NOTES OF THE WEEK.

Alberta's Monetary Experiment.

Mr. Aberhart has recently adopted a modified form of Silvio Gesell's proposal, which was to issue currency intended to stimulate consumption, and induce the holders to spend it by taxing them if they didn't. Mr. Aberhart's policy has taken the form of issuing Bonds which he intends shall be used in the same way as currency and bank-credit. Recipients who do not spend their Bonds will be obliged to buy stamps to maintain their validity at face value. If they do not, then the Bond holder will have the right to demand that the Bond be redeemed. In other words, the Bond holder will be taxed on account of it to its full face value. The Bonds are not being distributed gratuitously; they are being paid as subsistence towards salaries and wages, official and otherwise.

Threatened Resistance.

The latest news of the time of writing is that the Canadian Bankers' Association have decided to refuse recognition of the Bonds as valid deposits. This means, of course, that industrialists will be unable to accept them as valid payment for goods or services; and in fact the retailers' associations in Alberta are reported to have given notice to that effect. This creates for Mr. Aberhart the problem of deciding whether to break down their resistance, and if so how to do so. Theoretically, he could pass legislation imposing penalties on persons—consumers, producers, and bankers alike—who refuse to accept the Bonds in the way intended. But the public in Alberta would not stand for the punishment of persons for refusing to supply real wealth for worthless paper. The penalties would have to be levied in the first instance on those persons who were making that paper worthless, namely, the bankers. But what then?

Note those operating in Alberta, for they could enter a defence of helplessness on the same grounds as could manufacturers and retailers, showing that they were between the Devil of internal Civil Law and the Deep Sea of external Financial Law. The culprits are outside Alberta, and a long way outside—as far as Ottawa, not to speak of London, much less Bcast. Mr. Aberhart's writ can only run in the Province, where its execution would be seen to be unjust. It cannot run outside the Province where its execution would be just.

Even the British Government, with the powers they wielded during the Great War, were unable to force producers to continue to do business unprofitably. When they started to regulate prices they had to be careful not to scale them down too drastically, and, furthermore, they would have ceased producing, or, alternatively, abandoned some types of production for others irrespective of the requirements of the Government and the people. And remember, this was at a time when the British banking community and co-operation were on the side of the Government. For the Government had obvious reasons for not wanting to pay inflated prices for supplies, while the banks had equally obvious reasons for checking the processes of inflation generally. From this it will be realised how impotent must be the Premier of a small Province to carry out any plan which affronts the banking community and at the same time imposes risks and even certain loss on business enterprises.

Aberhart and Marang.

Readers who have been following Mr. Gavin Simonds' arguments in the Waterlow Appeal will be in an excellent position from which to analyse the situation now developing in Alberta. For Mr. Aberhart is proposing to do, in principle, what Marang temporarily succeeded in doing; that is, to introduce a new line of currency to run alongside the old line or terms of equal validity and exchangeability. The bankers look upon the Aberhart Bonds in the same way as the Bank of Portugal looked upon the Marang Notes when it discovered that these notes had been insinuated into circulation. The difference, in law, between the quality of Aberhart's proposed action and that of Marang's accomplished action is, of course, irrelevant to the fact that from the bankers' standpoint the consequences of

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DOUGLAS ON REPRESENTATION
Registered from The Social Credit Review of East Africa from an article by Douglas in The New Age of April 20, 1936.

ENTRITY AND SOCIAL DYNAMICS, VII. By James Golder.

