

THE NEW AGE

INCORPORATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART
No. 2270] NEW SERIES Vol. LVIII. No. 19. THURSDAY, MARCH 12, 1936. [Registered at the G.P.O. as a Newspaper] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	145	THE CENTRAL HALL MEETING: An Impression. By S. V.	151
The Law permits corner-making and corner-breaking in commodities, but prohibits corner-breaking in money—sentence on Mr. Boddeus for issuing home-made bank-notes. The "Sanctions" swindle—delaying oil-sanctions until Italy ceases to need oil!		THE FILMS. By David Ockham	151
ALBERTA NOTES	146	<i>Veille d'Armes.</i>	
Major Douglas gives notice to terminate contract. Reports and comments on latest events.		THE THEATRE. By Andrew Bonella	151
MAJOR DOUGLAS'S ADDRESS AT THE CENTRAL HALL	149	<i>A Doll's House.</i>	
Contributed Report (not official).		REVIEW	151
		<i>Plan for Cinema</i> (Dallas Bower).	
		CORRESPONDENCE	152
		A. W. Joseph.	

NOTES OF THE WEEK.

Cornering Money.

One of the several pregnant observations which Mr. Campbell, of Calgary, made in his addresses before the London Social Credit Club during his visit to England was this: that the bankers had succeeded in "writing the law of supply and demand into the Law of the country."

* * *

During the week ending February 29 two sentences were passed at the Old Bailey. One was seven years' penal servitude, passed by Mr. Cecil Whiteley, the Common Sergeant, on Gerhardus Johannes Boddeus: the other was one year in the second division, passed by Mr. Justice Atkinson on Garabed Bishirgian. Mr. Boddeus got his seven years for uttering home-made "Bank-of-England" notes. Mr. Bishirgian got his one year for uttering a misleading prospectus. Mr. Boddeus's crime involved loss to acceptors of his notes totalling £10,000, spread over six years' operations. Mr. Bishirgian's crime involved loss to acceptors of his prospectus totalling a large multiple of that figure in considerably less time.

* * *

Why the disparity between the two punishments? Well, the ultimate causation lies in the fact that the law of supply and demand is part of the structure of Law and a component factor in the subconscious outlook of our legislators and judges. Under the law of supply and demand, the price of an article is all it will fetch; and under the law of the country, any price that it will fetch is legitimate. Not only that, but so is the device of making a plentiful article fetch a high price by keeping it in short supply. Thus, as Mr. Justice Atkinson told Mr. Bishirgian (and through him, market operators in general), it is quite legal to corner anything if you can. Implicit in such assurance is a warning, namely, that it is equally legal for others to smash your corner if they can. Hence arise the risks to would-be cornerers which Mr. Justice Atkinson described so fully in his remarks.

Thus it is seen that the Law of the country is meticulously impartial as regards tussles between those who would corner our commodities and those who would break them.

* * *

Turning, however, to the case of Mr. Boddeus, this impartiality does not hold. Whereas it is perfectly legal for the Bank of England to make a corner in currency, it is illegal for anyone to break the corner. That is where Mr. Boddeus fell down. He said to himself: "Let me see; there's a large, unsatisfied demand for things called notes: they're hard to come by: why shouldn't I make some?" And he did.

Sanctions.

Our "Notes" last week on this subject were amply confirmed by news which was published a few hours after we went to press. It comprised the following items:

1. Eden "thrills" the Committee of 18 with the announcement that Britain is ready to apply oil-sanctions—
- 2.—*provided that* all the other nations in the League participate.

The proviso entails delay, during which Italy pushes ahead with her invasion. Further, Eden assents to new negotiations for peace to be opened with Italy. True that he assigns a short time-limit to this alternative, insisting that it shall not be used to hold up preparations for applying oil-sanctions; but still, short as the time is, the delay is of vital assistance to Italy, for whom every day counts.

* * *

Then, putting this all aside, if and when the all-in proviso is satisfied, the League members will be committed only to the *policy* of applying sanctions. *Methods* have still to be worked out by "oil experts." This will occupy some more time. If and when these experts, who, it will be remembered, discovered that America's co-operation was necessary to render the sanctions effective, now discover how to dispense with America, it will be the turn of statesmen to examine the experts' plan of

action; for every participating country will of course have to be assigned a duty in the sanctioning campaign, and its Government will want to ascertain beforehand what responsibilities and risks it will let itself in for. This is bound to take up some more time—maybe quite a lot of time. So everything appears to be working towards the fulfilment of our speculative forecast last week that oil-sanctions will come into effective operation at exactly the moment when Italy ceases to require oil.

Even so, this leaves out the factor of bankers' diplomacy as distinct from and independent of statesmen's diplomacy. There is nothing to prevent the Basle bankers, while allowing Eden to invite France's co-operation with Britain (which is what the proviso really means), secretly prompting France to refuse it. The only argument against such theory is that this financial buck-passing does not appear to be necessary. If France comes in on the policy she still has the freedom to fall out over the practice.

Alberta Notes.

The *Daily Mail* of March 3 reported Major Douglas (in an interview) as saying that there was no reason to suppose that the Government of Alberta would act on his advice while acting on that of Mr. Magor.

The same paper (in the same issue) reported a radio address by Mr. Aberhart in which he expressed surprise that Major Douglas did not construe his contract as "chief construction adviser" as binding him to produce a Social Credit scheme for Alberta. Unless Major Douglas responded to the invitation to come out there the Government would appoint another expert.

