

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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NOTES OF THE WEEK.

Britain and the League.

Last week the newspapers displayed pictures showing crowds of British citizens waiting in and around Downing Street. These citizens were of both sexes, of all degrees of social status. What had brought them together? Narrowly, it was the curiosity to see members of the Cabinet pass in through the door of "No. 10." Broadly, it was the hunger for a thrill—the thrill consisting in their consciousness of being in close geographical proximity to a council-chamber where decisions of momentous importance were being considered. Whence came this consciousness? Immediately—as always—from the stagecraft of the Press, which had for weeks past been floodlighting the progress of Mr. Anthony Eden through European capitals, and coincidentally had separated out into two conflicting clamorous groups, the one advocating intervention in the Abyssinian dispute, and the other, non-intervention. Further, these watchers in Downing Street were a representative cross-section of the British electorate, who, during the last six months or so, had been combed by two sets of canvassers for their opinions on foreign politics, one sent out by the *Daily Express*, and the other by the League of Nations Union.

On Biblical authority we are told: "A fool hath his eyes in the ends of the earth." On the authority of Thomas Carlyle we were told that the population of this country were mostly fools. From which, if these dicta are accepted, one would expect the British people to subordinate domestic to international preoccupations more than others, apart from any material reasons. But the truth would be better expressed in the statement that any people who can be prevailed on to keep their eyes fixed on the international horizon can be made fools of more easily than those who give an occasional look to their feet. Binoculars are blinkers.

At the same time, and from a realistic angle of view, there is good reason why the ruling classes of this coun-

try, as distinct from the ruled classes, should be more concerned about wars and rumours of war in the world than any others. This reason is embodied in the saying that the sun never sets on the British Empire. The Empire straggles about the four quarters of the globe, and covers the best part of it. Just as, in London, let us say, you can't create a night-disturbance on any street without waking up some resident bank-manager on some corner site, so, in the world to-day, there cannot be a dispute between foreigners anywhere but what the head of some Governor or Commissioner will pop out of the overlooking window of some British possession.

Let us leave out of account for the moment the influence of international finance, which, as we know, limits and regulates the exercise of power by the various national capitalisms, and let us take the situation as it appears to the eyes of the world. The mere fact that nothing can happen outside the Empire which does not happen near some frontier of the Empire, serves to remind foreigners of what they call our unfair share of the world's best territory. These foreigners say to themselves resentfully: "We can't have a 'private row' because there is no place to have it out of the earshot of some British outpost—we can't even throw stones at each other without the risk of breaking a British window."

From this it will be seen that the League of Nations is a British asset. For, reverting to the corner-site analogy, and supposing that the bankers did not want the public to be reminded of the ubiquity of their agents and properties, they would naturally like to see some public authority, representative of all classes of citizens, instituted to suppress street noises and disturbances as a principle operating in the public interest. Then there would be no need for their agents to exhibit themselves at the windows in the striped pyjamas symbolising their calling, thus affording evidence that orderly behaviour below was an interest of sectional privilege above. No wonder, then, that the British Government, alone out of

the world's Governments has created the office of Minister to the League of Nations. And, no wonder that it has allowed (if not encouraged) the Press to keep up a stream of intense illumination on the doings of the League and the journeyings of Mr. Anthony Eden. The choice of this gentleman was astutely made. All the world loves a lover, particularly a screen-lover; and there will be no-one to gainsay the proposition that Mr. Eden makes an incomparable film-subject. Further, if he had not been born with his name, it would have had to be created for him, connoting as it does the idea of Paradise Lost (for want of the League), and suggesting the hope of Paradise Regained (because of the League).

* * *

Notice that it makes no difference to the value of this featuring of the League and its Minister that the British Press takes sides about what the League shall do; on the contrary, the very fact of the split, and the intensity of the controversy, combine to inflate the prestige of the League in the eyes of the British people. The policy of the League is to maintain peace. It is a public body engaged in abolishing street noises in everybody's supposed interest, but insofar as it succeeds the chief beneficiaries of the policy will be the light sleepers in official charge of British interests—rulers who are prone to turn and toss on their beds because they have great possessions to defend.

Alberta.

