NOTES OF THE WEEK.

Loan Refunding, A Bank for Alberta.
Mr. Charles Cockcroft, Treasurer of the Alberta Government, introduced on April 6 a Bill providing for compulsory refunding of the debts of Alberta cities. This Bill follows the lines of the "Compulsory Refunding Bill" still before the Provincial Legislature. Mr. Cockcroft also gave notice that the Alberta Government would introduce a Bill to enable them to establish a Provincial Bank. (Cable from Edmonton in The Financial Times of April 7.)

Interest on Alberta Bonds.
In the correspondence columns of The Financial Times of April 15-16 two correspondents take opposite views about the justification or otherwise of the interest-rate of 6 per cent. which the Alberta Government agreed to pay on the Bonds issued by it fifteen years ago. One of them argues that this rate is so high as to imply a lack of the loss of capital. The other argues against this view, pointing out that by bodies such as the Liverpool Corporation and the London County Council the same rate of interest was fixed on Bond issues in the period 1920-22. He also points out that fifteen years ago, the credit of the Province was high—"a strange ground on which to justify Provincial borrowing at a high rate of interest.

Alberta's Fiscal Orthodoxy.
The Ottawa Citizen of April 2 in its first leading article lays stress on the orthodoxy of Alberta's fiscal policy in matters which imply a gentle approach against the Government for acting inconsistently with the Social-Credit mandate which they asked for and obtained from the electors. In a second article it quotes Agnes Macphail, M. P., as having told a Toronto audience that she is not a "Douglasite" or an "Aberhartian," but believes in the new economics. The Windsor Star having launched on this statement with the object of poking fun at Social Credit, the writer in the Ottawa Citizen recites the fundamental points on which believers in the new economics criticise the current system. These are: (1) the private monopoly of credit; (2) the inadequacy of a gold basis for currency and credit; (3) the inflationary consequences of an unregulated price-system; (4) the futility of the provision of employment as a cure for economic troubles. The basic criticism is that whereas the production-end of the system is amply efficient for economic prosperity the consumption-end is commensurately inefficient. As we would like to put it, the mechanism regulating the distribution of commodities is not allowed to adjust itself automatically to the production-pressure inherent in the plant and equipment of any given country. The production-end of the system corresponds to the boiler-end of the steam-circuit, and the consumption-end to the condenser-end of that circuit. The cooling and condensation of steam is every whit as important as the heating and expansion of steam. The two processes are functions of each other and must work in co-ordinate equilibrium. The chief obstacle to the efficiency of the early designs of the steam turbine was eventually found to reside in the fact that the steam fed in to work the blades couldn't get away fast enough to work them fast enough! The later steam turbine overtook the earlier steam turbine and instead of exciting the whole of its power on the turbine-blades, had to exert part of it in nosing the earlier steam forward and out of the way. You can imagine the blades blinking in irritated bewilderment at this mix-up and crying out: "Now, you too, when you've quite and crying out: "Now, you too, when you've quite
speed, but ten or a dozen knots. The truth had been discovered that the exact state of used steam existed, so to speak, a pulling power complementary to the pushing power of unused steam. And when the engineers of our economic system make the same discovery concerning its basic defect, and comprehend the truth that consumption contributes to production by making room for it—that mystification by the man-at-the-coffeestand moves the machinery of manufacture, splits it up, fractionizes its cost by spreading out the incidence of overhead charges, together with other consequences familiar to the Social-Credit exponent—then we shall see the things we have had to happen, and happen so fast that we shall have time only to calculate like the man in the advertisement: "This is poverty—that was."-Coward: What is the best manure for hair?

Liberal Centralization.