An item in the same report is that, according to a statement by the Alberta provincial treasurer, Mr. C. Cockcroft, the amount of fees, etc., paid to Major Douglas to date is £1,225. To this should be added £65, the cost of printing his Report and cables sent.

Another item is that a Mrs. Jennie Miller of St. Lina, Alberta, has taken "unique Court proceedings" charging the municipal district with "wilfully omitting to grant relief to herself and her children."

The *Times* of March 4 reports that Major Douglas's contract has been cancelled.

(Later.)

According to *Social Credit* (March 6) Major Douglas has not definitely cancelled his contract with the Alberta Government as reported above, but only given notice of his intention to terminate it. The following is the text of an official statement issued by Major Douglas during last week to the British and Canadian Press on this and other points:—

"The statement that Major Douglas has received approximately six thousand dollars in respect of his appointment as Principal Reconstruction Adviser is still incorrect and misleading as amended by the Provincial Treasurer. He notices, however, that the cost to Alberta of the advice on which its Budget has been constructed will be 655,000 dollars* per annum to begin with, although he is ready to believe that no direct charge has been made for the advice.

"Prior to his radio announcement of Sunday last, Mr. Aberhart had presumably received Major Douglas's letter

* According to the *Financial Times* of March 3 the increase of taxation in the new Budget amounts to £655,000 (3,269,000 dollars).—Ed.]

of February 18 confirming his letters of October 29, 1935 and December 11, 1935, stating that the appointment of Mr. Magor and his continued dealing with matters affecting the finances and economic future of the Province constituted both a danger to the people of Alberta in their aspirations for a reformed financial system and also a breach of the Contract with himself as Principal Reconstruction Adviser, and that he could not be responsible for duties which it was impossible under these circumstances to perform. Major Douglas has, therefore, given notice to Mr. Aberhart of his intention to terminate this Contract, for the reasons given in those letters, but has added that he is still at the disposal of any Administration, either in Alberta or elsewhere, which intends to take definite action towards the achievement of the aims of Social Credit."

Social Credit also declares that Major Douglas's contract does not lay on him the duty of providing a Social Credit plan to the Government, or even any plan. That journal cites in support the following passage from the contract

"The duties of Major Douglas as such Principal Reconstruction Adviser to the Government shall be to advise and give directions upon all questions and problems of or arising in relation to the present financial and economic condition of the said Province of Alberta and to advise and/or give directions upon any matters desired by the Government relating thereto."

The journal comments that the "primary problem" in Alberta is to "regain control of Financial Credit," which is a question of "strategy" and "not of a 'Social Credit' plan." "A Plan for Alberta will be produced when, and not until, it can be put into successful operation."

The *Financial Times* prints the following cable dated Edmonton, March 4, under the heading "Major Douglas's Resignation."

The Premier said to-day: "Major Douglas is the originator of the Social Credit theory, and while he did not take any great part in selling the idea to the people of Alberta he should be allowed an opportunity of showing the world that his theories are true.

"The thing I would regret is that, because he feels it impossible to come to Alberta, the people of Alberta would get the idea that his theory is not practicable."

Mr. Aberhart added that if Major Douglas did not come to Alberta then he would do the job himself.

One result of Major Douglas's resignation is the holding up of the Social Credit Enabling Bill, which was to have been introduced in the Legislature yesterday.—*Reuter*.

The *Daily Mail* interviewer, mentioned earlier, quotes Major Douglas as remarking: "As regards Social Credit, none of my advice has been taken yet." Also that "Social Credit" is not a "sort of game" to be learned easily, but "it is a succession of measures which must be adopted carefully, step by step—and in Alberta none of them has been taken." Lastly that: "it is possible to introduce Social Credit into a community even if, as in Alberta, it is insolvent."

The termination of Major Douglas's contract with the Government of Alberta will be regarded with mixed feelings by Social Credit advocates. However, there is one good thing about it: it is something definite, and therefore clears the air of speculative gossip. No question now exists that the next move is with Mr. Aberhart. His critics will be able to remind him that it is now up to him to deliver the goods, or at least take action of such nature as will create or restore confidence in his intention to deliver them.

Mr. Aberhart's relations with Mr. Magor have not been on the same footing as those with Major Douglas.

The Social Credit Government inherited the latter from the United Farmers' Government, and were not obliged to consult him. But Mr. Magor was planted on the present Government in circumstances which obliged them to act on his advice. It is manifest that Mr. Aberhart cannot act on Mr. Magor's advice as well as on Major Douglas's in pursuance of his declared objective. He must work on either a "Magor" design or a "Douglas" design: a "Magor-Douglas" design is a contradiction in terms.

But the trouble all along has resided in the fact that any Social Credit line of action which was logical was not feasible. Take the three preliminary steps recommended to the late Government by Major Douglas and inherited by the present Government. These were (a) to develop the machinery of publicity, (b) to organise a credit institution capable of functioning according to Social Credit principles, (c) to acquire "foreign exchange," i.e., money not identifiable as originating in Alberta. The present Government have not been able to do more than carry out the first recommendation to a small extent. They have acquired a newspaper. They have not done anything under the second head, while as for the third, they have found that the only feasible way of acquiring "foreign exchange" was to borrow it on bankers' terms and conditions.