CANADIAN PRESS COMMENT.

EDMONTON, Aug. 25.

The "Montreal Gazette" predicts the utter collapse of Mr. Aberhart's idea and the eventual awakening of the people of the Province to an appreciation of realities. The Toronto "Globe" says that among the "morning after" meditations that afflict Canada, not the least bitter is that Alberta has swallowed hook, line, and sinker what California, famed as the home of half-baked hysterias, had rejected. The "Globe" says that the people of Alberta cannot expect the rest of the country to make sacrifices to support their fantastic experiment. The "Ottawa Journal" recalls that the Alberta electors who have chosen Mr. Aberhart to make money for them once engaged a Mr. Hatfield to make rain for them.

The Ottawa "Citizen," which is the principal Canadian exponent of the Douglas theory, hails the Alberta result as a momentous decision which "may sound the deathknell of the archaic financial system. What is important is that Alberta has given notice that no man-made financial system is impeccable and eternal, and that the existing order no longer fits the circumstances of twentieth century evolution."

* * *

Mr. Reid, the Premier, handed the written resignation of his Ministry to the Lieutenant-Governor late on Saturday afternoon, but the latter refused to accept it until the Social Credit forces had been given an opportunity to organise. . . . Some significance is attached to the Reid Ministry's desire to vacate office with such haste.—(The Times, Aug. 26.)

Notice.

All communications concerning THE NEW AGE should be addressed directly to the Editor:

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

Renewals of subscriptions and orders for literature should be sent, as usual, to 70, High Holborn.

The Alberta Election.

Mr. Aberhart's Victory.

The result of the election in Alberta was published in the Press on Saturday, August 24. It showed that Mr. Aberhart's "Social Credit League" had scored a runaway victory over the United Farmers of Alberta, who had kept the outgoing Government in power since 1921. Out of a total of sixty-three seats, forty-seven are now held by candidates put forward by the League, who thus constitute a three-to-one majority over all other parties in the Provincial Legislature. The electoral mandate for Mr. Aberhart's Social Credit programme is overwhelming and unequivocal. It is a demand for results regardless of how they can be achieved. It takes for granted Mr. Aberhart's ability to achieve them, but does so without comprehending more than the two incontrovertible propositions that it is technically feasible (a) for a Government to create credits (just as the banks do) and (b) for the production-system to increase its output of physical wealth. In other words, the problem of how to co-ordinate these two functions so as to bring about a larger distribution of the means of life on a permanent basis, and in a progressively increasing volume, is left for Mr. Aberhart to solve in consultation with experts. This attitude is in accordance with the principle, generally accepted by the Social Credit Movement, that it is not the business of the electorate to decide how anything shall be done, but simply to demand that it shall be done. It is true that Mr. Aberhart's programme indicated how he would proceed to achieve the desired results, and, on a strict analysis, it could be submitted that the electors, by voting for that programme, were giving a mandate for methods as well as for the results. But that would be to pursue logic beyond the confines of reality; for if there is anything clearer than the overwhelming support behind the mandate now given to Mr. Aberhart, it is that the mandate has been given to Mr. Aberhart as Mr. Aberhart. To his fervid followers, any other plan under the same name would smell as sweet.

Press Reception.

The reaction of the London Press to the news from Edmonton serves to corroborate what we said in these "Notes" on August 8 to rebut the theory that there is a conspiracy of silence between newspapers on the subject of Social Credit as such. The point we made was that whoever could turn Social Credit into a story could obtain free publicity for it—publicity of a prominence commensurate with the sensationalism of the story. Well, Mr. Aberhart and his "League" (or "Party") have fulfilled the condition and have gained the reward. No one could open any paper on Saturday morning without being hit in the eye by dramatic headlines announcing what had happened. Nor was the publicity confined to the achievement of Mr. Aberhart; it included references to Major Douglas, the Social Credit Secretariat, and the Green Shirt Movement (and perhaps which would have been more informative (and perhaps less inaccurate) but for the fact that the news arrived at the week-end when the majority of representative spokesmen for the Social Credit Movement were inaccessible to Press interviewers, who were out seeking statements from them. However, this was probably all to the good on balance, for the situation created by the electors in Alberta is one on which even the most careful student of Social-Credit political policies would hesitate to com-

ment for the benefit of the general public on the spur of the moment, especially in the atmosphere of excitement surrounding the event. One thing, nevertheless, was immediately plain, namely that the attention of the whole world is now being focussed, and more sharply than ever, on the question: "What is this 'Social Credit'?" The immediate concrete result will undoubtedly be a boom in the sales of accredited Social-Credit expository literature—an outcome on which all supporters of the Movement may congratulate themselves.

