NOTES OF THE WEEK.

Reform or Revolt.

The news of the past few weeks has been characterized by items indicative of impatience with conventional Parliamentary procedure and a disposition either to override it or to enforce its acceleration. First in Belgium, where in the previous days the farmers and in the countryside against the Titre, threatening that if they got no concessions they would petition the King direct. The Civil Service Clerical Association has been seeking counsel's advice on the question of the legality or otherwise of taking such action, and participated in by civil servants. Sir Oswald Mosley is seeking similar advice on the legality or otherwise of his former Members of His Majesty's Forces in his Fascist organisation. In Palestine the Arabs are trying direct methods of stopping the immigration of Jews and the sale of land to them.

Militant Minority Movements.

These phenomena may be correctly and comprehensively described as Militant Minority Movements, and interpreted as a challenge to the Moderate Majority Movements on which are founded what one is accustomed to call Constitutional Government. Readers of this journal will be well aware that whenever the Monopoly has been in a hurry to get its interests pursued, its methods are extended or protected in legal form they have disseminated the slogan: "The Law's Delays" and have waxed eloquent on the injustice to the private citizen. In the leisure, because thorough methods of taking, testing and weighing evidence in the courts of law. Their implicit argument has been that if justice is dear justice, and dear justice is injustice. Quite a sound argument, of course, in a situation where ninety per cent of the subjects of the Crown cannot afford to buy anything that is dear. But, like all arguments used by the Monopoly, it has not embraced all the relevant facts—in this case it takes no account of the antecedent causation of the general impoverishment which puts the price of justice out of the reach of these who stand most in need of it. Hence we see such anomalous abuses as Lord Hewart assembled and condemned in his book The New Judicature (a perfect handbook for leaders of minority movements to study), such as the Minister of Health convicting and fining panel-doctors for prescribing high-priced medicines, or the Postmaster-General enforcing payment of contested telephone accounts, and ruling out evidence of their inaccuracy. These show what happens when the Monopoly resolves itself into a Minority Movement. The only reason why it has not been seen as a militant movement is because our absent-minded and irresolute Parliamentarians have neither detected nor obstructed their devices in drafting laws. They have not had to take the law into their own hands: Parliament has placed it in their hands.

Bankers' Meat the People's Poison.

Very well, if one minority movement has the right to cut out delay in this manner, so has any other. And if, as it would appear, this right rests on nothing else than the power to exercise it, then other minority movements are entitled to seek the same rights by testing their powers in the same way. All the more so when the Constitution's delays which they seek to cut out have, to a large extent, been caused by the cutting out of those of its delays which had obstructed the Monopoly. It is obvious that the more quickly the arch-bankers can adapt the Constitution to their purposes the more slowly can all other interests adapt it to their purposes—for the bankers' meat is the people's poison. The Constitution cannot serve God while it serves Mammon. Hence, in a fundamental sense, the militant minority movements of the people are not attacks on the Constitution; they are symbolic of a healthy popular impulse to cleanse the Constitution of all unrighteousness—to wrestle with the dark forces of Finance for the soil of the Constitution.

It has been said by Constitutionalists that direct action by minorities is dangerous because it provides
abuse—and quite apart from the nature of the particular demand which delegates might stand for. They could even borrow Social-Credit material for the purpose, reminding the public that while the electorate were formerly expected to say what they wanted they were not competent to say how the something that they wanted could be obtained, or whether it was possible to obtain it. One could imagine a gentleman like Mr. Hilton on the wireless saying:

You people are being asked to tell Members of Parliament what you would like the Government to change. We have you, their elected representatives.