Defenders of Mr. Aberhart's policy will doubtless challenge Social Credit critics to show how he could have achieved more in the time that has elapsed since the election. The time factor is important here. It applies particularly to the third recommendation. For whereas the building up of publicity and a credit organisation permitted of comparatively slow procedure, the acquiring of foreign exchange had to take place by a fixed date, namely the date when the bonds matured and the holders demanded payment in that kind of exchange. Was there any way in which Mr. Aberhart could have fulfilled that demand within this time-limit other than the way he adopted, namely going to the Dominion Government (really the Canadian bankers) for the loan of it? Obviously the control of publicity and a credit-machine would not, in themselves, solve the problem. The first could facilitate the announcement and justification of a policy of action, and the second could facilitate its implementation; but before either could function there would have to be a policy capable of implementation. What could that policy have been? What practical steps could Mr. Aberhart have taken to avoid the compulsion to borrow?

The situation turns on the answer. For if borrowing cannot be shown to have been avoidable, then neither can Mr. Aberhart's acceptance of the conditions attaching to the loan, nor his acquiescence in the advice of Mr. Magor who was the official plenipotentiary of the bankers. Leaving aside the contemplated Loan-Council legislation by the Dominion Government, the question to be answered is whether Mr. Aberhart's fulfilment of Social Credit in Alberta. That it has increased the spectacle alone of Mr. Aberhart's first Budget, imposing higher taxation, is enough to indicate the difficulty.

We may reasonably assume that if Mr. Magor has made conditions which have not been disclosed they are of the same nature as those contemplated in the Loan-Councils proposals. One of these proposals is that when Provincial Governments borrow in future, specific Provincial revenues shall be earmarked as security for

the loans. This would amount to legalising the farming out of these taxes to the bankers, who would now be invested with constitutional power to veto any alteration in their amount. Our older readers will recall the book entitled *Bankers in Bolivia* which we discussed at length some years ago, when we gave lists of the securities that the Government had to pledge with New York bankers to cover loans. These securities ranged from customs-collection to railway systems, docks, harbours, and other key elements of the country's real credit. Practically Bolivia had to mortgage all her resources item by item as part of a legal contract, with the consequence that she became powerless to initiate any policy affecting fiscal and commercial finance, that is to say, she had formally assigned the basic prerogatives of Government to the New York bankers. Now, if such things can be done as between two countries which enjoy nominally independent sovereign rights, they can be done with greater plausibility and ease as between a Federal Government and a federated Province. The fact that the citizens of the province were also citizens of the federal area, and possessed the right to vote for both Legislatures, would itself seem to justify external limitations on the powers of the Provincial Government. It could be said that direct deprivation of freedom in the Province was, after all, an indirect grant of freedom to the Province. And that is what could be said to the Alberta Government: Alberta could be pictured as sowing her sovereignty for a harvest of safety.

From all accounts, however, the efforts of Social Credit exponents during the period leading up to the last election in Alberta have made the electorate aware of the significance and value of provincial sovereignty. The people see, as we all see, that the possibility of the receipt of the dividends they voted for is bound up with the exercise of sovereign rights which the bankers are preparing to extinguish by amending the Canadian Constitution. If Mr. Aberhart has done nothing else he has succeeded in forcing the bankers to abandon all pretence (a) that they are neutral on the question of Mr. Aberhart's declared objective, and (b) that they are powerless to block it except by the legitimate use of democratic methods. They stand revealed as autocrats who mean to behave as autocrats whatever the people may desire to see done. And the whole world is sitting up and taking notice. In course of time the financial autocrats will be forced to justify their power on one of two grounds (a) that they are a separate caste of pre-destined rulers, or (b) that the policy they impose is technically the best and morally the most desirable. We can dismiss the first ground because although people in general absent-mindedly accept them on this valuation, they would reject them on it if the claim was frontally brought to their notice. Coming to the second ground, technique and morals are bound together. If poverty is technically incurable, people are immoral to agitate about it. If curable, agitation is their prime duty. Hence the question whether they ought to agitate is inseparable from the question whether a remedy exists that will work. Now, we advocates of Social Credit claim that it is a remedy that will work, and, so far as we know, is the best remedy in the sense that it is the most pleasant to the taste as well as the quickest in its operation. Considering the technicians in the service of the Government as corresponding to pharmacists, we do not tell them how to conduct their dispensing, but we do tell the Government, who correspond with the doctor, what are the

essential ingredients that they must include in their prescription. The two principles of price-regulation and price-compensation must be embodied in the prescription. That assured, the exact formula in other respects can be left to the Government and technicians to settle as they like. Really all that is left to the technicians is the freedom to modify the design (without infringing the principles) of Social Credit in such ways as will enable it to stand the strains occurring during the critical period of launching it. That is what they are for as expert administrators. Once the vessel is afloat there is nothing more for them to meddle with.

Reverting to Mr. Aberhart's difficulties, their nature can be summed up in the following form: He cannot deliver the goods by any action he takes within the law; and he cannot take action outside the law without rendering himself liable to dismissal by the same process as was used to get rid of Mr. Lang in New South Wales. In the last resource he and his Ministers could be severally held answerable in person and estate for acts pronounced illegal. Mr. Lang was actually threatened with this procedure (heavy fine and imprisonment) at one stage during his controversy with the Commonwealth Government. That Government, by taking powers to pay the debt of New South Wales to Britain, and, by extension, from other debtor States in future. Major Douglas, in his statement to the Press, remarks that Mr. Aberhart had neglected to follow the three recommendations he made. Further, Major Douglas makes pointed allusion to the new taxation in the Alberta Budget. But supposing that Mr. Aberhart had decided to adopt the recommendations, and had called Major Douglas over to advise him, what is there to show that the recommendations would have been found feasible?—also, if they had, what is there to show that they would have operated in the period *September to December* to obviate the necessity for Mr. Aberhart to go to Ottawa for a loan? Major Douglas emphasises the view that Social Credit must be brought in by a succession of measures carefully thought out (of which the above recommendations are the first three), but Mr. Aberhart's initial problem was to discharge bond-obligations. He had just four months in which to get the money or default.

