after all this brain work.

Mr. Goodenough said the return to the Gold Standard was necessary, but that it couldn't be done now because of other countries' difficulties. These difficulties, however, he said, might give rise to a better understanding of the value of freer trade conditions. So the difficulties are really a good thing. Mr. Goodenough said we must not rely on artificial measures for raising prices, but

that the artificial measures were necessary to maintain international trade even at a low level.

The main idea seems to be that we are all right here, but that we rely on foreigners and they are unreliable. However, I think the foreigners may come up to scratch. For Mr. Goodenough proceeded to tell America that she must abandon her policy of reducing imports. If America sells abroad, he said, she must buy from abroad. A creditor nation must buy more than she sells.

This is the word for which the world has waited, and I hope Americans will find it Goodenough for them. For many years now foreigners have been waiting anxiously to be put in their right place as buyers only.

Fortunately, we are both a creditor and a debtor nation, so can be which is best at the moment. Just now we are a debtor country, and must sell more than we buy. The reason is clear: if we don't sell more than we buy abroad, we shall have to sell more at home, which would mean giving the consumer credit. And then what would happen to Sound Principle? Its hair would turn white in the night.

Both speakers warned the country against letting the Government interfere with financial policy. Lord Colwyn said that Government action always retarded recovery (thereby being the opposite to the Bank, which recovers retardation). However, as they paid a tribute to "the wisdom of the Chancellor of the Exchequer" and the "sound policy of the Government," we may presume that the Government has acknowledged its function as Bankers' Executive.

Mr. Goodenough congratulated the country on the fact that "the wild and unsound schemes proposed for currency and credit manipulation, designed to secure quick returns to prosperity, had been disposed of." He evidently thinks Douglas is not coming back.

Mr. Goodenough's demand for "a steady flow of emigrants from the British Isles to the Dominions" needs no elaboration: Keating's Powder and Rat Weeks having failed, it is an obviously good way of getting rid of surplus consumers.

To sum up: The Revival is assured, because artificial measures are being temporarily adopted to prevent other



THERE IS A CERTAIN ATMOSPHERE ABOUT THESE ANNUAL BANK MEETINGS.

artificial measures, which, given Confidence, will enable U.S.A. to take part in international trade by leaving it all to us, thereby consolidating that steady improvement which, hindered by the difficulties of other coun-

tries, makes it essential to fix the exchange rates, which may prove unstable, and provide that cheap money which is no use by itself.

One remark remains obscure to me: "The Bank is in a sound and liquid position." Does that mean that the bank has got splashed by the number of businesses its sound policy has sent down the sink, or does it refer to the large amount which was apparently drunk before these speeches were made (or shall we say reported)?

The Present Financial System.

By Hilderic Consens

II.

In order to make the argument clear and to avoid the complications of figures which would develop in following a series of transactions between seven or even five deposit banks, I will assume that there are two deposit banks only, of the same size, and related to the central bankers' bank. The lending policy pursued by any branch of one of these banks obviously depends on its peculiar business (Cheltenham being different from Manchester, for example), on the instructions of its head office, and on the effect of its other business. But the effect of the total transactions of all the branches can be treated as though the bank had no branches but only a head office. We therefore have this situation before the deposit of the £1,000.

(1) Bank A—Deposits £450,000	Bank B—Deposits £450,000
Cash ... £100,000	Cash ... £100,000
Loans ... £350,000	Loans ... £350,000

On the deposit of the £1,000 we have

(2) Bank A—Deposits £451,000	Bank B—Deposits £450,000
Cash ... £101,000	Cash ... £100,000
Loans ... £350,000	Loans ... £350,000

(A) What initial loans the bank may think fit to make on the basis of the extra cash we cannot say, but we will assume for the moment that they amount to the same ratio as already exists between Cash and Loans. Some banks appear to count as assets only that part of granted loans which are actually used by the borrowers at any given time: i.e., they are overdrafts. If a firm has permission to borrow £1,000 but only borrows £900, then the Advances only include £900, but others reckon the Advances to include the permitted maximum. In the former case there will be no Deposits in the bank credited to the borrower, for as soon as he takes up part of the loan by writing a cheque, the cheque gives rise to a deposit of some other party. But in the second case the unused part of the loan is a deposit to the credit of the borrower until such time as he uses it. For the purpose of the present argument it does not matter which practice is pursued, but we will keep to the second. So at the moment when the extra loans are granted the position becomes

(3) Bank A—Deposits £454,500	Bank B—Deposits £450,000
Cash ... £101,000	Cash ... £100,000
Loans ... £353,500	Loans ... £350,000

Exactly as in the case of the One Bank System, a deposit of cash has increased the liabilities by four and a half times its amount. These two banks, however, share the custom of the country between them; half the total bank customers will use one and half the other. Then half the A's new loans of £3,500 will deposit them with Bank B. The result will be

