

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	149	THE POINT OF THE PEN. XLIII. (iv.). By R. Laugier	153
The Alberta election—Major Douglas satisfied with the result—his next visit to Canada this month—issues of the election—clash between the Aberhart party and the United Farmers' party on Social-Credit policy—the United Farmers' claimed that the Social-Credit Secretariat had repudiated Mr. Aberhart's policy, while he claimed that Major Douglas had approved it!—Mr. Aberhart's prospects and opportunities. Danish farmers' attempt to control the sterling-Kroner exchange discussed as a partial parallel with Alberta's probable preparations for initiating the Social-Credit scheme.		<i>Irish Free State: Impressions</i> (Part IV.).	
		NATURAL MAN. By M. J.	154
		<i>The Primordial Ocean</i> (Perry).	
		"THE FINANCIAL TIMES" ON SOCIAL CREDIT. By John Grimm	155
		The "Inflation" bogey inspected.	
		METHODOLOGY IN LAW. IV. By James Golder	155
		<i>Prologue to Nomostatistics</i> (Jaffin). Concluded.	
		DOUGLAS DICTA ON ACTION	156
		CORRESPONDENCE	156
		Frank Griffiths (Green Shirt Movement for Social Credit).	

NOTES OF THE WEEK.

Alberta and After.

(August 28.)*

It is possible this week for us to draw more definite, and, we are glad to say, more optimistic, conclusions from the result of the Alberta election than was the case last week. The interview between the editor of this journal and the representative from the *Manchester Guardian* took place on Saturday evening, August 24, when nothing more was known than the probable size of Mr. Aberhart's majority. Nor was any further information to hand during the following day when our "Notes" had to be written. And that was the situation when we closed for press on the Monday.

* * *

On that day two important pieces of information were made known in the London Press. One was that Mr. Aberhart had cabled Major Douglas to go out to Alberta; the other was that Mr. Aberhart had reaffirmed his intention to proceed slowly in the matter of implementing his mandate. These answered the two queries about which, in our Notes (page 163, col. 2, par. 2) we were hesitating, namely whether Mr. Aberhart would insist on his own "omniscience and infallibility," and whether he would take "time for reflection." Well, he is going to take his time, and he is going to take advice; and this enables every bona-fide upholder of the authentic Social Credit principles to indulge the hope that the scheme eventually adopted will accredit, not discredit, the Movement. Major Douglas himself, in an interview published in the *News Chronicle* on Tuesday, August 27, was presumably aware of Mr. Aberhart's attitude, when he said to the interviewer: "It must be remembered that Mr. Aberhart had an election to consider, and I have no doubt that he now realises the necessity of proceeding in stages."

* * *

It now remains for us all to consider how the electoral victory may be exploited. Morally it is a vastly more significant event than the statistical returns would

* Dates refer to the days on which these Notes were being written.

indicate if it had been an ordinary party election. Its significance lies in the fact that the votes given to the United Farmers were just as much votes for Social Credit as were those given to Mr. Aberhart's Party. Not only so, but both sides claimed support in the name of *Douglas Social Credit*. You have to add together the polling figures of the victors and vanquished alike to get a measure of the "Douglas" poll. In the past it has often happened that a victorious candidate, when returning thanks on the declaration of the poll, has made use of the fatuous and unctuous formula: "I shall remember, friends, that I represent the minority as well as the majority of my constituents," and invariably been greeted with a storm of majority-cheers and minority-jeers. But on the fundamental question round which the Alberta election was fought, Mr. Aberhart can say quite realistically that he is where he is to give effect to the minority's demands no less than the majority's. Whichever side had "won," the "victory" would have been for "Douglas Social Credit." As Alice would have said: "You have all won and you shall all have dividends." If anybody says that this is not true, the answer should be that we must all set to work to make it come true.

(August 29.)

For the moment, of course, the supporters of the United Farmers' party must naturally be feeling sore over the result, and disinclined to regard themselves as other than a defeated force. But they have this consolation, that it was their own Government who appointed Major Douglas as economic adviser, and that Mr. Aberhart has found it expedient to retain his services. This is a tacit tribute to the wisdom of their policy, and a virtual guarantee that their allegations of defects in Mr. Aberhart's scheme will be reviewed by the very technical authority whom they themselves would have consulted if they had won the election. They have thus succeeded in ensuring a continuity of sound Social Credit policy insofar as it was humanly possible to do so. That they are deprived of the honour of implementing it is mortifying, but it is by no means a disaster.

During the election Mr. Larkham Collins, who is a prominent leader of the United Farmers' party, and who was instrumental in arranging Major Douglas's visit to Alberta early in 1934 for the purpose of giving evidence before the Agricultural Committee of the Alberta Legislature, delivered the following attack on Mr. Aberhart's programme:

"... The Aberhart principles are not Douglas principles.

"The Aberhart policy is not the Douglas policy.

"Aberhart Social Credit is not Social Credit at all.

"If you vote for the Aberhart policy you do not vote for the Douglas System, nor for Social Credit. Your vote, thus cast, is a blow at Social Credit, and sufficient votes may bring the Douglas System into such disrepute as to extinguish it entirely.

"I make these statements after a careful study of Douglas's works, and after a long and informative correspondence with Major C. H. Douglas."