Another point on which information would be interesting. To many people in the Movement it does not appear to follow that just because Mr. Aberhart was listening to Mr. Magor's advice Major Douglas's would have been useless. Since, according to Major Douglas, the immediate problem was not to form a plan—which is a question of technique, but to get control of the power to work a plan—which is a question of strategy, then the moment that Mr. Magor appeared on the scene was the moment for Major Douglas to do so: for Mr. Aberhart's problem became one of strategy, in other words, one of finding out if there was any way of avoiding compliance with Mr. Magor's advice. If Major Douglas knew of a way out he should have been on the spot. Even if his advice had not been taken, he would have got a useful insight into what Mr. Magor was after. The terms of Major Douglas's contract which are cited in *Social Credit* support this conclusion. The duty which was laid on him was to "advise on the present financial and economic position" of Alberta, and not (as *Social Credit* emphasises) to provide any plan. Very well, then when Mr. Magor came to advise one way, he provided the occasion for Major

Douglas to advise the other way. It is true that Mr. Magor came to propose a plan, but that did not necessitate Major Douglas's producing a counter-plan. On the contrary, it called for opposition to the assumptions behind the plan and to the requirements based on those assumptions, followed by counsels on how Mr. Magor's advice could be rejected—a *matter of strategy*.

A cable from Edmonton dated March 6 in the *Financial Times* reports that the Social Credit Enabling Bill received its first reading by the Alberta Legislature on that day.

The Bill authorises the Government to appoint persons to examine and formulate proposals having for their object the increase of consumers' purchasing power by means of social dividends, compensating discounts, or any other means. It provides for payment of a just price to producers of any commodity and allowance to any dealer in a commodity of a fair commission on turnover.

This committee will report to the Government on the "feasibility" of such proposals. The Bill provides that the Government may compel the attendance of witnesses and the production of any desired documents.—Reuter.

Debates and Press comments on this Bill may afford some interest, but its adoption would not precipitate any crisis. There might be a flare-up later on arising out of the Government's applying compulsion on witnesses to attend the Enquiry. The difficulty about unwilling witnesses is that they refuse to tell all they know or plead ignorance of matters on which they are asked to give information. However, if the Committee were to frame questions to banking experts calculated to raise the issue whether the secrets of the banks rank as high as Official Secrets, that will be something gained.

It will be noted that although the Bill specifies methods of reaching an objective, it does not rule out others being added or substituted if compatible with the objective. It is open for any expert witness to expose technical flaws in the methods drafted and (if he can) to suggest superior methods. However, the main question to be resolved by the Committee, namely wider *feasibility of any set of suitable methods*, involves wider considerations than that of technical efficiency. For instance the question will arise: Has the Government the legal right to employ the given methods? Suppose the answer is yes, another question arises: Have the bankers the legal right to do things which will obstruct or frustrate the working of the methods? While these questions are in doubt Major Douglas's dictum that a Government should order its experts to produce proposals without telling them how is merely an academic discretion. The Alberta Government's first job is not to decide whether to allow its technical experts full discretion, but to make sure that their time and talents won't be wasted in formulating schemes that will be blocked by judgments of Courts or direct action by bankers. Mr. Justice Atkinson told Mr. Bishirgian that while it was quite legal to make a corner it was equally legal to be held lawful for Mr. Aberhart to take power to operate a Social-Credit scheme, it might be held equally lawful for bankers to make it inoperative. Of course no judge would uphold a proven deliberate intention on the part of bankers to defeat the people's mandate; but the result would be the same because the onus of proving the intention and deliberation would fall on the Government in circumstances where the bankers were in exclusive possession of the evidence required by law to convict them. Lastly, without impugning anyone's integrity, it must be borne in mind that judges and bankers are clubmates when off duty.

The Central Hall Meeting.

MAJOR DOUGLAS'S ADDRESS.

In his opening remarks Major Douglas said that, in his opinion, the persecution which was the lot of Christianity in its earliest years was by no means a matter of concern about something which was purely transcendental. He had very little doubt that what was recognised and was persecuted in Christianity was the economic implication of its philosophy. His address was primarily for Social Creditors, and what he had to say was intimately and indissolubly interwoven with any practical discussion of the money question. Social Credit covered and comprehended a great deal more than the mere money problem, fundamentally and primarily important as that was, because it was a question of priority. Social Credit involved a conception of the relationship between the individual and the group. Among Social Creditors it was a fairly commonplace saying that what they were trying to do in regard to the money system was to make that system reflect facts, and he would add: to make the relationship between individuals and their institutions reflect facts. Social Creditors were endeavouring that they should know the truth in order that the truth may make them free. He had no hesitation in saying that the Opposition was concerned to keep from them the truth so that they should not see the truth even when it was before their eyes. Truth was said to lie at the bottom of a well, and what he might call the Opposition (because there was an Opposition with a very big O) was concerned to keep truth at the bottom of the well. They wanted to draw it up, and he thought it would be found to be a lady.