In a third article the Ottawa Citizen of the same date familiarly identifies with the doctrine of the Provincial autonomy, are giving their support to the Canada. That paper points out that this policy was advocated by Finance minister, Edgar N. Rhoden. Mr. Bennett had "naturally favoured the policy"; and—

"Mr. Bennett, as leader of the opposition, is doubtless desiring to carry out a London position of Newfoundland as far as fiscal autonomy is concerned."—The Ottawa Citizen is giving Mr. Aberhart a fair deal. While he redly blaming him for his submission to the Canadian Finance Minister in the question of taxation and budget-balancing, it fairly commends him for realising the importance of the lie of the provinces to the constitution. Aberhart in that way so far as the question of taxation is concerned, did not want to say so definitely.

Let us adopt this hypothesis. It is easily tenable particularly in view of the facts which have happened before and during the depression, that Aberhart was unsound on Social Credit. That being so it was a natural step for Aberhart to take that he could not be influenced from Social Credit into the confidence of the financial circles. He was an equal of the Government of the day, a responsible Social-Credit advocate in the Ottawa, Toronto, Calgary, and elsewhere in British Columbia. That there is at hand a possibility of a serious situation, that the confidence of the financial circles toward Social Credit has been lost.

Our second reason is that Aberhart, by sending out the proposal, was presenting Douglas with the opportunity to test his good faith as just described. There was no need for him to call in the party’s support of it. Aberhart had written to him that he felt hour upon hour of asking for Douglas’ assistance. He could have thus avoided all the delays on the ground that he was to take new responsibilities, and his arrangements for succeeding Ministers demanded all his time, at least, some weeks.

New evidence may force us to revise our view, but the main point we consider it unjust, as well as unwise, to assume that he has not the ability to control the situation. If, however, he has been referred forwards under the influence of Mr. Magor, that position only a matter of time to forestall that gentleman’s appearance. It may be that Mr. Campbell has taken this country recently from Alberta, and he did not consider responsible enough to be put into that position without being given the whole of the presentation. Douglas was a man of the same sort, and he did not try to impose anything that he had not done before efficiently. His idea was to do the job efficiently. Douglas should go on immediately.

Douglas’ infrastructure.
man with nothing to hide, and is free to shape his course according to his conscience.

Responsibility—But To Whom? While Social Credit, never free of complaint about Aberhart's reticence have no ground for putting a sinister construction on it. Or, if his silence is considered sufficient to establish the presumption of bad faith, so must be the silence of Douglas. For this reason the B.C. Conservative is not prepared to make capital out of what he feels to be more and less in his wisdom. After all, Aberhart is not accountable to Douglas, nor to the Social Credit Movements outside Alberta, for his actions. He is accountable to the local leaders of his Party who nominated him as the candidate for the constituency, and ultimately to the electorate, to which he is intended to appeal. Similarly, Douglas is not accountable to Aberhart or to his Party. He is accountable to Social Creditors in this country who have sacrificed their time and money in making him in the position he now occupies. It is therefore as illogical as it is unprofitable for these leaders to pursue a policy of truce-Atlantic pontificating over the results of their methods of secret diplomacy.

In this connection, two or three concrete questions arise which are probably at the root of this argument: Does it not, then, look as if the B.C. Government has, in the past, been supplied with this information at the time, or has it been passed over and the consequence of it?

Abolition of Poverty Line! Again, the consideration is not that the Social Creditors have, or has, or whatever. It is only that it is the basis of the way in which the Government has been run. It is the principle which is at stake, and not the method by which the Government has been run.

Douglas and Hargrave on Major. The probability of this is that all that the Social Creditors have to do is to present the present situation of our society in the country and in the world, and that in the long run it is the Social Creditors who must have the final word. The Social Creditors have to be the final authority for the Social Creditors to make their final decision.

The Suppressed Cable. In this connection, two or three concrete questions arise which are probably at the root of this argument: Does it not, then, look as if the B.C. Government has, in the past, been supplied with this information at the time, or has it been passed over and the consequence of it?
What is "Anti-historical"? 
NOTES FOR A THESIS.

By John Hargrave.

Reference: "Enter Mussolini," by Emilio Lasin (Mothesen, published 1936, 74. 6d.), an Anti-Fascist.

Time: 1929.

Place: Rome, soon after the Fascist "March on Rome." 