What efficiency is that? That your private affair is interpreted by The Times soon after the election of 1935 which followed the subservient eviction of the Labour Administration, as it had been said, in so many words, that the Coalition Government would implement all proposals which had been taken by Under-Secretaries of State, because the Ministers of State (i.e., Cabinet Ministers) would require to devote their prime attention, irrespective of their other public duties, to protecting the credit and the solvency of the State. In this picture the Cabinet becomes an anvil of the Bank of England, presided over by the Chancellor of the Exchequer. It becomes branch of the Civil Service, the only difference being that the "officials" who form its staff are not permanent. Perhaps we should say: not more permanent; for it is possible that the State, and it may be thought that it is not too good to be true, but I will not forget that it is good enough to have received careful and sympathetic consideration, and that its non-adoption can only be reasonably ascribed to you by the discovery of insurmountable obstacles. At any rate, among political alternates to any of the leading Ministers seeking to displace those in office, Money Monopolists would improve a plausible case for ending what they would now call the "danger of the continuity of tenure of office." The President would make a plausible case for doing so. For one thing, that is, as a correspondent pointed out in The New Age a few years ago, the people have no guarantee that a government will be made up of a happy enough number of legislators to carry the election will be held at any particular time, even of the bills of the Great Parties, there is no guarantee. But even in that case, since the cause of each of the Great Parties is kept separate by the principle of a National, all-party, i.e., Party Government, it has thereby abdicated to the principle of the balancing of party-interests (the competitive, competing and conflicting collective interests) by rebuffing the political arbitration along the line just described. So why should there be any voting at all when a majority vote cannot ensure the adoption of the winning programme, and cannot even ensure the chief item in that programme shall receive priority attention in Parliament?

The Vote—"Use" and "Abuse." This brings us round to the distinction we made earlier between the use, the non-use, and the abuse of freedom to vote. So long as the electorate votes on the understanding that the electorate at any given time constitutes itself a body with an independent will, the principle of arbitration runs its course, the elections have every reason to be allowed to continue in the enjoyment of their democratic freedom. But directly he seeks to make elected candidate a delegate who will insist on priority of a given popular will and the quick practical fulfilment of it, and the teeth of the critical feasibility applied by permanent officials, and the criteria of desirability applied by the Treasury and administrative machinery, neither the Treasury Monopolists nor the administration can do anything at all. They would not then immediately take such a power step as to abolish voting to stop the abuse, partly because they can hire the best dialecticians, partly because they have at their disposal the administrative machinery of public utilities to educate the minds of people into seeing this delegation-principle as

On what grounds did Hargrave seek their confidence on those terms? On grounds connected with policy, technique and strategy. The policy of the Social Credit Party was clearly stated, to wit, The National Dividend. "I do want it do I not?" was all that concerned the voter. But if the voter wanted to cough him with deeper matters, he was accommodated by the Party's pronunciation of the principles of (a) the creation of new credit at the instance of (b) the government, accompanied by (c) the regulation of prices; these constituted the substance of guarantees that the Dividend demanded would effectually serve the purpose for which it was intended—that it would be additional income carrying additional production of additional goods, and thereby reducing the price of consumable goods. It mattered nothing that only a few voters might understand why these principles constituted guarantees; but it mattered a great deal that they were publicly registered; first, and finally, they were an institutionalization of apathetic irresponsibility which have degraded Parliament into a Club for dialectical exhibitionists. Social-Credit Action in Parliament. An illustration of the nature of the action was afforded after the last election, when a new kind of member appeared in the person of Mr. A. P. Bond, one of Punch's imitators. Bond was not attending the House, but was always one of Punch's imitators. He was not attending the House, but was always one of Punch's imitators. He was not attending the House, but was always one of Punch's imitators. He was not attending the House, but was always one of Punch's imitators. He was not attending the House, but was always one of Punch's imitators.
things that are theirs. Critics could denounce the Temple without venturing the money-changing.

Indiscriminate Veneration
This brings us to our point, which is that if and when an authentic Social Credit member arrives in the House, he must beware of that "something" which "gets you down," for in all probability when analyzed it will prove to be something by which he is to be fished down—something to submerge, not to be submerged by. The best guarantee that he can have is to place himself under the direction of someone outside whose judgment is not exposed to the influence of the political parties and otherParliamentary environments and associations. He is there to influence, not to be influenced. He sits in a House where his political knowledge once went with inherent and full power, but today mere knowledge goes with delegated and restricted power, and where, moreover, no one seems aware of the change. The Prime Minister is the Prime Minister notwithstanding that in the place of Daudet stands Baldwin—in the place of the Prime Minister who could order the Governor of the Bank of England to produce the cash for the Suez Canal. The shares on losing his Charter stands the Minister who insinuatingly told the late Prime Minister of All England in so many words that behind the monetary policy of the Bank were superhuman and, what is more, so recently, handed Newfoundland over to be virtually run by the Bank in the interests of the Money Monopoly.