MOTHER NOTES
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THE NEW AGE
INTEGRATING "CREDIT POWER."
A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART
either man's action is identical. And their common identity raises a point of great interest. For if the Bank of Portugal were to make this move and if the French were to recognize (by conversion) the Maranguee notes of those countries (as the Lords decided) then the central bank of Canada has the option of imposing a tax on the issue of inviolable notes. To justify its refusal to recognize the Abberton Bank's notes, it is only necessary to quote the judgments of the Lord Chancellor, and Lords North and Atkin, to prove that the issue of Abberton Bonds would inflict on its bank a pecuniary loss for the first time, worth the amount of the debt, or the profit of the note issue, and one which, following the penalty imposed on Mears, Waterlow and Sons, would have to be made good by the Bank of Canada dollar for dollar, in consideration of the annexation of the Canadian Bankers' Association. Their right to put it at it, for it provides them with an irreplaceable legal—indeed, Constitutional—ground for showing that their refusal to recognize the Abberton Bonds is a warrant piece of obstruction, but a legitimate defense measure to protect the property of the Bank's shareholders.

"Prosperity Certificates."

Since writing the foregoing paragraphs we see by the Daily Telegraph of July 6 (editorial and article) that Sir Percival Phillips has published a paper in the Canadian Bankers' Association's attitude, and the 3. Wage-earners to be asked to accept part of their wages in certificates. Their use to which the certificates will be put in the construction of new railroads in order to provide work and wages for the unemployed in Alberta, the number of whom was 10,000 at the end of last month. This has been relieved to them totalled $500,000 in 1935. Agreement to this endowment to local bodies to accept the certificates for relief purposes is to offer them a premium in terms of face value. Thus in one instance a local body which has been drawing $580 in money has been offered $580 in certificates—a premium of nearly 50 per cent.

Selling certificates that were substituted for Canadian currency on the Fleming Government would effect a temporary saving in money to an amount approximate to the $500,000 just mentioned. This money would, for the moment, be the backing for certificates amounting to $1,350,000 (i.e., 50 per cent premium added to $1,350).

"Foreign Exchange."

In a strictly literal sense Mr. Abberton could claim for this procedure that it was a fulfillment of Douglass's early recommendation that he (Abberton) should accumulate "foreign exchange" and that Mr. Abberton distinguishes it with his eye on Canadian dollars in Montreal. But this is not quite on the footing as what Douglass had in mind, which was suggested something new, that which Abberton would accumulate his "foreign exchange" by ceasing to insist on or redemption charges to external bond in terms of money and offering to pay it in terms of having producing-quality inside Alberta. Which would put in instead of cash, and Abberton was in payment of foreign exchange. As we showed at the time mentioned, embodied the principle as Douglas had laid down in his correspondence with Mr. Liddell in the advertisement of the American Bank in September, 1922—a correspondence which published in Credit Power of that month by the editor of The New Age, and has been reprinted since in the latter journal.

Outline of Scheme.

The certificates are denominated in one dollar. The original holder has to buy a certificate of the same amount at a slight profit on it if he keeps it longer than a week. And likewise any subsequent holder at weekly intervals. Thus at the end of two months the "whole certificate will have been paid for" (i.e., Sir Percival Phillips's statement). Monthly redemptions are to be available for retailers and wholesalers dealing with manufacturers during the period between the 7th and 15th of each month.

2. Municipalities to accept relief grants in certificates instead of money.

The fund for redeeming certificates is to be accumulated by the following means: 1. Cabinet Ministers to accept certificates as part payment of salaries. 2. Municipalities to accept relief grants in certificates instead of money.
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THE NEW AGE

society. Now what has made the old metal-transmutation idea logically intelligible theory is the discovery of the quantum of matter. And it is proved that all forms of matter are reducible to a single form of something, then it is seen that you can transmute one into the other. You know what you have to do to try to do. On the other hand, some of the difficulties are the same as usual, and if the bank is not against the banks we shall know that the time has come for us to enter a monastery.

