THE
NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2195] NEW SERIES Vol. LV. No. 23. THURSDAY, OCTOBER 4, 1934. [Registered at the G.P.O. as a Newspaper.] SEVENPENCE

CONTENTS.

NOTES OF THE WEEK.

Mr. Baruch and the N.R.A.

General Johnson has resigned from the presidency of the U.S.A. National Recovery Association. The *News Chronicle* of September 26 reports that the N.R.A. will probably be placed under a Board, and that among those mentioned as possible members of the Board are three American economists, Professor Raymond Mosley, Mr. Gerald Swope, and *Mr. Bernard Baruch*. This suggests that whatever name may be given to the new Board, that body will in effect be an extension of the Federal Reserve Board. From an administrative point of view, Mr. Baruch's competence to direct recovery plans is apparently overwhelming, for he was in supreme control of the United States industrial system during the War. He himself stated before a Government Committee of Inquiry after the War that he was the "Napoleon of America" at that time. No productive enterprise of any character or dimensions could get a pennyworth of credit without Mr. Baruch's authorisation; and when that is said, all is said to prove his power.

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There were certain failures under his administration—for example, the case of the huge mountain of productive aircraftsmanship, from whose labour proceeded one little mouse-plane—and there were lots of complaints about his methods of discrimination as between one industry and another, and things of that sort; but, broadly speaking, the results produced under his régime—the immense output of munitions and the development of plant-capacity—attested his ability as an organiser of production on a national scale. But this ability, however clearly proven, is not necessarily a qualification for the proposed new job—and that is why we qualified our reference to his competence as only "apparently" overwhelming. The reason is, of course, that the War provided the United States with an insatiable market for its output, at prices which, so it is believed, were uniformly remunerative. Mr. Baruch's problem was to organise supply to fulfil an effective demand—a problem which, in the ordinary way, would not call for centralised general-staff control. But the demand in this case was narrowly specific in structure, vast in volume, and urgent in character; and he had therefore to decide questions of priority in regard to what was produced for export, and where the products should go. It is therefore clear that his success in dealing with those problems is an irrelevant consideration when peace-production is to be organised. The demand to be fulfilled is totally different in its characteristics, the chief of which, of course, is that this demand is a vanishing quantity. As Mrs. Beeton would say: First catch your buyer.

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Now, there are two ways of creating the buyers to be "caught," namely, through the employment system under orthodox finance, or the dividend system, under Social-Credit finance. Under the first system, the bankers control the consumers' demand, and under the second the consumers control their own demand. Since supply presupposes demand, and organisation presupposes supply, the question of what organiser to choose (or whether to have one or not) depends upon which of the two principles of creating demand is adopted. If the existing principles, obviously the bankers, who finally control the general character and size of the demand, ought finally to control the organisation of the supply. And since, at present, there is every indication that President Roosevelt proposes to continue his chase after "recovery" along the trail of existing principles, Mr. Baruch, who is thoroughly at home with high-financial problems, and a *persona grata* with high-financial personages, would be the most appropriate choice in place of General Johnson. Logically, of course, the President of the Federal Reserve Board ought to hold the post. Readers will remember that in Germany Dr. Schacht, the President of the Reichsbank, has also assumed the office of Director of Economics, and thus created a precedent for the merging of finance and economics under one control.

American Banks and "Recovery."

The Times, on September 29 (three days after the above comments were written) published a cable from its New York Correspondent describing a statement on monetary policy issued by the Federal Advisory Council at Chicago. This Council consists of twelve leading bankers, one from each of the Federal Reserve Districts. It is by law empowered to advise, and make recommendations to, the Reserve Board. It had a meeting with the Board on September 18, and the statement in question is a summary of conclusions reached by it. We may remark, in passing, that the *legal* right or power to advise or recommend is rather a joke, except, of course, in countries where criticism, direct or implied, of governing institutions is normally and generally illegal. You have only to say to yourself that Mr. Frank Hodges is empowered to act as Economic Adviser to Mr. Montagu Norman, and you will get the flavour of the joke.

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The members of the Council, in their statement, give a warning about the "tragic illusion" of inflation. They say that Budgets must be balanced on the basis of money made available by the natural growth of trade; that such growth is dependent on international co-operation; that this co-operation is dependent on stable monetary conditions; and that to establish such conditions there is nothing like gold. There ought to be a "standard gold dollar of definitely and permanently fixed gold content." This suggests the picture of a dollar-bag with a nugget inside—especially since the aforesaid dollar ought to be "redeemable at all times in gold bullion in the amount so fixed."

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This is the first part of a pretty little comedy. The second part has to do with the Federal Reserve Board's attitude when the Advisory Council presented them with the statement. The Correspondent reports:

"Mr. J. J. Thomas, acting Governor of the Board, said he had been amazed at the statement, as the matters contained in it had not been discussed with the members of the Board in any way when the Council met in Washington. . . ."

"Members of the Board said that the questions of stabilisation, inflation, and other monetary matters discussed in the Council's statement were not a part of their functions, and quoted the Federal Reserve Act in an attempt to show that the Advisory Council had no authority for consideration of action on such issues."

This will create the impression among the public of a split in Federal Reserve circles. But is it a natural split, or a managed one? On careful reading it will be seen that whereas the Advisory Council's reasoning belongs to the technical frame of reference, the Reserve Board's reply belongs to the constitutional frame of reference. The Board's reproof of the Council amounts to something like this: We do not impugn the soundness of your analysis and recommendations; but we question the legality or propriety of your publishing them. By taking that line the Reserve Board leave the Council's statement to produce its full authoritative effect on such public opinion as it was framed to influence. It is a case of what Mr. Benjamin Anderson once referred to as "passing the buck." It is, of course, possible for there to be genuine differences of view between a central banking authority and the directorates of member-banks. For example, the series of annual speeches made by Mr. McKenna, Chairman of the Midland Bank, several years ago disclosed suggestions of disagreement with the Bank of England on the question of deflation—although it is not certain that some of the directors of the Bank of England were not sympathetic to Mr. McKenna's expansionist views. But supposing not; supposing there had been a clear cleavage between the parties; the essential thing to notice is that the question at issue was not fundamental, either technically or politically. *No axiom was challenged* in either field. The utmost that could be said against the policy of expanding credit-supplies was, and is, that at a certain point the expansion would be irregular as regards its effect on the gold-ratio and disturbing as regards its effect on prices. As Mr. McKenna himself admitted, the problem was to find the happy mean between too much contraction and too much expansion. And all the time the right of decision was assumed to rest with the experts of the banking system, not with Ministers of the Crown.

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But in the United States the situation does involve fundamentals; it does threaten axioms. Not the master-axiom, certainly—for there is no sign of a change in the principle of accounting costs—but it challenges the bankers' right to control credit-policy, both in form and in practice—in form, by the emergency legislation enacting and measuring credit-expansion, and in practice (negatively) by the Government's neglect to adopt, as the Council put it, "a definite well-formulated programme for balancing the Budget within a reasonable period." Leaving aside the consideration that at this time of general stress and confusion all sorts of miracles may be going on behind the scenes, it is well-nigh inconceivable that there is any division on these issues between the Federal Reserve Board and the Federal Advisory Council, or, shall we say, between the personnel dominating their respective policies—probably a single Wall Street group.

