

creates a conflict between two irreconcilable principles. The impact of the clash extends from the heart of the solitary individual while apprehending the truth to the world-wide battlefield of high politics. The Letter which killeth is here embodied in what are called the Laws of the Constitution. The truth of Social Credit will prevail over these Laws, whether by destroying them or fulfilling them: never by obeying them or even allying itself with them. In a phrase, Social Credit is a challenge to the Constitution.

Opportunately enough while we were writing the foregoing paragraph the post brought us a cutting from the *Financial Times* of March 17, dealing with Mr. Aberhart's Refunding Plan. The Edmonton correspondent of that journal, commenting on this legislation, makes the following remark:

"The Federal Government has power to disallow provincial legislation which is deemed to be damaging to the national interests, but in recent years this power has been used infrequently and was not exercised in the case of Ontario's cancellation of power contracts." (Our italics.)

If this description of the power of the Federal Government is correct, it is conclusive proof that the Constitution of Canada can be invoked to justify the disallowing of any conceivable piece of legislation in Alberta designed to inaugurate Social Credit or even to prepare the way for it. In fact it would be easier to prove damage in respect of preparatory measures than in respect of a full and comprehensive Social Credit Bill, the reason being that preparatory steps must necessarily be incomplete, and being incomplete, leave loopholes for grievances, real or imagined. Take the Scheme for Scotland as an example: the adoption of any portion of that Scheme would open the way for grievances, whereas the complete Scheme would show such grievances to be groundless.

The correspondent of the *Financial Times* hints that Aberhart's legislation may not be disallowed openly and formally. Probably not: why should it be when the Federal Government has power to refuse him loans unless he agrees to conditions laid down for him under the cover of secrecy? A leading article in *The Times* of March 21 on this matter is worth consulting: the writer hints that Alberta will behave reasonably under a financial blockade. The peculiar merit of the blockade method of disallowing disapproved legislation is that it does not appear to be connected with contemplated legislation at all. For instance when Mr. Aberhart, at the beginning of the year, was refused more than a fraction of the loan he sought at Ottawa, the reason given had nothing to do with Mr. Aberhart's general policy, much less to any measures that he had taken in pursuance thereof; no, it had to do with contemporary estimates of the provincial Government's credit as borrower, and immediate requirements as a functioning administration. For all evidence to the contrary the same result would have happened if the United Farmers' Government had been confirmed in office at the last election. Of course, students of financial politics do not require evidence of policy along this line, they know as an antecedent truth that the bankers lay down predetermined designs for financing Governments in such wise that their interference with legislation is disguised under the appearance of automaticity. It stands to reason that when the Money Monopoly can make Governments enter into contracts to

deliver money at short intervals as the condition of borrowing money at short intervals, and when these Governments are (as they always are) under the necessity of borrowing money every time that they are called on to deliver it, there is no need for further Constitutional safeguards against their bad behaviour: the problem of honouring their financial contracts is alone enough to keep them out of mischief.

Of course if any Government is resolute enough to dishonour its contract—to default on its debt, then it is useful to the Money Monopoly to be able to invoke Constitutional Law in defence of reprisals, which would take the form, ultimately, of the use of the Crown's forces of law and order. We do not understand what our Albertan correspondent means by his reference to the (hypothetical) sounding of the "charge" by Mr. Aberhart: it might mean armed revolt, or it might mean an acting legislation which would precipitate the trial of a Constitutional issue before the Courts. It could, of course, mean both. If it means nothing of this sort it does not signify much that Mr. Aberhart neglected to "sound the charge." We remember that in an interview soon after the election, he exclaimed to a heckling interviewer: "It's got to be Social Credit, or get your gun." (On which a prominent advocate of Social Credit in this country remarked: "He would better have said: 'We're going to get Social Credit and get our guns.'") This was an extreme (because non-responsible) reaction, but it was impeccable logic. There is no Constitutional way of making the Money Monopoly yield to Social Credit, either by instant or gradual legislation, until it wants to do so. There might have been last August (though we doubt it), but Dominion legislation now in prospect will close all avenues of advance to a Constitutional Premier. To assign responsibility to a single person, and to make the situation as clear as possible, it may be laid down as an axiom that Mr. Montagu Norman personifies the Master Constitution of the British Empire—not to speak of most of the world outside which comes within the orbit of the Sterling Hegemony. *The Constitution: it is Myself.* The dogs may bark, or debate in Parliament, or vote, or sign pledges and petitions—but the Caravan passes on. What Mr. Norman will do is Constitutional Law. What he does not will is Unconstitutional Lawlessness directly you do anything more than talk about it. A B.B.C. speaker hinted as much not long ago: "Talk about Social Credit," he said, "but don't do anything about it."