Social Creditors said that the present monetary system did not reflect facts; the Opposition said it did. Was it possible for a world which was, apparently, almost feverishly prosperous, or was allowed to be so adjudged by orthodox standards, in 1929 to become by 1930 so impoverished and changed in its fundamental nature that its condition was reversed?

He would give them some conception of the sort of thing with which they had to deal in this problem of money by drawing their attention to a book recently published by a large financial institution, which he believed was a considerable proprietor in a weekly review somewhat humorously called "The New Statesman." The Opposition had adopted one of the technical suggestions of Social Credit: they were beginning to sell below cost, and the thing they sold below cost was literature on their views of economics. The book was finely printed, and was published by the most famous firm of booksellers in the world; it contained probably 700-800 pages, and was sold at the remarkable bargain price of 5s., and probably cost 10s. to produce. In this book the author, Mr. J. M. Keynes, states that the outstanding faults of the economic society in which we live are its failure to provide for full employment, and its arbitrary and inequitable distribution of wealth and income. That was a typical instance of this tendency to make a picture which was not a true picture of things as they were. Supposing they said that the object of the economic system was not to provide employment at all, then what importance could they attach to a statement that the object of the economic system was to provide full employment for all? The object of the economic system was not to provide employment at all; its object was to provide and distribute goods and services with the minimum amount of inconvenience and loss of time to everybody.

That, of course, was quite fundamental. Next, let them examine the doctrine of the equitable distribution of income; on the face of it, that seemed quite sound.

Major Douglas referred to an example which he used in Canada in 1923, at the first Parliamentary Inquiry, when very much the same thing came up for discussion. Supposing there were ten men crossing the Sahara Desert, and they had just enough water to last them to the next water supply. It would obviously be a matter of great importance for each man to have an exactly equal amount. But if the ten men were in a boat in Lake Superior, with 250 miles of fresh water around them, it would be thoroughly unsound and unfair to say to one of them: "You shall not have any more fresh water than I." To such a man it could be said: "You are a nuisance; you are merely causing trouble when there is no necessity." To quote words which have been so often quoted in connection with a certain Provincial Premier in Canada: "Jump in the lake and have all the fresh water you like." That is the position at the present time. There was a time, no doubt, when ethically—he was not at all sure pragmatically—everybody ought to have had the same amount of income and wealth. Incidentally, at the time when they should have had it, they most certainly did not. At a time when enormous quantities of wealth were being destroyed they were, apparently, to devote their attention to a meticulous adjustment so that everybody may have the same amount. What was happening to-day was that more and more people were becoming economically dependent. It was quite astonishing, if they looked into the actual facts of the case, how many more—certainly in percentage—economically independent people there were about 150 years ago than now. The reason for that change is that every attack upon inequality has been made the excuse for making the people who had obtained a certain amount of economic independence less economically secure. Let them look back on the agitations of their lifetime. Take the question of land: he referred to it as it was an outstanding case. Landlords might have been the cause of all sorts of trouble, but what he was concerned about was that the people who agitated that the land should go to the people have made it perfectly certain that the land shall go to the banks and insurance companies.

The book to which he had referred represented, apparently, a sudden conversion on the part of the author to the theories of Silvio Gesell, and a great deal of what Silvio Gesell said is worthy of everyone's attention. The practical implications of Gesell's teaching are the technique of what is known as "disappearing money." Money disappears now so fast that most people would think it was fast enough, but Gesell's money disappears faster. To those who were not familiar with the idea he might say that if you have a 10s. note to-day you would have to put a 10d. stamp on it a fortnight hence to keep it worth 10s. Gesell's theory was that the trouble in the world was that people saved money, and that it was necessary to make money circulate faster. The actual fact was, of course, that this disappearing money amounted to the heaviest form of continuous taxation ever devised. The holder was taxed continuously on this money as long as he did not part with it. The theory behind Gesell's idea was the stimulation of trade. It was, of course, a perfectly sound idea so long as the objective of life was merely to trade. In fact, it meant exactly the same state of affairs as prevailed in Germany during the inflation of the mark.

All such schemes were based on the assumption that in order to stimulate something or other it was necessary to produce a psychological effect by means of the money system. In other words, the money system was not designed to be merely a convenience in doing something which the individual decided whether he wanted to do or not, but it was designed to make the individual do something because of the nature of the monetary scheme.

The Social Credit conception of a monetary scheme was that it should be one which should reflect facts, and that it should be the facts which should determine one's actions and not the monetary system. The moment they had a monetary system which, itself as a monetary system, induced a particular form of action, they had got government by money—the most subtle, dangerous and undesirable form of government that the perverted mind of man had ever conceived. He had said that the objective of the present system, and the objective of the more unusual proposals which people were discussing to replace the present system, were consciously or unconsciously based upon this idea that the individual must be kept in a condition of economic dependence. Instead of human labour being set free by the machine, something subtle was to be done; people's ideas were to be perverted so that they became slaves of the machine. It was perfectly possible, and very probable, that if left alone, and subject to certain dangers of catastrophe, they would be provided with a state of affairs in which they would be well-fed slaves. That was the objective, and while, of course, the question of poverty amidst plenty was of great importance it was not the fundamental danger, but only one of the symptoms.