At the time when he spoke he was justified in uttering his warning, for, on Major Douglas's testimony before the above-named Committee, the Aberhart booklet on which the author's proposals were founded, had been submitted to the Social Credit Secretariat in London, and pronounced to be technically unsound. (Official Evidence, p. 41, par. 2.) In the same context Major Douglas explained that he had not read the booklet and had "no recollection of the contents." Nor does it appear that he has publicly expressed any view on the booklet since, until his interview with the *News Chronicle* published on August 27, when he stated that his only criticism of Mr. Aberhart was on "points of detail." In the meantime the United Farmers had a written opinion from the Social Credit Secretariat in which Mr. Aberhart's "pamphlet" was roundly and unequivocally condemned. In these circumstances Mr. Larkham was entitled to hold the opinion that if Mr. Aberhart got the mandate to put his scheme into operation, and did so without modifying it, the result would be to bring the Douglas system into disrepute. But now that Mr. Aberhart has given hostages for wise behaviour, the danger foreseen by Mr. Larkham need not arise. One may be sure of this, that Major Douglas is not going to certify any scheme which is likely to discredit his theories.

(August 30.)

The Social Credit Secretariat not only condemned Mr. Aberhart's pamphlet on technical grounds but advised the United Farmers' leaders to discredit it "in every possible way." They committed themselves to the view that his policy should be rejected by the electorate. But Major Douglas refrained from endorsing this view—he maintained an attitude of benevolent neutrality (as Mr. Aberhart claimed) up to the time of his appointment as Reconstruction Adviser to the United Farmers' Government, and, of course, an attitude of official impartiality afterwards. So the election opened in an atmosphere of uncertainties and contradictions; and it is not surprising that its conduct was characterised by acrimony on both sides. Was Mr. Aberhart's programme a rotten egg, an addled egg, a curate's egg, or merely an infertile egg? Social-Credit officialdom seemed to speak with two voices, and there was nothing for the leaders of the two conflicting forces but to back their fancy and wait for the result. They were back in "good King Charles's golden days."

* * *

In the face of the dimensions of Mr. Aberhart's victory the United Farmers' leaders, though they are prob-

ably feeling that Major Douglas's attitude prejudiced their chances of success, are bound to reflect that Mr. Aberhart would have won in any case. The electors took the view that it didn't matter what kind of an egg was put under Mr. Aberhart, for he could hatch dividends out of any egg! Besides which, if they had studied the official writings of the Secretariat, they could have shown that egg-testing was not the function of the electorate—that their function was to demand chickens and choose a hen. Well, for a mixture of reasons and sentiments, they thought Mr. Aberhart a more likely-looking bird than Premier Reid, and so to-day Premier Aberhart enjoys the constitutional right to squat on the nest of the economic problem. But Major Douglas remains the official egg-tester. Now, all eggs look alike to the common people, and because of this circumstance the particular egg which Mr. Aberhart exhibited and described during the election may easily be exchanged without their knowledge if it is a wrong 'un, or spermed up if merely infertile. It is true that Major Douglas can't force the bird to sit on the right egg, but he may be expected to resign if she tries to sit on the wrong one or refuses to sit at all. In other words, so long as Major Douglas retains his office the Social Credit Movement may take that as a sign that Mr. Aberhart is proceeding along sound lines.

* * *

But there is something more to be said. Not only have the Alberta electorate given him a mandate to produce the promised results, but a mandate of such size (it has virtually a unanimous backing) that they are entitled to expect the results quickly. When you have a whole electorate who, as Major Douglas declared to the *News Chronicle*, "mean what they say," going solid for a given objective, the Government appointed by them is in a far stronger position to deal with Constitutional obstacles to its policy than if it held office by a moderate majority. The size of Mr. Aberhart's backing has focussed the eyes of the world on the problem of these obstacles. And to a perceptible degree it is a world who, thanks to the influence of Social Credit journalism and agitation, has become aware of the tortuous and illicit devices by which the demands of electorates have been evaded or defeated by the Money Monopoly. There are enough people to-day who have a vivid recollection of what happened to Mr. Lang and his Administration in New South Wales to make the money interests, whether in Ottawa or London, think twice about trying the same ramp on with Alberta. The "sinking-without-trace" policy is no longer feasible, for the seas of international politics are now patrolled by Social-Credit submarine detectors, who, though they have no means of dropping depth-charges on these engines of destruction, are able to chart their positions and movements promptly and accurately.

(September 1.)

As we commence the following section of the "Notes" (Sunday) we have before us the *Observer* and the *Sunday Express*. The *Observer* publishes a paragraph in which the writer coins the phrase "green Socialism" to describe Mr. Aberhart's proposals, in contradistinction to "red" Socialism. He also makes the comment that Mr. Aberhart's following in the Legislature consists of men who have never before sat in any Parliament. In the *Sunday Express* there is a prominent article by Major Douglas in which he pays a high tribute to Mr. Aberhart as an orator and leader and speaks with unqualified hopefulness on the prospects of the fulfilment

of the new Premier's programme within the time limit contemplated—now put as fifteen months. The resources of Alberta, he says, are sufficient to justify the £5-per-month dividend. The only difficulty he foresees will be that of regulating immigration into Alberta as and when the time for the distribution of the dividends draws near. He anticipates that the preparatory steps taken by the Government will involve "war with the banks." He makes the same comment on the size of Mr. Aberhart's following as we made earlier in these Notes, and attaches the same significance to it, remarking that it is calculated to prevent the engineering of disorders and bloodshed by would-be wreckers of the new policy. On the technical side of the policy he makes a general reference to Mr. Aberhart's having "gone beyond" his (Major Douglas's) proposals in his election propaganda, but selects for endorsement Mr. Aberhart's contemplated regulations governing the use which will be made of the new credits to be issued. Incidentally, he corrects the statement (which we have recorded earlier) that Mr. Aberhart has already invited him to go to Canada as official adviser, but says that Mr. Aberhart's party have authorised him to do so. On the previous Tuesday, August 27, however, the Press had verified the fact that Major Douglas had booked cabins for a visit to Canada to take place in a fortnight's time—from which it may be concluded that he had good reasons to anticipate that he would be called into consultation professionally. That being so, the timing of the official invitation is of little consequence as concerns the optimistic conclusions we have drawn above as to the development of the new Government's plans.

