

THE NEW AGE

INCORPORATING "CREDIT POWER."
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A. R. O.

And the spring loved him surely, being from birth
One made out of the better part of earth,
A man born as at sunrise; one that saw
Not without reverence and sweet sense of awe
But wholly without fear or fiftful breath
The face of life watched by the face of death;
And living took his fill of rest and strife,
Of love and change, and fruit and seed of life,
And when his time to live in light was done
With unbent head would pass out of the sun.

—Tristram of Lyonesse.

And when Thyself with shining Foot shall pass
Among the Guests Star-scattered on the Grass,
And in thy joyous errand reach the Spot
Where I made one—turn down an empty Glass.

—Omar Khayyam.

Obituary.

With deep sorrow we announce the sudden death of Mr. A. R. Orage, the editor of *The New English Weekly*, which occurred during the night of November 5-6. It was he who, when editor of *The New Age*, made Major Douglas's name and theories known to the world, and laid the foundations of the Social Credit Movement.

NOTES OF THE WEEK.

In the Oragean Spirit.

When thirty-one years of age, while awaiting the birth of his first child, on December 31, 1856, Thomas Huxley entered in his journal his ambitions for the future:

"To smite all humbugs, however big; to give a nobler tone to science; to set an example of abstinence from petty personal controversies, and of toleration for everything but lying; to be indifferent as to whether the work is recognised as mine or not so long as it is done."

Later in life he wrote of his conviction

"that there is no alleviation of the sufferings of mankind except veracity of thought and action. . . ."

Another great scientist, Faraday, said that:

"The philosopher should be a man willing to listen to every suggestion, but determined to judge for himself. He should not be biased by appearances; have no favourite hypothesis; be of no school; and in doctrine have no master. He should not be a respecter of persons, but of things."

"In my laboratory," said Robert Boyle, "I find the water of Lethe which causes that I forget everything but the joy of making experiments;" and this great natural philosopher is said to have remarked that he feared death only because after it he would know all things, and no longer have the delight of making discoveries.

"Nature," once remarked Goethe to a friend, "knows no trifling; she is always sincere, always serious, always stern; she is always in the right; and the errors and mistakes are invariably ours."

Lecky, in the Introduction to his *Democracy and Liberty*, says that the whole field of scientific research seemed out of the range of even such a scholar and statesman as Mr. Gladstone, and that when Faraday was endeavouring to explain to Gladstone and several others an important new discovery in science, Gladstone's only commentary was: "But, after all, what use is it?" "Why, sir," replied Faraday, "there is every probability that you will soon be able to tax it!"

Gladstone's name of course revives Huxley's—and Huxley's name recalls Huxley's ambition concerning the smiting of humbugs. One can imagine Huxley's feelings on an occasion in 1877, when he, in company with Gladstone, Lord Morley, Lord Playfair, and Lord Avebury made up a party to visit Darwin at his home in Downe. Gladstone and Darwin had not met before. Gladstone, as soon as seated, entered into a long harangue on the subject of the Turkish atrocities. "His great, wise, simple and truth-loving listener," recounts Lord Morley (*Life of Gladstone*), "then, I think, busy on the digestive powers of the Drosera in his greenhouse, 'as intensely delighted.'"

"When we broke up, watching Mr. Gladstone's figure as he walked away, Darwin, shading his

eyes against the evening rays, said to me in unaffected satisfaction: 'What an honour that such a great man should come to visit me!' Too absorbed in his own overwhelming conflict with the powers of evil, Mr. Gladstone makes no mention of his afternoon's call, and only says of the two days that he 'found a notable party, and much interesting conversation' and that he 'could not help liking' one of the company, then a stranger to him."

How indeed could he "help liking" a notable figure in a "notable party" who would sit and listen with bated breath to his pontifical denunciations? On the other hand, how it must have exasperated Huxley to watch perhaps the finest human example of patience in observation and accuracy in reporting abase himself before a personage whose measure of use applied to scientific discoveries was their taxable capacity.

The trouble with the true scientist is not his arrogance, as has been sedulously insinuated by "notable" moral philosophers, but his humility, which in an unaccustomed frame of reference, becomes credulity. In the case of Darwin, it is not surprising that in his later life he said that although his conscience did not reprove him for having devoted his energies to the researches associated with his name, "I have often regretted that I have not done more direct good to my fellow creatures." For it is only too likely that in so speaking he was all too mistakenly contrasting his own value to society with the assumed value of the undisciplined pseudo-scientific humbug whose method of doing good to his fellow creatures stops short at denouncing their sins. Worse than that, this patient searcher of the ways of God in Nature had lived to see his conclusions twisted to reconcile the inhumanities of the social and economic system with the Will of God—to imbue with the so-called scientific sanction the doctrine that the conditions of men as they existed were automatically graded by their fitness to survive. It is said that the Society for the Prevention of Cruelty to Animals was formed some years before the Society for similarly protecting children—a fact which, if true, provided a pretty commentary on the criteria of "fitness for survival" presumably attributed to the Deity.

Orage's Mind and Methods.

It was into such a wilderness of pseudo-scientific humbug that Orage came with his fine analytical mind and brilliant gift for expressing it, both animated by the true spirit of scientific inquiry. "Nothing," said Emerson, "surprises like common sense," and probably this saying has received no more striking confirmation in modern times than in Orage's conversations and writings. Nobody, of course, is more surprised by common sense than the humbug—especially the self-deluded humbug; and since, with most humbugs, it was surprised is to be discomfited, if not discredited, it was bound to happen that Orage was always making enemies, as he has himself observed in his reminiscences. Yet such was the quality of polarity in his personality that even his enemies could not afford, for their own peace of mind, to remain out of contact with him. He would kick them good and hard, but they would come back for some more. He would smite a theory stone dead, but the pundit who had nursed it would bring the corpse back possibly with the confused notion that a second stroke might somehow revive it, or at any rate retard the setting-in of mortification. Sir, you have killed my child, but—is it really dead?

Orage, says a paragraphist in an obituary notice, would have been a great editor if he had not been so "wayward." Quite so: if he had smitten only *some* humbugs, not *all* humbugs—better still, if he had nursed some favourite hypothesis of his own, thereby being "constructive," as the saying is, then, of course, he would have been "great," as the saying is. As we know now, he was in fact to adopt and promulgate a really constructive hypothesis later (for we are here speaking of Orage in pre-War days), but that was not the sort of hypothesis which would have fitted the occasion: what the writer of the paragraph means is some sort of hypothesis which would have left unchallenged the iron axioms of the established order of society. Orage, though unaware of the necessity for the challenge, and the purpose for which it should be challenged, had the sagacity to detect the irrelevancy or inadequacy of every proposal that he investigated—even including the one which, in 1914, he was recommending and elucidating as the least open to rational and moral objection, that is, National Guilds.