The freedom which is inherent in things is conditioned only by the nature of the world. The moment conditions were made about wealth, they were not making people wealthy when invention, progress, and organisation would allow them to be wealthy, they were making them wealthy or not according to somebody else's conceptions as to what were the conditions under which they should be allowed to be wealthy. Just as they had to make the monetary system reflect the facts, they had got to make their governmental system also reflect the fundamental facts of the relationship of human beings to each other.

When they received a large sheaf of buff papers at the beginning of the year, followed by a few blue ones, and then a red one, all stating that they had received a lot of money which they had in most cases never seen; and that further money must be produced or very unpleasant things would happen to them, the gentleman who sent them these increasingly peremptory notices signed himself: "Your Obedient Servant." What he was proposing was that the servant should be right. There was only one objective of government: that was to make it easier for everybody to do those things which are possible. That was the only sane objective of government: that by organisation and by doing things according to certain rules they could do things more easily than without rules. To suppose that they were born into the world to be governed by something which is not inherent in the cosmos was one of the most astonishing pieces of hypnotism which has affected the world.

At that point they got to the relationship between the Social Credit theory and action. "Faith without works is dead." It was a matter of no consequence whatever that a large number of people believe in the truth of Social Credit. What were they going to do about it?

What they could do was just as much inherent in the nature of things as the truth about the monetary system. The key to an understanding of this slightly subtle matter was that the question of works as opposed to faith depended obviously upon ability. Nobody could be held responsible for something they did not understand. He wanted them to keep that in mind. There was at the present time an idea that they should have something called a Social Credit Party. He could, of course, quite understand and sympathise with that idea, but it was a profound misconception. It assumed that the government of the country should be a government of experts. He would regard the election of a Social Credit Party in this country as one of the greatest catastrophes that could happen. If they proceeded to elect a Social Credit Party they proceeded to elect a number of people who were supposed to know enough about finance to say what should be done. It was an axiom of experience that no layman could possibly direct an expert in details, and no layman was fool enough to try it, but if they had a Social Credit Party it would proceed to direct a set of very competent experts what to do. No set of men elected in this country could possibly know as much about the details of finance as the experts. He had never said that these experts were incompetent. They were not incompetent within the limits of their own philosophy, but very competent indeed; and to elect a Social Credit Party in this country would be to elect a set of amateurs to direct a set of very competent professionals, and the competent professionals would see to it that the amateurs could blame for everything that was done. Any layman could say: "I am not an expert, but I know what I want," and if they agreed that the object of a set of men sent to Parliament was to get them what they wanted, why elect a special set of men? They should tell the men who were there that it was their business to get them what they wanted. The Parliamentary system of this country was a delegation of laymen in all technical matters to represent the wants of laymen in technical matters, not to tell the experts how to do it. It was certain that they would get a state of affairs in which failure and disappointment were certain unless they took up the attitude that how a thing was done was the responsibility of the expert. What the expert gives as a result is the business both of the Government and of the people, and they were going to have what they wanted, but the responsibility and the blame, if necessary, and— if you like—the praise, if necessary—rests with those people who arrogate to themselves the position of experts. They had to tell those people what they wanted, and to see that they got it, and not how they got it. The moment a majority begins to vote for something it does not understand it is perpetrating a lie. That was why they had all those careful suggestions that what was wanted was a reduction of unemployment, and they were so badly trained in the nature of the possibilities of democratic government that they said "Yes; what we want is a reduction of unemployment." It was not that at all. The urge towards the reduction of unemployment was a direct cause of the coming war. The moment they said: "You must have everybody employed in a country," they had got to find some- where where the goods could go—they could not use them themselves under the existing economic system—and export markets and the competition for markets was the direct cause of war.

Major Douglas then criticised the Petition Campaign.

but evidently did not convince Mr. Scrutton, who subsequently made a short speech from the platform.

During the course of his remarks concerning the Social Credit candidates at the last General Election, Major Douglas stated that he had been approached by the election agent of one of the candidates with an offer to sell him the Liberal Party for "a quarter of a million." Major Douglas had pleaded poverty, and, in any case, considered the price much too high.

Major Douglas expressed his confidence in the soundness of the general propositions which he had spent eighteen years in placing before the world, and said he was reasonably certain that those fundamental ideas would be a part of what will be done. They were, at the present time, a part of what was being done. Apart from economic literature, the compensated price was appearing all over the place. He did not care the traditional cat in Hades whether his name was associated with any one of those measures or not.

He had received a number of letters asking him to deal finally with various schisms and schismatics in the Social Credit Movement. He had no intention of doing so for several reasons. At this point he appeared to construe anti-Secretariat criticism as a personal attack, and made a remark agreeing with someone (the writer was seated in a bad position for hearing, and did not catch the name, and there was a burst of coughing at this juncture) who said that it was good for a dog to have fleas as it kept him fit and reminded him that he was a dog. He did not think the schismatics did half as much harm as they thought they did. In addition, they had demonstrated to other people, if not to themselves, their complete inability to deal with any matter of responsibility. For those reasons he felt that they could be safely left to the judgment of the general mass of Social Crediters and the general public.

In conclusion, he referred to the imminence of war, in any surviving civilisation there would either be no monetary system at all or one radically reformed in favour of Social Credit.

The Central Hall Meeting.

AN IMPRESSION.