The dominant facts of the situation which now appear to be established are these:

1. Mr. Aberhart means business.
2. Mr. Aberhart will accept sound technical advice.
3. Major Douglas thinks it worth while to give such advice.
4. Major Douglas believes the actual provision of the dividends in the given time limit to be feasible.

As to the last-named fact, Major Douglas goes so far as to say in the article mentioned that he expects to see Alberta the "show" province of the world. As to the feasibility of the new policy, this has two aspects, technical and political. On the technical aspect, though there may have been critics who doubted whether a basic dividend of £5 a month could become available within eighteen months, nobody has doubted that a dividend of some size or other could be distributed directly the machinery of distribution could be organised. At this very moment there are unsatisfied needs among Alberta's population which could be immediately supplied from Alberta's existing available resources. So far as technical obstacles are concerned the principle of Mr. Bernard Shaw's classic proposal some years ago that everybody should get bread for nothing could be carried out easily and almost at once. The amount of the dividend is of no consequence: what is of supreme consequence is the date of the first distribution. Ten shillings a month in six months' time is infinitely preferable to five pounds a month in eighteen months' time—always provided of course that the authentic Social Credit precautions against inflation are incorporated in the system and are not abandoned for the sake of speed. The earliness of the distribution is imperative on grounds of common humanity and political strategy. The first is self-evident. The second lies in the consideration that the longer the

application of Social-Credit principles is delayed the wider will be the opportunities of the money interests to block progress. The great thing is to get a working model operating, and with only such delay as is necessary to ensure its being true to design. Once the design is right the scale does not matter.

* * *

This leads to a consideration of the other aspect of feasibility—the political aspect. The Constitution of Canada (not to speak of the enveloping Constitutions of Great Britain and the Empire) have been designed precisely to impose delay on heterodox monetary policies. The design has been created by the Money Monopolists, and has been absentmindedly passed by Legislatures throughout the world. So thoroughly has this been done that the banking interests have become the arbiters of constitutionalism. And if the bankers should discover that there are loopholes in the Constitution, they can get new legislation passed to stop them up, because whatever they want done can be made to appear an inevitable step in an evolutionary process of "perfecting" the law and guarding the "stability of the State." They would have no difficulty with any Legislature of the traditional type.

* * *

But Mr. Aberhart has broken a tradition. By challenging basic financial axioms he challenged the basis of the Constitution. And he has got behind him practically the whole of the electors of Alberta. By fighting and winning the election on that issue he has made it the prime subject of Parliamentary debates in that province, and of discussion in responsible political circles throughout the Empire. He is able to prove that constitutional obstacles to his policy are unconstitutional, and that the money interests who have placed those obstacles there have done so to conceal and perpetuate their private dictatorial usurpation of Governmental prerogatives, also that they have used those prerogatives to carry on a scientifically defective system whose consequences have everywhere been against the public interest.

* * *

The bankers will, of course, set to work to question the soundness of the Social Credit principles, and cannot be prevented from making out a plausible case against it, particularly in other provinces of the Dominion. They will try to gain on the Federal roundabouts what they have lost on the Alberta swings. They will probably insinuate that every elector should master the A + B Theorem before permitting himself to vote for a dividend. And in support of their case they will point to signs of uneasiness among people with savings and investments—not to speak of their engineering occasions for such uneasiness behind the scenes. One answer to this sort of talk is to point out that for generations electors have been voting for a Theorem to which the A + B Theorem is the contradiction, and that they have done so not only without mastering it but without knowing that it existed as an axiomatic principle on which their destinies were being shaped. "Why," the Social-Credit advocate might ask them, "are you suddenly being admonished to become experts on the new Theorem by mentors who have hitherto led you to suppose that Theorems didn't matter and have not even let you know that there were any?" A secondary answer is to show reasons (and there are plenty) why this advice is ultimately inspired by interests who stand to lose something very precious to them if the A + B Theorem is accepted and acted upon—that something not being

money or material wealth, but the possession of power and rights of patronage, to acquire which men in the humblest spheres of life will make material sacrifices. There are, for instance, thousands of middle-class citizens of only moderate means who would pay a hundred or more pounds to sit on the Benches of the Unpaid Magistracy. The only difference is that the small power-maniac enjoys the publicity attending his tin-pot acts, whereas the great power-maniac gets his thrill out of the experience of producing vast visible phenomena by invisible means.

In this context we may refer to the paragraph in the *Observer* previously mentioned. The writer of it, after referring to the newness of Mr. Aberhart's followers in the Legislature to political life goes on to say that his Government

"will be untrammelled by those political habits which are supposed to obstruct the operation of 'getting things done.' Their chief difficulty will be the discovery that some things have been 'done' or 'done in' before they even get started on their enterprise. Already, for instance, the Province has been obliged to suspend the payment of savings certificates, and Canadian credit generally has been shaken on the world's exchanges. This latter result is probably the best guarantee for the Dominion General Election in October yielding a sober kind of result."