There is a use for Constitutional machinery. It is for advertising purposes. Mr. Aberhart used electoral machinery and produced a world-wide front-page news-story. He has chances to use the machinery of Parliament to make another story of the same sort. What he cannot do actually he can do symbolically. He can be in the Hitler fashion.

"Got a job, gov'nor?" asked a dole-drawer of the foreman in a builder's yard.

"Who the . . . what the . . . how the devil did you get in here," exploded the foreman.

"Froo that door," replied the other.

"But didn't you see a notice on it, saying 'No Admittance'?"

"Yus; but it wasn't true." "And it wasn't, was it? Hitler pushed through a door like that; and what was the consequence? The calling of a big bluff, and world-wide publicity for his demands."

This serves to recall a suggestion we heard made some months ago by an expert in what are called "social dynamics." It was this: that as soon as Aberhart got into power he ought to have made what at the present moment will be best understood by the term: "a symbolic issue of the Dividend." Anything would have done, some form of IOU, promissory note, post-dated cheque, fixed-investment-trust unit-certificate, or even the form promised in Aberhart's election booklet. Anything that people could hold in their hands, or lock up in their desks. Never mind that they could not spend it: all the better that they couldn't, in one way, because while retained by them it would have reminded them of their mandate and the Premier's engagement to fulfil it. Such was one part of the suggestion. The other part was that at the time of issue a preamble to the decree or enactment covering it should have recited that it was done "pending ratification by the Dominion Government." The calculation was that if ratification had been refused, the holders of the symbolic vouchers would get the feeling that Ottawa had robbed them of something which Aberhart had given them.

This may be dismissed by many readers as the idle thought of a jester. But sometimes the greatest wisdom peeps out of a jest. The jester in this case may have propounded an impracticable idea, but the idea illustrates the right line of tactics for a Government with an urgent mandate for something that cannot be achieved through observance of Constitutional proprieties.

In the meantime it is something gained to know that Mr. Aberhart is proposing to make compulsory a reduction of interest-rates on the whole of Alberta's loans. It is heartening to know precisely because doubts are being raised as to his Constitutional right to do it. "Federal Cabinet Disturbed," says a headline in the *Financial Times*. "Excellent if true" will exclaim every "Gentleman Adventurer" in the Movement. Mind you, we must touch wood. Both the "doubts" and the "disturbance" may be engineered and advertised by the Canadian bankers to save Aberhart's face over the Budget. Mr. Magor may have arranged to allow Mr. Aberhart to compel bond-holders to take less interest. True the bankers don't like the look of this sort of thing; but it is nothing like so hurtful to them as an unbalanced Budget.

However even if this is the true inside story it does not detract from the importance of the fact that Mr. Aberhart is doing something which symbolises and registers the right of a Government to interfere with credit policy. For the rest, what he is doing is not new, nor will its practical effect necessarily take him towards his declared objective. The Scullin Administration in Australia began to do it, but eventually it went out of office and passed the buck to Lyons. Its conversion scheme was changed from the compulsory to the voluntary basis. Since the bulk of the debt was held by the banks there was an overwhelming majority-acceptance of the new terms. Then, on the strength of the size of the majority, compulsion was revived and applied to the minority!—which illustrates how the bankers improvise laws as they go along. In their hands the Constitution is a concertina.

It is estimated that Mr. Aberhart will save £500,000 a year in interest. Insofar as that sum is payable at pre-

sent outside Alberta its saving is equivalent to the accumulation of "foreign exchange" and therefore a contribution to Alberta's power of doing business with other provinces, particularly in the matter of importing necessary materials and products. But it remains to be seen whether this saving on the expenditure side of the Alberta Budget will not be offset by deductions from Dominion grants on the revenue side, and/or Dominion loans. Take our own Government in this country. What would be the benefit to the taxpayer if for every pound sterling they saved in interest on funded debt they had to pay an extra pound sterling off ways and means advances? Practically the same financial institutions hold the funded debt as supply the advances, so that the ultimate result of a conversion scheme could be that these institutions had short-circuited the savings and applied them to the reduction of the floating debt. The Government might never see the money, and the taxpayer might not get a pennyworth of relief.

Whether this could happen in Alberta depends upon the rate at which this province has to meet maturing external obligations—as to capital repayments as well as interest payments. If at a less rate than the above £500,000 per annum, then the balance would accrue to Alberta and be available (at least theoretically) for subserving the policy of the Government, whether this was to lower taxes (a sort of "Dividend") or to spend them on means of self-development having self-sufficiency as the ulterior objective.