(4) Bank A—Deposits £454,500	Bank B—Deposits £451,750
less £1,750 = £452,750	Cash ... £101,750
Cash £101,000 less	Loans ... £350,000
£1,750 = £99,250	
Loans ... £353,500	

Bank A has lost more Cash than it received and Bank B has got more extra Cash than Bank A had. It can therefore, on this line, increase its loans even more, while Bank A must contract. A violent see-saw movement will set up between them. B will loan an extra £6,325 and lose in consequence £3,162. A will call in £6,325 in loans so as to reduce its liabilities and then

issue a large amount in respect of the cash got from B. And the process will get worse and worse. It is obviously not what happens. No bank in a system can manufacture loans at this rate.

(B.) But let us assume, instead, what lies behind the idea that "a bank can only lend what is deposited with it." The process becomes clear. We will suppose that when £1,000 is paid into Bank A it feels able to advance only half that amount in extra loans. Then our position (3) will become

(3) Bank A—Deposits £451,500	Bank B—Deposits £450,000
Cash ... £101,000	Cash ... £100,000
Loans ... £350,500	Loans ... £350,000

Half the payees of the new borrowers will bank with B, so that A loses cash to B.

(4) Bank A—Deposits £451,250	Bank B—Deposits £450,250
Cash ... £100,750	Cash ... £100,250
Loans ... £350,500	Loans ... £350,000

Here we see that a loan made by A is the cause of deposits both in A and B. A loan made by one of the Big Five is a cause of deposits in all of them. But Bank B has now £250 more "cash in hand or with the Bank of England" than it had so that in its turn it will expand its loans. At the same time Bank A has by no means reached its customary limits in the ratio, and can lend more. Bank B lends half its extra cash. So we have, for half its customers will pay to Bank A's customers,

(5) Bank A—Deposits £451,312½	Bank B—Deposits £450,512½
Cash ... £100,812½	Cash ... £100,187½
Loans ... £350,500	Loans ... £350,125

Meanwhile Bank A has issued £125 extra loans and the result is

(6) Bank A—Deposits £451,375	Bank B—Deposits £450,375
Cash ... £100,750	Cash ... £100,250
Loans ... £350,625	Loans ... £350,125

If they continue "lending prudently" they will in the end arrive at having made loans of £3,500 on the basis of £1,000 addition to cash, but the bank which received the cash will have made the larger part of the total. Hence competition for deposits exists between the banks. A deposit in one gives it an advantage, though the others benefit therefrom. On the other hand the fewer the banks the more rapidly can the system work. If instead of a system of two banks, the processes above were applied to five then if they were all about the same size, a loan of £1,000 would mean the loss of £200 Cash with the B. of E. to each of the four others, and the final pyramid of loans based on it would take longer to build up. Hence the campaign for bank amalgamation.

It follows also that it is impossible to bankrupt a circle of banks based on a banker's bank, so long as they agree to keep in step. For if each of the five advances a £1,000, each will part with £200 Cash at Bank to four others and receive £200 from four others. And if they are of various sizes, they need only advance at the same rate (not by the same amounts) to be quite safe.

The only difficulty for a country off the gold standard, when bullion is not Bankers Cash, is the provision of sufficient paper money legal tender. For a vision of sufficient extension may bring about plenty of notes in people's pockets, and unless a respectable and efficient method of printing more is adopted, Cash in hand or even cash with the Bank of England may become troublesome.

To sum up: (1) The deposit of cash in a bank gives rise to a much larger total of loans in the system. (2) Cash may be copper, silver, notes, or a recognised claim by one bank on the credit of another at the Bank of England. (3) A loan by one bank to Mr. Smith will occasion a deposit of cash in the same or other banks by one or more other people. (4) One deposit cannot be distinguished from another in origin or effect by the bank. (5) Making loans, and not making deposits, is the active principle.

Towards Social Credit.

AN INTRODUCTORY ESSAY.

By W. T. Symons.

The Modern Social Dilemma. I.—General.

It is agreed by all observers that despite widespread human need the production of goods and services, both agricultural and industrial, is being restricted on a very large scale on account of financial difficulties, and under financial pressure. The sowings of corn, cotton, rubber, sugar and many other commodities are vastly curtailed by this means. We also have frequent instances reported in the Press of destruction of products, e.g., coffee, new-born cattle, fish and machinery, in an endeavour on the part of producers to raise prices and save themselves from bankruptcy.

It is not reasonable to blame the producers for their part in limitation of crops and machine-production, or for the destruction of goods and machinery, since they can no longer sell the products at prices which cover all their costs and provide them with an income and reserves to enable them to carry on.