The Portent of Alberta.

The tremendous publicity now achieved is all the more striking when one realises that it relates to the mandate of a community numbering not more than 500,000. This is the population of Alberta, and is about the same as that of Toronto; it is half that of Birmingham; it is one-twentieth that of Canada: the population of Canada is only fractionally greater than the population of Greater London, and, say, one-fifth that of Great Britain. In a relative sense Mr. Aberhart, on a superficial view, has achieved a triumph of no greater dimensions than would be a clean sweep of an urban district council somewhere in England.

Why all the fuss, then? The *Observer* shall supply the answer. Firstly, it makes the profoundly true comment that the mandate has proved the electorate to be tired of conventional politics. This obviously does not apply to their procedure, for this was entirely conventional: candidates stood and were voted for in the ordinary way. What it must mean, therefore, is that the electors are fed up with conventional programmes—that is, programmes compatible in principle with conventional financial theory. For the master pattern of all political conventions is embodied in the implicit political axiom that "Bankers Know Best." The electorate in Alberta have challenged that axiom. They have made a new gesture, and have made it with an emphasis which has startled the whole world. This leads to the *Observer's* second comment, which takes the form of asking whether the gesture is catching. It looks forward to the impending elections for the Canadian Dominion and wonders how far the infection of unconventionality will spread out from this little Province. What will come out of Pandora's ballot-box? No answer is offered by the *Observer*: what it says is that Alberta has put a "thrill" into speculations about the Canadian polling.

Factors in Aberhart's Success.

Mr. Aberhart is not a pioneer in the advocacy of Social Credit. This advocacy had been proceeding in Alberta (as elsewhere) for a number of years before he came on the scene. When he did so, however, he was already leader of a religious society which he had himself founded and which, so it is reported in the Press, now numbers 63,000 adherents. He is a man of strong personality, and seems to have imbued his followers with feelings of devotion to himself amounting in some cases to deification. We alluded once in these columns to the case of one of them who contributed to a journal a set of verses which were a modification of the Nativity hymn: "Who is That in Yonder Stall" in which "Aberhart" (his name was actually inserted several times) was depicted as the holy occupant of the manger. Thus, in skeleton, one verse ran (we write from memory)

Aberhart . . . all his glory

. wondrous story

and so on. We have no intention to ridicule him, but are bound to recall this episode because of the light it throws

on the extravagant and uncritical adulation which he commanded in his person as religious leader. When he took up with credit theories and began to formulate his political programme and build up his organisation, he infused into all his proceedings a strong religious spirit (for example he opened and closed all his meetings with prayer) and it is not difficult to see how easily his followers could absorb his political proposals as sub-sections to the clauses of their creed. And this they appear to have done. It was a terrific synthesis of dynamic emotional forces that resulted from the fusion. You have only to picture this group of people having already accepted Mr. Aberhart as the steward of celestial mysteries, and now seeing Mr. Aberhart revealed as also the steward of terrestrial mysteries, to realise the inevitability of his ascent to power. All the Messianic prophecies would appear, in their eyes, to have received a second fulfilment in his person and mission. To them the multiplication and division of tokens of purchasing power would appear to be the divinely ordained task of this man, the follower of One who multiplied and divided the loaves and fishes among the famishing multitudes. ("And he shall feed his flock like a shepherd, and gently lead those that are with young.")

The question that arises is whether Mr. Aberhart takes of their belief in his omniscience and infallibility. One cannot draw dependable inferences from what happened before and during the election, because it is a settled convention in electoral campaigning for proponents of competing policies to assume the possession of these powers without necessarily believing that they possess them. It is a matter of calculated strategy, not unconscious self-deception. Only future developments will show whether he is willing or not to modify his policy, and sensible enough to modify it in the right way. He has stated in recent speeches that his proposals will require eighteen months or so before they can begin to operate, and as the electors voted with that statement before them they may be taken to be tolerant of that much delay, in which case Mr. Aberhart has ample time for reflection.