So much for Mr. Aberhart's positive action. At the moment its value is reinforced by his negative action—i.e. his refusal to agree to the provisions of the Loan-Council legislation. We hope that he will hold out and compel the Dominion Government to apply the sanctions that this legislation apparently empowers them to apply. We use the word "apparently" because some doubts are being expressed by lawyers whether the Dominion Government can constitutionally adopt the legislation without endorsement by the King and Parliament, and suggestions are being made that Ottawa may have to apply to London for that purpose. That contingency opens up prospects of another world-news-story, and Mr. Aberhart can do a lot to bring it about if he is able to maintain his resistance. All advocates of Social Credit in Canada should encourage him in this, notwithstanding points of disagreement on other matters.

Against this background most of our readers will see that it would have been a great help if the Movement had got a Member of Parliament at the present time. One would have been sufficient, if he were a good technician and tactician, and possessed the moral courage to display those qualities in his speech and action in the House. This modest requirement has been one of the objects of the Social Credit Party of Great Britain. It has never been the policy of that Party to put a majority in the House, but just to plant a cell or sow a ferment there. As we said earlier, the proper use for the Parliamentary machine for our purpose is as an advertising medium—a potential world-news-story machine. One man in Parliament, if he is the right man, is quite as capable of creating a front-page sensation in the world of politics as are several hundred—perhaps more so, because in a multitude of counsellors

the emergent wisdom (if any) is paralysed by indecision.

* * *

However, we must do the best we can with the opportunities we have. There is a majority vote in the Alberta Legislature which is presumably at the command of Mr. Aberhart. There is a minority vote in the Dominion Legislature also at his command. The two groups, between them, ought to be able to exploit the present situation so as to provide the world with another news-story. Whether by word or act they should try to raise in the most dramatic form possible the issue of Constitutional rights, who grants them, who exercises them, and for what? Who puts the sign on the door of the Constitution, "No Admittance"? The answer is to be got inside—if Aberhart will walk through.

Keynes on "Full" Employment.

Certain recent criticisms of J. M. Keynes's new work, "The General Theory of Employment, Interest and Money," lead me to think that Social Crediters may be getting a wrong impression of Keynes's views. It would be a mistake for Social Crediters to ignore or misconstrue a book which may help them considerably in combatting champions of the dictum that "supply creates its own demand." Keynes is criticised because he is thought to be aiming at a state of full employment, whereas any worthwhile economic theory should have as its objective full consumption with as little employment as possible.

Now Keynes is not wholly guiltless of this error, and hints of this attitude can be found in one or two places in his book. For example, on p. 247, he states: "Our present object is to discover what determines at any time the national income of a given economic system and (which amounts to the same thing) the amount of its employment." This is only true, if at all, on a very short-term view of things. He is repeating here an error which he committed during the war when he totally underestimated the extent by which production could be expanded by improvements in method as soon as restraints due to lack of demand were withdrawn. Nevertheless, Keynes's "General Theory" is free from this fault. Indeed, on p. 104 he says "Consumption—to repeat the obvious—is the sole end and object of all economic activity."

Keynes uses the term "full" employment in a very special sense. "Involuntary" unemployment, according to Keynes, is a state of affairs where men are prepared to work for less than the existing wage and yet be unable to find employment. (This is a paraphrase of Keynes's more accurate definition in terms of small changes of wage.) "Involuntary" unemployment is caused by lack of effective demand. Thus Keynes's flaw in the economic system is a direct result of Douglas's flaw in the financial system. "Full" employment in the sense used by Keynes is the absence of "involuntary" unemployment. Thus Keynes's aim of "full" employment is a desire for conditions in which the flaw in the economic system does not operate.

"Full" employment in this sense does not mean that everybody is working as much as possible. Keynes himself says that because a man could work ten hours a day it does not follow that there may not be "full" employment when it is only working eight hours a day. And we can carry the argument further and find that there could be "full" employment even if a man were

working only one hour a day or if some men were not working at all.

To take an analogy I might announce that there was a flaw in the economic system which I termed "involuntary" non-spending. This is a condition where people's wants are not satisfied, goods and services are available and yet people are not spending sufficient to take these goods off the market. Such a condition occurs because people have not sufficient money to establish a claim on the goods and services which they want. I might define "full" spending as the absence of "involuntary" non-spending and say that my aim was a condition of "full" spending. If the special meaning of my terms was not understood I might be accused of desiring as much spending as possible irrespective of whether the economic activity so stimulated was desirable or not. A true reading of my words would indicate that I was merely desiring the removal of the flaw in the financial system which makes it impossible for the community to buy the goods and services available.