So the Social-Credit Member is best served if he is, as it were, lowered into Parliament like a diver who can be fished with air and messages, and can be hauled up if the springs leak or lose his way. This is a rough picture of the principle which Hargrave proposed to apply in South England to the London team Townsend asserted. The significance of the vote polled by Townsend is for that background as well as again with the background of the policy that he stood for. Whether his defeat was a greater or less number of votes on the orthodox basis of responsible delegation instead of heterodox dictatorship is a question that cannot be satisfactorily answered. What can be said is that there were 3,000 electors who by endorsing Townsend's candidacy with their votes showed themselves tolerant, to say the least, of the heterodox idea.

Hargrave and the Secretariat.
It will be seen that Hargrave and Townsend were applying the logic underlying the "socialist campaign," which requires candidates for Parliament to act continuously in conformity with the wishes of their constituents. It will be remembered that Townsend's candidacy nevertheless failed to secure the endorsement of the Social Credit Secretariat, whereas in its contest in Bradford and Birmingham the Social Credit candidates and the official endorsement without giving any undertaking of the kind that Townsend gave. This anomaly has been partly explained by simultaneous evidence that the Social Credit Secretariat's attitude of disfavor towards the Social Credit Party's candidate was founded on the mistaken assumption that the Party's policy could not get a Social Credit Party majority into the House. Quintessentially Hargrave cleared up this misunderstanding, and in the process of doing so has shown that he is in agreement with the fundamental basis of the Secretariat's policy, which is to detach the candidate's allegiance from the orthodox experts serving the banking hierarchy and to reach him into unorthodox experts serving the true interests of the people. The only difference between the two arises out of the question of how far it is feasible within a short time to get electors to impose this obligation on the candidates belonging to the established Parties and compelling them to fight on their constituents, which is the task which the Secretariat have set their "campaigners." If the Secretariat would publish in their official organ the aggregate figures of pledges collected (say the cumulative totals for the country month by month) it would go far towards settling the question. On the other hand we are informed by the Southdown Group that the Secretary that the total affiliation of groups with the Secretariat prohibit them from disclosing figures relative to their pledge-collection. So we are forced to fall back on unofficial reports. These coincide with probability, and indicate that if the Social Credit Movement secure any representation at all in the House it will be a small minority there. Therefore, it would mean that Hargrave's policy of planning parliamentary strategy on the basis of a small minority is in the expectation that its pledged Members will be able to act effectively before they constitute a majority in the House, then it is contemplating some strategy coincident, or at least reconcilable, with which Hargrave and the Social Credit Party have in mind. For these reasons it seems that the leaders of both organisations should be working together in close consultation.

The Films.
"Try Me!" Directed by Fritz Lang. Regal.
It is something of a coincidence that two films that are simultaneously having their first English presentation should be in the hands of two of the most original directors in the film industry, Fritz Lang and John Ford. It is a coincidence that two films that are, in a sense, being grouped together in an attempt to find a formula for the cinematic treatment of the democratic system, namely, that majorities are to be opposed to the democratic system. But if one postulates a minority, this principle applies to the other way, and the challenge can be interpreted in a different light. By the cinematic treatment of the democratic system, as an attack which could, of course, be defeated by division lobbies if it went far enough to be embodied in motion.