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It is just here where the canvassing of Mr. Baruch's name as a director of national recovery comes into the picture. Whether, in the event, he gets the post or not, the mere fact that he is considered a likely candidate suggests that his backers entertain reasonable hopes of capturing the organisation previously known as the National Recovery Association.

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The Advisory Council profess themselves alarmed over the "dangerous threat to public credit" constituted by a steadily mounting Government debt that is not *accompanied by increasing national income.* . . ." They regard as a "serious factor" the tendency of business enterprises directly conducted by Government agencies to reach out farther and farther "into fields heretofore occupied by private capital, *thereby destroying taxable values.*" (Our italics.) Examining these passages technically, they tacitly disclose that money is being destroyed somehow or somewhere. Government debt represents Government expenditure; so the first statement should read: "Steadily mounting Government expenditure not accompanied by increasing national income." This is curious, apart from whether the Budget takes place balanced or not. If mounting expenditure takes place under a balanced Budget there is mounting taxation

implying mounting national income from which to pay it. If under an unbalanced Budget, as is the charge made here, the mounting expenditure is largely in the form of new credit accruing to the nation as income. That, at least, is what the orthodox theory requires one to accept, for according to that theory all expenditure on production reaches private individuals as income; and on the basis of that conclusion the Social-Credit statement that there is an inherent shortage of income against prices (and taxes, which themselves are prices) is denied. Very well, and where has the extra income gone in this case?

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Then take the reference to "taxable values." One is bound to assume that by this term the Council mean values capable of yielding taxes. Taxes must be paid in money. Therefore the values must be in the form of money, or else in a form convertible into money. Convertibility implies the existence of the corresponding money. So the destruction of taxable values is the destruction of money. Again, this destruction is stated by the Council as the inevitable and (by implication) automatic result of the encroachment of Government enterprise into the field of private enterprise. According to them the process of destruction is connected with "private capital," and they appear to suggest that the Government enterprises restrict the scope of private investment. If that is their meaning then if the Government were to absorb industry as a whole the result would be the cessation of private investment, and therefore, the extinction of taxable values. Why this should happen is not clear. If people stop investing, that does not destroy the money that they would have invested. The taxable value stays in the form of idle money. Again, a Government running industry as a whole would not need to collect taxes as such. It could pay its way by adjusting wages and salaries (for it would be the sole employer and the population employees) at the production end and fixing prices at the consumption end. Taxable values would then be price-paying values—in short personal incomes. So, if we follow the Council's meaning correctly it would appear that the effect of private enterprise being completely absorbed by Government enterprise would be the destruction of personal incomes.

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On a casual inspection of this theoretical conclusion it would appear to be a *reductio ad absurdum*. But if we substitute "confiscation" for "destruction," and regard the word "confiscation" as connoting the process of compelling the consumer to pay all he has for next to nothing, we can begin to make sense of the Council's warning. For, as our readers know, the result of the attempt by a Government in these circumstances to recover all its costs in prices (which would be necessary to balance the Budget) would be a fall in the standard of living down to and below survival-point. So such a Government would have to give up the attempt, and deal with the deficit as best it could. The way to deal with it would not take long for the National Accounts Department, so to call it, to discover; for a comparison of the National Pass-Book with the National Ledger would show up the fact and measure of what we may call the confiscation of income at the source arising out of the cancellation of credits by the banks. No accountant alive could miss observing, and realising the significance, of the fact that costs left unrecovered in one time-period could not be recovered in any subsequent time-period by any device approved or tolerated by orthodox financial law. To-day the management of a private enterprise can hope for their deficit in one period to be compensated by a surplus in another. That is because their excess expenditure has gone outside, and excess revenue can come from outside. But when the incalculable "outside" is brought inside and becomes calculable, the disclosure of a net deficiency during one period puts an end to all hope of compensation during another.

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It may be remarked parenthetically that in the case of an all-in production those money charges which in the "A + B" analysis are classed as "B" charges (representing payments by one business to another) disappear. To use money would be ridiculous. It would mean that the organisation was buying its own property from itself. If you imagine its doing so, however, you get an idea of the true nature of the "B" class of costs. For the process, if followed on the principle operating between firms to-day, would mean that the management would borrow a credit from the bank, lend it to Department C, who would pay it to Department D, who would return it to the management, who would repay the bank. Obviously the employees of the organisation would not be able to buy a scrap more from it as the result of this transaction. And this is irrespective of whether the products transferred from D to C were raw materials or consumable articles. The money does not belong to the consumption circuit at all; and if it wanders in (as often happens in actual business transactions to-day) it will have to wander out again, or an equivalent amount of money, without passing over the counter of the shop.

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To come back to the Advisory Council's statement, there is no fear that President Roosevelt will proceed to the extreme length of absorbing private enterprise that we have considered hypothetically, but what he is doing might cause enbarrassment to banks and other financial institutions. There are two ways in which "taxable values" can be "destroyed" by Government action: (a) direct confiscation, (b) extinction through competition. Ruling out the first, the bankers' loans and investments in industrial enterprises would, of course, be threatened by the second. Disregarding the loans, the bankers do not want their holdings to be devalued either through the collapse of the enterprises themselves or through the collapse of the stock market by reason of the quick unloading of securities. But there are reasons why the Government's absorption by purchase of private enterprises could be an embarrassment when carried beyond a certain point. These reasons have to do with the suspected gross undervaluation of securities held by large financial institutions all over the world, coupled with a correspondingly deep concealment of the identity of the holders. It is clear as a general proposition that a Governmental decision to acquire enterprises on a compulsory purchase basis could lead to the disclosure of the real stockholders and of the price at which they valued the stock for compensation purposes as distinct from the valuation for balance-sheet purposes. It is rather a humorous reflection that the Government's encroachment along this line might result in an increase, and not the destruction, of "taxable values." Of course, in some countries capital appreciation is not subject to taxation; but the values would be disclosed, taxable or not, and their dimensions might open up some interesting topics of discussion, not to say occasions for political action. It is worth remembering, too, that the banks' power to retire money from circulation resides partly in holdings of securities, and that the measure of the power depends, not on the balance-sheet value, but on the undisclosed marketable value. No one but themselves knows what the margin may be, but it is suspected to be of startling size; and if so they could sterilise a much larger quantity of new credit issued by the Government than the fluctuations in their declared security-assets would indicate. These observations may not have much point in the case under discussion, but they are worth bearing in mind along with other factors in monetary policy.

The America's Cup.