I may perhaps be thought to be going to unnecessary lengths to establish an academic point, and in any case J. M. Keynes is quite capable of taking care of himself. Nevertheless, it is well for a movement to know correctly who are its true friends and enemies.

A. W. J.

Movement Politics.

CREDENTIALS FOR LEADERSHIP.

We printed a letter last week commenting on Major Douglas's statement at the Central Hall that he had been offered an opportunity to buy the Liberal Party. The writer seemed to suggest that the opportunity referred to was one of contributing to the funds of that Party. The distinction is not vital in principle because the object of contributing funds in the circumstances of the episode referred to would obviously be to enlist the cooperation of the Liberal Party. In the absence of details it is profitless to attempt to arrive at any judgment about the significance of the reported offer.

But there is a moral to be drawn from the fact of such an offer being made. It shows that the official leaders of the Social Credit Movement have acted unwisely in placing themselves in a position where anybody at all should dream of their being open to entertain the idea of mergers or alliances with any of the three Parties. Conversely it completely vindicates the article we published in July, 1934, appealing to Major Douglas to remain on his throne as the technical Monarch of the Movement, and to leave the promoters of actionist policies to prove their mettle in polemical and experimental competition with each other for the approval and co-operation of his followers. His enthronement was the common achievement of them all, and was the resultant of their diversified initiative and activities. If our present King Edward were to bestow his royal patronage publicly and exclusively on any of the three parties in the State, this patronage would no longer be royal, and in fact would eventually destroy the party who exploited it.

It should be remembered that Major Douglas's authoritarian prerogatives proceeded, not from his mere announcement of the truth that he discovered, but from its subsequent verification by others who took pains to study and confirm the soundness of his reasoning and to check his conclusions against contemporary phenomena in economic life. Having done this, they expounded the truth and prophesied in its name with the result that they built up a body of intellectual conviction out of

which emanated an atmosphere of emotional faith (amounting in some cases to superstitious adoration) in him as a Person. They created the myth of his omniscience and infallibility.

Notice the sequence of causation—first the discovery; second, the independent verification; third, the exposition of both; fourth (and hereafter overlapping), the transvaluation of economic values; fifth, the resolution of every economic paradox; and sixth, the birth of a great hope. These influences went on in an ascending and expanding spiral. Newcomers caught the light of the hope. The few explored its causation and justification right back to the beginning. The many halted at intermediate stages according to the extent of their patience and abilities. All found a lodgement for their confidence, and on its basis began themselves to teach as much as they could grasp in the terms in which they grasped it. What they did not understand they took for granted because others more advanced than they exhibited confident ability in answering criticisms even at the extreme stage where the mysteries of the differential calculus enclouded the debates.

No wonder then that to the man who had been privileged by destiny to discover the scientific clue to the economic mystery were imputed all the moral and humanistic attributes which variously animated these followers of the new light. So he came to be in their estimation a man of transcendental goodness matching his transcendental wisdom. The real Douglas was transfigured.

Energy flies to points. Lightning strikes a tree, a steeple, or a lightning-conductor. Crystals form and cluster round a piece of string suspended in a saturated solution. And so with the energy of emotions. These cling to a thing or a person. If to a person, often because some thing is identified with him. Whatever emotion that thing inspires is transferred to him. The impulse to identify the one with the other is the impulse of emotional energy to fly to one point rather than to two. In the present context Douglas, the Social-Credit discoverer, is identified with the Social-Credit discovery. His authority is justified because his discovery is verified. For that reason the true scope of his authority extends just so far as the essential scope of the discovery. The discovery is purely that of Credit Science—how to make financial credit subserve agreed economic objectives. And the "how" is identified with, and inseparable from, the reason *why* financial credit at present does *not* subserve these objectives, but frustrates them. This is the whole basis and extent of the knowledge discovered by Douglas, and of the independent verification which alone establishes his authority. It constitutes the bounds beyond which neither he, nor anyone on his behalf, should seek to carry that authority, much less to clothe it in the myth of infallibility. Not so much because this would be a misappropriation of authority in the sense of being immoral, but because it would be a misdirection of it in the sense of being inexpedient. And the inexpediency is raised to a suicidal degree if, in the process of claiming authority in new fields of research or action, the founder of Credit Science turns round and disparages it as a subject of study, and derides those who seek to extend the area of verification by educational methods as extinct volcanoes. Conceding that he is competent to speak with more than ordinary authority on subjects other than Credit Science, though related to it, and wishes his views to be accepted without submission to

the test of examination with a view to independent verification, he can only hope for this by appealing to the verification of his original discovery. He can only say to people: "You must deem me right on this matter without proof because I have been proved right on the earlier matter." But this would only carry weight with people who had satisfied themselves of his earlier rightness, or accepted the claim on the testimony of students who had done so. It would not carry weight with new people to whom Douglas as a scientific discoverer was an unknown quantity, particularly when they heard him saying that the time for verifying the discovery was over. He would be reduced to competing on level terms with hordes of "professors of social dynamics" who are now associating themselves with the Credit Science Movement for the purpose of diverting popular attention and support to pseudo-scientific adaptations of the original scientific doctrine.