Orage was, of course, not so often a participant in as he was a promoter of controversies. It has been remarked by more than one paragraphist during the last week how successful he was in getting writers to contribute without payment to *THE NEW AGE* whose names afterwards became household words. It is not surprising. A writer whose contributions were accepted by Orage achieved a status thereby. Either that contributor had something new to say, or he had a new way of expressing something old. Whether the newness were of content or style, readers of *THE NEW AGE* were ready to pay attention to it because of their knowledge that Orage had a purpose in admitting it. *THE NEW AGE* partook of the nature both of the Royal Academy (speaking ideally!) and of the Patent Office. Orage was a connoisseur of what was worth attention, and he was an expert in detecting infringements of earlier patents—he was unlikely to be caught granting provisional patents to contributions which did not break new ground intellectually or aesthetically. Ambitious writers had every inducement to contribute for nothing, because just as Orage's own writings attracted the attention of the commercial Press so would the writings of his contributors. The latter not only got a certificate of merit, but in getting it, got also a ticket in a sweepstake for commissioned writings in other journals. This was a consideration which the late Arnold Bennett left out of sight when he made, as he did once, that ungracious remark about Orage's having paid him little or nothing for his work. Bennett's contributions were *investments*: he knew how to rise on the stepping stones of his best self to lower things. Orage had no butter for other men's bread, but he was the cause that other men's bread was buttered.

To most readers at that time the chief attraction of *THE NEW AGE*, after the "Notes of the Week," consisted in the clashes of the intellectual wits of reformist contributors. No quarter was asked or given—no retreat in invective, irony or sarcasm was neglected in the forging of polemical weapons; and whosoever could come out of the struggle with sufficiently light injuries to avoid being detained in the hospital could count himself a seasoned warrior in his chosen cause, whatever it may have been. In retrospect the series of controversies through that period will be seen to have been something like the eliminating rounds of the English

Cup competition. Orage was not staging rows for the sake of the rows—entertaining as they were to the on-lookers—but was deliberately initiating and directing them with the view of seeing everything knocked out of the competition which was not logically and ethically worthy to emerge in the "Cup Final"—or, as one might say, the Wembley Debate. As has been said, the residuum after elimination emerged as the pros and cons of the National Guild idea. The National Guilds League was formed. Orage, though the virtual creator of it, did not become a member of it. He preferred to remain independent of it and to preside over the discussions and controversies about principles, ways, and means. For, as we have mentioned, he felt that there was a missing link somewhere. The League was a signpost at a point where the road forked, but he sensed that further along the "right" road there would be encountered a second baffling fork which would revive all the old disputes appertaining to the first.

Orage had emphatically rejected the idea that the sovereignty of Capital over Parliament should be superseded by the sovereignty of the Trade Unions. He had contemptuously dismissed the Fabians' ideas as worthless. He had insisted that political sovereignty properly belonged to the community as a whole. Organised Labour, he once said, had no more right even to representation in Parliament than had the Brewing Combine. To-day we can see how exactly his attitude was dovetailed to fit the concept of the general body of consumers as the true owners of financial credit and the rightful arbiters of political policy. Yes, and notice how thoroughly his admonition to Labour that it was, in itself, an improper aspirant for sovereignty has been reinforced by the technical discovery that Labour is a diminishing factor in wealth-production. At the time we are speaking of it required courage of a high order to maintain that attitude, because while, on the one hand, the doctrine of the sovereignty of the whole people could be upheld against that of the sovereignty of a section, on the other, the practical implementation of the wider doctrine compatibly with the conflicting needs of the sectional interests involved was a much more intricate one (as it appeared at that time, when "Capitalists" were thought to be the "last enemy to be conquered") than that of establishing Trade Union sovereignty by the aid of the ballot box or the strike or both. To a man like Orage the experience of feeling that a policy was right without being able to visualise its effective machinery must have been a distracting one. The ambitious Labour leaders were able to invoke the classic canon of sound government: "The greatest good to the greatest number," and to point out that since there was no prospect of satisfying everybody, the obvious thing was to satisfy the "workers" who, in the widest interpretation of the term, were in an overwhelming majority. And consider how impending events seemed to reinforce their argument as to practicability. The Government had to deal simultaneously with the resistance of Ulster to the Home Rule Act, with the Suffragettes' agitation for the vote, and to prepare for the threatened concerted pressure of the Triple Alliance of organised workers for higher wages. Assailed on three fronts how should the "Capitalist" Government hold down the massed forces of Labour?

However, the Great War came and put an end to perplexities, hopes and fears in this frame of refer-

Moloch walked in and tapped on the counter of our industrial system just as the military authorities, like Trade Union leaders, were calling out the cream of our "indispensable" workers; and, astounding to relate, "Capitalism" suddenly became efficient at delivering the goods and benevolent in dispensing wages. Orage—like other leaders of opinion—saw that there was a job to be done before any more planning of a new social order could be proceeded with, and used his talents in the service of the national effort, believing, as he used to say, that the regeneration of the world depended on the survival of the traditions, spirit and genius of the British people, and that no internal dissensions should be allowed to intensify the danger to their inviolacy involved in military defeat. A change of activity is a rest to the mind, even when the change is from one mental activity to another. So we may say that the War bestowed on Orage four years' respite, during which his self-questioning faculties were recovering from their over-excitation, thus restoring the balance of his brain, and fitting it for the resumption of his research, which was now to be transfigured by the new revelation emergent from the Social Credit analysis. Prior to this, however, the problem of the money factor in economics was not entirely new. It is on record that his doubts about the National Guilds idea arose out of his inability to see the idea working—to get a picture of (to use his words) "the relation of the whole scheme to the existing, or any prospective, system of money."

"Many were the discussions [he continues] between Mr. Hobson and myself during the drafting of the first official exposition of National Guilds, and the chapter on the finance of the guilds was, I remember, a torture to us both. . . . I read all my economic literature again with special attention to the problem of money. Every 'crank' on the subject was eagerly welcome to my time and consideration. Still the solution eluded me, and in the end I decided to remain neutral as regards both the textbook itself and the National Guilds League that was founded on it."

In his thirty years of private research and public work Orage had exhausted every subject except finance, had acquired illimitable patience, and a supersensitive nose for fanatics. Hence when about a year after the Armistice, his old colleague Holbrook Jackson, sent Douglas along to explain the new credit theory, Orage was more than eager to listen, more than willing to exhaust the subject—no matter how long it took him, and perfectly assured before he began that whether Douglas's discovery would turn out to be the missing key to the economic riddle it had been reached not by a blind pseudo-scientific leap but by the slow scientific steps of patient observation, calm reflection, and stern verification. "Facts, facts," cried Carlyle, "feed me on facts"—and it was the hunger for facts of the new order which was gnawing at the centre of Orage's economic philosophy and drove him to seize on the strange truth with the avidity of a tiger tasting blood for the first time.

The process of digestion and assimilation was by no means a short one—Orage has stated that it took him a year before his conscience would allow him to say that he had mastered the subject. And small wonder; here was a man who had taken into his philosophic thesis elements of wisdom from every plane of research, from the depths of physics to the heights of physics, in the belief (as one may presume) that

each, like a tributary of a river, contributed to the tide on which he might be borne along into the ocean of perfected knowledge. But he soon realised that the new facts were not assimilable by this complex synthesis of theories and truths—he found that he must de-synthesize his philosophy and re-synthesize it with many fewer elements. In short he had to face the fact that nothing which he had learned was relevant to the economic objective which did not relate to the problem of altering the financial mechanism on which depended the accessibility of wealth to men within the price-system. This meant his shutting wide areas of patiently-won knowledge outside the orbit of the new survey. It thereby meant also his breaking contact with old colleagues and supporters who were repositories and sponsors of the now redundant elements of knowledge. "A good deal of sweat is necessary to understand Douglas," said Orage once, and in the circumstances it was perfectly true, for the process of transvaluing values—not to speak of de-valuing values—involves a mental discipline which is a stern test to the energy, continuity and sincerity even of a Nietzschean philosopher. Have you watched an old lady, almost on the verge of tears, seeing an expert gardener drastically pruning her rose-bushes until they resemble miniature clothes-props? "Oh, he's ruined everything," you can imagine her saying. Quite so—and in a deep sense the condition for the fruitful acceptance of Social Credit is a murderous self-pruning of overgrown and straggling pre-conceptions. Orage was equal to it—and did it. And by this token he was a super-man in the realm of intellectual integrity.