The proverb about the slip twixt cup and lip has had no more disappointing exemplification than in Mr. Sopwith's failure to fulfil the early promise of his two initial successes with Endeavour. By all accounts she was a potential winner every time given an equal break of luck, despite any inferiority in mechanical equipment that may have existed. Mr. Nicholson, her designer, seems justified in claiming that she was the best yacht sent across the Atlantic for many years. The "raw deal" which many people consider was handed out by the Yacht Race Committee in respect of Mr. Sopwith's protest may be a sufficient explanation of the ultimate defeat, but this theory is discounted by a body of opinion which holds that Endeavour could have been handled more efficiently both at the helm and otherwise. Mr. Sopwith has been criticised on the one hand, and he himself has since negatively damned his own crew by his loud praise of Mr. Vanderbilt's. From this angle the defeat of Endeavour appears to be attributable to the inferiority of the English amateurs to the Scandinavian professionals. It was a Gentlemen v. Players match. How that came about is a story which appears to disclose a "raw deal" of another kind—that is to say, the failure of the syndicate, so to call them, who promoted the enterprise to come to terms with the Brixham seamen who were originally expected to man the English yacht. These men's complaint was that they were required to accept reduced pay except when actually racing. They refused to sail on these terms, and negotiations were broken off. Why? Were the syndicate really unable to find the money? No doubt the enterprise was an expensive affair, but on the other hand the contest was to take place on a world-stage, and it seems strange that since national rivalries were involved in the destination of the cup a satisfactory arrangement with the Brixham seamen was not the first care of the syndicate. It has been plausibly suggested—but with what foundation we do not know—that from the outset there was competition among the "Gentlemen" for the privilege of sailing the yacht, and that they (or their family connections) were willing to pay a premium for it. If so, it raises the suspicion that the unsatisfactory terms offered to the "Players" were designed to provoke them into a refusal to take part in the enterprise. Alternatively, it may have been that the promoters took up the hoity-toity attitude that these men should be taught the lesson that direct action methods don't pay. However it happened, the fact remains that Mr. Sopwith, for all the complimentary things he has said about his crew of amateurs, admitted at a farewell ceremony in the United States that he "got an eye-full" when he saw the Scandinavian professionals handling Rainbow. As an instance, their replacement in twelve minutes, and in a gale of wind, of a spinnaker which had been blown to ribbons bespeaks a competence that only men born with ropes in their hands and bred under canvas could be expected to display.

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Then as regards the incident of the three hours' delay in flying the flag of protest; what is one to think of the reason given by Mr. Sopwith that it took all that time for him to know whether a rule had been broken or not? It was not a fancy rule, but—or so a layman would suppose—a universal axiom that you must wait on your opponent's luff when at close quarters. And even supposing it had been a whimsical rule peculiar to American racing, you do expect competitors to study the conditions of the contests in which they take part. The amateurs might be excused for being inferior to professionals as workers by hand, but not as workers by brain. "Book-learning" is one of the privileges of their caste. The deal they got from the Racing Committee may have been raw, but it was their own rawness that asked for it and got it.

Cheaper Telegrams.

Cheaper telegrams are promised before Christmas. According to the *News-Chronicle* the telegraph department of the Post Office is the only one that shows no profit. One reason for that, of course, is the virtual subsidy given to the newspapers in the form of press-telegram rates at under cost, so to speak. The same paper says that before deciding how to apply the proposed reduction the Postmaster-General is waiting to see what happens as the result of the recent cut he has made in night-telephone rates. It is expected that this will lead many people to telephone their night-messages instead of telegraphing them. So "some inducement to the public will be necessary" to maintain the revenues of the telegraph department. Shall the Postmaster-General cut the rate or allow more words for the same rate? That is the problem engaging the valuable time of this personage.

Cheaper Milk.

We told the story, a few weeks ago, of the man who received a milk ticket from a charitable institution for five pints, and, when he asked at the shop if he could have some eggs or butter instead of some of the milk (for he couldn't use five pints) he was told that he must take it all in milk. We surmised that this institution had been roped into some scheme for marketing the milk glut. This is now explicitly confirmed by the decision of the Government to cheapen the supply of milk to schoolchildren, and particularly by the comments of *The Times* on the scheme. The ration of one-third of a pint is now to cost a halfpenny instead of a penny. The milk must be consumed on the premises—only children assembled at the schools may buy it at the cheap rate. The scheme contemplates providing the milk all the year round, *holidays included*. One supposes that parents who cannot afford to pay the ordinary price and give the bairns milk to drink at home cannot afford to take them away for their holidays: so there will be no difficulty about assembling them in the schools. But how about the employment of waitresses? The L.C.C., which formerly employed women helpers, has dispensed with their services. So the teachers are asking if they will be required to put in relay work at holiday time. They must wait and see if they are required to wait.

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The Times (September 27) remarks:

"If the hopes entertained about the scheme are realised, *considerable inroads will be made upon the present surplus of liquid milk*, the habit of milk drinking will be engendered in an ever-widening circle of consumers, and the scheme will prove to have *an economic* as well as a humanitarian value." (Our italics.)

This last sentiment hardly needs enunciation, for no such scheme would have been devised otherwise. Most readers of these pages could demonstrate, from the axioms and postulates of orthodox financial science, that whatever is "uneconomic" must be inhuman in the final analysis. With a little search they could probably adduce passages from banking authorities which explicitly say so—preaching the doctrine that sacrifice is the condition of existence itself, let alone of rewards. But the main point about the quotation concerns the milk surplus. In the hands of producers and tradesmen all milk that cannot be sold at the regulated price must be wasted. Now, the public conscience is an inert thing on most matters, but if there is one thing that could stir it into a political force, it would be to see a badly needed product like milk destroyed almost under the noses of people badly needing it. Coffee-burning in Brazil does not strike the imagination—Brazil is a long way off, and coffee, to most people in this country, is a minor and dispensable article. Our politicians must perforce abate the scandal, or disguise it, for the sake of their reputations.

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Why not give the milk away? Since a real surplus has no monetary value why charge money? The answer given in *The Times* is that

"the cost of the scheme has to come out of the fund provided under the Milk Act for 'publicity'—a term which in this context means increasing the demand for milk. The fund is constituted under the Act, which authorises the Government to subscribe, up to £1,000,000, during the next two years one pound for every pound contributed by the Milk Marketing Boards, and it is clearly desirable to make that sum go as far as possible."

As every Social-Credit student knows, advertising does not increase demand in general; it can increase a particular demand, but in doing so decreases demand elsewhere.

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The feature of this business that will strike many readers is that, when all is said in favour of the dietetic value of milk, there is something nauseating in the idea of turning the throats of poor children into sinks for gluts. It is merely an accident that children generally can tolerate milk and derive benefit from it, so the Government need not be presented with bouquets for their humanity. Moreover, God made diets for children, not children for diets. The true value of a dietary lies in its balance; and the arbiter of the balance is the individual child with his or her stable preferences and intermittent fancies. A standardised balance imposed by experts to solve financial problems is blasphemy against the human spirit.

Japan's Success.

Why does Japan excel in trade? Here are some of the reasons, as discovered by the International Labour Organisation or reported to them by their Assistant Director, M. Fernand Maurette.

1. Low wages.
2. High mechanisation.
3. Low wants.
4. Low standard of living.
5. Class cohesion in industry.
6. Large resources in men.
7. High morale below.
8. Commercial ability above.

These discoveries are stated to be the outcome of investigations "from within." That is as if one went into the centre of a wood in order to verify aerial observations of its extent and shape. The close-up lends distortion to the view. The result is—to use mathematical terms—an enumeration of quantities at such close quarters that plus or minus signs become indistinguishable or invisible, not to speak of brackets, and brackets within brackets, and other elaborations of that sort. As an instance, look at items 1 and 2 in the list, and then at items 3 and 4. Pair them up and they cancel out, and become exercises in jazz-logic. You do not have to visit an industrial centre to find out that when there is high mechanisation the wage-bill has a low incidence on costs. When, for example, *The Times* (which comments on the subject in its issue of September 29) points out as a "lesson to Lancashire"—*lesson*, mark you!—that occasionally a Japanese girl may be seen tending as many as sixty looms (as M. Maurette observed in the Hashiba spinning mills) how on earth can that girl's wages perceptibly affect the cost of the production she mothers for the world market? Again, as to wants and standards of living; at any given wage-rate the smaller the worker's wants the higher his standard of living. The writer here clashes with his colleague who had pointed out in a previous issue of *The Times* that people with few wants were a nuisance to manufacturers and tradesmen. (See The New Age, September 27, p. 245.) The rest of the items enumerated are simply expressions of the admitted general fact that Japanese industry turns out maximum aggregate quantities at minimum aggregate costs.