After this cock-a-hoop chuckle he composes his face and remarks that, all the same, "a community does not go 'cranky' without cause" and that "Statesmanship everywhere has to get closer to economic and social reality." If this means, as we suppose it must, that Governments have to produce results more to the taste of people who are up against the reality of scarcity, well and good. Mr. Aberhart has shown them the way to start. If they know another way, as good or better, that is all right; but if they don't they will be stupid to suppose that their success in frightening electors into giving them "sober" mandates will avert the consequences of their ignorance or perversity. The bankers behind the wirepullers of Ottawa may get the sort of mandate they want, but it remains to be seen whether they will be able to induce the new Canadian Government to interpret that mandate as a specific instruction to deny Alberta the right to try out the policy on which she is so strongly set. In fact it is part of the Social-Credit indictment of the bankers that they are able to get electors to vote for what they do not understand in the sense of seeing the real implications of what they are asking for; and therefore a bankster result in the Dominion would have no deterrent effect on the Alberta Government, particularly if other western provinces caught the disease of "green Socialism." Obviously Mr. Aberhart, who can show that his policy involves the abolition of election-cooking, cannot be expected to falter at the figures of a cooked election. Rather should these make him and his followers more resolute in pressing their demand for freedom of action.

The three preparatory steps officially recommended by Major Douglas to the late Alberta Government a few months ago as being apparently compatible with the existing limited Constitutional rights of the Province can now be taken concurrently with preparations for distributing the dividend. For Mr. Aberhart's mandate is an explicit demand for final results—the dividends. This naturally includes the demand for safe and quick

methods of providing the dividends. The United Farmers' policy was to ask for a mandate only for taking up the question of the preliminary steps with the Dominion Government. If they had been returned it is possible that the financial advisers to that Government would have negotiated with Mr. Reid on the basis that whatever concessions were made to him in regard to the preliminary steps towards the dividend, no concessions facilitating the distribution of the dividend should be demanded until the electors had given a new mandate at another election. It is true that an electoral endorsement of means designed for an end is an endorsement of the end; but it is probable that Constitutional lawyers would have taken advantage of the difference between the implicit and explicit forms invited respectively by Mr. Reid and Mr. Aberhart. Trust them to find an excuse for delaying the end! If there were any danger of this, Alberta's preference for Mr. Aberhart's more ambitious programme has been fortunate. He has saved time. Having got a mandate for final results he is free within the scope of that mandate to demand any facility for attaining them which is found necessary. And it is not improbable that the solidity of opinion shown to be behind the mandate will enable Major Douglas to make further suggestions appropriate to the occasion—particularly, one hopes, in the direction of hurrying up the programme.

The first of Major Douglas's official recommendations—that is the acquiring of news facilities—has been temporarily fulfilled by the unexpected world-wide publicity that Mr. Aberhart's unprecedented triumph evoked. The second—the setting up of a credit institution as defined—Mr. Aberhart has already announced that he will adopt if the banks refuse to co-operate with him. The third—the acquisition of "foreign exchange"—remains to be implemented, and no discussion about it is profitable.

By a coincidence, however, something has been happening in Denmark which bears directly on the exchange question and in a way which links it up to the present context. It is to be found recorded in *The Times* of August 23, page 10. The Danish farmers have been threatening to force down the kroner-sterling exchange rate. Their plan is to hold back sufficient foreign exchange, chiefly sterling, to create a scarcity. They believe that by doing so they can get a much better price for sterling than the present stabilised rate of 22.40 kroner. They are talking of 30 kroner.

The scarcity would be created by Danish farmers asking their British customers to refrain from paying for supplies on the present ten-day basis and to pay on a three-month basis instead. It is estimated that this would deplete by 150 to 200 million kroner the Danish reserves of foreign exchange. As an alternative it is suggested that Danish holders of sterling should buy British Treasury Bills and should deposit these in Danish banks as security for such loans as are necessary to carry the farmers over the 'dry period.'

"Neither scheme can become operative until all Danish slaughter houses and dairies have been consulted. . . ."

The Times Copenhagen Correspondent who sends this news discusses the feasibility of the plan. He points out that existing legislation can be invoked against it. All Danish holders of foreign exchange are compelled by law to "repatriate" it and to sell it to certain authorised

banks. Foreign securities (including Treasury Bills) may not be imported into Denmark without the consent of the National Bank. Finally, "no Danish bank would care to finance farmers against the wishes of the National Bank." The concluding paragraph of the message reads:

"It is apparent that the Government have public opinion on their side in dealing with the threat. The fact that the bank rate has been raised as a first move means that farmers will be made to suffer for their rashness. . . ."

All readers of *THE NEW AGE* will appreciate the significance of this farmers' movement. It underlines a jocular remark we made some years ago to the effect that if the present financial system lasted long enough everybody would have to become a banker to make a living. The Danish farmers will probably fail, but their move indicates that a tremendous lot of hard thinking about the prerogatives and powers of bankers has been going on independently of credit-reform propaganda. This will all tell in due course and stimulate inquiry into the larger issues raised in Alberta.