A. R. Orage on Social Dynamics

We will now cut this speculative matter short. It has been worth opening up only if it induced readers to ask themselves what the term "social dynamics" means. It is blood-brother to the term "social justice," which John Garrow and his followers have devoted much of their time to studying. There is a difference. Social Society is composed, and could be resolved into, groups of people on phrenological standards of differentiation. And from the data available it would be possible to project an average diagram showing the shape of the heads of the masses collectively. But when all the data are down, the dynamics of society would be something other than the dynamics of a single individual whose head happened to conform in measurements with the composite "society" head. And these dynamics would be nothing more than the resultant of the mutual attractions and repulsions exercised by the propensities of the individual to use for their own ends, society is cast in a mould, just like the unit of society, the individual. Now the character of the individual is not fixed, it can be affected with narrow limits by environmental changes. But for him to act materially out of character," as the saying is, he must be jerked out by an external jolt—by some unexpected drastic change in his surroundings.

And the more change is physical in its nature, the less can those immediate personal consequences to him, the more effectively will it change him. The same with society. Technically, it can do all sorts of things "out of character," but the practical possibility that it will, depends on the practical possibility of its being subjected to an environmental shock. We incline to adopt the late A. R. Orage's dictum that nothing but a rude physical shock will "wake up" the people of the country. What he meant by "waking up" was the release of the economic power for the consumer, but the more immediate personal consequences to him, the more effectively will it change him. The same with society. Technically, it can do all sorts of things "out of character," but the practical possibility that it will, depends on the practical possibility of its being subjected to an environmental shock. We incline to adopt the late A. R. Orage's dictum that nothing but a rude physical shock will "wake up" the people of the country. What he meant by "waking up" was the release of the economic power for the consumer, but the more immediate personal consequences to him, the more effectively will it change him. The same with society. Technically, it can do all sorts of things "out of character," but the practical possibility that it will, depends on the practical possibility of its being subjected to an environmental shock. We incline to adopt the late A. R. Orage's dictum that nothing but a rude physical shock will "wake up" the people of the country. What he meant by "waking up" was the release of the economic power for the consumer, but the more immediate personal consequences to him, the more effectively will it change him.

The Midland Bank on Loan Domains

A line on this is given in the Midland Bank's Report. The editorial writer, commenting on the London Times, in the past several weeks has been quoted as saying: "It is the responsibility of the banks to help the government, and the government to take steps to meet this responsibility. This is a national crisis, and the banks are responsible for it."

The advantage to the Dominions, he points out, is that they will have the ability to make loans to the banks at a lower rate, and thereby save a large amount of money. Therefore, it is important that the banks should assist the government in its efforts. The banks are not only responsible to the government, but also to the public. It is the responsibility of the banks to help the government, and the government to take steps to meet this responsibility. This is a national crisis, and the banks are responsible for it.

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Why? Who claims the $9,000? In whose interest must this money be, superfluous to the requirements of capital maintenance, be prevented from going into relief works? Treating that money with respect to their own personal ends, the banks are not interested in investing it for the sake of interest. Another factor to notice is the growth of Fixed and Flexible Investment Trusts, in which the returns are not for the benefit of the bankers themselves but for the benefit of the shareholders.

The Mills of God—

There are two ways of administering a physical shock. One was Sampson's, the other was Gibbon. Sampson was strong, and fought his enemies. Gibbon was artful, and tricked his enemies into fighting between themselves. This takes us to the point where we remarked that the masses have always been the quarrel of the bankers' quarrels. Well, imperceptibly the quarrels of masters against master are being superseded by quarrels of quacks against banks. The new alignment is not yet visible to the careless, but it will become something like a revolution. It is quite possible that the banks, if they do not side against the bankers we shall know that they have come to for us to enter a monastery. It is possible that Mr. Aehart, and in New Zealand Mr. Savage, are each raising issues which involve banking reform which, if acceptable, will not change the centre of gravity of political strife. What they are trying to do is creating attractions and repulsions of which the result is obscure, but the forward-swinging penumbral or experimental challenge to finance which we have already been struck by. One may be killed, but only by an open, and each arc by the sanctity of the trial. It may well remain an important factor in the progressive capitalization of the undertaking (e.g., gas, tramways, and so on) to which they relate. At the moment of writing reports in the morning papers of general or of specific interest, of which the capitalization of the undertaking which is not yet public, and which is intended for the purpose of the management of the undertaking (e.g., gas, tramways, and so on) to which they relate. At the moment of writing reports in the morning papers of general or of specific interest, of which the capitalization of the undertaking which is not yet public, and which is intended for the purpose of the management of the undertaking (e.g., gas, tramways, and so on) to which they relate. At the moment of writing reports in the morning papers of general or of specific interest, of which the capitalization of the undertaking which is not yet public, and which is intended for the purpose of the management of the undertaking (e.g., gas, tramways, and so on) to which they relate. At the moment of writing reports in the morning papers of general or of specific interest, of which the capitalization of the undertaking which is not yet public, and which is intended for the purpose of the management of the undertaking (e.g., gas, tramways, and so on) to which they relate.