Other factors in Mr. Aberhart's success can be outlined shortly. He has experience as a pastor and as a schoolmaster, and he is a fluent speaker and ready debater. He had against him probably a majority of the serious students and advocates of Social-Credit technical principles, but their arguments did not embarrass him much because what counted with the electorate was that he had a plan and the United Farmers of Alberta had not. These students knew, and probably said, that the plan was technically unsound, but their statements without proof were powerless to stem the tide of hopeful expectancy already set flowing; proof wasn't wanted, for it would have amounted to inviting the electors to constitute themselves experts on how results should be attained instead of sticking to their proper function of demanding them. The students were in as much difficulty with regard to other objections. If they said that the limited nature of Alberta's physical resources, or the constitutional restrictions on Alberta's initiative, were insuperable obstacles to the success of the plan, Mr. Aberhart was ready to deny and argue against either proposition on his own behalf, and to cite excerpts from Major Douglas's evidence and speeches which afforded sufficient colourable support of the denial to satisfy the uncritical electorate who were to decide the issue. Finally Mr. Aberhart's disinterestedness and singlemindedness

were above suspicion, and the fact that he himself was not standing for election went to confirm the people's confidence in his integrity. "You want dividends; I have them" was Mr. Aberhart's offer, whereas the United Farmer's case was that something else had to be done first, namely to ascertain if Alberta possessed the legal right to distribute them. The Liberals had a still less popular case, namely that Social Credit itself should be inquired into. To complete the picture it must be added that Mr. Aberhart professed to have been "let down" by Major Douglas's supporters—a complaint which, however little it may have been justified, was bound to unite his numerous personal followers in solid opposition to the United Farmers, who stood officially for the policy recommended by Major Douglas.

It is important to bear all these factors in mind, because for the most part they are peculiar to Alberta, and do not go far to support the idea that "what Alberta says to-day Canada will say to-morrow." It is to be expected that the Social Credit issue in the Dominion elections will be dealt with in a cooler temperature. Nevertheless, the *Observer* is justified in expecting repercussions of the Alberta mandate. In the old times when the polling of groups of constituencies took place on successive days, it was held by experienced election agents that the earlier reported results affected the later ones. Agents in the non-pollled constituencies would exploit this when the earlier results went their way. If, for instance, the Liberals scored victories on Monday, those constituencies polling on Tuesday and later would be plastered with Liberal placards bearing such legends as: "The Tide of Progress is Rising," "Vote for Blumph, and Hammer Home the Victory" and so forth. No doubt it paid; and if so there is no telling whether the electors of the Dominion may not seek the thrill of imitating Alberta's gesture against conventional programmes if they are provided with the chance.

Press Comments.

The *Morning Post* of Saturday and the *Observer* of Sunday both made Alberta the subject of their leading articles. The *News Chronicle*, *Daily Express*, and *Star* contain editorial comments. The *Morning Post's* article is a breezy one of which the tenor is summed up in the sentence: "We're glad it is in Alberta and not here"—the "it" being the Aberhart credits to consumers. The *Observer*, after remarking that Mr. Aberhart has "put it across to some tune," adds the comment that what remains is for him to "show how the trick is done." Several papers tell their readers that Major Douglas's theories are not easy to understand; one paper confesses itself interested in knowing what the difference is between Mr. Aberhart's and Major Douglas's "Social Credit"; a few papers (including the last) report that Major Douglas has pronounced against Mr. Aberhart's programme. No paper commits itself to more than a wait-and-see view on the event; probably they are all waiting to see what *The Times* has got to say, if it sees fit to say anything. Of course, from Mr. Montagu Norman's point of view, which *The Times* must be assumed to reflect, there is no need for hurry, anyway. He went to Canada for a holiday recently, and may not be back yet. Where he has been nobody knows, but one imagines that the object of his visit, apart from reasons of health, primarily concerned Dominion politics and the new Governor-General of Canada. If so, what he has settled is a private matter not suitable for the editors of the London Press to know about, much less to write about. So it is quite possible that if *The Times* publishes any comments they will come from some leader-writer who can be depended on to size up the situation discreetly.