Judging by his opening remarks as Chairman, the Dean of Canterbury has been reading a back number of "Razzle," but his Rabelaisian joke about Mosley being given permission to leave the room must have caught the "respectable" members of the audience in two minds; some of them evidently didn't know whether to laugh or to look straight down their noses. The Dean appeared in a new light. Out of all the attempts at humour during the evening the only successful one must be credited to him. In referring to a visit which he had received from a certain banker, he said that the banker observed: "Dean, Dean, you ought to be on our side!" (!!!) A beautiful double entendre! Unconscious humour is often the best. However, the pace was too hot to last, and by the end of the meeting the Dean had fallen from grace, relapsing into the terminology associated with Exeter Hall gatherings.

Apart from the obstructionist ruling as to questions, for which he was evidently not responsible, the Chairman only made one mistake: he allowed a speech to be made from the platform by a member of the audience. The incident in question was interesting, for it showed that there is plenty of initiative and resource among non-Secretariat Social Crediters. No doubt Mr. Scrutton thanked the Secretariat afterwards for providing him with a platform for the Petition Campaign!

S. V.

The Films.

"Veille d'Armes." Directed by Marcel l'Herbier. Studio One.

The list of forthcoming productions already announced by this new venture in cosmopolitan cinema, which occupies the site of Cinema House, and has a news-reel theatre beneath the main auditorium, suggests that a film of greater artistic value might have been selected for the inaugural programme. But "Veille d'Armes," based on that popular stage play, "The Night Watch," is first-class melodrama, and this screen version is excellent entertainment. It is, incidentally, noteworthy for its intimate glimpses of the life of the French Navy, a background unfamiliar to film-goers. Annabella is the official star, but is overshadowed by Pierre Renoir and Victor Francon, especially the latter, whose impersonation of de Corlaix is an outstanding piece of work. The film should be a great success. So, I trust, will future productions at a theatre that aims to present the best foreign films of all nationalities.

DAVID OCKHAM.

The Theatre.

"A Doll's House." By Henrik Ibsen. Criterion.

Mr. Leon M. Lion is to be congratulated on his enterprise in bringing the Ibsen cycle of the Arts Theatre of Cambridge to London. The plays are "A Doll's House," "Rosmersholm," "Hedda Gabler," and "The Master Builder." The last time I saw "A Doll's House" Miss Madge Titheradge was playing Nora, and her performance was one of the greatest pieces of acting I remember. Madame Lopokova's Nora is a comedown after this. If she is to be given leading parts on the English stage she should learn to speak English: I am prepared to hear my native tongue mauled by a great actress, but Madame Lopokova doesn't qualify. I have nothing good to say of her performance, and my sympathy was with the rest of the company, who were worthy of a better lead. Mr. Geoffrey Edwards's rather youthful Helmer was refreshing, though his youth made it even more difficult than usual to swallow the most egregious of his lines in the last act. Mr. D. A. Clarke-Smith's is by far the best Dr. Rank I have seen. Miss Elizabeth Hardy and Mr. Wilfrid Grantham are perfectly satisfying as Mrs. Linden and Krogstad. The production is good, and though the play is supposed to be old-fashioned I found it as exciting as ever: drama doesn't date. I should think Miss Jean Forbes-Robertson's Rebecca West and Hedda Gabler will be well worth seeing; so will be Mr. Clarke-Smith's Master-Builder, but it is only fair to say that Madame Lopokova has been given the equally important part of Hilda Wangel.

ANDREW BONELLA.

Reviews.

Plan for Cinema. By Dallas Bower. Dent 6s

The author of this book, who writes with the dual advantage of enthusiasm and practical knowledge, has packed more sense about the cinema into a few pages than I have for a long time met in any volume on the subject. He recognises that "this art, which is yet no art," exerts a social force rather by implication than by overt propaganda, a truth to be recommended to the notice of the constantly growing number of people—including editors and critics—who send out the most virulent propaganda in a film made only to entertain. Incidentally, Mr. Bower succumbs once to the same temptation, when he refers to the "wholly admirable altruistic disinterestedness" of the producers of such American pictures as "The Front Page," "Quick Millions," and "Scarface." He recognises also that the film is what it is because contemporary social and economic conditions are what they are, and acutely observes that, despite this handicap, "more good films (in the sense of their being art-work) are produced each year than the theatre produces good plays," and that "the aver-

age film is a much more meritorious piece of work than the average novel." That is something that has cried out to be said, subject to the reservation that it most emphatically does not apply to the average English film. Something else that wanted saying is that the film "fan" Press "presents one of the ugliest aspects of the entire cinema world," which is an even more serious indictment than you might think. The author omits, however, to castigate the dishonesty of this type of journal, and the still more flagrant dishonesty of a trade Press that will heap superlatives of praise on the worst film in return for advertising revenue, and will refrain from praise if there is no advertising.

Unless I have misunderstood Mr. Bower, he appears both to be inconsistent on the subject of montage and not fully to have grasped the essential difference between reality, realism, and naturalism. A minor inconsistency is that, after rebuking a well-known musical critic for being so old-fashioned as to use the "out-of-date" word "cinematograph," he himself continually employs that appalling word "hall" to denote theatre, in the fashion of the most uneducated writers for the trade Press.

I cordially recommend this book to everyone who takes an intelligent interest in the cinema, whether as an art-form in the making, a social force, or an instrument of propaganda.

DAVID OCKHAM.

Up, and Up, and Up!

The F.B.I. deserves to be described as the Fellowship of Blithering Idiots. Witness the following letter released by it on February 4. (The italics are ours):—

Dear Sir,—I have pleasure in enclosing a copy of the F.B.I. Business Barometer and Trade Forecast for the first quarter of 1936, which takes an optimistic view of the prospects of continuing activity during the year.