Oldham Corporation's Reserves

Last Thursday the Oldham Corporation were ordered by Mr. Justice Bennett to replace the reserve of £3,000 which they had appropriated out of the ordinary revenue. The orders are a lot to be said for Social-Credit groups, with energies otherwise disengaged, turning them to municipal affairs from time to time when crises arise which excite local interest.

Douglas on Representation.

(Retrieved from an article by Major Douglas, first published in The New Age (1922), and reprinted in the current issue of The Social Credit Review of East Africa.)

As a straw in the wind we noticed last week that the Government of the big London newspapers (we think it is the Daily Mail) was announcing a "New Zealand" number. What, we wonder, is the real meaning of the statement, other than goodwill on the part of the newspaper to give some attention to the financial situation in the Dominion. For our part, we think it is a foolish thing to do. We should be trying to overcome the bankers' resistance, but it is more important that the government is doing something about the matter at hand. Perhaps, it is a mistake, and are ever creating opportunities for trials of strength.

The "City" and New Zealand.

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

I am grateful to you, senator, for your eloquent introduction and for the stimulus you give me to the task of speaking. (Applause.) It is a pleasure to me to find myself in the company of so many congenial minds and to be challenged by arguments of such quality. (Shouts of "Agreed!"").

I agree with you, senator, that the subject of entropy is a fundamental one, and I am confident that our efforts will lead to a greater understanding of the social and economic phenomena that we face. (Cheers.)

[The discussion continues with various speakers addressing the concept of entropy and its applications in various fields, including economics, politics, and social sciences.]

The Waterlow Case.
Mr. Gavin Simmons's arguments before the House of Lords (1931).

VI.
Lord MACMILLAN: I do not quite see that; if you take my spare half-crown and give me a good half-crown, that is the proper position for me; but on the other hand, if you go to the Bank with my lead half-crown, and they take that and give me a genuine half-crown, I say the Bank has not lost a half-crown.

Mr. GAVIN SIMMONDS: The Bank has lost the difference between the cost—I do not say that, my Lord.

Lord ROUSSELL: Assuming the half-crown had been at all, their loss is the difference between the half-crown and the penny.

Mr. GAVIN SIMMONDS: Yes, my Lord; I cannot see that I am arguing a matter of difference from the Bank. Nor would I have it that, in my favour. Leave out the question of liability, you cannot disregard any question of legal tender or anything that is in the nature of the commodity. The Bank has not lost a half-crown.

Lord ATKIN: Why are you putting a Mint in the same position as a Bank? It is not a commercial trading concern; the Mint would not issue new coins for half-crown coins at all; it would be the Bank who would take these old coins and exchange them for new coins.

Mr. GAVIN SIMMONDS: The Mint is in a very different position. It is the Bank that supplies the currency; the Bank makes the money available for the country. It is only necessary to make a humble submission, and if you Lordships think it has nothing to do with it and is non-existent, I will not pursue it.

Lord ATKIN: I think it is a question of the valuation of the coinage. If you Lordships think it is nothing to do with it, I would not pursue it.

Mr. GAVIN SIMMONDS: I am very much obliged.

Lord ATKIN: If I may say so, I do not think it is of the same importance. I do not think it is of the same importance.