In the meantime it may be observed that Alberta's case differs from this one since Alberta is within the Canadian-dollar-area, and no exchange-conversions are necessary at present as between dollars in various provinces. But if Alberta issued dividends in the manner contemplated while the rest of Canada did not, there would be something equivalent to an exchange differentiation between the bank dollar and the "Aberhart" dollar. Ontario or Quebec couldn't accept payment in "Aberhart" dollars, for the banks in these provinces would either not accept them as deposits, or if they did, would only credit the depositor with a proportion of their nominal value. In the latter event exporters to Alberta would add a commensurate premium to prices. In the former, nobody would sell to Alberta except for bankers' dollars. So Alberta's problem as the pioneer area for the Social Credit system would be to acquire a reserve of bankers' dollars with which to finance imports from other provinces. Assuming that all bankers' dollars lent inside Alberta by banks inside Alberta return to those banks and are cancelled, Alberta would have to raise the others by the usual process of exporting wealth and becoming a creditor. Whatever she had available for export she could sell, provided other provinces wanted those particular products, because she could undercut the prices of competing products. She could dump surplus wheat anywhere at any price without impairing her financial solvency. And whatever price she got would measure her "foreign exchange"—her means of importing goods. Naturally she wouldn't price her exports at less than was necessary to tempt buyers—for she would now be viewing the transaction from the realistic barter point of view, exporting as little concrete wealth for as much as it would fetch in.

Reverting to Mr. Aberhart's prospects, it is important to remember that his following is a personal one and its size due to his personality. Being head of his religious organisation as well as Premier of Alberta, and possessing as he does a wireless transmission installation, he is able to maintain constant personal touch with both the secular and religious portions of his constituents, and is in a unique position to consolidate and maintain their morale and resolution. This is of the utmost importance, because the money interests are in the habit

of basing their strategy on the calculation that electorates cool off after elections and absentmindedly tolerate any modifications of their mandate which the new Government can be privately induced or coerced into accepting. If Mr. Aberhart uses his opportunity to report progress every week, and keep his listeners posted with every move in the game, things will happen the more quickly for it. We believe in open diplomacy. Secret diplomacy belongs to the old order of politics where every policy involved as much loss in one direction as gain in another. In the new order of politics where there is one major policy by which everybody gains if it is adopted, or loses if not, there is no object in hush-hush negotiations concerning it. For this reason we derive comfort from the fact that Mr. Aberhart and his supporters in the Legislature are newcomers into the old political game, and are therefore more likely to alter its rules than obey them. We look to them to break traditions on all planes.

The Point of the Pen.

By R. Langier.

XLIII. (iv.)—IRISH FREE STATE: IMPRESSIONS.

The peat of the bogs is cut in a deep trench, and the hewn-out sides shade off, from light chocolate at the top, to black below. The darker the peat the firmer it is, and the better as fuel: in the very light brown turf one may sink to the knees.

The cut turf stands in heaps to dry, piled like ancient cannon-balls, only square instead of round.

The peat industry is a big one, engaging the attention of governments and experts. Irish consulting engineers have recently been to Russia, where huge quantities of peat are consumed. A process is being tried for the compressing of the turf, and the production of solidified blocks that will rival coal.

In Leix an old country substitute for peat was, and is, the "bomb." These "bombs" are made by treading anthracite coal-dust into clay, and moulding the mixture into a "bomb." For the mixing process sometimes "horse-power" is used, or just the feet and a spade. The "bombs" burn for hours.

I go often to a certain strip of bog that always seems to my fancy essentially characteristic of this land. The bog is very still and quiet, except for the occasional cry of a curlew. Flax grows here, and sparse heather, and fir-trees stand all around. A dragon-fly darts, this way and that, mysteriously busy. I stand on the yielding turf and "listen" to the silence. . . .

In the lanes and fields everyone bestows a greeting. When it is not morning it is always "evening" (just as in France), even if it is only 3.0 p.m. "Good evening," says old Ryan, and from force of habit I invariably answer: "Good afternoon." The old chap probably thinks me "affected." *Tant pis!*

A great phrase here is: "Wait till I tell you something. . . ." It is a gambit to every anecdote, and most statements of fact.

The "old school" use the word *entirely* a great deal, again rather in the French sense.

They speak well in the country, with a nice choice of words. The children here have self-possession without being perky. One finds some good books in the farm-houses; and fine libraries in more pretentious homes. When I was admiring one old man's library (he was a retired, fashionable tailor), he told me he "did not care for poetry." I admitted that I did.

After that, he spent most of the evening quoting *The Divine Comedy*, in the original of Dante; and, wherever I prompted him, from my faulty memory and slender knowledge, there, at that point, he could continue in the choicest Italian.

A fine old fellow, with a magnificent head, tonsured with white, thin hair. Gout prisoned him in his chair, but his eyes, like his mind, were quick and alert. He insisted on limping to the porch of his magnificent house when I left; and he shook my hand warmly. "Come again," he said. "Come when it's light enough to see the gardens. I enjoyed our talk."

"So did I," I replied. "But I'm sorry you don't care for poetry!"

His eyes twinkled at me.

At Timahoe is a ruined church and a particularly fine specimen of Round Tower. At Kilkenny they have put steps into their Round Tower; but, originally these towers seem to have had no stairs at all. Only landings. One took refuge in the Tower, with the women, plate, and other valuables. One ascended to landings, via a door, fifteen feet from the ground, and one went up by rope ladders (not wooden ones). Such refuges must have been impregnable; and presumably, the invaders contented themselves with sacking the neighbouring abbey, and then returning home. In this part of the world the country is flat, and from a tower of some 200 feet in height one may obtain a magnificent panoramic view.

Near here, in a neighbourhood called Luveacuran (? spelling), wholesale evictions took place about 40 years ago. Old-established farmers were driven off land their families had occupied for centuries; new Scotch farmers, locally dubbed "planters," took over.