But the ruin of the producers which is thus brought about, with consequent lack of employment and restriction of production in many articles necessary for human life, is an evil of such great magnitude and so much against all human considerations that modern poverty may be said to be a wholly artificial product, since it is impossible to deny that every reasonable requirement of nourishment, clothing, housing and amenities, for every member of a modern population, could easily be provided with the existing capital equipment and personnel; and it is equally certain that an indefinite increase could be produced.

Not only is a very large number of the population kept permanently below the level of nutrition medically recognised as the necessary minimum (see Report of the General Medical Council, November, 1933*) and all the advantages of an advanced civilisation denied them, but by far the greater part of the whole population lives in a state of anxiety which is undermining mental and emotional stability at an accelerating speed (see records of insanity, which is on so great a scale of increase that the mental hospitals of the country are grossly overcrowded; and the appalling record of suicides directly attributable to these causes. The latter have risen steadily, almost paralleled at every stage by the bankruptcies, with every year's continuance of the deflationary policy inaugurated in 1920—reaching the figure of 5,743 in England during 1932 compared with 3,876 in 1922 and 2,495 in 1917).

Under these circumstances it is essential for thought to be directed to the solution of the modern dilemma, which is as serious eugenically as economically, and as necessary of solution on scientific as on humanitarian

B.M.A. REPORT ON NUTRITION OF UNEMPLOYED.

* The Committee of nine Doctors set up by the British Medical Association in April, 1933, to inquire into the relation of Unemployment pay to nutrition have reported that the minimum cost of food per week for a man, wife, and three children to maintain "health and working capacity" is £1 2s. 6d. Such a family's unemployment pay is £1 9s. 3d., leaving 6s. 8½d. for rent, fuel, clothes, boots, and everything else. The standard provided by the Unemployment Insurance Act is lower than that provided for convicted criminals. The Government is proposing to make the present scale permanent.

The Committee appointed by the British Medical Association consisted of: E. K. Le Fleming, M.D.; G. C. M. McGonigle, M.D., M.O.H. for Stockton-on-Tees; Sir Henry Brakenbury; N. B. Harman, F.R.C.S.; G. F. Buchan, M.D., M.O.H. and School Doctor for Willesden; S. J. Cowell, M.B., Professor Dietetics, London University; G. E. Friend, M.R.C.S., Medical Officer, Christ's Hospital; Robert Hutchison, M.D., Physician, London Hospital; V. H. Mottram, Professor of Physiology, London University.

grounds.† The modern tragedy is a new problem for mankind. The difficulty has never before arisen from a plethora of goods.

Certain assumptions can be definitely ruled out by the known circumstances; notably the assumption which is the basis of Labour Party economics, that unequal distribution of income is the cause of the trouble, since the total income is grossly insufficient. Equally disproved is the Communist assumption that the private ownership of the means of production accounts for the situation; nor can the irritants of tariff restrictions and prohibitions be sensibly regarded as more than aggravations of an inherently unsatisfactory condition of affairs. The plausible reference to difficulties of foreign trade is not satisfactory, since there can be no question that if the home market were largely increased the needful raw materials could be obtained, and exports increased in payment.

The dilemma is new in character; it cannot reasonably be attributed to behaviour that can be remedied, on the part of any section of the community. Consequently we are compelled to consider the system itself, and endeavour to discover the governing cause and the remedial principles.

(To be continued.)

The Films.

Film of the Week: "Anna and Elisabeth." Directed by Frank Wysbar. Camera Work by Franz Weigmayr. Cinema House.

This unusual and original picture is not to be recommended to filmgoers who regard the cinema solely as an amusement. It begins and ends on a deathbed, traverses in between a whole psycho-pathological scale, and has a satirical element of which the full flavour is not for the multitude. Incidentally, the theme is unusually intelligent and unconventional, both in conception and handling.

Anna, weeping over her apparently dead brother and praying that he may not die, sees him brought back to life. "A miracle," says the village doctor, "when all our science has failed." "No miracle, but you won't admit you were mistaken," says the priest, jealously trying to keep medicine and the Church in watertight compartments. Despite the warnings of the priest, the village accepts Anna as a miracle-worker. Faith cures a woman of the manor, whose her. It also cures Elisabeth, the lady of the manor, whose paralysis disappears. Anna, puzzled and frightened at first, comes to believe in her powers, in which she is stimulated by Elisabeth. The local bishop sends two priests to test Anna. Just before the demonstrations, Mathias, a confidant, has a seizure. Anna, now confident in her gift, prays that he may live. He dies. Anna commits suicide, examined by the priests, and Elisabeth says, "You may believe or disbelieve in the miracles as you wish, perhaps Mathias lacked sufficient faith, as Elisabeth and Dorothea Wiecek and Hertha Thiele are Elisabeth and Anna, respectively. Most fortunately, there has been no attempt to cast them again in the "Mädchen in Uniform" mould; they are allowed to be individuals and not forced to become types. Dorothea Wiecek has some superb moments, notably the scene when her faith is shaken on the death of Mathias. As for Hertha Thiele, you will come away from the film—which you ought to see more than once—saying "this girl should become a great actress."