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M. Maurette, says the writer,

"is convinced that Japan has not attempted any form of 'social dumping' as a method of increasing its export trade."

This cryptic remark disengages the smell of "social credit," and seems to have been put as an insinuation that the finance of Japan's trading has been kept on orthodox lines. Supposing that M. Maurette is right (but how he became "convinced" does not transpire) that would not explain Japan's success in capturing trade in India where the standards and wants of the workers are comparable to those in Japan. The writer in *The Times* makes the complacent remark that the effects of Japanese currency depreciation will "wear out"—and that is at least an admission that monetary policy and exchange-levels do condition and direct the size and flow of trade, despite M. Maurette's blind spot for bankers. And we might observe that this gentleman's assurance of Japan's adhesion to sound financial practice amounts to a tacit admission that she could have done better by unsound practice. What he ought to have done to strengthen the plausibility of his own explanations of her success should have been to prove the impossibility of manipulating money internally to capture trade abroad. That would be the only assurance that business men in competition with Japan would be satisfied with; for they know that, however high the morale of the Japanese may be, they have no moral inhibitions against the use of any device which will bring them what they want.

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Japan's "natural resources are poor," but "her resources in men and moral are immeasurable." So ends the article in *The Times*. Thus to count "over-population" as an economic asset makes one rub one's eyes—for such is the meaning of this statement in its context. Of course a large population can be an asset, and will be under Social-Credit finance, but it is everywhere regarded at present as a liability to be averted by emigration schemes. And one would have expected to find that liability peculiarly burdensome to a country possessing "poor natural resources." It is a common trick of bankster dialecticians to explain the actual in terms of the potential, or to deduce the nature of alleged actualities from that of observed potentialities. In common language: what *can* be and *ought* to be, *is*. Thus, because deep down everybody knows that friendly and efficient collaboration *ought to* produce distributable wealth, therefore(?) these factors are themselves sufficient to bring about the production and the distribution. Again, because the money distributed by industry *ought to* be sufficient to buy the products thereof, therefore (?) it *is* sufficient.

Australian Public Men.

It is important to remember that big politicians in the Commonwealth mix much more intimately with their constituents than do their opposite numbers in this country. In a conversation with someone who left Australia in April we obtained a few details of some of the big figures in the recent elections. Our informant, to give an instance, had been in close touch with Mr. Scullin at the election when the Scullin Government were defeated. He had been on intimate terms with Mr. Lang, dining with him on more than one occasion. As for "Joe Lyons," as he calls him, the two were clubmates. Lyons was a teacher in Tasmania, and is apparently a hail fellow well met who likes his glass, in contrast to Scullin and Lang, who are teetotallers. He says that the Roman Catholic priesthood are inclined rather to Labour sympathies on the whole. Archbishop Mannix, particularly, is a champion of the poor man, and therefore particularly inclined to back up the Labour Party. Archbishops Kelly and Duhig are inclined rather to the "big-business" point of view, but the former more definitely than the latter, who is regarded as a dark horse. The Anglican Archbishop Head also takes the big business point of view. Dr. Earle Page is a farmer, and a good man in himself, but is inclined to support the theory of cheap labour for farmers and low tariffs for what farmers have to buy. It was Dr. Earle Page and Mr. Bruce who were originally responsible for the acceptance of down-and-out Britishers as settlers in Victoria. In Australia, as will be inferred from these facts, everybody seems to know everything about everybody else; so it will be seen how much less difficult it is to spread round the news and the arguments about Social Credit in the Commonwealth than it is in this country. Turning to matters of prices, a graphic example of the margin between primary and ultimate prices came out in the conversation, viz., that whereas crayfish fetch only 1s. per dozen where they are landed, the shopper cannot obtain them much under 1s. 6d. each in the towns.

The Time Snag in Prices.

II.

In a previous article it was shown that under existing rules of fixing prices (namely, that prices may be *anything over* cost—up to "all the articles will fetch" at the time of sale—but *not below* cost) the community had no guarantee that by increasing the quantity of production they would be able to buy more products for consumption. The reason was shown to be that your wages for making things *now* are taken from you in the prices of things made at a previous time; so that if you are making more goods and drawing more money *now* than *before*, you have to part with the extra money before getting the extra goods. It was also shown that by parting with the extra money you parted with the means of buying the extra goods in the future, because this money was destroyed.

To illustrate this we used the figure of an automatic machine (representing industry) and yourself as the filler and customer (representing the community as producers and consumers). That is to say, you are employer and employed merged into one so far as drawing money is concerned, and, of course, since everybody is a consumer, you represent both classes so far as spending money is concerned. This must be borne in your mind clearly; because the loss of purchasing power that we are explaining is a general loss to everybody and not a loss by one class to the gain of another.

Let us set out some figures as follows:

Date—January	1	2	3	4	5	Total 11 oz.
Production	1 oz.	4 oz.	1 oz.	4 oz.	1 oz.	
Wages	6d.	2s.	6d.	2s.	6d.	" 5s. 6d.
Cost	6d.	2s.	6d.	2s.	6d.	" 5s. 6d.

Date—January	6	7	8	9	10	Total 14 oz.
Production	4 oz.	1 oz.	4 oz.	1 oz.	4 oz.	
Wages	2s.	6d.	2s.	6d.	2s.	" 7s. 0d.
Cost	2s.	6d.	2s.	6d.	2s.	" 7s. 0d.

These represent a series of ten working days showing quantities, wages, and costs. (It is assumed that all costs are wages.) It is assumed that goods made on any one day are not ready for sale until five days after. That is why the figures are tabled in two sections—namely, in order that the date January 6 falls under January 1, January 7 under January 2, and so on. The variation in the daily quantities and wages is chosen purposely and arbitrarily, and can be questioned later if desired; but the reason why will become clear immediately.

We pick out of the top table the quantities and costs and out of the bottom table the wages received five days later.

Date—January	6	7	8	9	10
Quantities	1 oz.	4 oz.	1 oz.	4 oz.	1 oz.
Costs	6d.	2s.	6d.	2s.	6d.
Wages	2s.	6d.	2s.	6d.	2s.

We have now brought together the daily quantities and costs of goods *appearing for sale*, on the one hand, and the daily wages being *drawn at the same time*. Now each day you have to spend your wages of that day on what is ready on that day. (That is what actually happens in weeks and weekly wages at present.) Now the division into daily opportunities makes all the difference to what you get for your money. For the table shows that on each day wages are either much more than costs or much less. On the days when you have plenty to spend there is little to buy, and when there is plenty to buy you have little to spend.

You will see at once that if only the row of quantities and costs could be moved one place forward or backward your wages would be equal to costs and your purchasing power would rise and fall with your wages. Or, if only the days could be combined in pairs, the costs, and your wages, would be the same, namely, 2s. 6d., and your purchasing power would be steady at the 5 oz. rate of consumption.