This is all that we are in the mood to say at so short an interval since Orage's death. The tragedy of the event, supervening so quickly as it did on his broad-cast talk on the wireless last Monday week, stirs emotions to a degree which paralyses the pen. There remains much more to be recorded and surveyed of his activities and relationships, and we hope to deal further with the subject next week. In the meantime we would urge every person who has undertaken the responsibility of editorship in the service of the Movement to strive in the spirit of this man, the Founder of Social Credit journalism.

Social Credit Press Directory.

Great Britain.

Attack, 44, Little Britain, London, E.C.1. (2d., not published regularly.) Green Shirt organ.
The New Age, 70, High Holborn, London, W.C.1. (7d. weekly.)
The New English Weekly, 38, Cursitor Street, London, E.C.4. (6d.)
Prosperity, St. Peter's Vicarage, Paynes Lane, Coventry. (2d. monthly.)
Social Credit, 9, Regent Square, London, W.C.1. (2d. weekly.)

Overseas.

Alberta Social Credit Chronicle, 500, 8th Avenue West, Calgary, Alberta, Canada. Weekly, 5 cents. (This journal appears to be the organ of Mr. William Aberhart, who is referred to in it as "founder of the Alberta Social Credit System.")
Farming First, P.O. Box 1056, Auckland, New Zealand. (6d. monthly.)
The Douglas Review, Box 782, Station F., Toronto, Ontario, Canada. (No price.)
The New Economics, 20, Queen Street, Melbourne, Australia. (3d. fortnightly.)
The New Era, 9-13, Bligh Street, Sydney, Australia. (10 cents fortnightly.)
New Democracy, 55, Fifth Avenue, New York. (10 cents fortnightly.)
The Social Credit Bulletin, P.O. Box 5919, Johannesburg, South Africa. (Typescript. No price mentioned.)
The Social Justice Advocate. The Signal Publishing Co., Edson, Alberta, Canada. (10 cents, or \$1 per annum.)

Memories of A. R. Orage.

By D. V.

As schoolmaster and actor we first met in Leeds through our mutual interest in Theosophy.

Living a life of travel, I did not often come into contact with him, but always managed to turn up in time for some interesting event. Maybe they were but samples of all his days.

To every subject he brought an unusual point of view which revealed some hidden truth. How inevitable, then, that he should be a man of surprises!

Shortly after he came to London he gave a lecture to Theosophists, "Is Reincarnation True?" It was naturally expected he would flatter the Theosophical belief; but no, to their consternation he questioned it and dealt it shattering blows.

After the lecture men and women with pained eyes and trembling lips gathered together, and he stood calm and smiling in the midst of outraged gesticulators.

One old fellow spluttering with indignation said to me, "It's bad enough to have hardened Christians say such things, but one of our own—no, no—really—"

He once invited me to supper in Soho to meet a Norwegian, a European lecturer on the drama, who had an incomparable knowledge of the subject.

That was the kind of thoughtful, charming thing he would do.

The memorable occasion when at an informal meeting he gave the Guild Socialists the gospel of Social Credit is always to be remembered.

We attended together the first of the Ouspenski lectures, if lectures they could strictly be called. When he forsook *THE NEW AGE* editorship for Fontainebleau, it may have been more than a surprise to those who did not know there was more than one person in Orage.

Speaking of his decision at the time, he said he believed the city could not be saved by even ten "just price" men; and that before the English people could be brought to open their minds to the concept they must first have a rude physical shock. Meanwhile there was the call of the "Knower" of the Theosophists, the "Over Soul" of Emerson—call it what you will—that demanded self-development. If the occultists are right the increased understanding of one leavens and raises the lump.

When he was editor of *THE NEW AGE* I once asked him why his journal was the best in London.

"Because I do not pay for contributions," he replied; "the best is without price."

As an intellectual, a mystic, and a lover of mankind is how I shall always regard with admiration and affection A. R. Orage.

"This Was a Man."

By Frances Prewett.

It was incredible that the little slip in the *New English Weekly* of November 8 should be weighted with an event of such tragic significance, not only for Social Creditors, but also for Social Credit.

For A. R. Orage was a force whose power is not easily calculable, since it was multiplied by those around him, the reason being that he had the gift of inspiring others to do their best and even drew out the talent which otherwise might have remained latent. He was a fructifying, dynamic force.

My connection with Mr. Orage was slight, but I have the happiest memories of it. When I came to London

in 1920 Mr. Orage saw a letter I had written to the *Nation* on Social Credit, and he asked me to go to see him and be introduced to Major Douglas. I see those two giants still. Had they stood together, I believe they would have been irresistible. They were so complementary. While Major Douglas supplied the logical and scientific structure of "pure" Social Credit, Mr. Orage stood for "applied" Social Credit—that is, as a psychologist endowed with rare humanity and the power of drawing out the best in people, he was an ideal propagandist.

Reviews.

G. K.'s. Rich and Cowan. 7s. 6d.

I suppose every reader of *THE NEW AGE* must have a considerable admiration for Belloc and Chesterton. They are among the very few public figures of our time who have kept their independence. We hold that Distribution lacks implementation, but we are largely in sympathy with its aims. This *Miscellany*, compiled from the first five hundred of G. K.'s *Weekly*, is a mixed, but on the whole a creditable, bag. To me by far the most interesting article is one by Mr. Desmond McCarthy on "The Eye-Witness." Mr. McCarthy describes the gloriously haphazard way the paper was put together, and concludes: "I am sure 'The Eye-Witness' gained by being written in a day or two. Its unique character was due to its blending gaiety and honest anger; qualities which find their true expression in spontaneous writing. Brilliant it often was, but never for the sake of showing off. . . . It was written by men who gave their best from moment to moment, never hoarded their ideas for a better market, never refrained from speaking out. Certainly from my association with that round table I learnt that it is the glory of the journalist to scatter his gifts like largess. True, these journalists had deep pockets, but they emptied them continually, and in a handful of copper and silver there happened to be precious coins too, they cared not if one noticed the glint of gold as it fell." M. J.

Philosophical Studies. J. McT. Ellis McTaggart. Edited by S. V. Keeling. Edward Arnold. 12s. 6d.