The "Manchester Guardian" on Alberta.

[The following interview was published in the *Manchester Guardian* on Monday, August 26.]

FLEET STREET, SUNDAY.

The Social Credit Party's political victory in the Province of Alberta, Canada, has surprised leaders of the Douglas Credit Reform movement in London. But it is not necessarily a pleasant surprise. Mr. William Aberhart, the leader of the successful party, has appealed to the electorate on a programme which Major C. H. Douglas had previously denounced as technically unsound.

Major Douglas is not in London at the moment, so his views on the result of the election cannot be obtained. But Mr. Arthur Brenton, the editor of *THE NEW AGE*, was able to make an authoritative statement of the position hitherto taken by Major Douglas on Mr. Aberhart's proposals. Mr. Brenton is one of the pioneers of the Douglas Credit theories in this country, and has been in direct touch with the political movement in Alberta since its inception.

In evidence given before the Agricultural Committee of the Alberta Legislature in March, 1934, said Mr. Brenton, Major Douglas laid it down that the submission to the electorate of any technical programme affecting credit policy was premature until the constitutional limitations on the initiative of the province had been ascertained. Mr. Brenton pointed out that when Major Douglas was later appointed Reconstruction Adviser to the Alberta Government which has now announced its resignation he investigated this problem.

Immediate Objectives.

As a result, Major Douglas recommended that if a provincial Government decided to work towards the establishment of his social credit principles it should aim first for three immediate objectives. These objectives he described in the following terms:—

1. The systematic provision of a news circulation system under the unchallengeable control of the province, particularly in regard to radio facilities of sufficient power to cover a wide geographical area.
2. The organisation of some credit institution, either under the Dominion Bank Act or otherwise, which will give access to the creation of effective demand through the credit system, on principles already well recognised and established.
3. Systematic organisation directed to the accumulation of what may be termed "foreign exchange"—that is, effective demand not subject to attack as being recognisable as having been created within the province.

Mr. William Aberhart, said Mr. Brenton, had nevertheless insisted that a Social Credit plan could be operated in the province without these preliminaries. He may now, said Mr. Brenton, discover that he has "bit-ten off more than he can chew." The significance of the votes so plentifully given to Mr. Aberhart, he added, was in the fact that they constituted an emphatic mandate for him to put his programme into operation—a responsibility which was probably causing him some embarrassment. Already movements of capital out of the province had been reported, a natural result of financial nervousness created by Mr. Aberhart's contemplated distribution of dividends to consumers.

By ignoring the precautionary immediate objectives recommended by Major Douglas, particularly of a control of publicity, Mr. Aberhart had left himself without the means of forestalling or lessening this loss of con-

fidence, which would prejudice the launching even of the soundest scheme. By ignoring Major Douglas's third recommendation concerning the accumulation of "foreign exchange," it was clear he could offer no re-assurance to business men who recognised the dependence of the province on trading relationships with the rest of the Dominion, and who realised that "Aberhart Credits," so to speak, would have no validity outside Alberta.

Success Unlikely.

Questioned on the prospective new Government's chances of success, Mr. Brenton said he thought they were exceedingly remote. He regretted this because he feared that the failure of a scheme so widely advertised as being derived from Major Douglas's theories would discredit all over the world the authentic principles of monetary reform originally associated with Major Douglas's name. It would also, he said, be a tragic waste of a fine opportunity to put this engineer-economist's very practical ideas into operation.

Alberta Election.

DIGEST OF PRESS COMMENTS.

Daily Herald.

"The Douglas Credit Theory has been denounced as fantastic by every economist of repute in the world, Socialist as well as Capitalist."

Daily Express.

Gives the Engineer's "Who Who" description of Major Douglas, and refers to him as the leader of the Green Shirts. Their news column is supported by three leaderettes—all non-committal.

News Chronicle.