Credit Science says nothing about what economic objectives society should seek. It says nothing about what should be done to bring about its application. It simply tells the way out of the economic labyrinth. That is to say, the easiest and quickest way. It is nothing more, or less, than a counterpart of the plan of Hampton Court Maze which visitors may buy if they choose. Anyone who studies the plan knows how to get in when he wants to, and how to get out when he's had enough. He knows the correct openings and turnings. And now, imagining the Maze to be policed by officials instructed to misdirect visitors on their way out and to obstruct them if they persisted in taking the right turnings (an analogue to our present economic labyrinth) obviously those visitors who knew the map would know what to do with these official molesters and obstructers—if they could. They would not need directing on this problem by the person who drew the plan: his job was done when he drew it. They would know that they would have to brush the officials aside, or crash through the shrubs which walled the alleys, or stay where they were. Supposing the plan-holders were a small minority of the visitors, and that they were numerically too weak to force a passage by themselves, their problem would be to persuade the others (or a sufficient number) to apply their united pressure at the right points. If they could make the others believe that they knew the way out, that would be a long step towards forcing their way out. But, if for some reason, they wouldn't do so, but merely cried: "Here, you all want to get out; then, demand to be let out," the existing uncertainty and irresolution would remain unchanged, and would paralyse any action at all. Likewise with the problem of action in the field of politics to-day. The spreading of the knowledge of the way out is a vital factor in deciding the people to force their way out. The hiding of such knowledge, or the assumption of any attitude suggestive of intent at concealment, is a policy of defeatism. It evokes derision outside and generates suspicion inside the Credit Science Movement.

The People's Central Bank!

Legislation is contemplated at Ottawa which will put the Bank of Canada under the ownership of the Government. The Bank would increase its capital by an amount sufficient to give the Government, who would subscribe it, control of the majority of the shares. The Government would appoint a certain number of directors.

Social Credit Policy.

By Hilderic Cousens.

Whatever reasons there may be against a Social Credit Party, they are not those set out in the (uncorrected) reports of Major Douglas's speech in the Central Hall, which appear in THE NEW AGE of March 12 and *Social Credit* of March 13. That the S.C. Secretariat, Limited, is supposed to work on the principles there enunciated does not increase their plausibility.

The trouble frankly is that Major Douglas as a political thinker is not in the same class as he is as an economist or social philosopher, e.g., he said (*S.C.*, p. 35, col. 2), "The abolition of poverty in the midst of plenty, important as that is, is not the core of the problem. It is conceivable that people might be provided for as well-fed slaves, etc." Here is the social philosopher speaking on firm ground even as a politician; for no programme in this country has ever been seriously advanced except on a non-materialist or idealist basis.

The Secretariat's Electoral Campaign Form is, however, based solely on the abolition of poverty, and, I presume, is so based because this will give the "greatest common factor of the general population to produce a majority" (the speech, *S.C.*, p. 35, col. 4). Unhappily, we have had for donkey's years a "greatest common factor of the general population," and what do we find Major Douglas doing but very rightly trying his best to break this common factor up. At every election the vast majority of the electorate have been voting for candidates of several parties who all said that the dearest wish of their hearts was to implement this will of the people and abolish unemployment, or come as near abolishing it as they could. Unhappily again, for the mass of the really poverty-stricken population, abolishing unemployment is tantamount to abolishing poverty. With the aid and blessing of all the experts of finance, trade, industry and administration, Parliament has been labouring to carry out this will of the people; and the results are before us. That precisely and exactly exposes the whole fallacy of greatest-common-factor electoral demands as a political principle.

Then Major Douglas in arguing against a Social Credit Party says that "it is an axiom of experience that no layman can possibly direct the expert in details and in normal things no layman is fool enough to try it." The word "details" begs the question. What laymen or comparative laymen habitually and necessarily do is to direct the experts in the general and secondary aspects of their job. No City Council wanting a new town hall sends an office boy to the nearest architect with a message: "Put us up a hall by this time next year." I did hear once of a woman who went into a grocer's shop, and, laying down a note on the counter, said, "A pound's worth of food please."