Stay-In Strike of M.P.'s?
What could the majority do? The mere, at first sight, an unimportant detail. Yet to have a majority of M.P.'s" resolve itself into a body of stay-in strikers, specifically "occupying," the House and holding on the House itself physically responsible for the House. By doing so it might cause a process of disastrous consequences. The majority could be set up within the ranks of the majority. It would be possible for a party to be set up within the ranks of a majority. The majority could be set up within the ranks of the leaders. The same way that the workers' revolt in the United States led to the stimulated Civil Servants in Wisconsin and elsewhere. This trend towards a new type of political life would depend upon its choice of the right occasions and in this sort of thing, and of the right arguments and in its behaviour to other members of the House and the public outside. It could also depend on the support it received. A stay-in strike a news-strike of the "sensual" type that the Press fails in with at first sight. Now, supposing a minority were to adopt this policy, they might conceivably plan out their strategy of act and speech without guidance from outside. It would depend chiefly on how many members composed the minority. If, however, there were very few—or perhaps only two or three—they would not only need, but would desire, to implement the strategy laid down by their organisation outside which stood for their common cause. Thus, they would not wish to do things on their own initiative which might impair the force with which the leaders of their organisation could explain and justify the action taken. Hence, in this respect the Social Credit Party, both in its logic and policy point the correctness of Hargrave's initial policy of openly and effectively putting candidates in leading-strings.

Entropy and Social Dynamics
By J. Golder, M.I.Mech.E.

V.
A doubt has been expressed from a kindly quarter wherein I know the wish is not its father, that I will fall in these written words to give the idea of Entropy across the large and more fundamental principles. There is no more to be said on the subject. I would point to these closing columns to what might be considered more useful material for advancing our cause.

I will therefore copy the major points that were in the article the conclusion of the whole matter before continuing with detailed elucidations. Readers will be able to judge whether it is worth their while individually to make the inspection of the above points or to compare their procedure with the realworld experience (reality and science) (reality and technology). This enables the reader to comprehend what we are doing at the expense and the utility of the value to them.

In the badly adjusted Social arrangements which are visible now in all civilized societies, power is conserved and distributed in the group, the company, the institution, the country, the nation, the empire, the league, never the person! This state of things (no matter how many similar qualities or good works can be placed to its credit in the past) must now be changed, and changed so radically as to require reversal, because upon- "the seed of knowledge, allied with instinct, intuition, and the inspiration derived from racial experience (reality and science) (reality and technology)" proves beyond all peradventure that extant Authority and Authorities administering Law are these principles is guilty of grave and flagrant misrule.

If this transfer of power from the group centre to the individual centre is to be accomplished with the minimum of shock to society, and the extreme minimum of individual effort can be too great which the individual exerts to prepare himself for the duties of such responsibilities to come. It will be "the wrath to come." The role of the personal individual, or the individual individuals must prepare themselves to act from their key positions of place and power in the plan where the M.P. is involved.

The existence of the line of entropy and its attendant principles of available energy is an assurance to the incalculable number of species that he was not made to die, and to the human individual that he was not made to die. Terrors upon a principle of "he was not made to die." Men need not die for life alone is death being accidents.

This thermo-dynamic law of entropy is nothing new, but a thing to be remembered and comprehended in the race, a promise, a fulfillment. This law, which has been called by others "the eternal human law," which has been called by others "the eternal human law," which has been called by others "the eternal human law." But Pope's second surmise to this expression cannot be said, "the now is, and the future will be what it is paid by our ancestors. Endorsed on the policy is our cultural heritage—maximum available energy on the planet, and infinity in the past, and in the present, and in the future, on the planet, in the past, in the present and in the future."

This power may be a claim in 1898 when Douglas discredited existing financial formulae by proving them to be false! Reflections of the natural facts. The people of these islands through whom this power age has come to...
be, still wait, while the overwriters and the underwriters hesitate between meeting the claim and killing it.

Now a working knowledge of the principles of this law (active and frontier phenomena) confers three important gifts upon a practical man who will apply and rely on them in working out his own salvation as a power unit in a system of Social Dynamics.

These three gifts are as follows:

1. It gives substance and tangibility to a theoretically perfect and calculable objective ideal.

2. It gives him in no doubt as to the direction of that ideal.

3. It gives him a true balance of power and proportion in pursuit of it.

And that is where we are to it.

If any man thinks that all is but little, and still vague, let him consider what more a responsible navigator can expect if he is to remain responsible. Here is specific destination, direction, and supply. A man’s skill and sticking together represent the capital content and physical qualities of his own dominant mind. The present generation of elderly men are face with an ultimatum analysis. A last judgment, one in which money is but a measure. And being a false measure, has no advantage. Skin alone is valuable, and natural law (not arbitrary caprice) can be relied on to render it invaluable.