Among the rest of an admirable cast, special mention must be made of Mathias Wieman as Mathias. The production in general derives from the sombre traditions of the classic German screen; its technique is that of the silent era, and dialogue is sparingly used. Unfortunately, the English titles are again completely inadequate, but this

MALNUTRITION OF CHILDREN.

† "The Lancet" of November 24 states that the rate of malnutrition of school children (revealed in the Report of the Save the Children Fund) was 11.2 per 1,000 in the last recorded year, as against 10.6 in the year before, and 9.5 in 1926. They bring these figures forward in reference to Sir George Newman's ominous use of the words "as you see in his recent Report as Chief Medical Officer of the Ministry of Health, where he states: "There appears to be no measurable sign of impairment of the physique of the children, and nothing to show that, as yet, their health has been lowered."

easily curable defect has apparently to be accepted as a law of nature.

"Mala the Magnificent," Metro-Goldwyn-Mayer Production. Directed by W. S. van Dyke. Empire.

Mr. van Dyke, who made "White Shadows in the South Seas," here achieves a blend of that film and "Storm Over Asia." In this instance, it is not so much the white man's cupidity as the white man's justice that is contrasted, to its detriment, with the ethics of the noble savage. The film was made in the Arctic Circle and post-synchronised in Hollywood; marvellous to relate the after-treatment has left its quality unimpaired, and the adroit mixture of travel film and melodrama retains the character of its native environment.

Here is a picture in which all the players are non-professional. Van Dyke is not the first, and will not be last, commercial director to realise—as the Russians have for years—that professional training is often a handicap instead of a help on the screen. However, Hollywood, despite its occasional incursions into sponsoring a production with no flavour of the studio, will continue to believe both in the star system and in synthetic roles for its stars.

"Little Women," Adapted from the Book by Louisa M. Alcott. Radio Pictures Production. Directed by George Cukor. Camera Work by Henry Gerrard. Regal.

"Let's go clean," said Hollywood, "and make a Mädchen Ohne Uniform." The result drips treacle at every pore. The picture can be recommended to those who enjoy wallowing in saccharine sentimentality, and also to those others desirous of realising just how noxious were the false moralities and the depraved suppressions of the Eighteen-Sixties. Victorianism one does not call it, the scene being Concord, Mass, but the American variant was clearly worse than the Britannic original.

A thoroughly nauseating period. When the March sisters sacrifice their Christmas Day breakfast (two sausages apiece and trimmings) to feed a poor—and, no doubt, honest and deserving family—one wants to kick the little prigs. And the same with other instances of unselfishness, all so well rubbed in as to deprive the deed of any grace. Pity that these young ladies of Massachusetts had never heard of Exhibitions.

Technically, "Little Women" has interest. The atmosphere both of the book and of the period is faithfully recreated. But why bother to re-create it, especially as there are other tracts, *ad nauseam*, being put on the screen? Katherine Hepburn is Jo, Joan Bennett plays Amy, and Frances Dee and Jean Parker are Meg and Beth, respectively. Whenever the four sisters appear in the same scene, ears are assaulted. Mr. Cukor should really have remembered that the scene was not laid in a parrot house.

DAVID OCKHAM.

Gramophone Notes.

Undoubtedly, one of the most popular of all concertos is Mendelssohn's Violin Concerto in E. We should be grateful for the records, LX262-5, which the Columbia Company have just made of it, for the rendering by Szigeti, Sir Thomas Beecham, and the London Philharmonic Orchestra is indeed a memorable one. It is difficult to write of Sir Thomas's work, for one is almost bound to repeat one's self. As usual, his work is unbelievably excellent. Not a point is missed, nor is one over-stressed, and his reading is one which repays the most careful study. Under him the orchestra plays with delightful tenderness and restraint in the Andante, and with an arresting élan, more especially in the second Allegro, marked *molto vivace*. I gave a detailed appreciation of the artistry of Szigeti in these notes some months ago, and, without any doubt, such a performance as this can be given only by a real virtuoso. He has the most exquisite shades of colour at his command, and, at the same time, the rest of his technique is that of a master.

The Ravel Quartet in F Major (Columbia LX720-3) is utterly in the classical form, but it is notable for Ravel's ingenious and witty treatment of the thematic material. It is full of strongly marked rhythms, and the Léner String Quartet is at its best in this rendering, playing with a nice appreciation of the dynamics required, and showing a fine deficiency in the numerous and rather difficult *pizzicato* passages.