But these two "*ifs*" are the core of all the trouble. We won't explain why at the moment, because the immediate point is to examine the trouble itself. It was broadly examined in the previous article. It begins like this. On January 6 you have to pay 2s. for 1 oz. ("The price of an article is what it will fetch.") On January 7 you have 6d. to spend on 4 ozs. costing 2s. Since your 6d. will only cover one quarter of this cost, you get only one quarter of the goods, namely, 1 oz. ("Price must not be below cost.") So, coupling the two days together, you have got only 2 ozs. for 2s. 6d., whereas the cost of the 5 ozs. was 2s. 6d. and you should have been able to get that quantity.

Now, imagining that you could have performed these operations at an automatic machine, you could say to yourself (remembering that "you" represent the community of producers and consumers), "I've paid in the cost of 5 ozs. but 3 ozs. haven't come out and I've no money—so why not open the machine and get the rest?" A sensible idea: and you could either take 3 ozs. out at the back of the machine, or extract 1s. 6d. to put in the slot at the front and get them out in a respectable manner. If you did it the first way, we advocates of Social Credit would congratulate you and say that you had got the 3 ozs. at the "Compensated Price"—in this case nowt, as they say up North: if you did it the second way we would say that you had drawn and spent your "National Dividend." So, remember this if you hear anybody saying that we Social-Credit advocates want people to have something for nothing.

Notice particularly that if you add up the rows of figures horizontally the total of costs for the ten days is the same as the total of wages and the total of prices. That is to say, you have drawn exactly as much money during that time as is necessary to pay all the costs. Next, if you look at the cost of each daily quantity of goods you will see that you had drawn money equal to that cost five days previously. So everything seems to fit together both ways, and to justify the rule mentioned earlier that the price you pay must not be less than the cost of what you are buying. It appears to be in your power to obey this rule. And so it is; but yet you find that you have to leave some of the goods unbought after spending all your money. Whereas the *quantity* of your money appears to have been sufficient, its *purchasing power* turns out to be insufficient. As we showed when coupling the days in pairs, you get only 2 ozs. for the 2s. 6d. which you received for making 5 ozs.

Now, you can reasonably challenge our proof of this and say that we have purposely arranged the figures to construct the proof. Is it true in practice that production jumps up and down so violently and regularly day by day as we have made it in the table? And even if true, does it really happen that wages keep missing the market—that wages and costs keep dodging each other like this. The answer is that the jumping and the dodging are true, but that in practice the changes are not so violent or regular as we have made them. One reason is that we have assumed that all wages were spent on consumable goods, and therefore that the total price they fetched on any day was equal to the wages you received on that day.

In practice, however, not all wages (meaning personal earnings in general) are spent at the shops. Some money is invested. Investments are really purchases of goods *to sell again* at some future time. Therefore, they need not be goods ready for consumption, and are, in most cases, unfinished goods.

Forthcoming Meetings.

The New Age Club.

[Open to visitors on Wednesdays from 6 to 9 p.m. at the Lincoln's Inn Restaurant (downstairs), 305, High Holborn, W.C. (south side), opposite the First Avenue Hotel and near to Chancery-lane and Holborn tube stations.]

The Green Shirt Movement for Social Credit.

National Headquarters: 44, Little Britain, London, E.C.1.

Wednesday, October 3rd, 2.30-10 p.m. Exhibition of the Great Log—an Illuminated Record of the Foundation and Development of Kibbo Kift and the Green Shirt Movement.

Wednesday, October 10th, 8 p.m. Lecture by John Hargrave, Founder and Leader of the Green Shirts. "Making Your Dreams Come True." A Lecture on Green Shirt Methods of Agitational Propaganda.

Saturday, October 20th, 3-11 p.m. Green Shirt Bazaar. Speakers: Lady Clare Annesley and John Hargrave. Refreshments. Kift Theatre. Dancing.

Wednesday, October 24th, 8 p.m. "Problems of Propagandists." (Questions invited).

The London Social Credit Club.

A public meeting will be held at the Blewcoat Room, Caxton Street, S.W., on Friday, October 5, 1934, at 7.45 p.m. Subject: "Christianity and Social Credit." Speaker: Mr. P. J. Hand.

Glasgow Douglas Social Credit Association.

Public meeting in Kingspark Hall, 132, Kingsbridge Drive, King's Park, Glasgow, on Monday, October 8, at 7.45 p.m. Speaker: P. McDevitt. Subject: National Dividends. Admission Free.

Birmingham Douglas Social Credit Group.

October 10.—Inflation and the Dividend.—E. W. Harrison, Esq.

October 24.—The Machine and the Dividend.—C. Kenrick, Esq.

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

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

December 7.—ADDRESS BY MAJOR DOUGLAS IN THE TOWN HALL. CHAIRMAN, THE DEAN OF CANTERBURY.

December 12.—The Social aspect of the National Dividend.—T. F Evans, Esq.

January 9.—Subject to be announced.—Dr. J. E. Purves.

January 23.—The Common-sense of Social Credit.—L. D. Byrne, Esq.

February 13.—Resistances to Social Credit Propaganda.—P. R. Mason, Esq.

February 27.—Life or Money?—A. L. Gibson, Esq.

March 13.—World Affairs from the Social Credit standpoint.—E. H. Bill, Esq.

March 27.—The Emergent Order.—Dr. Tudor Jones.

April 10.—The Advance of Social Credit.—J. R. Morton, Esq.

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 Point of the Pen.

By R. Laugier.

No. 14.—THOREAU ON MONEY.

It is always a satisfaction to find a man talking common sense, and, when that man is a Puritan, to our normal pleasure is added the rapture of amazement: so seldom do the morally indignant have time, in the midst of their teaching and preaching, to consider the facts of mundane experience.

Thoreau occasionally uttered words of wisdom upon the subject of money, costs, and value. " To have done anything by which you earned money merely, is to be " [sic] " idle and worse." So he sermonises, anticipating Mr. Henry Ford; and Thoreau produces only a few lead pencils, and dies without ever paying super-tax or becoming a fugitive from a Brain Trust.

" I am convinced that to maintain oneself on this earth is not a hardship, but a pastime, if we will live simply and wisely; as the pursuits of simpler nations are still the sports of the more artificial." So he lives simply and wisely, in a fashion that is idle, but " better " than the ways of the sinful, and it is all Arcadian and lovely.

Beatus ille, qui procul negotiis,
Ut presca gens mortalium . . .

Yes, so long as " rationalisation " and the " bread-line " have not been invented; so long as a little fencing, ditching, and casual school-mastering will keep the philosopher, he may enjoy leisure and practise his art.

Thoreau, of course, never understood money. No Puritan intelligence was ever clear enough to work out such problems; and, besides, Thoreau hated Money, and apprehension goes with love. He hated Money and he hated Big Business, as he saw it in the America of his day. " The whole enterprise of this nation is not illustrated by a thought; it is not warmed by a sentiment; there is nothing in it for which a man should lay down his life, nor even his gloves." He does not like even the bankers. . . . " If our merchants did not most of them fail, and the banks, too, my faith in the old laws of this world would be staggered. The statement that ninety-six in a hundred doing such business surely break down is perhaps the sweetest fact that statistics have revealed." Jehovah smote the banker, and the hand of the Lord was heavy upon the dry-goods vendor, and the facts were sweet in the sight of His servant. . . . But, unfortunately the fires of bankruptcy shine upon the just and the unjust; also, though Henry David was a man after Jehovah's own heart, the statistics appear a little dubious.