Since his death in 1925, McTaggart's work has been commanding more and more attention, and competent critics do not hesitate to place him among the major figures of philosophy. Only time can substantiate a thinker's claim to rank with, say, Plotinus and Spinoza, but in the meantime one is pretty safe in saying that McTaggart has written on the most difficult of subjects with greater clarity than any metaphysician before him. He was gifted with a lucidity, a luminous wit, a command of under-statement and apt illustration which Socrates himself might have admired; and his "popular" work, "Some Dogmas of Religion," may be read as much for pleasure as for profit. Dr. Keeling is to be thanked for making this posthumous collection of McTaggart's shorter works. Some of them are early and, in comparison with such a finished work as his "The Nature of Existence," crude; but they are valuable as showing the consistency of McTaggart's thought throughout his life. The most impressive item in this collection is an essay with the somewhat arid title, "The Further Determination of the Absolute," which was written while he was in his twenties: "I felt almost ashamed to write it at all," he said in a letter, "it was like turning one's heart inside out." Spinoza might have said the same about his "Ethics" or Plotinus about parts of the "Enneads." The whole of McTaggart's mature theory of love is implicit in this paper—not love of, say, the human race, "you might as well try to love an indefinitely extended Post Office Directory"; nor even love of God. "We must come back to the meaning of the word before it got into the hands of thinkers for whom the highest is synonymous with the most abstract. It must mean for us, as it means for the world, the love that one person feels for one other person." M. J.

Banking and Industry.

By A. W. Joseph, M.A., B.Sc., A.I.A.

[A Paper recently submitted to and discussed by the Birmingham Actuarial Society.]

III.

The Trade Cycle Banks' Profits.

Let us now collate the information we have gleaned concerning the monetary system, and follow out a normal trade cycle from slump to boom and back to slump again. We start from a state of slump, i.e., a state where there is unquestionably a disparity between costs of goods and purchasing power. Traders are unable to sell their goods and they are forced to reduce prices and cut into reserves or capital. A number of them become bankrupt which causes further loss of the public's capital and in some cases a loss to the Banks. As a loss to the Banks is a lightening of the public's indebtedness, this all helps in reducing the difference between the public's effective purchasing power and the costs of goods. By itself, however, this forced deflation would not be sufficient to turn the tide. But the course of the slump has resulted in a reduction of bank loans to industry and of the corresponding deposits, as the Banks have been unwilling to lend to new borrowers or even to continue old loans in the prevailing uncertainty. Hence the Banks' ratio of deposits to cash is reduced. They are able to increase deposits by other means and this they can do by purchasing securities. The inducement is an increase in profits. The rate of interest on the securities they buy exceeds the rate they pay on depositors' accounts formed by their very action in purchasing securities. The Banks generally prefer loans to securities because the rate of interest is higher, but if they cannot grant loans with safety they are glad to turn to securities. The purchasing of securities increases the amount of money in the hands or accounts of the public. It is true that only a particular class of the public gains by this extra money, namely the investing public, but in time some of this money percolates through to ordinary trade channels. The extent by which money is created by the Banks in this way can be gauged by the fact to which Mr. Reginald McKenna attested in his speech on January 26 this year to the shareholders of the Midland Bank that since February, 1932, when the country was in almost the lowest depths of depression deposits had risen by nearly £300 millions, almost solely on account of purchases of securities initiated by the Bank of England and followed by the Banks. There is, of course, a secondary effect of these purchases of securities by the Banks; the value of securities rises.

After some time the increase of money in circulation combined with the previous deflation and reduced prices is sufficient to make purchasing power approximate to the costs of goods on the market. Trade is restored and confidence is engendered. Manufacturers are prepared to enter on fresh commitments and the Banks to finance them. The very action of the Bank of England in purchasing securities is an all clear signal to the Trading Banks that it is safe to advance loans to industry. After a time the amount of deposits in comparison with the Banks' cash approaches the ten to one limit and they are forced to sell securities in order that they may continue making loans to industry. They will do this readily because the price of securities has been forced up by the previous purchases initiated by them and followed by the public and the yield obtained on securities

is well below that obtainable on loans. The sale of securities by the Banks will not cause an immediate fall in their price because the public (which includes trading companies) is making large profits, putting them to reserves and investing these reserves by purchasing securities from the Banks. The extent of the boom will depend on the ratio between capital goods in course of construction and consumable goods which are finding their way on to the market. So long as capital goods are produced at an ever expanding rate the boom will continue and may even become hectic. But all the time the $A + B$ theorem is at work making for a potential increasing disparity between costs and purchasing power. Sooner or later the crop of consumable goods emerging on the market exceeds the fresh capital goods in course of construction and the underlying deficiency of purchasing power and hidden load of debt become revealed. Manufacturers and traders are forced to sell goods at cut prices and to sell securities in order to pay off loans. Conditions are not improved by the action of the Banks in attempting to call in loans whose backing, which seemed sound enough in the good times, is now perilously near the amount of the loan granted. In this period of the trade cycle the amount of deposits will decrease because the Banks, while calling in loans to industry, will be prevented by the prevailing insecurity from making the deficit good by purchasing securities. There is a snowball effect—prices of goods and securities fall—loans are called in—purchasing power is further diminished—more goods and securities are sold at cut prices—values fall further, and so on. The slump carries on until, as indicated above, the Bank of England turns the tide by purchasing securities.

It will be noticed that, in addition to the Bank's normal interest profit, i.e., the balance of interest received on loans or securities above that paid to depositors, they have two other large sources of profits. The normal cycle of operations involves purchases of securities by the Banks at lowest prices and sales at their highest. Secondly, during the onslaught of the slump the security upon which loans have been granted is in many cases reduced in value below the loan itself, and this means that the security, it may be a farm or a factory or shares in a company, becomes the property of the Bank itself, either directly or through a controlled operating company. At this stage the Bank will very likely make some book losses. This is reflected in lower profits, so that in times of depression the Banks suffer in monetary profits as do other trading concerns, and they are forced to draw upon their reserves hidden or revealed in order to maintain dividends. But although they are losing in monetary profits they are all the time gaining in physical assets, i.e., they become actual possessors of farms, factories, etc., at the price of the original loan, instead of at the value of the asset as a going concern in times of prosperity, and this price may be as little as 50 per cent. of its real value. For the most part they do not sell these assets in the slump, but they nurse them until better times come along. When conditions have improved and there is plenty of money about (created by the Banks and issued on loan to producers of fresh capital equipment) the value of these physical assets increases and the Banks are able to sell some of these farms, etc., to the public. The Banks are business concerns, and they do not sell for the amount of the original loan which acquired the property. They get the best price they can, and it usually shows a sub-

stantial profit. To express the matter shortly, the Banks are always able to get in on the ground floor, and get out before the bottom falls out. Normal accounting methods and the arbitrary conventions in which the Banks work make it possible for them to initiate periods of inflation and deflation in such a manner as to make them appear to be the result of natural law. In periods of deflation they become possessed of the assets of the nation. In periods of inflation they are able to realise these assets at a profit, and also to make profits on their holdings of securities. To the extent to which these profits are not distributed either as salaries to their employees or as dividends to their shareholders the public is mortgaged to the Banks without having the means to pay off the mortgage.