Mr. GAVIN SIMMONDS: I am very much obliged.

[The discussion continues with several speakers addressing the Waterlow Case, and the debate concludes with no clear resolution.

The Films.
"Jaunty!" Academy.
Relaxing—also shown at the Academy—which was charming but slow moving.

The series of films by the Academy, best described as a series of documentaries, has been shown to the production by the British Academy. The Jaunty series has been shown to the Academy, which is a member of the Academy, and the Jaunty series has been shown to the Academy.

"Living Dangerously." Directed by Herbert Brenner.

The picture is a characteristic example of the good and the bad in English production. Technically it is admirable; story and direction are good; the screen action is well handled; the actors are excellent, notably Laurence Olivier, who played the role of the young man, and the director, who has made a relatively small film. The performances are well handled, and the deaths were not, however, as strongly forthcoming as the women's deaths, which were more strongly forthcoming as the men's.

[The discussion concludes with the conclusion that the picture is a good example of English filmmaking, with strong performances and well-handled screen action.]

NOTICE.
All communications regarding the Editor's attention should be addressed direct to him at the address given below.

Mr. Arthur Bremner, Rotory Road, Saras, S.W.13.
LETTERS TO THE EDITOR.

USURY.

SIR,—The banks practice usury—that is, they advance money at interest fully secured, i.e., without risk: a moral question, canvassed by mediæval moralists. Advancing money at interest while sharing the risk is not usury. A parallel distinction can be made about profits, as is shown by the use of the term “profiteering,” which alleges that a reasonable profit is equivalent to a salary paid for services, but that above a certain level what is called profit is an immoral exaction.

Turning from morals to economics, we find Mrs. Bing advancing a sound objection to the interest on a banker's loan and to interest on private investment on the ground that they force up prices beyond the height of credit or capital advance, thus “piling on to prices just that sum it never contributes to the cost of them.” But when she says that “Mr. Franklin can show that profits, deprecations, and the rest all go back to the till to be distributed or re-invested,” she should have added that every banker and every investor can equally show that all interest received goes back to the till to be distributed or re-invested. Some may be hoarded, but some profits are not, and some wages and salaries, may equally be hoarded; indeed this hoarding is accounted for by Gresham as the cause of financial and economic troubles.

And, if goods are made by employing credit, they must be sold at a price equal to the amount of that credit plus the interest plus an extra. This extra must at least be an insurance against loss and commonly includes profit, whether reasonable or not, and this profit or margin is just as much in excess over costs as the interest. Then the apparent interest includes the “cost of providing that service,” to repeat part of Mrs. Bing's quotation from Mr. Savage, who proposes on his own showing to charge to the people the wages of his bank clerks just as he has charge of his clerks, though he may call them a tax while they call them interest. Though if, as Mrs. Bing says, he is gradually to throw all investors into their places as co-operators in the production and distribution of a State-Investment system, he will have to charge more than the bare expenses of his investing or else there won't be any dividends to share.

NO MORE USURY.

SIR,—We are in full agreement with Mrs. Bing's demand: “No more usury, no more rent for wads of paper or clipping books.”

John Hareman.
Social Credit Party of Great Britain
(The Green Shirts).

FASCISTS AND MINORITY STRATEGY.

SIR,—In your July 7, “Notes of the Week,” you referred to a synagogue, and, in your estimation, as valuable as “perhaps more necessary now than ever was.” There are so many carrots available to “about the odds for a hope or obscure cause when it attracts publicity and a few of probable success; hard-luck careers can have a bit of hope for and against both horses, and it requires a New Test to see that the right jockey is up and that neither horse nor rider is interfered with or otherwise defeated.” ([Excerpt from letter received from an overseas reader].

PUBLIC MEETINGS.

London Social Credit Club.
On the following Fridays, at 7.45 p.m. at Heber Street premises:

Caxton Street, S.W.
July 24. 7.45 p.m. “Social Credit and Small-Starter.”
by Mr. Bevan Hillard.

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