Text: ... People there (Sardinia) still hoped for a general movement of revolt (against Fascism) through the socialist underground. But the situation was in truth desperate: the revolt in Rome was to be treated as a Communist rising. I even went so far as to approach certain Communist deputies. They were all divided on the question regarding Fascist violence. One of them opposed it, while another wanted to support it with further violence. Their arguments were not based on the theories of historical materialism. One must wait for the development of an atmosphere that favours "historical" violence (Pages 112-113 of the book).

The event is described as a "miracle," a kind of materialist-supernatural event. Fascism is a tightening-up of capitalist social structure before a proletarian revolution has been successful. It is an organization (arising from the middle strata of the socio-economic pyramid) designed for world "uplifting" and "revolution" in the bud. There is no such thing as a Fascist "revolution." Fascist action is, and must always be, the coup d'état.

There are other "surprises" in store, not only for the doctrinaire Marxist theorist, but also for the opportunistic Fascist, and the "gap" through which they will march is the one super-large element identified by the Coal- lace. Fascism is a form of the violence, equal to an anti-communist violence, and one must wait for the development of an atmosphere that favours "historical" violence.

Alberta's Bond Interest.

[Correspondence reprinted from The Financial Times of April 16th.]

Sir,--In the matter of the bond per cent, bonds, a case may be made out for the hopeful Mr. Aberhart. Six per cent, is so monstrous a rate of interest that the average man regards it as unreasoning, except as the reward for taking speculative risks. Obviously such a rate implies the existence of considerable risks of the lending capital. In Alberta, Mr. Hamilton would look on with his eyes open, has materialised. For fifteen years he has drawn interest of six per cent, instead of five—and if the gambler, at the end of the year, never comes out on the losing side, he cannot say that he has been any worse off.

S. C. R. 

Kensington, Kent.

Sir,--In the Financial Times of 15th April, Mr. St. John Hamilton makes a statement in regard to Alberta Six per Cent. Bond, which seems to me to disregard the fact that the rate of interest on a loan of this class is governed by the monetary conditions at the time of the issue. Mr. H. says, "Six per cent. is so monstrous a rate of interest that the average man regards it as unreasoning, except as the reward for taking speculative risks." I very much doubt that such would be the case were the rate raised to seven per cent. raising during the past fifteen years, so dear that even first-class prospectus stocks could not be placed on worse than a 6 per cent. basis. 

I have been familiar with many of the bond issues which will recall that the City of Liverpool during 1910 and 1915 issued over $100,000,000 of Six per Cent. Roman Catholic bonds, and about $100,000,000 of Six per Cent. Housing bonds, and this is by far the lowest it was sold at. 

Surely, no man of sense will say that you get the benefit of the view of the fiscal policy of the Alberta Government.

Sir,--In the matter of the bonds, I was not aware that the Alberta Government was interested in the carry-over of benefits for the farmers. 

I am, etc.,

J. ST. T. A.

Sir,--In the Financial Times of March 27th, Mr. C. W. W. says that the present rate of interest on Alberta Six per Cent. Bond is too high. He states that the rate is not justified by the economic conditions. It is the rate at which the government can borrow money, and it is the rate at which the government borrows money.

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Such apprehension was felt not only by citizens who share Major Douglas's views, but also by the orthodox school of economic thought which Major Douglas represents as reactionary.

If the correspondence should show that Major Douglas sought such power as would enable him, in his own judgment, to realize his views, and that such power were not forthcoming, then it will be established that the only honorable course for Major Douglas was the one he embarked on.
**The Films**

"King of Barbeque," Directed by Sidney Lanfield. Regal.

Only Hollywood can make good "musicals." The best was "And Street," produced by the Warner Brothers. This is the next best. It is well directed, cast, and acted; is not spelt by pretentious production numbers; has a beauty in sound tracks that is good looking; and is first-class entertainment.

"Kiau." Produced by the Marquis de la Falaise. Kio.