A few miles away are the Rocks of Dunamase. Picturesque castle ruins, on top of a hill commanding a splendid view. They show you deep footsteps—still hollowed out in the turf—where two men fought a duel whilst a third, standing close beside them, acted as a second. If the thing is genuine the fighters never moved from their first position, but smote until one of them fell. This was the stronghold of Rory O'Moore, the hero of a thousand raids and ambushes.

These people are the most truly polite, generous, and unselfish that I have ever met. Especially the women, who appear to live in order to assist one another. If the occasion arises for some little sacrifice—such as dropping out of a game of tennis, or a volunteer is required for some irksome task—there is immediate competition for the sacrifice or the job. And this competition is not shallow politeness; it is obviously no half-hearted refusal of something really desired; so well do they protest that they "cannot possibly stay for another game of tennis"; or that they are "going into town and will post your letter," that at first I was completely deceived. Then I noticed that they did not leave the tennis courts, and I discovered that they had no obligation to go to the town. A kind of happy communion exists among the women of this little place, and, when one of them is in any kind of need all the others rally to her assistance. No doubt this is characteristic of all country districts, and even necessitated—to a certain extent—by small town conditions: nevertheless, the Irish "have a manner"; they help others because they like to help. They are ingenious at discovering ways of helping. I shall miss this politeness when I return to Paris!

(To be continued.)

Natural Man.

Man is born free, said Rousseau, yet everywhere he is in chains. This famous pronouncement has been questioned and denied a thousand times since the publication of *Du Contrat Social*, but modern anthropology is on Rousseau's side. After centuries of assumption and conjecture, we are at last in a position to speak with scientific knowledge about "natural man." It was Dr. Perry who formally divided mankind into food-gatherers and food-producers, and drew attention to the mass of evidence already in existence that the state of primitive, pre-agricultural man was peaceful and curiously moral. The bloodthirsty savage, who is usually the member of a complex society, has always, at some stage or other in his tribal history, been in contact with food-producing man.

The typical food-gatherer is practically unorganised and, for all his life is so insecure, he is likeable and happy, roughly speaking monogamous, and good to his children. It never occurs to him to try to control his food-supply. Society as we know it is the outcome of agriculture, which was almost certainly invented on the banks of the Nile. Man was an unwarlike, unacquisitive, decent sort of creature for hundreds of thousands of years, whereas civilisation, with its attendant interest in property, and violent behaviour, is less than ten thousand years old—so much for the pessimists who talk about inexorable laws of human nature and tell us that history has always been bloody. Primitive man, that is natural man, had no history.

Dr. Perry's latest book* is an essay on the force of tradition. Throughout its history civilisation has been dominated by a set of ideas which originated in ancient Egypt as the result of particular events and circumstances, ideas which are arbitrary and not in any sense natural, i.e. instinctive, to mankind. Man is naturally conservative and uninventive; it takes an unusual situation or event to goad him into innovation, though once he starts he may move very quickly for a time. Not the least interesting chapter in "The Primordial Ocean" is on "The Achievement of Excellence," in which Dr. Perry collects a surprising number of instances of the sudden flowering of greatness in various arts and crafts.

Rivers, Elliot Smith, and Perry are important names in the history of thought. Once you have mastered the theory of Diffusion you will find that history will never be the same for you; for one thing, it will make far better sense. Its exponents have to handle a complicated mass of facts, but their findings make a direct appeal to one's common sense and experience—and what other test of scientific truth is left to the laymen when experts disagree? This is not, perhaps, such an epoch-making book as Doctor Perry's doctoral thesis, "The Children of the Sun," but it is quite as sound, and the common reader will find it easier going; it is one of those rare books that deal faithfully with fundamentals.

M. J.

Notice.

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

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

* "The Primordial Ocean." By W. J. Perry. (Methuen, 1935.)

The "Financial Times" on Social Credit.

By John Grimm.

The *Financial Times* of August 30 publishes a summary of Social Credit objectives and proposals, intended, presumably, for the enlightenment of the trading and investing public. Generally, it is a fair statement of the case against the existing financial system.

The writer starts off on his criticism by quoting the illustration used by Major Douglas at Ottawa of the discounting of the price of a motor-car by 25 per cent., where the buyer of a car priced at £100 gets a discount voucher for £25 which he can pay into his bank as a credit. He points out that this £25 could be drawn out by the depositor in legal tender if desired—from which he draws the general conclusion that all Social Credit payments of this kind are convertible into and are indistinguishable from bank money circulating via the productive system. He then asks how the Treasury (or Credit Authority in charge of the scheme) would meet the claims of the banks on account of their acceptances of discount vouchers. "It seems certain," he says, "that the time would come when the banks would want to exchange this mass of credit for money." Suppose they wanted Treasury notes—would the Treasury print them and hand them to the banks? He cites Major Douglas as answering in the affirmative to such a question (but with the qualification, if required, to do so). Upon this the writer bases the objection that, since the process of creating credit would go on indefinitely, there would be bound to be progressive inflation.

Next he quotes the A + B Theorem, and raises the familiar objection that "B" payments at any time are in process of becoming "A" payments, and that therefore the A + B system of analysing cost fails to prove an inherent shortage of income against price—in which case the distribution of "Social" credits to make up this unproved shortage would be wholly or partly superfluous; and, if so, then to that extent there would be inflation.

Thus "inflation" is the central bogey of this writer's article.