The English Government does not exist to fulfil the will of the people just by telling experts to get on with the actual fulfilment. The will of the people is a mixture of a multitude of wishes, varying in time and place, and often grossly inconsistent and incompatible: any job of importance is far from simple, and impinges on the spheres of many different expertises: experts notoriously differ among themselves on many things when they are experts in the same subject, let alone when they are experts in inter-acting subjects. As a topical example, re British Defence: Do the naval experts agree among themselves? They do not. Do the Army experts agree among themselves? They do not. Do the Air experts

agree among themselves? They do not. Do the whole lot of them agree together? Still less. So the lay government must make some choice among the plethora of conflicting plans, and appoint one or more comparative laymen to get some sort of unified plan which will also pass reasonably well the criticism of the experts in other branches of national activity which affect, and are affected by, the problem.

Therefore, to declare that "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" advances the argument no further, and as far as I can see is a direct reflection on the Social Credit parties of Alberta, Australia, New Zealand, who might have been warned off some time ago, if that doctrine is sound.

There are other comments on this question of Social Credit policy or politics which I will offer shortly.

"The Totemistic Menace."

[TO THE EDITOR OF "THE NEW AGE."]

Sir,—Your reviewer of Mr. H. Stovin's book (January 23 and 30) quotes at length. While regretting inability to get hold of the book itself, I must, nevertheless, take issue with your reviewer. My qualification for this is that I have been a subscriber of THE NEW AGE since November, 1915, I have been directly interested in scouts since 1914, I have been a member of the Toc H since 1928, and I have followed Buchman with interest.

Let me first make it clear that I am in accordance with your reviewer to the extent that the book is evidently timely, and that "Mr. Stovin is evidently hot on the scent." But let it be understood at once that Mr. Stovin gets no further than the scent and fails to bring the quarry to earth. Mr. Stovin can have no first-hand knowledge of scouts or Toc H if he concludes that thinking is not encouraged apart from the particular line desired by our financial overlords. Would it interest you to know that Social Credit has many strong adherents in Toc H in this province?

Is this perhaps the time to revert to the two ways of approach to Social Credit? There is the scientific way and the moral approach. Mr. Stovin is evidently full of science and facts and draws his conclusions accordingly (which is also Major Douglas's approach). Unfortunately, for them, the world is made up of many strange individuals full of ideas that are not based on facts of science. The unfortunate fact remains that a fact is only a fact so long as it depends on the observation of the human senses. Even the law of gravity only remains a fact so long as human senses accept it as such. Someone may come along to-morrow with a more plausible theory which then immediately is accepted by the majority as a new "fact."

Viewed from this angle we have to deal with two kinds of speculation. One has to do with the material world and the other with the spiritual. And because we are in between the two and partly belong to both, we are not fitted to judge either with finality. Therefore, when Mr. Stovin warns one kind of speculation from the angle of the other, which is both justifiable and a good thing all round, let us not forget that the process can be reversed, that science nowhere arrives at lasting conclusions, and that social crediters have not yet agreed on a final method to reach a single desired effect.

Would it interest you to know that an ardent believer in Social Credit is convinced that it will not arrive until such "cults of fellowship," Buchmanism, etc., have paved the way by a more thorough preparation than the one in use in Alberta? That existing financial power may try to use "unenlightened" fellowship for its own ends, and achieve, through scientific (?) hyperbole something entirely unexpected? Finally, that salvation will come through outside, apparently uncontrolled channels, when it is least expected? V. D. H.

British Columbia,
February 23, 1936.

"Organising Peace."

Low's cartoon in the *Evening Standard* of Friday, March 20, was drawn round the following legend of his own composition: "It is significant that those who most strongly attack attempts to organise peace, saying they are likely to lead to war, are usually the whoopers for colossal armaments for 'protection of national interests'—the excuse offered for most wars in the past." Yes, but it is "significant" in another sense than the one intended. What Low tries to exhibit as a ludicrous paradox is really good logic. So long as the bankers boss the business of running the economic system on their accustomed principles of finance, one of the most promising methods of "organising" peace is precisely to build colossal armaments—and for the precise reason that such a policy does really protect national interests. If every nation in Europe were to start building armaments to the tune of, say, £1,000 millions per annum borrowed from the banks (as would have to be done) there would be a revival of internal prosperity in each, and a suspension of external antagonisms. The will to war proceeds from a hunger for markets. Armament expenditure provides those markets at home, so that Governments don't have to look for them abroad. The duty of the Foreign Office, remarked the *Morning Post* several years ago, is to secure "trading opportunities" sufficient to ensure employment for the population. The penalty for failure is internal unrest threatening civil war. What is a trading opportunity? For all practical purposes it is an opportunity for people to earn incomes—whether these are wages, salaries, or profits. It does not matter, immediately, what they do in return for the income, provided that it will buy them the means of life in adequate quantity. They might equally well build factories, dwelling houses, libraries, or battleships: the immediate consequence is the same—i.e., remunerative employment, and therefore personal economic security. It is curious, is it not, that the act of building armaments, which symbolises discontent and disagreement, should itself restore content and agreement? The larger your means of fighting grow the faster the occasion for fighting disappears. So let every pacifist ignore Low's half-baked political philosophy, and cry: "Hooray for colossal armaments!"