Kio is an Annamite word for tiger, and the film is a simple, naturalistic record of the killing of a tiger that menaced a native village. Its simplicity is admirable, and the absence of all spoken word and attempts at humour is a long way from perfection. Until colour on the screen, monochrome is vastly preferable, especially in long shots.


Very conscientious reconstruction of Dickens, so conscientious as to lack spontaneity. Excellent acting, and Oldman has never done anything better than Sydor Carlin and among the large cast Elizabeth Allan, Edna May Oliver, and Isabel Jewell demand special notice. Hugh Walpole's "Hounds." in "in years," "your witness," and "nothing to it." I predict an immense success at the box-office.

-Daivo Orman.

West Central Inn!

Managed Economy: Under this heading the Cunard reproduces the following notice, just received from the Cunard Works, Billancourt:

"The heavy losses which we are suffering are often caused by the careless superintendence of departmental clerks, who frequently abscond from their posts without cause.

"I have noticed that some workers visit the c.w.c. a little too frequently.

"The clerks of departments are requested to exercise a stricter control over the good functioning of their staff."

"The Management,"

"A NEW AGE" ANNIVERSARY.

April 17, 1930. The New Act of that date was "censored," and appeared with two blank pages. The incident made a Fleet Street story, the journalists got their ammunition; "The New Act? Ah, yes, that paper died in the press, and now we have another name for it?"

Once the Ghost Journal of Fleet Street, The New Act has become the "Skeletor in the cupboard" of the Social Credit Movement.

E. P.

**NOTICE.**

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

Mr. Arthur Brenton, 29, Rotherby Road, Barons, S.W.11.

**La Republique des Banquiers.**

[Extract from Prologue.]

First of all, a picture:

It was the end of 1924, and M. Francois Marchand, Chancellor of the Exchequer, had called together at his private office in the Ministry, Rue de Rivoli, the directors of the big banks: Credit Lyonnais, Comptoir National d'Escompte, Societe Generale, Banque de Paris et des Pays-Bas, Banque de l'Union Parisienne, Banque Richelieu, and Banque Nationale de Crédit, and Credit Industrial et Commercial.

The atmosphere was most chilly—I speak of the weather—and the Chancellor fummed around the assembled company.

"Some armchairs, take some armchairs, gentlemen!"

"This way, M. le Directeur of the Credit Lyonnais, don't remain so near the window, there is a slight draught!"

"And you, M. le Directeur of the Societe Generale, come nearer the fire because of your cold."

The Minister of the Republic stepped a moment and took

breath, and then delivered himself as follows:

"I beg of you, gentlemen, do not be embarrassed, you are at home here."

"Well, gentlemen, I am very uneasy about a majority. I am short of nearly 700 million francs—a sum which, I say, is impossible with the present state of the Budget."

"Here is the exact figure: 696,810,000 francs."

"And you, M. le Directeur of the Credit Lyonnais, you have thought of me. I know that you would not refuse me this service. Besides, one good turn deserves another, I shall not forget you. I have still some Treasury Bonds...

"Those gentlemen looked at each other, and then nodded approval; and I am quite certain that the minister himself...

"This evening, M. le Directeur of the Credit Lyonnais, you shall have your 700 million francs—or rather the exact number of millions that will be required. When it is a question of patriotism..."

"Present!"

(Salut! Handshakes.)

(The Prologue to "La Republique des Banquiers." J. L. Chastanet. Paris, 1925.)

**Forthcoming Meetings.**

The following public meetings will be held at the Harcourt Room, Carlton Street, S.W.1:

- April 24, 7.45 p.m.—By the Marquis of Tavistock. Question and Answer night.

**The Social Credit Party at Great Britain.**


**"Netherwood," The Ridge, Hastings.**


From 7/6 a day inclusive.

Write for illustrated brochure.

**ACADEMY CINEMA, 165, Oxford St.**

**"LIEBESMELODIE."**

Music by FRANZ LEHAR.

The gayest film of the season! MARTA EGERER in

**"AMOUNT OF BUSINESS."**

(All reasons for being are well attended to.)