Signor Gigli has made a record (H.M.V. DB1903) of Schumann's "Serenata" and Denza's "Blue Eyes." What a pity it is that he has still not learned to sing such songs as these without those annoying "stunts," so common among Italian singers, which commonly pass for emotional-

ism. His voice is excellent, and there is no need for the so frequent use of the half-sob and the exaggerated and unwarranted aspiration of vowels; on the contrary, a really fervid rendering which depended for its effect on sheer vocalism would carry far more conviction and be far more pleasing.

The B.B.C. Orchestra, under Dr. Adrian Boult, may be heard to good purpose in "Le Carneval Romain" Overture (Berlioz) and in the Bacchanale from Samson (Saint-Saëns) (H.M.V. 2077-8). As most people know, Berlioz fashioned this Overture from airs taken from his opera "Benvenuto Cellini," which was a failure. Of course, there is no doubt about the popularity of the Overture; it is very bright and attractive, and there it is played with good attack and rhythm. The Saint-Saëns Ballet music is more conventional but quite attractive.

H.M.V. DB2903 is a record of "Le Réve," from Massenet's "Manon," and the "Berceuse de Jocelyn," made by Richard Crooks. I was glad to hear this record, for it gives some idea of what Mr. Crooks can do. Let me say at once that his rendering of "The Dream" is as fine as any I have heard: it is an example of what can be achieved by sheer vocalism. The song is exquisite and tender, and this rendering realises its essential characteristics admirably.

H. G. B.

The Theatre.

Everything's Just the Same, By Vernon Sylvaire. Produced by the Author. Embassy.

Genius at Home. By Elizabeth Drew. Produced by André van Gyseghem. Embassy.

The one-act play is so nearly dead of neglect, that credit is due to any management which puts one on. But it is not quite clear why the Embassy should have chosen this particular curtain-raiser, an amateurish production, of which the dialogue consists mainly of platitudinous harangues, and which makes unconvincing incursions into both expressionism and the supernatural. Those elements require very careful handling on the stage, and demand of the playwright a considerably greater technical skill than Mr. Sylvaire possesses. In addition to producing, the author plays one of the two principal parts, in which he has miscast himself. Miriam Adams is wasted on this pretentious trifle.

"Genius at Home"—the genius being Carlyle—is a good play, but might have been better. It has two defects. The hero is presented as an irritable and dyspeptic author, rather than as a genius—the author having made the mistake of assuming that her audience will take the greatness for granted and that it is therefore unnecessary to go beyond the dressing-gown and slippers. The climax is reached at the end of the second act, when John Stuart Mill confesses to the accidental burning of the manuscript of the first volume of "The French Revolution," and husband and wife, after consoling him, resolve on the immediate re-starting of the work. Here, we have both emotional tension and an admirable curtain—which is as true to life as it is good theatre—and the third act, which also ends on an excellent note, is flatish by contrast. Neither defect is incurable; the personality of the central characters is capable of being built up, and the last act could be strengthened.

The author's dialogue is good. There is not a superfluous line, and there is no lack of humour. The Embassy production is dominated by Marda Vanne, whose Jane Carlyle is an outstanding, sincere, sympathetic, and convincing impersonation. Our film producers should give an eye to Miss Vanne; she has the gift—so valuable on the screen and so little possessed by British cinema actresses—of conveying much with the minimum of facial play and gesture. Wilfrid Walter is not happily cast as Carlyle. He is an actor of remarkable virtuosity, but the contrast between his playing here and in "Happy and Glorious" suggests that the virtuosity is largely a matter of façade, and that it is easier for him to give a series of character sketches than to ease for him to give a single character. His Carlyle resembles a good photograph rather than a lifelike portrait.

Tarver Penna, as Mill, demonstrates what wealth of material a finished actor can extract from the smallest of parts. Agnes Lauchlan, as Geradine Jewsbury, has one of her characteristic roles; she is always amusing, but her mannerisms become monotonous after one has seen her a few times. Evelyn Hall is badly miscast as Lady Harriet Baring.

"Genius at Home" will have been withdrawn from the Embassy by the time you read these lines, but it is to be hoped that it will follow "Ten Minute Alibi" and "The Man Who Was Fed-Up"—much inferior plays—and be transferred to the West End. Marda Vanne is so excellent that a run of only a fortnight would rob the London theatre going public of enjoyment of which it should not be deprived.

VERNON SOMMERFIELD.

Music.

B.B.C. Concerts of British Music, Queen's Hall, January 5, 8, 10, 12.