From Money to costing-accountancy: " The cost of a thing is *the amount of what I will call life* which is required to be exchanged for it, immediately or in the long run." This " life " is a process of self-improvement, undertaken during those moments of leisure that can be snatched by dodging work—and avoiding preaching. Yes, if only he could have shunned the self-righteous part of the business! As it was, perhaps he came to being as nearly great as moral indignation permits men who would practise art. At least Thoreau has the distinction of having annoyed his fellow moralists and preachers. Mr. Lowell stigmatises Henry David as an idle man; so does Mr. Robert Louis Stevenson—that great " stylist " who never achieved a style. Mr. Stevenson, in fact, is rather bitter, and says of Henry David, " Even in the peculiar attitude in which he stood to money, his system of personal economics, as we may call it, he displayed a vast amount of truly down-East calculation, and he adopted poverty like a piece of business."

Some adopt poverty, and some have it thrust upon them. Thoreau never understood Money, its nature, its functions, or its " value ": but being a Puritan that did not stop him preaching on the subject. He had that hatred of property which, in an honest man, always denotes sentimentality and ignorance. " I would say to my fellows, once for all, as long as possible live free and uncommitted. It makes but little difference whether you are committed to a farm or the country jail."

As a fact it certainly makes little difference to-day, and the " commitment " to the farm is almost certainly followed by jail—for a thing called " debt " which, in his age, Thoreau might contrive to avoid.

Henry David was an honest man and the noblest work of Jehovah. Brave, too, and capable of being shocked by nothing " but dullness." Perhaps this horror of dullness put him off the political economists, though they would scarcely have helped him to an apprehension of money or even " value." On the whole, he probably did better by himself.

Like all Puritans Thoreau was at war with himself. The best things in his nature derived from the Greeks, but he chose stoicism and that indifference to life which may serve the philosopher but spells death to the artist. Se he went to jail rather than pay taxes, and he said: " The only government that I recognise is the one that establishes justice in the land." And, without knowing that he was writing of government, he wrote: " Money is not required to buy one necessary of the soul."

The New Workers.

By Douglas Vigors.

They met at a cocktail party in Lady Santiver's flat, one of those high-up flats that overlook everything.

Lady Santiver was old and blonded, but as long as she gave good parties nobody minded that. She had led a strenuous life since reading in a novel of one who " tripped along lightly with sparkling eyes and wind-tossed curls of gold," and had done her best to live up to that heroine, wind or no wind. The trip, never a light one, was now a waddle, but it was a brave attempt.

Joan Baker arrived late.

" My darlingest," she said on greeting her hostess, " I'm too emphatically behind for words. As I zoomed up your lift and looked at the time, I was so grief-stricken I nearly nose-dived down again."

" I should have loathed you permanently if you had," replied her hostess. " I know how putridly busy you are. Come along, there's somebody you positively must know."

She led the way across a room humming with chatter to a young man with his back to a table, talking to a large-bosomed lady who stood so close to him he had hardly space to wield his wine-glass.

" Jinky," cried Lady Santiver, " you simply must talk to my Joan. I feel you brave workers in the world ought to get together."

Jinky managed to slide along the table from the obstruction without knocking anything over and faced Joan.

" As slave to slave, how d'you do? " he said brightly.

" Do trundle along and snatch a cocktail for Joan; she has only just arrived," said Lady Santiver. " I'll keep her here."

Jinky departed and Joan and the large lady were almost introduced. Lady Santiver never quite completed the formality. She had heard it whispered that introductions were not really done nowadays. Habit being strong, she

compromised the matter, glanced hopefully round the room, and found what she was looking for.

" Oh, Betty, darling, do look at that frantically pathetic colonel man over there, all alone," she cried in heart-broken tones, pointing to a thin white-haired man who seemed to be viewing the gathering with some distaste. " Do be an absolute saint and get him to talk about himself."

Betty accepted a halo of the first-class with remarkably good grace, which shows the value of a sound social training. She did not crowd the colonel, however. He was at least sixty.

Jinky returned with the cocktail and a dish of tiny sandwiches.

" I thought you might like these," he said.

" There! " exclaimed Lady Santiver, " he is the most thoughtful man in London. I'm sure it's because he works so hard. The way you two people slave is simply sick-making. Oh, look! The Feltons are going."

She was gone, tripping on top gear across the room.

" Isn't she too sweet? " said Joan, looking at their ambling hostess. " But ' sick-making '! Really, her slang is shockingly out of date, and she does try so hard to keep up with us."

" Noble dame! " said Jinky.

" Do tell me your job of work, Jinky. I don't know your real name, so I shall have to call you Jinky."

" Oh, do. What's yours beyond the Joan? "

" Just Baker. My close-up friends always call me Bay."

" Then I'll plunge heavily and do ditto. Here's to your plucked eyebrows, Bay," he said saucily, with a queer sort of smile over the top of his wine-glass.

Jinky's peculiar smile seldom failed him with women. It suggested a small boy caught in mischief but hopeful of the consequences. It made them think of the child they had had or hoped to have. With that smile he took chances that came off everywhere except at home.

For a fraction of a second Joan was taken aback, quickly decided he was quite modern, and laughed. He laughed with her.

" If it won't bore you too horribly, do tell me the labour stunt," insisted Joan, now liking him thoroughly.

" Just a job with the ' Shoodust ' people. You know that rotten thing they push about carpets and it makes a noise like a bombing 'plane."

" Oh, those! Nedve-shattering horrors! What do *you* do to them? "

" Oh, I see that lots of people buy them that don't want 'em. That's what they call big business, you know. I have to tell the seller-wallahs what to do about it. Give them ideas and all that."

Jinky shifted about most uncomfortably. Either he did not like the subject or was being modest about his value to the firm.

Giving the subject a deft switch, he continued, " Dear old Santy said you were also setting the dole-getters a good example. What's your pigeon, Bay? "

" Oh, that? I'm at domestic economy," she answered promptly.

" Jumping Geneva, you must be brainy. I can see you giving wise lectures to rows of would-be housewives and mothers."

" Mothers, my aunt! Man hunters! Don't be hard on 'em."

Jinky, in the act of drinking, was so amused, he choked.

" Sorry and all that," he said, recovering. " Very nearly S.O.C."

" What on earth is S.O.C.? "

" Sick on carpet," Jinky explained. " When we were brats that was the code for a sudden overtake. Anything really upsetting was S.I.B., and a settled melancholy was S.U.D."

" Oh, do tell me? " chortled Joan.

" ' Sick in basin,' and ' sick unto death.' "

Joan laughed so loudly Lady Santiver beamed happily at them from across the room. Nothing pleased her better than evidence of genuine happiness and cheerfulness. It was what, in her own way, she tried to establish.

After these childish reminiscences they got along so well they were almost the last to leave. They told Lady Santiver she simply must invite them together in the future or they would murder her with jagged knives, and the dear soul felt she had done a good deed for the day.

* * *

John Neville Kellinworth got off a bus in Kensington carrying a heavy package. He also carried what might have been an alpine stock sheathed in brown paper. It was a long handle. He was not the happy Jinky of the previous evening. Demonstrating the ' Shoodust ' to reluctant buyers was not the kind of sport that cheered his heart.