Although conscious of the dangers of forecasting too far ahead at the present juncture, the Barometer points out that *domestic building and capital construction* programmes should continue to keep home trade expanding for many months, and expresses the hope that by the time *this work begins to slow up* conditions will have improved sufficiently to make an extension of the upward swing of trade into a wider field possible.

W. A. T. SYNGE, Press Department.

Apparently there are not going to be any more of those phenomena called Trade Cycles. The pendulum of Prosperity "ain't goin' to swing no more." A new property has been discovered in bankers' loan credit, namely that of imparting self-accelerating momentum to "trade" which will persist after the credit has been withdrawn. It is a pity that this discovery wasn't made during the period 1914-19, when we were doubling our productive capacity. It is true that in 1918-19 we were promised an "upward swing of trade," and told to prepare for it. But where vos dat momentum den?!

LETTERS TO THE EDITOR.

Sir,—It is curious that up to the present all the criticisms of my recent articles on the A+B theorem have centred themselves on the phrase that when a manufacturer "has built an extension to his factory, he will endeavour to collect the cost of the extension in the price of the goods made by the factory. This is irrespective of depreciation, which may be immediately distributed as payment for renewals." Mr. J. A. Franklin, in THE NEW AGE of March 5, is no exception.

Now I admit there may be some ideal worlds where it could be maintained that there was no necessity to recover in cash an extension of capital. But any business man who put this theory into practice to-day would soon find himself in Queer Street. And, as a matter of fact, business men don't act in this way, and, theory or no theory, they do try to turn their capital into as liquid a form as possible, a process which can only be effected by charging the capital in the costs of the articles produced.

The desire for liquidity is perfectly natural in a world where there is always the fear of a shortage of money. Just as at the threat of a coal strike everybody stores coal, if they can get it, so at the ever-impending threat of a money shortage manufacturers try to make their capital liquid. No doubt the manufacturer does not argue it out in full. He does not say, "I am living in an unstable world; it only requires one other manufacturer to try to recover his capital in the form of cash for there to be a shortage of money for buying goods unless it is temporarily made good from some other source as occurs in times of boom; therefore the value

of my non-liquid capital will depreciate, and I must try to recover the value of my capital in cash at once, otherwise I will be at a disadvantage in comparison with my competitors." He knows very well from experience that if he does not build a strong foundation of cash capital, when he has the opportunity, then he will never be able to withstand the slump which is coming sooner or later.

My exposition of the A+B theorem had reference to what is actually happening in the world to-day, not what theorists say ought to happen. The article of February 27 in THE NEW AGE refers not so much to present conditions as to that happy period to come when Social Credit is being put into practice. Then I agree that as the manufacturer would be certain that no artificial scarcity of money was going to prevent the sale of his goods so long as the goods were really desired by consumers, he would not be under the constant fear that his plant was losing its earning power, and therefore not under the necessity of striving all the time for liquidity.

I suggest that the "competent" economist should deal with things as they are. The right attitude to adopt is that of Mr. J. M. Keynes, in his latest book, "The General Theory of Employment, Interest, and Money," where he takes as facts a "propensity to consume," a "propensity to save," and a "propensity to liquidity." A "competent" economist would not say that a manufacturer needn't try to recover his capital in liquid form in face of the fact that he does.

Yours faithfully,
A. W. JOSEPH.

Forthcoming Meetings.

The following public meetings will be held at the Blewcoat Room, Caxton-street, S.W.1:—

March 13, 7.45 p.m.—"Social Credit—a Living Force," by Mr. W. T. Symons. (Postponed from February 21, at the request of the Committee.)

March 20, 7.45 p.m.—"Foreign Trade Under Social Credit," by Mr. Marshall Hattersley, author of "This Age of Plenty."

March 27, 7.45 p.m.—"The Immediate Future, as I See It—with a Spot of History," by Mr. Edgar T. Saxon.

The Social Credit Party of Great Britain.

National Headquarters: 44, Little Britain, E.C.1.
Saturday, March 21., 3.30 p.m. "Wanglings in Wall Street." A Unique Bazaar. Opener: Lady Clare Annesley.

Wanglings in Wall Street.

The Social Credit Party of Great Britain (The Green Shirts) are holding a Bazaar at their National Headquarters, 44, Little Britain, London, E.C.1, on Saturday, March 21, which will be opened by Lady Clare Annesley, at 3.30 p.m.

In addition to following the usual practice of only selling goods that everyone requires at very reasonable prices, there will be side shows, competitions, and performances by the Green Shirt Players. A unique feature will be "Wanglings in Wall Street." At stated periods during the afternoon and evening prices of goods on sale will fluctuate—regulation being based upon facts which it is beyond the power of any officials to control. Not only will there be an opportunity, therefore, of picking up bargains, but a special prize will be awarded to the first two persons who detect the basis of fluctuation. Come, and bring your friends! Try your hand at market rigging!

"NETHERWOOD," The Ridge, Hastings.
4 acres of lawns and woodland. 500 ft. up. Swimming pool, gymnasium, tennis court and dance hall. Home produce for all diets. Cent. H. H. & C. all bedrooms.
From 7/6 a day inclusive.
Write for illustrated brochure.

ACADEMY CINEMA, 165, Oxford St.
GER. 2981.
RUDOLF FORSTER in the great Austrian 'Haute école' mystery drama
"HOHE SCHULE" (U)
COMMENCING MARCH 11
"CRIME & CHATIMENT" (A)

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