It should be borne in mind that we are investigating the proposition that the power age now upon this generation has been visualized by living men on this planet before us. Also that the annals of the race contain words which enshrine the principles of the power age in tropes, cryptograms, parables, metaphors, and miracles. Further, that these annals include a drama depicting the author of those words submitting himself to this contemplation and illustration to test the contradictory, but widely prevalent ideal, that nature’s apparent* errors can be corrected by committing the real error of wasting and destroying Nature’s ultimate product, the man himself—the primary end for which all nature strives. Nature does not strive to destroy human nature. Nature strives to destroy human waste of human nature, of which blood is simultaneously the vehicle, the price, and the cost. The entropy line of this, the working substance of the human being, is at once the index of the power available to use, and a measure of the procession they are not wasted. It is inverted law which destroys human nature by mimicry and fear, the antithesis of fashion and design.

Unquestionably the universe is perfect. But it is not that! Galileo presented an idea to the intellectual professions of his day which involved the concept of a third dimension. His powerful contemporaries could not make the time. In Mecanica Mercator has projected the earth’s spherical surface on a map. Men are thereby enabled to exactly explore its area and extent in manner Mollés and others have depicted on a map.

** Fundamental energy equilibrium equation ** which enables and accurately measures the limits of its own use. On this kind of chart the isentropic area corresponds to the longitude line on Mercator’s chart and indicates the change involves a loss. This fact is an error, because the cause of the operation is a definite human gain.

---

The Waterlo Case.

Mr. Gavin Simonds’s arguments before the House of Lords (1931).

Lord ATKIN: You are putting arguments before us which I am quite sure you seriously think are of some weight. As a matter of fact, commercially, those arguments you have been making are precisely equivalent to issuing new notes, because Bank is assuming a new liability for the bad notes; it is exactly the same as if the Bank had issued new notes. You do not advance your case further by saying that what would happen would be there would be a proportion of the bad notes of the Bank under precisely the same obligation as if it issued a new note, and its damage by taking that position of the Bank. We will see the same result as if those bad notes so issued would then have an obligation of the Bank endorsed upon them, they would be in payment of debt, and forth, and forth, and forth, and as though new notes were issued and the Bank would have to carry the record in their books of notes in circulation, and so forth.

Mr. GAVIN SIMONDS: Let me leave out any record as the fact that has been made. Let me rely respectfully with every argument. The Lordship is under precisely the same obligation. If I may say so, upon this, that that nothing here is to be considered in the words of the liability. If I make that point good, that is the first step.

Mr. GAVIN SIMONDS: Lord RUSSELL, it seems to me there is no difference between you and the other side up to the point, and it is only that they say the measure of the value of the note.

Lord ATKIN: I do not want to read your argument at all, but may I put the matter to you in this way, which you, like the Bank of Portugal, an ordinary corporation, has two aspects of its activities. You make a contract; you can, quite properly, say, and has a responsibility. This is, that the Government and the people in that respect is also correspondently responsible. Now on a note is issued by the Department and is introduced into circulation. The Bank of Portugal is by law, and it is legal in connection with the Bank officials, and it is Senate in the market. Mr. GAVIN SIMONDS: Exactly the same as Lord RUSSELL. You and I would have to take the Bank at its own, and to the counter and said: My overdraft is to the extent of Escudos at the present moment; here are the notes, please forward them to the bank and we have to offer to take the same, 2,045 millions over 18 dollars each, money of my debt to you. They would be bound to take them and discharge the debt for 500 Escudos. In those circumstances having accepted them, as they were bound to do as legal tender, would not they have honoured them at their face value and value loss exactly equivalent to their face value?

Mr. GAVIN SIMONDS: With great respect, no.

Lord MACMILLAN: I do not understand how, in your view, a Bank of issue can value its assets; the price it as on the counter side of its balance sheet. (3) The term of the issue is the same as the debt, but you say in the hands of the the Bank Escudos have no value at all.

Mr. GAVIN SIMONDS: That may be, my Lord. I will come, if I may, at a later stage to this.