The opening and closing items of the third concert of this series were alike in that neither of them, despite the eulogistic programme notes, improve on further acquaintance, stay their unduly protracted course, or (one hopes) fully represent their composers: I refer to Bantock's overture, "The Pierrot of the Minute" and Bainton's "Epithalamion." Both begin well, but continue less well and conclude ineffectively.

Two songs from Holbrooke's "Bronwen" were so mild and agreeable that one wonders how he could ever have been regarded as the enfant terrible of British music. Incidentally, why is it, if he has "now won something like an assured position" (according to the B.B.C.'s programme blurbist, D. Millar Craig), we never hear any of his best work? In this respect he is in the same boat with Bowen: both have had one or two light, immature, and unrepresentative works performed, but beyond that—nothing. Why? Presumably because neither of them are "in" with Clark and Co.

Arthur Benjamin's concerto for violin and orchestra convinces one that composition and not piano playing is this gentleman's strong suit. The concerto had been previously heard from the studio, and a second hearing confirms the first impression, namely, that Mr. Benjamin is a slick, clever writer, with a remarkable sense of what is and is not effective. The music is piquant rather than profound, but it is full of interest, thematically and structurally, while the solo writing is brilliant and well balanced against the orchestra. It should quickly establish itself in the repertoire, especially with such a protagonist as Mr. Brosa, who played with conviction and assurance.

Bliss's so-called "Colour Symphony," even in its revised version, does not wear too well. The colour labels are apparently arbitrary, and I doubt if they would accord with the occult scale of key and note colour as described by Messrs. Blavatsky, Robert King, and Cyril Scott. The labels have, however, served some purpose, and it may be doubted whether the work, had it been a plain unvarnished symphony, would have provoked so much discussion or have been performed more than once or twice. There is not sufficient contrast in the four movements, nor are the ideas of treatment particularly original, and the climaxes are more the result of instrumental sonority than of musical urgency. One much prefers Mr. Bliss at his present stage of development. Personally, I found Eric Fogg's concerto in D, for bassoon and orchestra, by far the most attractive work of the evening, in spite, or rather because of its Delian derivation. It is more than a mere vehicle for virtuosity, though it certainly gave Mr. Archie Camden ample scope for a display of his exceptional musical and technical abilities, as well as revealing the bassoon to be a more expressive and pliable instrument than one had hitherto imagined. The work will stand very well on its own musical merit, and it may be said that Mr. Fogg, in addition to a well-developed harmonic sense, has something that is not common amongst contemporary composers, and that is the ability to write melodically. This is clearly a work that should receive more attention, though there are probably not many players in Mr. Camden's class. Two songs by Maud Valerie White were sung well enough by Mr. Browning Mummery, though he was not in his best voice, but we might have been spared these obviously dated examples of balladry in favour of the lesser known art songs of Quilter, Warlock, or Delius.

CLINTON GRAY-FISK.

FORTHCOMING MEETING.

Ipswich.

February 22, at the Public Hall, Ipswich: Mr. A. L. Gibson will give an address under the auspices of the Ipswich Douglas Credit Association.

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

Mr. Arthur Brenton,
20, Rectory Road,
Barnes, S.W.13.

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

LETTERS TO THE EDITOR.

LOWESTOFT BY-ELECTION.

Sir,—Those of your readers who live in Suffolk particularly, and your other readers generally, should be interested in the National Conservative candidate for the Lowestoft division in the present by-election. Mr. P. C. Loftus is far superior to the average Parliamentary candidate, and particularly valuable at the present time. He is not only engaged in industry, being the managing director of the Southwold Brewery, and experienced in local government, but has a peculiar knowledge of the problems of international trade and finance, as is shown by his articles which have appeared in East Anglian newspapers and the "New English Weekly," by a small book on the subject, and otherwise. Reports of his speeches and lectures show his familiarity with most of the critical views and proposals relating to credit, among them Social Credit.

BANKS AND NEW CAPITAL.

Sir,—With several statements in "Accountant's" last letter I agree, though I deny the relevance of some of them, and do not assent to his three numbered propositions as he states them. He is trying to prove that a deficiency of money arises through the financing of new capital. Let us suppose that, during a period otherwise stable, a factory is built with new credit. The increased incomes so generated will tend to raise the price of consumers' goods—not because the sellers of these goods have to recover more money to meet additional costs, but because they are able to recover more and increase their profits. "Accountant" seems to realise this. It is what I have called "an un-covenanted diversion of income towards a particular class." If this diversion had not taken place the cost of the factory (and consequently the money with which it could be bought) would remain spread over the community equitably if we assume that the division of incomes prior to the change was equitable. Thus the community as a whole would possess the money-equivalent of the increment of real capital. Of course, the money is still present, though massed mainly in the hands of the profit-makers. These are able to buy the factory by buying the securities representing its ownership; their money payments return to the bank and the debt is cancelled.