Of course, there are snags. Your ordinary pacifist could point out that energy absorbed in building armaments was energy diverted from making the things on which we live, and that people might make heaps of money that way and find less goods to spend it on. Perfectly correct; but the time to fidget about this danger would not have arrived until we saw the whole productive capacity of the country absorbed—no unused machines or men. If, in that event, the purchasable means of life were short, then of course something would have to be done to slacken the building of armaments and speed up the making of consumable goods. As things are, however, we should have to build colossal armaments indeed before their construction jeopardised the production of commodities. We have energy, and to spare, for both purposes, as was proved in the last war, when twenty million men in the field—economically, all idlers and destroyers—fed well out of the goods produced by skeleton civilian staffs of inferior operators. Now, if we can reproduce this scale of production, without the destruction, everyone should be able to fare much better, enjoying affluence in the midst of armaments. It is easily possible.

The Social Credit Party of Great Britain

(THE GREEN SHIRTS).

On September 26, 1935, we issued an official statement explaining our action in adopting the title "The Social Credit Party of Great Britain," together with a clear declaration of the programme and methods of the Party.

In spite of this there appears to be some misunderstanding of our position. For example, the following statements have been made in print and from the platform:—

(1) ". . . If there were a Social Credit Party in this country, long before it became a formidable menace its organisation would contain in most of its key positions a set of rogues who would make the best exhibits of Smith-square, Abingdon-street, and Palace Chambers look like respectable citizens."

(2) ". . . There is at the present time an idea that we should have something called a Social Credit Party. It is assumed that the Government of the country should be a Government of experts. I should regard the election of a Social Credit Party in this country as one of the greatest catastrophes that could happen. It is an axiom of experience that no layman can possibly direct an expert in details, and no layman is fool enough to try it; but if we 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 can possibly know as much about the details of finance as the experts. 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 got the blame for everything that was done. Any layman can say: 'I am not an expert, but I know what I want,' and if you agree that the object of a set of men sent to Parliament is to get you what you want, why elect a special set of men?"

—Major C. H. Douglas.

As regards (1) above, our official statement of September 26, 1935, made it clear that we adopted the title of the Party in order to protect, or "trade-mark," that title. Our statement pointed out:—

"That a 'Social Credit' Party could be formed which would be the negation of all that Douglas stands for . . . and such a manoeuvre has in fact been contemplated. Events in Alberta have intensified this danger.

" . . . It cannot be too strongly emphasised that in the absence of a genuine Social Credit Party pledged to the Douglas Proposals, a number of independent candidates 'pledged to abolish poverty,' without advocating any technical method, could appear and act as a guerilla force in opposition to authentic Douglas supporters. . . . How easy it would be to make such independent candidatures appear genuine need hardly be pointed out. Only the acid test of Party membership could circumvent this manoeuvre."

Events in Alberta, and in this country during the last General Election, have proved that our view on this matter was, and is, correct. Our official statement continued:—

"It is therefore now impossible for any bogus 'Social Credit' Party to arise in this country.

"To avoid all misunderstanding, the Green Shirts wish it to be recorded that this action has been taken in defence of a position and not in defiance of individuals or groups working for the same cause in other places and other ways."

We agree that if we had left the way open to "the enemy" to form a bogus "Social Credit" Party, the "key positions" in any such organisation might very soon have contained "a set of rogues."

This is not possible within the Social Credit Party of Great Britain (the Green Shirts), in which every member, whether of the uniformed sections or non-uniformed, is pledged to the programme of the Party.

Here, again, our official statement was clear:—

" . . . The Party will have no programme other than

the establishment of the National Credit Office, the issuance of the National Dividend, and the application of the Price Adjustment. Membership of the Party will depend upon signature to an undertaking to accept and further these three demands and the Douglas method of implementing them."