Even nepotism had so far failed to get Jinky a job he was suited for. The system was doing overtime for one season; there were so many potentials. After all his expensive education there was nothing for it but to sell something on commission. In spite of appearances to the contrary, his keep at home was a serious item; partly because of that education, and there was no cash whatever to supply those appurtenances necessary to support the role of gentleman. If he sold one machine each week he could balance his budget. The allowed commission was 12½ per cent. If he sold two machines there was a surplus which went to redeem the household debt.

This morning he liked the job less than he ever had. His reception at the house he had just left had been exceptionally trying to a sensitive nature.

He had as usual prepared the way with a letter on the firm's notepaper to say their representative would call and, in the way of demonstration, clean a carpet gratis. Even such a fair offer as that did not prevent some householders from looking upon him with as much fear as though he were operating a distraint, but the lady in the Gloucester Road who lived in a flat, up to which there was no lift, had shown aggression.

A very small, youthful maid had opened the door to him.

" Is Mrs. Branksome-Dene at home? " he had asked in a tone that implied a social call. That method usually got him across the threshold.

" Yes, sir. Will you please come in? What name shall I say? "

While the maid was away he rapidly rehearsed in his mind the main points of attack. He had achieved the first point; for the chief of the salesmen under whose tuition he had been sent out into a waiting world had impressed upon his pupils the value of first getting into the house. The next thing to do was to create a desire. It was important to play upon the vanity of the victim, and to rouse the competitive instinct. Mrs. Jones next door had one; surely she was not going to let Mrs. Jones crow over her. If loyalty were suspected by reason of photographs, or such indications, mention that royal households had rows of Shoodusts. Should it be frankly admitted that in this beautiful home money was not in abundance, not even in sufficient quantity to meet a monthly payment, look round for some possibly superfluous article, such as a piano which did not appear to be used. " Do you play? " " Oh, your daughter did, and she—— " Promptly take a great thought from the great book. Sell all you have and buy the pearl of great price. Thoughts from such a source are always a present help in time of selling. Finally, stress heavily the glory of possession.

The whole process could be summed up in the phrase: " For the best results arouse the worst reactions." Of course the chief salesman did not say that. It is unnecessary to underline the obvious.

The maid returned with her mistress

" I don't seem to know your name," said the latter pleasantly.

Her build was so generous she reminded him of Betty of the cocktail party.

" I am here on behalf of the Shoodust Company to clean a carpet for you."

Her manner and voice hardened to steel.

"You had no right to come in," she said, and turning to the maid, "What a nuisance you are! I have told you about this sort of thing before."

She might be like Betty in appearance, but how different in temperament!

"I'm afraid it's my fault," said Jinky, anxious to defend the flustered maid. "She opened the door and I just walked in."

"Then please walk out. She ought to have asked your business."

"But I thought, mam ——," began the maid.

"Be quiet!" snapped her mistress.

"But wouldn't you like me to clean your carpet for you?" said Jinky, determined to fight to the last ditch, like so many of his ancestors in ditches more romantic.

"No! We already have an Electrobrush."

"You'll hate it when you see my Shoodust work," said Jinky, throwing in his last reserves by producing that roguish smile of his.

It worked most adversely. It made her very angry. Was it because she had no hopes of small things in mischief?

"Go at once," she almost shouted. "I think you are all horrible people."

As the door banged on him and he went down the stairs he could hear Mrs. Branksome-Dene lashing the maid with the tail of her wrath.

The unfairness of the whole thing thoroughly upset him. He would not have minded so much if the maid had not been involved, though the remark, "horrible people," galled him not a little. It woke him up to the fact that that was what he vaguely thought of his fellow conspirators, and that he was no different from them.

On his way to the next address on his list he fought the inclination to be reckless and give up work for the day. Even in front of the house he hesitated. Had it been an imposed demonstration inclination would have won, but it was a request for one. That was too good a chance to miss. He set his teeth and ran up the steps, and was so little in that soft, insinuating, persuasive mood of a good seller that he rejected his usual opening for a plain statement.

As the door opened he said, "I am the man from the Shoodust Comp—— "

He got no further. His mouth remained open with surprise. There before him stood Joan Baker, *cap-à-pie*, and in all the panoply of the domestic. Her eyes widened; fear came into them. They looked at each other like a pair of congenital idiots until comprehension gradually arrived.

"Well, I'm damned," said Jinky at last.

She looked at his package and staff, and said in a small voice, "I think, perhaps, you had better come in."

"Oh, had I? Oh! Oh, all right," he replied, still rather dazed.

She closed the door, and pointing to the polished hall form said, "Sit down; we had better talk this over." She sat beside him.

"Talk it over, why?"

"Oh, well—er—you see—er—— "

"We both know, and nobody else will."

"No, of course not."

"Well then?"

"Quite."

After this intellectual effort they stared heavily at their toes in silence.

Jinky was the first to get inspiration from below.

"You know, we two ought to get together and do something," he said.

"Something in business?"

"Oh yes, yes, of course," he hastened to reply, "something quite in a prime-minister sense of the phrase. You know there ought to be something we ought to be able to do. Well we two—what I mean is—well—I mean—if it's only to run a night club, or something."

"Quite," said Joan. "Do you know anybody with capital?"

"Ah, there you are."

They faced each other and the truth together, and their eyes were the eyes of lost souls. Then round Jinky's mouth curled that queer smile of his. Joan answered it with a little choking sob.

At that Jinky spoke quickly, "If it wasn't so bloody bloody, it would be bloody funny, wouldn't it, old dear?" And he gave her such a hefty nudge, she almost fell off the end of the form. They laughed at that, but it had not the quality of those cocktail laughs.

Suddenly Jinky stopped, put his hand over his mouth, and looked round apprehensively.

"It's all right," Joan assured him; "I'm alone in the house."

"What are you here?" he asked.

"I'm called a 'companion-help.' The word 'companion' is a hoist to put all that extra work on the 'help' that a general servant won't do."

"I see. Very neat. Enough to make anyone terribly sinister, isn't it? But aren't you afraid of being discovered here?"

"No. They're Jews. He's out all day rigging the market, or whatever they do, and she spends most of her time buying things on approval from the big shops and sending them back later, sometimes after use, if it won't be noticed."

"H'm! Not much hope for my contraption then," said Jinky.

Joan sprang to her feet.

"Oh, yes, there is," she cried. "If she doesn't buy it I'll threaten to leave. She has social longings, asks me leading questions, and she thinks I'm a treasure. Come on, show me how the damn thing works; then we'll have cocktails and lunch, wait for her return, and make her sign on the dotted line."

The Theatre.

"Who's Who?" By P. G. Wodehouse and Guy Bolton. Produced by Lawrence Grossmith. Duke of York's. Very clean fun. Recommended to the tired business man. Just the thing after a few drinks.

"Men in White." By Sidney Kingsley. Lyric.

A rough classification of the London stage at the moment would divide it about equally between plays dealing with Napoleon and those depicting hospital wards and operations. The possibilities of the last were long ago realised by the film industry, and Sidney Kingsley's admirable play has, in fact, already been made into an excellent film, which will shortly be generally released.