Big headlines, front page, supported by leaderette and "An Expert." Flight of capital emphasised in the news. The leader doubts the feasibility of establishing the system in "one isolated community," and classes the attempt with other "Socialist" efforts. Their expert also has doubts, because the Provincial Government has no "legal powers over banking or currency questions."

Morning Post.

Good space for news and a full column leading article. Refers to the theories of Major Douglas as well known. The dividend is called "a monthly gratuity." The scheme is discussed sceptically.

Daily Telegraph.

Describes the new Government as a Socialist organisation. Reports bankers and business men thunderstruck. Flight of capital and evangelical character of Mr. Aberhart emphasised.

Daily Mail.

Emphasises the money panic, the evangelist, and the probable influx of immigrants. Refers to the Douglas doctrines as well known, and an explanation describes them as "complicated," "opposed to present world principles. Supporters wear green shirts and are not in agreement about details."

The Observer.

Short report with considerable leaderette, the latter headed "Flights to Fairyland." Connects the ideas of Upton Sinclair in California, and reminds its readers that banking and currency matters are controlled from Ottawa. Blames the "supineness of statesmen" for the existence of "poverty amid plenty."

The Sunday Times.

Considerable leader, with flight of capital emphasised. Considers the possible effect upon the wider interest of this matter in the General Election.

Referee.

Short and sharp news only. Telegram from Ottawa headed "£5 a Month Party's New Hope."

Sunday Dispatch.

Major Douglas, "head of the Green Shirts." Going to Canada. Very brief.

Sunday Express.

Spreads itself heavily in bold headlines right across page. "Crowds queue for money at Alberta Banks." "Social Credit victory leads to financial chaos." Short leader states "a big departure from orthodox economics." "It is almost certain to fail, and to fail quickly."

JAMES GOLDER.

The Point of the Pen.

By R. Laugier.

XLIII (iii).—IRISH FREE STATE: IMPRESSIONS.

Wicklow mountains are picturesque. The "Sugar Loaf," "The Scalp," and, close to this last, the charming village of Enniskerry, nestling in the valley. Roads good, but very winding, with hairpin bends. Saw some jaunting-cars—now rare.

Loveliest place in the neighbourhood is Glendalough. Should be seen on a fine day. No country can beat this type of scenery, which is domesticated yet "wild," unspoilt by commercialism or tourism. Everything just on the right scale: large enough to be impressive; not vast enough to make the poor "forked raddish" feel utterly contemptible.

Saint Kevin, the hermit, lived in a cave about the lake (not the cave they show you, but one higher up). When a woman would pursue Kevin he very rightly threw her out of his cave, clean into the lake. It certainly looks just the place for such a primitive rebuff. Says a boatman: "Step in, your honour, and I'll show you where Adam and Eve shook hands."

Seven churches stood beside Glendalough, close to where the Round Tower now rises amid the grave-stones. Visit this churchyard, and see the ruins. Put your arms around the True Cross. Enter Saint Kevin's Kitchen, a sixth century building, first Kevin's house, and later a church.

See all these things, but, more important than all, if you are a city dweller draw the serene solitude and utter peace of this spot into your soul. Drink deep, for the chance comes seldom.

After Glendalough the Vale of Avoca is as sparkling as Moselle after champagne. Where the Avon and Avoca meet is a pretty dale, such as one may see in Derbyshire, Somerset, and other English counties. Here, under a tree, Moore wrote "The Meeting of the Waters"; the tree, now withered, is religiously preserved, and six yards away is a freshly planted tree—also jealously guarded—a cutting from the original?

The place is merely pretty. See it before you see Glendalough, or you will experience anticlimax. The waters of Avoca make a pleasant jingle, like the verses of Tom Moore; the waters of Glendalough retain the melancholy and the grandeur of an unconquered spirit, utterly wild in its gloomy revolt, and in its passionate struggle to be something greater than humanity. One imagines the shaggy creature living in the stillness of the rocks, upheld by fanatical purpose.

Dublin's finest street is O'Connell Street, and it is dominated by a huge column, upon which is perched—Lord Nelson. One is invited to scale the steps to the top of this pillar, and pay 6d. for the sweaty privilege. I saw no takers. ("How steep are the steps in the house of a stranger.")