He appears to be unaware of the essential conditions in which inflation occurs. These conditions are that money constituting demand increases at a quicker rate than do rightfully recoverable costs, and opens the way for extravagant profiteering under the conventional practical rule that the price of an article is all that it will fetch in excess of cost. When, in any market you like, buyers come along desiring to buy a greater number of articles than are on offer, then, however much money they bring into that market, they leave it behind them. And it is precisely to bring about this condition of affairs that cotton is ploughed back and coffee is burnt—as is indicated by the phrase used to justify these devices, namely, to "support" or "protect" the cotton-market, the coffee-market, and so on. It should be noted that the destruction of real wealth is as much an act of inflation as is the creation of financial wealth.

When the quantity of goods on offer is constant a rise in the quantity of money on offer inflates the price. When the quantity of money on offer is constant a decrease in the quantity of goods on offer likewise inflates the price. For example, starting from a datum level where articles number 100, and pounds sterling 100, if the money alone increases to say 200, or the goods alone decrease to 50, there is the same measure of inflation, reflected in either case by a unit price of £2 instead of £1. But if goods and money both rise to 200 there is no inflation.

The converse of this is true, but with a vital qualification. Price will fall against a falling money demand only down to the level of cost; if "all that the article will fetch" is below its cost, the article will cease to be made. Yet, while production will stop in face of a loss, it does not follow that it will progress indefinitely in face of a profit. Producers will not make, say, 200 articles to fetch £200

when they know they can get the same money for 100 articles. Again, rising prices in the commodity markets cause rising scales of wages and salaries and therefore rising costs. So sellers, apart from the motive of high profits as such refrain from letting more goods than they can help go for a given quantity of money because the cost of replacing them will probably be more than the cost of holding them back. All these facts about inflation are just as true of the investment market as of the commodity markets.

Another mistake made by the writer is revealed in his concern to establish the fact that the "Social" credits could ultimately take the form of Treasury notes. Whether they did so or not makes no difference to the question of whether there would be inflation or not. All financial tokens in the hands of buyers which, in practice, are acceptable by sellers in discharge of price, or by creditors in discharge of debt—whether notes, or cheques (or the proposed "Social" discount vouchers)—have the same effect on prices. Superfluous cheque-money is as inflationary as superfluous note-money—which is to say that the danger of inflation has nothing to do with the convertibility of one form of money into another. It concerns the quantity—the collective quantity of all sorts of money used in buying things—and it is self-evident that the quantity of the whole is not affected by converting one of its constituent parts into another.

This writer is apparently bothered by a fact which does not belong to the argument—the fact that the banks are permitted under their own rules to lend credit to a multiple of their holdings of legal tender. That is why he is so concerned about the new convertibility of "Social" credits into additional legal tender manufactured by the Treasury. But there is all the difference in the world between what the banks are permitted to do and what they are obliged to do. No public or private law or rule obliges them to lend to the limit of their "cash" cover. For example, it is a matter of history that America, soon after the war "sterilised" a large part of her gold hoard—that is, she deliberately narrowed the ratio between her gold reserves and the loan-credit covered by them. And notice the reason given to complaining business interests; it was that if credit were advanced up to the conventional and permissible ratio-limit there would be inflation of prices. And the freedom to limit the gold: note ratio extends to the note: cheque ratio. In a word, the banks could hold legal tender reserves pound for pound against their loan-credit in circulation so far as there is any rule to prevent their doing so. Technically of course this could not happen unless the banks revolutionised their policy and acquired currency notes as investment securities. But that is another story.

Methodology In Law.

By James Golder, M.I.Mech.E.

IV.

I am going to find it very difficult to part with Mr. Jaffin, in the short space available, without appearing to be very unfair to what is certainly an extremely valuable, though undoubtedly unconscious, contribution to the new order of Social Credit jurisprudence. In stating as I did in my first vignette that his Brochure* had "the blessed virtue of brevity," I was a little misleading. It is more true to say, as Major Douglas said in the preface to his first edition of "Economic Democracy," it is a "tabloid treatment of technical methods," and like that great original work demands severe concentration if the essence of the matter treated is to be extracted and effectively applied to the reconstruction of legal law and order on the now visible and available principles of social dynamics.

There are only thirty-one pages, yet Mr. Jaffin has succeeded in sketching a chain of processes which it is highly desirable for the Social Credit Barrister (when he comes) to

* "Prologue to Nomostatistics" reprinted from "Columbia Law Review," Vol. XXXV, No. 1, Jan., 1935.

know. The statistical technique he divides into three phases, Predictive, Regulative, and Reformative.

The first reveals the reaction of the legalistic mind to the discovery of natural laws, such as those of Newton and Darwin. Social phenomena were searched in an effort to ascertain whether comparable laws of "social physics" were also discoverable. Here there was no success, for these things were found to be at the mercy of "apparently chaotic contingencies." Mathematicians appeared to have joined in, and some drew a parallel with gravity and probability. One bright spirit essayed an elaborate application of the calculus of probabilities to court judgments, verdicts of juries, and votes in a legislature!

The second, i.e., the Regulative phase, looks like what we would call the financial phase, and it provided the statistical data indispensable to the *fiat of the efficient law maker* and administrator. We are made aware in this phase that though "justice" is not to be sold, it cannot be dispensed free; but it must be economically administered, hence a proper system of book-keeping and accounting must accompany the businesslike administration of justice. Mr. Jaffin sums up this phase of his methodology as "a regime of national economy and social control." He would call this the major axis of the Law.