The theme of "Men in White" is that of the struggle of a young and brilliant doctor who has to choose between his career and getting rich quick as a general practitioner in order to please his fiancée. All the scenes are laid in a hospital. Eventually, the career is chosen, but the author shirks the problem, since the denouément comes about mainly through the death, as the result of attempted abortion, of a young probationer nurse whom the doctor has put in the family way. The operation scene is brilliantly staged, and although the spectacle of a doctor's fiancée in attendance is curious to English eyes, no doubt they order these things differently in New York.

The play is excellently produced and acted, with Robert Douglas as the doctor, Joan Marion as the nurse, and Jill Esmond (less distinguished) as the fiancée. I recommend it both as out of the common and first-class entertainment.

VERNON SOMMERFIELD.

The Mansion House Fund.

Mansion House Fund for the victims of the Wrexham disaster. This is a fund for preserving intact the hidden reserves of the banking system. From those reserves a generous pension for life could be provided for every one the bereaved families without cost to the public.

The Films.

"Little Man, What Now?" Directed by Frank Borzage. Empire.

It is both an advantage and a disadvantage to be familiar with a book or play from which a film is adapted. Knowledge enables one to fill in the gaps, but it is also apt to spoil one's enjoyment if the picture departs from the original or does it insufficient justice. This film—made by Universal Pictures—is extraordinarily successful up to a point and with one reservation; the atmosphere of Hans Fallada's novel is maintained throughout, and the characters are admirably cast, but the film gives only part of the book, since it ends on the birth of the Little Man's child, and the dialogue is too laden with American colloquialisms. But on the whole, I must give the production full marks, especially in view of the obvious difficulties inherent in taking a novel of such scope and character and compressing it into a screen play that does not run more than ninety minutes. There is, however, one production blemish that I have noted in many American pictures; the new-born baby is at least six months old.

Pinneberg is played by Douglass Montgomery, and I cannot praise his acting more highly than by saying that his selection for a covered role was a piece of quite inspired casting. Margaret Sullavan is Lämmchen; this young woman, who made her name in "Only Yesterday," has the makings of a really distinguished actress, but she requires to shed certain mannerisms before she merits the praise bestowed on her by the critics and the publicity agents. Among the rest of the cast, Christian Rube, de Witt Jennings, G. P. Huntley, junior, and Alan Hale call for special mention; Mr. Hale plays Jachman as Fallada conceived the character.

This is one of the films of the year. Do not miss it.

Two Good English Films.

The present writer enjoys a certain notoriety for his intransigence towards British films. Corpulent and prosperous producers with large cigars and amicable smiles occasionally deprecate the vigour of his criticisms, after which they present him with an equally large cigar, as a sign that there is no ill-feeling. This brief incursion into autobiography is a prelude to announcing that after I had seen "What Happened Then?" last week, I cordially and sincerely remarked to Arthur Dent, the managing director of British International Pictures, "Mr. Dent, you are not only making box-office successes, but also good films." That was bare justice, since only the previous week I had seen another very good picture—"Girls Will Be Boys"—made by the same producers.

"What Happened Then?' based on the stage success, is a little masterpiece of its kind. It is very short, running for less than an hour, but is packed with incident and excitement, quite brilliantly edited, and excellently photographed. Richard Bird is superb in the principal role; this young actor is an acquisition to the screen, and I hope that he will not be dropped by Elstree, as has happened in recent years to so many talented players with screen gifts. I have only one fault to find with the production; the characters so incessantly call each other by their Christian names, that if Alicia had exclaimed "Peter" just once more, I should have screamed.

This picture, as is the case with "Girls Will Be Boys," has, so far, not been shown to the public. The second is a most entertaining trifle, in which acting honours are divided between the delightful Dolly Haas and that intelligent veteran, Cyril Maude. It is excellent light comedy, and although Mr. Maude's impersonation verges on the stagy, that does not matter greatly in the conventionalised role of an irascible and autocratic peer with a heart of gold.

I recommend both these pictures, especially the first.

DAVID OCKHAM.

LETTERS TO THE EDITOR.

"A SLIP IN TIME."

Sir,—In reply to Mr. G. F. Llewellyn's letter protesting against my short story "A Slip in Time," I would only say that the very "openness of mind" which he owes to Mr. Sells is what I deplore. Not only does that Open Mind permit the reception of new ideas, but, unfortunately, allows their undigested evacuation. When, as rarely occurs, a new idea is retained, it is poisoned by uneliminated matter—a state of chronic mental toxaemia.

S. HOWARD.

"THE TRUE COST OF LIVING."

Sir,—What is the truth about vitamins?

There appear to be vitamins A, B, C, D, and then some, according to the experts.

If they have been seen, otherwise than with the eye of faith, and a difference noted, why cannot they tell the difference between A and B in A + B?

A writer of authority recently stated that the Eskimo and the Negro in their natural habitats have the best and most lasting teeth in the world. The former because he gets vitamin D from fish oil, the latter because he gets it direct from the sun on his naked skin. He said that too much cereal food destroys the teeth. This suggests a vitamin conflict.

A medical man of intelligence and experience once told me that an egg up to a week old contained nerve food which an older egg did not possess.

A writer on foodstuffs last week told the world that porridge alone and treacle alone were excellent food, but taken together were poison.

Where are we? In the country there is a wealth of lore that would be called superstition by the experts; but it pays to listen to it. As an instance, there is a magic in the seasons of the moon for brewing, wine making, planting, and so on. Experiment, and the proof is with you.

Truly this is a wonderful world, and what do they know of vitamins who only experts know?

D. V.

The Social Credit Library

Major Douglas Speaks. A symposium of articles, lectures and addresses, edited by Mr. Stanley F. Allen, F.C.A. (Australia), and published by the Douglas Social Credit Association of Sydney, 29, Bligh Street, Sydney, N.S.W. 102 pp. Price 2s. net.

This book contains fourteen selections from Major Douglas's speeches and writings, and includes articles originally contributed to *The Manchester Dispatch*, *The Daily Herald*, THE NEW AGE, and *The New English Weekly*, also addresses at one or two of the "New Age" Dinners. The Scheme for Scotland is reproduced, together with the commentary of the Credit Study group, and so is the Chart of Suicides and Bankruptcies which was originally published in THE NEW AGE, and subsequently put in by Major Douglas with his Statement to the Macmillan Committee (but not published by them).

A limited number of copies have been received by the Credit Research Library, and are available until exhausted. The price, inclusive of postage, is 1s. 2d.

Unwanted Bank Deposits.

"It must be an almost unheard-of event for a bank not only to request its small depositors to close their accounts, but by way of inducement to offer a special pencil to depositors complying with the request within thirty days! A circular to this effect has been issued by the First National Bank of Englewood, Chicago. This offer is made 'before considering a heavy service charge.'

"'Money,' the circular continues, 'has become a burden. Like commodities, it has a value so long as it can be put to some good use. Beyond that point it is of no avail. Not only are we closing the small accounts, but we have discontinued the opening of new accounts until such time as we can safely and profitably invest our excessive cash reserves.'

"It would be difficult to find a more eloquent example of the exceptional banking conditions in the United States, or a more effective rejoinder to those who used to claim that monetary abundance was the cure for bad trade."—*Times Trade Supplement*, September 18.

The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them, and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital fallacy to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This, of course, cannot be done by the orthodox method of accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

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Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, L... W.C., England (Telephone: Chancery 8470), and printed for him by THE ... PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4. ... Telephone: Central 3701).