It has been stated earlier that purchases of securities by the Banks help to prevent the breakdown of the economic system. As the public becomes more and more indebted to the Banks there ensues an increasing deficiency of purchasing power. Now if the Banks purchase securities they create deposits which will help to counteract the deficiency. Hence, in order to keep things going there is a tendency to encourage any scheme for creating securities for the Banks to buy. The Banks themselves will sometimes take up the whole or a large portion of a Government issue, but they also advance money to their customers to subscribe for a portion of it. The customer gains since the rate of interest on the issue is greater than that on the loan. The Banks gain because the rate of interest on the loan is greater than that payable on the deposits resulting from the Government spending the money raised by the issue. It may be that the Banks do not take up the whole of an issue and thus obtain the full interest difference between that borne by the new issue and that granted by the Banks to their depositors because in this way the fiction is maintained that the issue is subscribed out of public savings instead of out of a new creation of money by the Banks themselves. Now all the securities which come into possession of the Banks either at first hand, or at second hand via a loan to the nominal owner of the security, are a funding of the public's indebtedness to the Banks. Thirty per cent. of the Budget expenditure of the country last year was in respect of interest on the nation's loans and a large proportion of this amount was payable directly or indirectly to the Banks. Hence the popular idea that high taxation is a potent cause of bad trade is quite correct, for the portion of the taxes which represents interest to the Banks is potential purchasing power of the public which will be cancelled when it reaches the Banks unless redistributed in the form of salaries to Bank officials or dividends to Bank shareholders. The taxation of the public in order to pay interest on past indebtedness to the Banks has now reached very large dimensions and its seriousness is due to the fact that no member of the public is able to escape the burden. That the true nature of this evil is not known is apparent by the support which is given to the principle of high taxation by many well-meaning persons, particularly Socialists, on the grounds that taxation is merely a passage of money from the hands of one set of persons, usually the rich, into that of another set of persons, usually the poor. The fact that so large a proportion of taxation simply raises costs without being redistributed is not grasped. Furthermore, a completely inadequate picture of the nation's resources is presented and many projects which are crying out to be done and which on physical grounds the country is well

able to afford are put aside in the belief that the nation cannot bear the cost.

Distortion between Money and Reality.

The flaws in the financial system have had the effect of divorcing monetary policy from physical reality. In some instances the peculiar position has been reached that if a course of action is looked at from the financial point of view one result appears to hold, whereas if it is looked at from the physical point of view exactly the opposite appears to hold. Four important examples of this distortion of the truth are worth examining here.

1. *Imports and Exports.*—There can be no question that from the standpoint of physical wealth a country is richer by its imports and poorer by its exports. Yet we have the anomaly that when a country exports more goods than it imports it is looked upon as having a "favourable" balance of trade, and when it does the reverse it is said to have an "unfavourable" balance of trade. That this is no mere question of words is indicated by the fact that every country in the world, rich or poor, is actively engaged in trying to foist its goods on to other markets and to keep out of its own markets the goods of other countries. The reason why countries adopt a policy so stupid when real wealth is considered and so impossible to fulfil when the world is taken as a whole is that in the course of making goods for export money is distributed to workpeople which helps to make up the existing and growing deficiency of purchasing power in the exporting country and the total prices in the home market are reduced by the export of the goods made with this money. Hence companies which manufacture goods for the export market are looked upon with favour even when they are doing such a criminally stupid action as to manufacture munitions, armaments and aeroplanes to sell to a country which may use them against the country from which they were bought.

2. *Wealth and Debt.*—Nature and science have united to produce the potentiality of an increasing real wealth and leisure for every individual. The amount of metallic money mined each year does not keep pace with the expansion of real wealth. Extra money can only be formed by means of Bank loans, i.e., by increasing debt. Hence on the one hand we have a surplus of riches and leisure, and on the other hand an increase of world debt. As has often been pointed out the richest country is the country which has the biggest National Debt.

3. *Distribution of Leisure.*—Attempts are being made to limit hours of work in order to end the anomalous position which now exists of a proportion of the population working continuously, and even working overtime, while a large body of unemployed cannot find any work at all. No more sensible remedy than limitation of hours could possibly be found to distribute the amount of work there is to do amongst all the working population, and yet under present conditions the scheme is bound to fail. For suppose the working week is forty hours and it is proposed to limit hours to thirty hours per week. Either the wage bill must go up 33 1/3 per cent., so that the price of the manufactured articles, difficult enough to sell already, must be increased; or the wage of each individual worker, little enough already, must be decreased by 25 per cent. Thus we have the position that a straightforward commonsense remedy is bound to fail under present financial methods. The difficulty can, however, easily be overcome if the remedies which will be suggested later are put into effect. We must agree first

if less personal work is done then it is only just that wages should be decreased unless there is increased efficiency. Thus the price of the manufactured article would not increase. It will be suggested later that each member of the public should receive a direct consumer income. In this way the total income of the workman will be adequate to satisfy his needs although the portion derived from wages is reduced.

4. *Public Works by means of Borrowing.*—Under present conditions when a municipality or a country wishes to create a public asset whether productive as, say, a waterworks, or unproductive as, say, a public park, it has to borrow. This is because incomes are inadequate to stand the strain of further taxation or increase of rates. It has been explained how this borrowing is a temporary palliative to overcome the chronic deficiency of purchasing power, but it merely shifts the burden from the present to the future, and consolidates the country's enslavement to the Banks. But what should be noticed particularly about such a transaction is that although the country has distrained on future purchasing power financially, it has built the Public Work out of current income physically. For if the Public Work were not done the workmen engaged on it would be unemployed, the food and clothing which these workmen would consume would either not be produced at all or would be thrown away, the materials to build the Public Work would be left unused. If building a Public Work meant that men who would be otherwise engaged on production of consumable goods, on maintenance of capital equipment, or on creation of new and useful capital equipment, were diverted from these occupations, there would be a physical borrowing because the work they left undone now would have to be done in the future. In such circumstances there would be some justification for financial borrowing. Under present conditions, however, when there are over two millions unemployed and a surplus of materials the financial operation of borrowing does not correspond in the least to the physical aspect of the matter.

(To be continued.)

Gregory's Ghosts.

On November 7th, Professor Gregory, D.Sc. (Econ.), produced before the Ethical Union three dreadful mind pictures which he dissected in a most expert manner. Only two of them are named on the cover of the printed version, "The Planned State" and "The Equalitarian State." The third, a humorous one, was "The Libertarian State," or "the career open to the talents."

After comparison of the first with second, and with the third, followed by a dexterous interchange of all three, the Professor produced this exhibit from Equalitarianism:—

"So long as the great mass of mankind is still as badly off as it is, there is a *prima facie* case for diminishing that inequality by deductions from the incomes of the better off for the benefit of those less well endowed."

Here we have a pointer as to future plans. Basically, there is apparently to be no change, but, according to the Professor, a good deal more actual equality in "consumptive conditions" is desirable by "increasing the minimum, but not eliminating all inequality as such."

May we not yet see a levelling up of doles and pensions under the collective title "National Dividends"? Mr. Ostrer is running a campaign in the *Sunday Mercury* in support of increased pensions. Yes, "National Dividends" are on the way, looking quite probable. But, as we know only too well, Dividends and the Price Factor are dynamite.

H. E. B.

The Point of the Pen.

By R. Laugier.

No. 20.—FLOWERS AND SOLDIERS.

("Lasciate ogni speranza voi che entrate.")

I am among those unfortunate individuals who have been flagellated at an English public school. I emerged with an empty mind in a healthy body, and an intense hatred of prefects, sergeant-majors, form-rooms, compulsory games, dormitories without privacy, latrines without doors, and masters without imagination. My reaction was violent. I broke loose from it all, with a passion for study that compelled me to read, fourteen hours a day, for many years. I conceived a glowing dislike of regimentations, of *esprit de corps*, of "being a sport," and of "playing for my side." The measure of my youthful patriotism may be judged by the fact that September, 1914, found me in a naval barracks, to which I had journeyed from the Republic of Chile. How I hated that barracks!