What has happened? The country has increased its permanent assets by one factory, the cost of which has been liquidated by those who want a permanent asset. No new cost remains unmet; the investors do not want to sell the factory or they would not have bought it. They will now raise a new loan from the banks as working capital (we may think of it as the same money circulating again) in order to use the factory for producing consumable goods, and the sum will be recovered in the same way as the previous loan, except that the money this time will be used to buy, instead of a factory, the consumable goods it produces.

Alas! I know only too well how "Accountant's" mind will run at this point. At least, I think I do, but I have already been rebuked once for trying to anticipate the reply of a correspondent, and I will simply ask "Accountant," before he rushes for his pen, to read pages 165 and 166 of the book which started all this bother, my "Control of Prices"—and to accept my apology if that doesn't deal with the very point he was about to raise. AUGUSTUS BARRR.

GREEN SHIRTS AND CREDIT TECHNIQUE.

Sir,—I am very disappointed that the Green Shirts have not answered the main contention in Mr. Rand's letter to THE NEW AGE of November 30, 1933, in which he shows how important it is for Social Creditors to make it quite clear that Major Douglas's scheme does not interfere with the present method of providing producer credit through the medium of the banks; and that the issue of National credit is for consumer purchasing power only. In this way the absolute monopoly of credit issue by private banking concerns is broken. The power of injury to the community of the exercise of this monopoly is thus destroyed without injury to the banks, and without loss to the community of the function fulfilled by the banks. This is most important, for part of the genius of the Douglas scheme is the maximum amount of benefit it confers combined with the minimum of interference.

As uncompromising supporters of the policy of Major Douglas, do the Green Shirts not agree that the banks should continue to grant Producer credit, provided there is national control of Consumer credit? B. C. BERR.

THE B.B.C. AND ECONOMICS.

Sir,—As one interested in many of the Broadcast Talks, I have on occasion made inquiries of the various speakers. With one striking exception all inquiries have been answered

either personally, or publicly over the microphone. The exception is the subject of Economics. I brought this curious failure (and refusal) to answer any questions before the Director of Talks, but his replies are not satisfactory, as they do not deny the fact, nor do they give either any reason for this state of things or any promise of alteration.

It seems to me, beyond question, very unreasonable if this subject has to be singled out and every lecturer instructed or advised that questions needn't be answered. Surely the lecturers are there to help students and at least an attempt might be made to deal with matters of urgent importance when such are made evident in many letters. It might be interesting if others of your readers gave their experiences also in order that data might be forthcoming (if sufficient) to carry the matter a step further. J. H. BROWN.

DR. GRODDECK.

Sir,—My respects to Secateur, but I don't think that your readers will need much instruction about the history of Psychoanalysis. My own attitude to it is not so much that of Secateur's elderly scientists towards Darwinism as that of Samuel Butler. I've had the psychoanalytic measles, and recovered, thank God! In support of this I may tell Secateur that in spite of his unmannerly references to chickens, my mental age was computed by an expert disciple of Dr. Cyril Burt's as about eight. I then insisted on putting him to the test, and found that his mental age was three. So there!

As for Dr. Morris Robb, I will answer him when he ceases to be merely personally abusive, and finds something to say. N. M.

Sir,—Since Darwin was rejected there seems to be a section of the community that is so afraid of being had the same way again that they are ready to swallow anything that appears new and a bit cranky, such as Dr. Groddeck's set of ideas. The result is that their minds have become, not broad, as they hope, but abjectly second-hand. Thank Heaven there are a few people like N. M. to blow the gaff. But when threats begin to be used the ordinary reader, not otherwise given to writing letters, feels it really is time for him to put in a word to reassure the Editor that we buy THE NEW AGE, not for all the wonderful reasons Dr. Ross mentions, but for the Social Credit matter in it, though we do also, some of us, read with enjoyment the film, music, and other reviews. (And we are not a "distinguished and small clientele" either.) Thank you for publishing N. M.'s review. "AVERAGE READER."

SOCIAL CREDIT AND PSEUDO-SCIENCE.