Lord MACMILLAN: I wanted to put that conception to you; it is really a conception of the two aspects of the Bank; it performs the function of a Bank of issue, if you express the effect of it, but, on the other hand, you have to remember that it is itself a member of the community, with assets and liabilities, and is bound to accept legal tender offered to it.

Mr. GAVIN SIMONDS: Yes, my Lord.

Lord MACMILLAN: That aspect of it is not included in my argument.

Mr. GAVIN SIMONDS: You body the Lordship appreciates that in the case put in the gentleman who has stated that the Bank has to do it if it does not want to issue those new notes which it so obtains, it is not to print new notes which it neither wants; it is not a question ever again; there is no loss of business; it is exactly the same point.

The LORD CHANCELLOR: You are not quite carrying me with you in your last objection. Will you disguise me what you think of the last two passages on page 36 of your memorandum? So soon as you increase your circulation by one pound, you have one pound more to pay to the holders and one less pound to the shareholders. Is it right to say that, or not?

Mr. GAVIN SIMONDS: May I read the whole of it, please?

The LORD CHANCELLOR: That is the question now you are asking.

Mr. GAVIN SIMONDS: But, my Lord, that wholly ignores what has been from the beginning, which I am putting to your Lordships, that, by the issue of notes you thus diminish the purchasing power of the notes that you give, and you thereby throw the responsibility back to the Bank; this is fundamental.

Lord ATKIN: You are assuming impecuniosity? Mr. GAVIN SIMONDS: I am not saying that, my Lord. I make it quite clear that my argument based upon impecuniosity.

Lord ATKIN: I do not want to read your answer here. Is that the moment you increase your currency by one pound you are only making the value of your notes two notes.

Mr. GAVIN SIMONDS: Yes, my Lord. You do not lose it.

Lord RUSSELL: You increase the value of your assets.

Mr. GAVIN SIMONDS: But, my Lord, in terms of the Bank and your liabilities are in Escudos. You cannot use this example of this, while I am on this. From the Bank’s own accounts. We know that the balance sheet and the fiscal issue amounted in December to 1,000,000 accounting in millions of Escudos at the present moment; here are the figures. In the balance sheet which has been put into the balance sheet, there are 1,000,000 millions and rate of exchange was 18 dollars, and the two things are the same.
again to Lord Justice Scrutton's judgment. Your Lordships I am sure will be indulgent when I say this, that I had intended in my opening speech to refer back to it. I do submit it is a masterly analysis of the facts from this angle, but I forgot to do it, and it was not until my learned friend Mr. Stuart Bevan, recalled your Lordships' attention to it that I was reminded of what I had failed to do. Lord Justice Scrutton deals with this part of the case at page 134 under D, he says: "This raises a very novel and, in my opinion, a very difficult question as to the measure and amount of damage. The Bank bases its claim substantially on the fact, that, having presented to it 200,718 Marang notes, it replaced them by genuine notes, the face value of which, turned into sterling at the rate of exchange from London to Innsbruck, in 25,602,281, and it claims that amount plus the cost of re-printing notes to replace genuine notes paid out which is 26,541. How can it set both face value and cost of re-printing, I cannot understand. The Defendants say that the Bank can replace its lost notes at merely the cost of printing, it cannot charge more than the cost of printing." Lord RUSSELL: I do not know that I understand that sentence at P, it says "lost notes," what does the learned Lord Justice mean? Mr. GAVIN SIMONS: I think it is only a comprehensive way of referring to the good for bad notes. What he means is the cost of issuing good notes for bad.

Lord RUSSELL: This is the 200,000? Mr. GAVIN SIMONS: Yes, my Lord. That is what I meant by saying it is.