All of which is a preamble to some comments upon a certain glimpse of life, which was afforded to me last March. I was in Monte Carlo, on holiday. In other words, I was in England—for, in the winter, every decent hotel in Monaco is a corner of some foreign soil for ever England. As Monsieur Sacha Guitry wrote—from Hyères at this very time—"Nous sommes en Angleterre. Toutes les colonies anglaises ne sont pas sur les atlas." So, after seven years of very voluntary exile, I found myself once more among my fellow-countrymen—at least at meal times—and the experience was not unpleasant, to me, anyway, and, "we met without murder and parted without suicide."

It was the Italians who gave me my one unpleasant day during six weeks of delightful vacation. The "phlegmatic," "cold," and "inartistic" Britons were actually rather charming; it was the aesthetic, hedonistic, music-loving, *dulce far niente* Latins who rudely shocked my relaxed mind, and gave me a sudden "flash back" to the dreary drill-grounds, gymnasium, and prep: room of my bitch of an *alma mater*!

I went to Ventimiglia to see the flower market. The day was soft and serene. Rain, which had gone on for weeks, had ceased; and for once the sky was as per picture post-cards. The train ambled along the coast, giving us a glimpse of tideless sea; peaceful, private villas and gardens; of olives, roses, carnations; happy children of all ages; and railway stations with fruit trees and the names picked out in white-washed stones. Then, Ventimiglia. The Italian frontier. Passports. Military gentlemen. Imposing hats and moustaches. A clicking of to the right of us; bayonets to the left; a clicking of spurred heels, a supercilious glare at my *humble self*. We a dashing, military ogling of my beautiful companion. We passed between strung chains, through narrow paths like cattle-runs, to the office, all standing in line to take our turn. Papers produced and examined. My passport is pitched back to me; my companion's (with photograph) is lingered over, whilst three or four moustaches are caressed and official eyes stare a gentle woman out of countenance.

That was how we came to Italy from Monaco and France. We saw the flowers. We also saw uniforms—dug in the ugly little streets, which looked as though they had been made in haste, and would be repented at leisure. Ventimiglia, the town (there are ancient ruins—reminded me of the hideous little *pueblos* of Patagonia—

all barbed wire, stucco, and hurried, crude construction. In a shop I saw a worn-out, sallow, half-starved looking mother deliberately strike her crying child across the eyes with intent to inflict considerable pain. She was successful. The child bellowed; a rough-looking, very decent man protested strongly. The woman struck the child again—outside the shop.

On the *terrasse* of the principal café we sat for about an hour. In this space of time three beggars accosted us. One was a deaf mute, armed with leaflets; another had lost his right hand. Tea and cakes at the rather imposing-looking café (it claimed to specialise in tea) were expensive and mediocre.

Back to the station. Passports again. And then, the unkindest cut of all. Our train—that will take us to a free country—is coming in at Platform 5. We are kept at Platform 1. Chains before us: chains everywhere. And uniforms. When the train is signalled we may proceed to Platform 5. After all, who suggested that liberty is dead? We are being protected, in our own interests. God and Mussolini (or should it be t'other way round?), alone know what would happen, were we permitted to go to Platform 5, before the train is signalled, in happy carelessness.

Now! The signal is down; so are the chains. They're off! At a canter—for the train is only signalled as it rounds the curve and sweeps into Platform 5. They're off, in a bunch; the bucolic peasants who stood behind the chains like cows waiting to be milked; and the fretful, peevish, "moneyed" people, wintering in Mentone, Monaco, and Cannes. Down the steps of Platform 1—through the tunnel sub-way; up the steps of Platform 5—remembering, with Dante, "how steep are the stairs in the house of a stranger"! *Avanti! Presto in vettura!* Likewise, *Be queeck!* No time to go to a first-class carriage. Get in, damn you! Your ticket? Your money paid out? Your comfort? Your rights . . . ? You're in the army now—or nearly!

So, clambering the high steps, pulling at filthy and apparently sealed doors, we yet contrive to board our train, pass down the corridor, and gain privacy in an empty carriage.

Behind us is the land of Dante and Mazzini; before us lies a "gambling-hell," constructed chiefly for middle-aged, moneyed snobs, and the detested bourgeoisie. Well, hell for company! The land of Dante is not what it was. *Nessun maggior dolore che ricordarsi del tempo felice nella miseria.*

A little breathless we lean back in our compartment, whilst the train gathers a modest speed. Once more we pass the villas, so diverse in pattern and style, with their gardens, secluded, yet open to our view. Once again the roses, carnations, and olives bend in the evening breeze; and we look at these hungrily, like people who have learned afresh the value of things that grow by the wayside, free and unrestrained.

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.

The Theatre.

"Miracle at Verdun." By the late Hans Chlumberg. Produced by Reginald Gosse. Embassy.

When this play was first given at the same theatre in the autumn of 1932, I described it "in another place" as the best I had seen during the year. If 1934 has produced a better, I have missed it. The author, whose early death was a profound loss to the stage, had the unusual gift of being able to write the most powerful propaganda without weakening his theme either by emotionalism or propaganda made too manifest. He was a satirist, who used the objective method of criticising alike militarism, clericalism, politicians, and the general stupidity, cowardice, and meanness of humanity. But he was also a born writer for the theatre—a writer of comedy as well as tragedy—and apart from its didactic purpose, "Miracle at Verdun" is noteworthy for its imagination, its poetry, and its dramatic power, as well as for its manner in stating the case against war.

The present revival is nothing like so good as the original presentation. Mr. Gosse's production is markedly inferior to that of M. Van Gysegem, to whom due acknowledgment is made in the programme, and the casting and acting are largely mediocre. In particular, one misses Philip Desborough's Prime Minister, the Chief Rabbi of Abraham Sofaer, H. St. Barbe-West's German Chancellor, and the Odette Lefevre of Iña de la Haye, while T. G. Saville, that excellent character actor, has taken his last call. As the German Chancellor, Vernon Sylvaïne makes comparison especially odious. Mr. Sylvaïne's staginess belongs to a past epoch, and although his mannerisms appear beyond his control, he and Mr. Gosse might have realised between them that an oration from the stage of the Embassy is not intended to be heard across the river without an amplifier.

However, "Miracle at Verdun," if not entirely actor-proof, relies so largely on its unaided excellence, that despite all defects of acting and production, there is nothing more worth seeing on the London stage at the moment.

VERNON SOMMERFIELD.

Music.

B.B.C. Symphony Concert, October 24th, Queen's Hall.

The first of the B.B.C.'s series of Symphony Concerts at Queen's Hall was devoted to Delius's "Mass of Life."

The work was originally announced to be performed in German, but, owing to unforeseen circumstances, it was given in English, with Roy Henderson deputising for Hermann Nissen and Astrid Desmond for Olga Haley, the other soloists being Francis Russell and Stiles-Allen.

A performance in German might have been advantageous, for it is difficult to disentangle much meaning from the very curious and repellent translation, but previous hearings convince one that the main importance of the Nietzschean basis is in providing Delius with an impetus, and that to extract the most enjoyment it is advisable to listen to the music purely as such.