Dear Sir,—As I read the "Notes of the Week" of January 25, largely concerned with pseudo-science and red herrings, I was surprised to come across a number of the latter in so unlikely a place as THE NEW AGE. Item, "Materialistic problem . . . Mechanistic remedy": the old interminable wrangle between vitalists and mechanists. Still hoarier impage) in the finest theme of all on which to argue till the small hours. Item, the confusion of Psychology with Mysticism ("To put it in psychological language, the statement stand that only the 'Higher Nature' of the discoverer . . .") when all Douglasites know that at least half the opposition to Social Credit is purely psychological. Item, the irrelevant introduction of Psycho-analysis (that universal Aunt Sally!) and the bracketing of it with Religion; both being classed, apparently, as pseudo-sciences! Item, the attempt to isolate the "mechanical" (technical?) side of Social Credit to the complete exclusion of its psychological aspect; that is, the difference in mental outlook implied in a policy—whether that of controlling Scarcity or of administering Plenty. Item, "Noble" Truths, and, scarcely credible; the Social Credit movement represented by those unreasonable heroes the climbers of Everest, and the Promised Land of the Age of Plenty identified, with the least inhabitable spot on the face of the Earth!

The Summit of Everest! What more perfect symbol could one find for the heaven of the puritan bankers! Why, mischief in drawing breath alone; and the proximity to Mars would make the importation of oxygen gas from that planet the first step towards the expansion of the banking system to aetherial dimensions as the Solar System Inc. The banker's wagon hitched, literally, to a star! The Everest Expedition! That darling of *The Times*, ergo, must have been written by the Guv'nor himself! Who else would have dared to drag before the noses of the elect a red herring of such monstrous dimensions?

"Taking Mount Everest to represent the Economic System . . ." What a Machiavellian attempt to turn the well-known "pyramid" symbol into a plea to the faithful to strive for rarer air and less oxygen, and to enable him and his friends, having snaffled the oxygen monopoly, to slip off the gold standard onto an oxygen one! Think of the boom in hot air, of which they already control the principal blasts! Think . . . but "letters should be brief and to the point," so I will remain, Sir, yours faithfully, L. T.

[Our correspondent has not told us his or her name. Probably by oversight, since the letter bears an address. As to the contents of the letter, we hope to be excused from dealing with them. We could enjoy a game of peep-bo, but our declining years forbid.—Ed.]

ANSWERS TO CORRESPONDENTS.

FINANCE AND PROSTITUTION.

A correspondent writes to say that a friend of his, who had been abroad in the East for five years, had been surprised since his return to England at the frequency with which he has been accosted by women in the street—a thing which would have been a distinct rarity some years ago. He suggested to his friend that this was due, not to an "increase in immorality," but to "harder times," consequent on high-financial policy. He thinks that if some statistician could produce a graph showing the increase in prostitution since 1920, it would probably show a significant parallelism with the curves of bankruptcies and suicides over the same period.

The idea is impracticable because the relevant data are largely inaccessible. Another difficulty is that of deciding what data are relevant to the measuring of "prostitution" or "immorality." The key word here is, "or." The measure of "prostitution," in the ordinary sense of the word need not be the measure of "immorality" in its general, social sense. In fact an increase in "prostitution" might reflect a decrease in "immorality" in these senses of the words. For if more women were found to be practising sexual intercourse on a professional basis, the reason might be that fewer women were practising it on an amateur basis. If you define "immorality" as covering intercourse outside wedlock, obviously you cannot measure it by counting only those cases in which the payment of money is a consideration.

If our correspondent's friend's experience may be taken as typical, the reason might be, not that there are more women on the streets than before, but that these women are more active in their solicitation and more urgent and open in the manner of it. And if that were so the reason could be that fewer men sought their company. In any market one likes to barter, when buyers are shy, sellers are more brazen, and because of that there appears to be a greater number of them.

The shortage of men in this case can arise from the following causes: (a) that fewer of them indulge in sexual intercourse; (b) that they can get it elsewhere either for nothing, or, as one might say, at the "just price"—for the amateur purveyor of vice has no overhead charges to recover. And it is in this direction—spare-time prostitution—where one must look for the measure of "immorality," and for the gravest indictment against the Money Monopoly.

"This Bankrupt World."

Dr. Nicholas Murray Butler, President of the Carnegie Endowment for International Peace, issued a statement last night in which he said that the world to-day was bankrupt, and lacked the courage to face that fact and place itself in the hands of a receivership policy. He estimated the world's liabilities at £60,000,000,000, compared with assets of less than £1,400,000,000 in monetary gold, which should be transferred to the Bank for International Settlement to be used only in settlement of international balances.—*Irish Times* (Reuter), January 1, 1934.

"Alberta for Douglas"

"It is to be hoped that an inquiry into the proposals of Major C. H. Douglas will be made by the Alberta Legislature at the forthcoming session. As the result of action taken by Labour and U.F.A. members of the House, Major Douglas gave evidence at Ottawa on the occasion of the last revision of the Bank Act. Of late in Alberta there has been a general revival of interest in Major Douglas's ideas. There can be little doubt that an inquiry into the subject, in function and control of financial credit—into the subject, in other words, of social credit—is to-day eminently desirable."—*The U.F.A.*—organ of United Farmers of Alberta, November, 1933.

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