The weights of the Bank of Portugal are, of course, very significant. The Bank is under no obligation to replace them when presented by anything else than its own notes. The Judge finds, and I agree with him, that the prospect of the notes ever becoming convertible with gold is so remote that it may be disregarded. My Lord does not take it into consideration, I venture to suggest it is a negligible consideration, that there may at some time or other be some other currency introduced. I do not think I need read the next lines with which your Lordships are very familiar, but I can go to between C and D on page 135: "There is no evidence that the second liberty to increase circulation occasioned any further liability to deposit a gold backing. There is no evidence that the increased amount of genuine notes in circulation, owing to 200,000 Marang notes being replaced by genuine notes, occasioned any loss to anybody. The Bank paid out 200,000 genuine notes for nothing, but was authorized to, and did replace them in their till at an expenditure of the cost of printing them." Lord RUSSELL: Now is that the right way to put it: "Replacing them in the till": I am troubled about that. It really is that the liability incurred by the replacement of notes is not assessable in damages.

Mr. GAVIN SIMONS: What that means is this, I think he has not dealt with the liability, by implication rather than expressly, he disregards the gold liability and treats any other liability as not worth consideration; that is how I read it. I think with respect, that is what the learned Lord Justice means: he disregards the question of gold liability as your Lordships see on page 134, and then he says: Well, what is the cost? That is the cost of printing.

(To be continued.)

NOTICE.

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

Mr. Arthur Bunting, 20, Rectory Road, Barons, S.W.13.

LETTERS TO THE EDITOR.

CAPITAL IN PRICES.

Sir,-I submit that an examination of Mr. Coleman's own interpretation of Social Credit must be postponed in favour of immediate consideration of his first paragraph of his letter of June 25. It reads: "Mr. Franklin is making something of a mountain out of a molehill. And he is misunderstanding the entire framework for the argument of whether the prime cost of capital assets enters the prices, because it matters very little whether it does or not.

A Social Creditor to whom I showed this exclaimed, "But Mr. Coleman is denying the importance of the foundation of our case. That is Douglass's case." Most assuredly he was right.

I think I have never met a Social Creditor, with even a smattering of technical understanding of his case, who has put forward the argument with an air of triumph, finality. Mr. Coleman himself has recently been brought to a realization of the futility of this stock argument. He has himself used it in the past, and so he now desires to minimize its importance. But it is the very case of Douglass's case. I would take the trouble to produce one hundred passages from his works and those of his disciples which prove this. But, in order to save your space, I must content myself with one or two quotations from the foottzest book.

Douglass's case makes it. The book is non-egalitarian, of course, you yourself, Mr. Editor, have already upheld this view. In the debate with Mr. Hawtrey, Douglas postulated £100 being saved and invested in new capital goods. He said: "Eventually that £100 has to be recovered from the public," Later he took another example where a new factory is bought out of £1,000 saved. He then added: the people who use that house for making boots and shoes, in one form or another, that £1,000 into the issue of the shoes, because they said they had paid £1,000 for it. He emphasizes that consumers had not either the £1,000. In that he was right: his mistake was in supposing that they had to have it. It is quite another matter for investors to recover the value of their investment. If the point is really a millshill, then Douglass has made it into a mountain.

Moreover, it was upon this misconception that the Soc.

eter formula was constructed. In "Credit, Democracy" (page 59) we read that it "only empowers the consumer to demand a new or higher price by replacement of capital production." Put shortly, the idea is to maintain the nation's capital assets on the mistaken assumption that they appear in prices against consumers.

Mr. Keynes in his latest book is exactly right when he says that Douglass reaches his erroneous conclusions by "cleanness and consistency and by easy logic, these inappropriate to the fact." His view, he adds, "is this view we have been considering. Nicely and consistently thought out, it is a view upon which no one can base his case. In the end, that is the view expressed by Mr. Coleman." Douglas Social Credit proceeds quite logically and directly upon that false premise.

J. A. FRANKLIN.

Palace Court, Westmore Road, Bournemouth.

June 26, 1926.

FOR SALE.

THE NEW AGE. Vol. H to XXX, inclusive, bound in cloth boards: Vols. XXXI to LVI, bound in cloth. Members of Vol. LVI. Also bound volume of 1919. What others are by TOMITU. New Age, MCMXIII. What others are by TOMITU. New Age, MCMXIII. Vol. LVI.

J. NELSON, 483, Beverley Road, Hull.

"NETHERWOOD," The Ridge, Hastings.


From 7½ a day inclusive.

With illustrated brochure.