By taking The Social Credit Party as our official title we have, in fact, protected the Social Credit movement in this country from the danger expressed in (1) above; and we are of the opinion that if this had been done in Alberta by authentic Douglas Social Credit advocates "instead of," as Major Douglas writes to Mr. Aberhart, "pursuing, under a misconception, the policy of capitulation to orthodox finance under the label of a Social Credit Government," the position in Alberta would have been clear from the start, because right methods would have been implicit in the Party programme. A Taxation-and-redistribution-of-income scheme could not have been considered, it would have been *ultra vires*, and unquestionably so.

As regards (2), above, our official statement was equally clear:—

"... No change in Green Shirt agitational propaganda is contemplated. Green Shirts remain the trained and disciplined 'shock troops' of the Party, and the Green Shirt technique of bringing pressure to bear upon members of the Government, M.P.'s, and members of the 'hidden Government' will be developed and intensified."

In fact, we are not asking the electorate to "elect a Social Credit Party." We are not an ordinary political party, and have no intention of becoming one. We are a Social Credit Party, organised on semi-military lines and using an unarmed military technique. Our aim is to bring pressure to bear upon those who claim to be, or who imagine they are, in control of the Government of this country. This includes any and every sort of pressure that appears to us to be effective.

Our action in putting forward a Social Credit Party candidate for S. Leeds at the last General Election was explained in our propaganda organ *Attack!* (No. 32):—

"... What do we expect of this General Election, and why are we putting up a Social Credit candidate? First, we want to test the electorate in a particular locality.

"Secondly, we want to send a Green Shirt into Parliament—as a 'wasp.'

"We want a Green Shirt in Parliament who will begin to bring pressure to bear INSIDE the House of Commons, fully backed up by Green Shirt agitational pressure OUTSIDE.

"That is what we want, and that is all we expect of this General Election. If we win S. Leeds for Social Credit it will assist our national agitation enormously."

To sum up points (1) and (2):—
(1) There is a Social Credit Party in this country, and it is a genuine Social Credit Party in which every member is pledged to its rigidly fixed programme:—

- i. Open the National Credit Office.
- ii. Issue the National Dividend.
- iii. Apply the Price Adjustment.

We stand by that programme because we maintain that *only right methods can get right results.*

(2) The Social Credit Party of Great Britain is an agitational propaganda instrument for generating and directing Mass Pressure upon the Government and the "hidden government." We aim to use pressure inside as well as outside the parliamentary machine.

JOHN HARGRAVE.

National Headquarters,
The Social Credit Party,
44, Little Britain, London, E.C.1.

NOTICE.

All communications requiring the Editor's attention should be addressed direct to him as follows:

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

The Films.

"Merlusse." Directed by Marcel Pagnol. Curzon.
One of the results of the Hitler regime has been to shift the centre of film art from Germany to France. "Merlusse" ("The Codfish") represents the contemporary French cinema at its best, which is to say that it is an outstanding example of the screen at its best. Unlike so many "films d'art," it makes a universal appeal through the human simplicity of its theme, and credit is especially due to Marcel Pagnol for avoiding even the faintest trace of mawkishness or sentimentality, which an American director would infallibly have introduced at the end, and probably in the beginning and at the middle. This is one of the rare pictures that demand to be seen more than once, even if only for the fact that it has a few tiny sequences that are little masterpieces of presentation. It should be a lesson to Hollywood, which habitually wastes twenty feet of celluloid for every one actually thrown on the screen, to see how much a director who knows his work can do in a few seconds. Direction, editing, and acting are alike admirable; in the title role Henri Poupon shows himself to be of the calibre of Emil Jannings. You will observe that I have not given away the plot; it would not be fair to the spectator to weaken the force of the two surprises on which the story so largely hinges.

"Merlusse" is among the few films I have seen this year that should on no account be missed.

DAVID OCKHAM.

PARLIAMENT AND TECHNICIANS.

"Social Credit" is the name now attached to a master-design based on certain principles. The function of Parliament is to decree the observance of these principles, and the function of the Government's technicians is to work out the best practicable scheme consistent with the principles of the master-design. They have a free hand, but within an authoritatively defined scope of initiative and action.

Forthcoming Meetings.

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

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

Norwood Social Credit Club, St. Jude's Hall, Railton-road, Herne Hill, S.E.27.—April 1, at 8 p.m.: Mr. Maurice B. Reckitt: "Problems of a Leisure Age."

Manchester Social Credit Club.

Meetings on the first and third Tuesdays of each month at the Grosvenor Hotel, Deansgate, Manchester. 7 p.m. onwards. Visitors welcome.

The New Age Club.

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

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