In any case, it is no slur on Herr Nissen to say that one can hardly imagine him (or anyone) surpassing the work of Roy Henderson, whose share in the performance proved, as on so many other occasions, that he is an ideal Delian interpreter.

It is true that full appreciation of Delius's music is to a large extent temperamental—perhaps more so than in the case of any other composer—but this emphatically does not mean that no attempt at objective valuation can be made, and although the work as a whole may not be at the exalted level of its best sections, one finds oneself in complete agreement with those discerning critics, Philip Heseltine and Kaikhosru Sorabji, the former having contended that "To match (the Mass) in the history of music we must go back to the works like the 'Masses' of Bach and Beethoven or the 'Requiem' of Brahms, and there can be no question that it compares with these masterpieces for sheer sustaining inspiration and masterly constructive ability," and the latter roundly asserting that "the work has the surge and swiftness of a great work."

the breadth and length of phrase that are instantly recognisable as the sign-manual of the greatest music"; and, as Mr. Sorabji so aptly added (in *THE NEW AGE*, after the Delius Festival of 1929), the work should serve the further purpose of "shattering for ever the absurd idea that Delius has one mood only, i.e., introspective contemplation."

Some strange tricks of re-shuffling were played with the score, but the performance was notable for the inspired direction and complete understanding of the composer's faithful and heroic champion, Sir Thomas Beecham (the more heroic in this case, since he was obviously suffering acute pain during the whole evening). The B.B.C. Orchestra and the Philharmonic Choir clearly did their best—some fine horn playing was heard in the orchestral prelude to the second part (of the original score) and the string tone was unusually sensitive—but the soloists, though adequate, were quite overshadowed by the splendid work of Mr. Roy Henderson. A special interest was added to the occasion by the presence in the audience of Mme. Delius, who privately expressed her great satisfaction with the concert.

B.B.C. Symphony Concert, October 31st, Queen's Hall.

The second B.B.C. concert was of interest in that we were given Holst's "The Planets" Suite in its entirety and Scriabin's comparatively rarely heard "Prometheus" ("The Poem of Fire"), for pianoforte, orchestra, organ, and chorus.

This suite is probably Holst's most satisfactory utterance on a large scale, and its performance was a fitting tribute to the composer, Dr. Boult bringing more enthusiasm to his task than is apparently his wont.

Whether an astrologer would find himself in enthusiastic accord with Holst's reaction to the time-honoured supposed symbols is doubtful, but there can be no doubt that musically and as a piece of orchestral craftsmanship the work is first rate and worthy of more frequent complete performances.

One cannot resist adding a word concerning the programme commentary on "The Planets," written by Mr. Richard Capell, the expert on Holst and chief critic of the *Daily Telegraph*: in my humble opinion, this essay was a model of what programme notes should be, Mr. Capell's literary style being charming, original, genuinely informative, and a delight to read in itself—in instructive contrast to the all too familiar jargon that is as gratuitous to the musician as it is grotesque to the layman.

If all programme notes were written by Mr. Capell the programmes would be honestly worth their present preposterous prices. One recently expressed the hope of hearing Miss Myra Hess in something unfamiliar, and one's wish was granted, though hardly gratified, sooner than expected.

"Prometheus" employs enormous resources to express very little, and if one discards its Theosophical *raison d'être* and considers it objectively, it must be confessed that the net result is a disappointment.

One soon tires of such masses of tone built upon a consciously and deliberately exploited (and therefore limited) harmonic scheme, of the almost total lack of any organic connection or growth, and of climax constantly succeeding climax, which, of course, means there is no climax at all.

Miss Hess played her part with extreme competence, but, despite the exceptionally exacting ensemble, the pianoforte is no more than an obligato, and to employ an artist of such eminence was a waste of time and talent.

The concert concluded with Strauss's "Also sprach Zarathustra," but three works of such proportions and consistency were more, one imagines, than the most hardened digestion could assimilate.

Segovia, Wigmore, November 2nd.

Of this amazing and unique artist little can be added to what has been said so often.

A few minutes of such exquisite playing means more to a musician than the mass of miserable attempts at music-making that one hears year in year out.

From his guitar Señor Segovia draws a seemingly inexhaustible variety of tones and timbres, thereby eliminating

any suggestion of monotony, while his phrasing, rhythm, and musical feeling are beyond criticism.

The programme was necessarily composed of music of rather slight proportions, but not the least delightful feature of the evening was the departure from the threadbare recital repertoire, and the inclusion of a number of charming and mostly unknown pieces by Señor Segovia's countrymen, Turina, Ponce, Torroba, Granados, and Albéniz.

A Bach selection (originally composed for the lute) sounded uncommonly attractive in such an unusual medium, and a well-known Mozart Andante (from the pianoforte Sonata in C, K.330) took on a new and enchanting aspect.

It goes without saying that some of the effects produced by Señor Segovia are quite impossible of attainment on a keyboard instrument, that is, save by direct contact with the string, and it also goes without saying that in lesser hands one can imagine the results being in the highest degree unpleasant.

CLINTON GRAY-FISK.

The Films.

René Clair and George Arliss.

London cinemagoers had last week the opportunity of seeing the first English presentation of the newest films of a distinguished director and a distinguished actor. The contrast is instructive. Clair's "Le Dernier Milliardaire" (Academy) has no artistic merit, and but mediocre entertainment value. "The Last Gentleman" (Leicester Square) made as a commercial picture and with no pretence of being a work of art, combines admirable technical qualities with first-class entertainment, and deserves the box office success it will certainly have.

Clair has just been saying that the film as a whole has made no progress during the last few years, which is as obvious as it is deplorable. He added that in "Le Dernier Milliardaire" he had "tried an entirely new sound technique." Where is it? This director made new and intelligent use of sound in "Sous les Toits de Paris," and employed music with humour and intelligence in "La Liberté." But in his latest picture there is not the faintest trace of novelty. There is not even good commercialism. The film is full of stale tricks belonging to the slapstick, pre-war two-reeler. It is dull. It is very badly photographed, indifferently acted, and the dialogue is banal. So is the music, which is not rendered any more effective by the expedient of "plugging" a hackneyed tune ad nauseam.

Among the many defects of this picture, which has almost as many faults as a film can have, is that the director never seems to have made up his mind what he was aiming at. There is a satire on dictatorship, and on Hitlerism in particular. There is a satire on the economic crisis and on high finance. It may or may not be possible to combine all these themes effectively in one film, but Clair has made none of them effective. Two good moments there are—the scene in which the casino authorities in the bankrupt little kingdom that has adopted barter and the complete absence of money accept and pay bets in kind, such as slippers, revolvers, and dinner plates; and the incident of the man paying for his drink at a café by a hen, receiving as change a chicken and an egg, and tipping the waiter with the egg. But these oases are insufficient to enliven 8,100 feet of celluloid.

Clair's reputation, already badly dimmed by "Le 14ème Juillet," now sustains a body blow. All good lovers of the cinema will regret the melancholy fact.

The Arliss film has its characteristic defects. Mr. Arliss is always Mr. Arliss, and the character he here portrays is machine-made, as are most of the situations, while the film itself is, of course, photo-play. But it is always a pleasure to see such distinguished and well-mannered acting, and to hear such elocution. Add admirable acting, and by the rest of the cast, good, natural dialogue, humour, and first-class photography, direction, and editing, and you will agree with my already-given verdict. The exigencies

of the plot demand Mr. Arliss's death before the end, but we still see and hear him at the final fade-out. The device by which this is accomplished is simple enough, but it is handled with quite noteworthy ingenuity.