As I came into Dublin I saw newspaper placards announcing the death of A. E., and so I walked through the Irish capital, for the first time in my life, my mind filled with thoughts of George Russell, Orage, *The New AGE*, "The Candle of Vision"; mysticism and poetry; Plunkett and creameries; agriculture and economics; Roosevelt and Dublin's dead poet. It was fitting, then, that the first shop I entered should be Fitzpatrick, Ltd. (close to the Gresham Hotel), and that this shop should be full of Social Credit literature. I bought a pamphlet by the Dean of Canterbury, and I asked the obvious question. "Yes, they sold quite a lot."

The finest building in Dublin is the Bank of Ireland. It used to be the House of Parliament (Tweedledum and Tweedledee). We remember why Wolsey fell: because he was too grand, and built a palace as fine as that of his King. *Espérons.*

The Liffey flows through Dublin, as the Seine meanders through Paris, and they sell second-hand books on the quays, but there the resemblance ends. The waters of the Liffey are very salt in Dublin, and a sharp stinging scent assails the nostrils as one crosses a bridge. The water around Dublin is, by the way, the softest I have ever encountered: wonderful for washing and shaving: but is it so good for the teeth?

I observe, by the riverside, a man ringing a hand-bell to announce an auction just starting, within a furniture warehouse. I see very few smart women; and far fewer pretty girls than I had expected. Fashions in Nassau Street and Grafton Street are provincial, if not positively bucolic. On the other hand there is little sign of poverty in the main streets. Am held up by only one beggar, and his breath carries a rich aroma, his voice a strong Powers' accent.

Prices in Dublin are high—clothes, food, 'bus fares. A very average lunch costs me nearly five shillings. An indifferent ice-cream 1s. 6d.

Trinity College is fine. So is Phoenix Park. Saint Stephen's Green, in the heart of the city, is pretty in the manner of Regent's Park: miniature water-falls, ducks, and moorhens.

The Abbey and Gate Theatres are closing in July; but the cinemas are going (*Bulldog Drummond Hits Back*), and a famous jazz-band is visiting.

Rain prevents further exploration. Just off O'Connell Street are slummy dwellings, as there are just off Oxford Street, and just off the Boulevard des Italiens, and just off the Galleria Umberto, and just off the Avenida de Mayo, and just off Fifth Avenue. . . .

(To be continued.)

The Wages of The Machine.

Chapter VI. of *Property—Its Substance and Value*, by Le Comte W. G. Serra, contains an interesting exposition of the A + B theorem following from the author's conception of value from two different points of view, the static and the dynamic.

On page 67, we have a diagrammatic example of production in five stages, in which, each week, each factory adds costs consisting of £10 for wages and £10 for "General Expenses." At the end of the week the cost of the product is at least £50 in excess of the incomes distributed, omitting costs of materials, and the author proceeds to examine the nature of the "General Expenses" charge which each business allocates.

He begins by admitting that "these General Expenses only include the use of the buildings and machinery." Later, he adds other expenses, materials, and so forth, the inclusion of which, *in full*, in this category I venture to question.

These expenses for the use of the buildings and machinery—in other words, maintenance charges—are of primary interest to the Social Credit student. When ever buildings and machinery are in use, there is a constant stream of expenditure for minor repairs and adjustments, spare parts, cleaning and preservation, etc., in order to maintain the plant in a reasonably efficient condition. But, in spite of this month by month expenditure, there comes a time after a number of years when, by reason of excessive wear, disintegration and

decay, and—in particular—general obsolescence, the plant can no longer be maintained in an efficient condition, and complete renewal becomes necessary. In order to provide for this renewal, depreciation charges are allocated throughout the life of the plant.

Let us designate the earlier expenditure referred to above as short-term maintenance charges, to distinguish them from the long-term maintenance, or depreciation, charges. They are all maintenance charges, but there is a vital distinction between them. The short-term charges are—over a sufficient period—distributed as income once, and consumers are charged with them once, and once only—in the price of the product. But it is otherwise with the long-term charges. They also are distributed as income once, but consumers are charged with them twice over—once in return for Industrial Scrip when the plant is new, and a second time in the price of the product, as explained on page 16 of H. M. M.'s pamphlet on "The A + B Theorem."