The Reformative phase presents what our author calls a phenomenon so paradoxical that one might dismiss it as inconceivable were it not attested by historic fact. It is this. Figures in this phase were invested with normative force. "Who would dream," says Mr. Jaffin, "that the idealistic crusader would ever turn to figures of arithmetic, as well as to figures of speech, as aids in launching flights to Utopia?" Thus we might say figures fortified the eloquence of the reformer at the beginning of the nineteenth century and numbers acquired the force of law.

There is an old Hebrew saying to the effect that the Gentiles mistake numbers for things. Mr. Jaffin reminds us that numbers have ever cast a mystic charm upon the human mind, and we would say this is a fact which renders the latter vulnerable to misdirection and an easy mark for the practice of deception. Now that Jew and Gentile alike are confronted with a problem of civilisation supplied with an abundance of numbers, but very much short of things, it is evident "what a tangled web we weave when once we practise to deceive."

The sad feature of Mr. Jaffin's splendid survey is, to my mind, the complete absence of any sense of the intrinsic values with which he is dealing when he writes so easily about "cases." Only in describing the Archetypal Technique does he ever endow his "cases" with the characteristic of human personality; in all others they are regarded and described as "doctrinal source material." This, of course, is the habit of the legal mind, which, however valuable or virtuous it may have been in the past, is most certainly in our day and generation a loathsome vice; a prostitution of the intelligence. And this is not merely a matter of viewpoint, or even of frames of reference; it raises the fundamental question of ascertaining and determining precisely where the centre of gravity of all this so-called "body of law" is located. "The tremendous volume of litigation produced in a disputatious society affords a measure of the extent to which the law affects the great masses of litigants," writes Mr. Jaffin. Has it ever occurred to the mind of our learned author to consider to what extent the great masses of litigants are affected by the law? Or has he ever entertained the idea for a moment that law itself is the primary cause of the disputatious society?

Mr. Jaffin does not (as would become his erudition and ability better) wind up his masterly survey with an apology for the law; instead, he carefully coins a dreadful new word and looks forward to more law, calling upon his fellows at the Bar to develop and pursue "a polytechnical philosophy with a many-sided perspective which by forcing thought through several channels will become more conducive to eclectic synthesis"! Whatever that portentous mouthful may mean, it certainly reveals something diametrically opposite to the Social Credit Synthesis. What a miserable, peeled, and scattered people need to-day is less licentious law and more real liberty. We want no more statistics to bolster up a freak of liberty masquerading as law until all the figures reflect the facts. Not facts that are deemed in law to be facts, but facts that "winna ding, and dare na' be disputed" by any person laying claim to scholarship allied to responsibility.

(Concluded.)

Douglas Dicta On Action.

"The abolition of the system could be brought about in Anglo-Saxon countries by constitutional means. If he [Major Douglas] thought it would be really necessary to raise a fighting army to destroy the present banking system, he would try to raise an army, but he was satisfied that it couldn't be done that way. Also it was unnecessary to form a political party to do it. All they had to do, in his opinion, was to make the lives of existing politicians such a misery to them that they would be obliged to bring the question of Social Credit into the forefront of politics.

"There were formidable difficulties in the way, and they would have to be faced. The control of credit and the ability to make money gave the bankers power over communications, publicity, and the things that were called capital. This was serious from the point of view of those who wished to overthrow the system, but not as serious as might appear. He had talked with many bankers and others who hold high and important positions in the financial world, and they had confessed to him that they agreed with him, but did not know what to do about it. He felt that, as the walls of Jericho had fallen down when someone had blown a trumpet, perhaps the walls of the present banking system would also fall if a trumpet were blown, because its walls were decayed through and through, and officials did not believe in the system they administered." (Speech at Perth as reported by *The West Australian* of January 17, 1934, and reproduced in *THE NEW AGE* of March 8, 1934.)

LETTER TO THE EDITOR.

SOCIAL CREDIT DEMONSTRATIONS.

Sir,—We note in the letter published last week, signed by Mr. H. A. Jarred, that the Prosperity Campaign Petitioners "do not depend solely on their written petition, but are prepared to back it with public demonstrations to obtain . . . the issue of national dividends." (Our italics.)

We should like to take this opportunity of making known the fact that Green Shirts throughout the country are prepared to demonstrate with anyone who will come out and demonstrate with them for the immediate issue of the national dividend and the application of the price adjustment.

Green Shirts are planning a mass demonstration for Social Credit in London, and would be glad to have the full cooperation of Prosperity Campaign Petitioners, Electoral Campaigners, and all other Social Credit advocates. For this occasion we shall bring out our full corps of drums, massed flags, slogan banners demanding the National Dividend, posters and placards, and we shall welcome every individual Social Credit advocate and every Social Credit group willing to march with us.

Please communicate with FRANK GRIFFITHS,
General Secretary,
Green Shirt Movement for Social Credit, 44, Little Britain,
London, E.C.1.

Forthcoming Meetings.

Green Shirt Movement for Social Credit.
Wednesday, September 4, at 8 p.m.—John Hargrave,
Founder and Leader; Lecture at National Headquarters,
44, Little Britain, London, E.C.1. "Mass Pressure on Parliament."

London Social Credit Club.
Blewcoat Room, Caxton-street, S.W.
September 6th, 7.45 p.m.—Questions and Answers on
Social Credit.

Glasgow Green Shirts.
Mr. P. McDevitt will deliver a public address in the
Central Halls, Bath Street, Glasgow, on September 11, at
7.30 p.m.

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