Current Films.

"Of Human Bondage," with Leslie Howard, is at the Regal. I cordially recommend this outstanding picture. "The Thin Man" is to be seen this week at Tusaud's and the Stoll. "Son of a Soldier," a Russian picture not yet publicly shown in England, will be given at the St. James and Soho Club Theatre, 14, Greek-street, W.1, for seven performances on the 23rd and 24th inst.

DAVID OCKHAM.

LETTERS TO THE EDITOR.

SOCIAL CREDIT IN NEW ZEALAND.

Sir,—The private letter, from which the subjoined extracts are taken, is from a young New Zealander struggling hard to support himself and family on the land.

Having spent twenty years of my life up country in New Zealand I know many such men pretty well. They are the New Zealanders that really matter, dependable, open minded, self-respecting, and self-reliant, at grips with Nature for their life; they may, I think, if well led, even succeed in effecting something directly through the parliamentary machine, as I have explained in my letter to you of April 12 last; such success in England, without the most intense outside pressure, being quite beyond reasonable hope.

One little weakness of the New Zealanders, hinted at in the above letter, is their touching faith in the leadership of the Old Country, a faith which neither Gallipoli nor subsequent years of failure has been able wholly to dissipate.

PHILIP T. KENWAY.

[Extracts from letter referred to.]

It seems from your letter that the "Reform" is attacked by the monopoly in exactly the same way everywhere. In New Zealand, except for a few notable exceptions, the Church, Press, and, of course, Government, are against us.

Our strength lies mainly in the Auckland Province, that branch of the Farmers' Union being solid for Douglas, and we are well entrenched in Auckland City.

We are well organised, branches forming District Councils within the boundaries of each electorate, the whole governed by an elected National Council. So you see we are ready to turn political at a moment's notice. This organisation has only been in existence for a year, after we had ousted the "what-is-not-Douglas" talking crowd.

We already have four Douglas men in the House, and Labour is in the main Social Credit minded; but we must keep on the straight and narrow path or they will make a mess of things, I fear.

Since the Australian elections Labour has shown signs of wanting to arrange with us to prevent vote splitting. In the ——— electorate we have ten financial branches and a District Council, of which I am president and K—— is secretary, and I am also a member of the National Council, so you will see we are well in the game.

As perhaps you know, a farce known as the Monetary Committee has been sitting in New Zealand. Their report was held for two months and released on the eve of the Australian polling, and published on the day of the elections as "New Zealand Rejects Douglas Credit." As a matter of fact, the trading banks were not let off scot-free by the majority report and the minority report, drawn up by Captain Rushworth (our leader) and signed by the three labour members of the committee and Rushworth, was a masterpiece.

Rushworth, member for Bay of Islands, is a very fine man indeed, an Englishman, university and public school boy, a barrister and solicitor, and also an engineer. He came to New Zealand and took up land with the intention of retiring, but he was literally forced into politics by the Farmers' Union Party.

Our position here is that, though we have some able speakers, we have very little money, our District Council

people are going to fight the electorate, but we are going to have an awful job getting funds.

Personally, I think that there is a great chance that we may prove the mouse in the fable at the next elections, especially if your people and the Australians could send funds and a few able speakers carrying prestige, like the Marquis of Tavistock, for example; you know our New Zealand people are greatly influenced by such things.

The Press is still chanting about the recovery in Britain and Australia, and they are still juggling the unemployment returns, but as long as export prices do not rise it will not fool the farmers. . . . Farming, we just live and spend every penny we can spare on Douglas Social Credit.

WOMEN AND SOCIAL CREDIT.

Sir,—Now we know what kind of woman M. Laugier and other correspondents consider "she."

I have an idea that Nature has planned x women. It is the business of Social Creditors to abolish all artificial restrictions imposed in an Age of Fear, to make material conditions as favourable as the New Age permits, and to leave it to each individual to develop her own personality.—Yours faithfully, S. M. W.

THE ECONOMIC LEAGUE.

Sir,—Our attention has been drawn to a leaflet issued by the Economic League Central Council, London, entitled "The Douglas Scheme of Social Credit: Some Questions and Answers" (price 2d.), in which we find the following paragraphs printed on page 10:—

"Question 12.—Isn't the (Social Credit) Scheme something very like Socialism?"

"Answer 12.—It might appear so to some. But Douglas describes himself as an anti-Socialist and the Labour Party Committee thought it important to emphasise that . . . the object at which it aims and the end which the proposals are alleged to secure are not those of the Labour Party."

"On the other hand, the 'Green Shirts,' an organisation which advocates the Douglas Social Credit Scheme and over which Major Douglas has thrown the protective mantle of his family tartan, appears to have some communion with the Communists."

We wish to state publicly, once again, that we have no "communion with the Communists." We have, however, a very close communion with the poverty-stricken masses, with the wage-slaves and the dole-slaves, and with those sections of the middle-classes who, together with the masses, suffer needless poverty amidst plenty. We wish, further, to state publicly, once again, that no amount of misrepresentation by propaganda-innuendo will have the effect, so obviously aimed at, of driving us away from the human elements that compose the ranks of the poverty-stricken wage-earners and unemployed. The cry of "Communist!" has no more frightening effect upon us than the shout of "Fascist!" from the other side.

The defeats that Economic League speakers have suffered—in company, it is true, with Lord Beaverbrook, Sir Oswald Mosley, and Sir Stafford Cripps—whenever they have attempted to cross swords with a Green Shirt, may explain to some extent this desire to link the Green Shirts with the Communists. Having no solution whatever to offer to the tragic absurdity of poverty in the midst of plenty, the Economic League should, perhaps, keep itself out of the battle. It is no use shooting with "blanks."

It would seem that the Economic League—despite its influential support from such men as Sir Ernest Benn, Sir J. Sanderson Allen, Sir Harry McGowan, Sir Adam Nimmo, and Professor Rushbrooke Williams—has yet to grasp the fact that the logic of Douglas Social Credit acts as a third *resolvent factor* upon the hopeless political duality of Communist Planned Poverty on the one hand, and Fascist Planned Poverty on the other. Social Credit destroys both, and in the process destroys the beliefs and doctrines of the Economic League.

FRANK GRIFFITHS,

General Secretary.

The Green Shirt Movement for Social Credit

Forthcoming Meetings.

Green Shirt Movement For Social Credit.

National Headquarters: 44, Little Britain, London, E.C.1.
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Tuesday, November 20, 2.30-10 p.m.—By Special Request. Second Exhibition of The Great Log—An Illuminated Record of the Foundation and Development of Kibbo Kift and the Green Shirt Movement for Social Credit.

Birmingham Douglas Social Credit Group.

November 14.—Before Social Credit and After.—J. G. Milne, Esq.

November 28.—The Meaning of Democracy.—G. Hickling, Esq.

London Social Credit Club.

Blewcoat Room, Caxton Street, S.W.1.

Nov. 16, 7.45 p.m.—Class Distinctions in a Social Credit State, by Mrs. Hattersley, Vice-President of West Riding Social Credit Association.

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The Social Credit Movement.

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