I would submit that, so long as consumers refrain from hoarding and bankers from deflating, and so long as profits are distributed in full, these depreciation charges in the machine costs, which are literally wages paid to machines, form the sole cause of the deficiency of purchasing power as compared with collective prices of goods for sale. B costs, i.e., payments to other organisations for goods and services, do not cause a deficiency except in so far as they are loaded with depreciation charges. The exception is, however, a formidable one. Productive plants in which the machine costs are five and six hundred per cent. of the labour costs are becoming common to-day, and depreciation charges bulk heavily in these machine costs. Further, every improvement in process, in addition to its own charges, increases the annual depreciation charges on older existing plant, because such plant is rendered obsolete more rapidly.

This view can perhaps be better appreciated by considering all businesses and industries grouped under one organisation—Great Britain, Ltd. The only B payments to other organisations which Great Britain, Ltd., would make would be bank-charges, and if—for simplification—we imagine a model banking system whose charges were largely offset by its distribution of salaries and dividends, the B payments could be neglected.

We should then have to get inside Great Britain, Ltd., and follow its departmental cost-accounting through all its intricacies, in order to find out why its prices for final products were increasingly in excess of its income distribution. If Great Britain, Ltd., followed the orthodox method of developing its industries by the investment of savings, we should find every penny of plant which handled the product adding its quota of depreciation charges after the costs of that plant had already been recovered from the consuming public, either by sale of scrip to voluntary investors, or by a State tax spread over the taxpaying community, or by a general sales-tax.

Great Britain, Ltd., would find itself with an unsaleable surplus, and would be faced with two alternatives. It could either continuously curtail production; or it could hand over its new scrip to the banks and issuing-houses in return for new loans for new development. The distribution of these loans (new money and new debt) as wages and salaries in respect of new capital equipment would enable consumers to meet the depreciation charges in the prices of the goods already for sale, and boom conditions would ensue until the banks

commenced to unload their industrial debentures and stocks on the investing public. A continuation of this unloading process would convert a boom into a slump.

Loose and general statements to the effect that, under Social Credit, the B costs of industry will be met by the issue of consumer-credit are to be regretted. The B costs in the goods and services we buy to-day are largely met by the distribution of A payments from new loans in respect of the production of new consumable and intermediate products, and they will continue to be largely so met under any conceivable Social Credit régime.

Omitting profits and bank charges (less bank salaries and dividends distributed) they could be met without any increase of new debt, were it not for the depreciation charges with which all B costs are loaded.

It is these depreciation charges at every stage which cannot be met without increasing debt, and when one considers the huge sums representing the world's capital equipment, and the rapidity with which scientific research is rendering this equipment obsolete, one begins to realise the magnitude of the long-term charges for maintaining the world's capital, and one almost ceases to wonder that world debt is now increasing as the fourth power of time.

This view is, I think, in harmony with the Social Credit statement of the finance of capital production frequently appearing on the back page of this journal, and quoted with well merited approval by Mr. Maurice Colbourne as "a gem of lucidity and concentration"—vide page 244 of "Economic Nationalism."

It is also in harmony with Professor Bowley's statement, quoted by H. M. M., on page 17 of his A + B pamphlet, to the effect that world income is equal to the total value of goods and services produced or rendered in the world, the expense of maintaining capital being deducted. If by "the expense of maintaining capital" Professor Bowley means the total of long-term maintenance charges, his general statement appears substantially correct; while if he includes also the short-term maintenance charges, it would appear to be an over-statement of the case.

To view the matter from quite another angle—when new plant to the value of £N is constructed, it means that £N is the measure in monetary units of the total depreciation of real credit which has taken place as a result of the operations. It is right and proper that the community should be debited with the whole of this depreciation, but only on the condition that they are credited with the appreciation of real credit represented by the new plant. This does not, however, mean that consumers should be credited with exactly £N to enable them to meet the bare depreciation charges in the future product of the plant; the value of the new plant may prove to be considerably in excess of the £N which it cost to produce, and it is this excess which forms the basis for a distribution of dividend.

And so we return to Le Comte W. G. Serra and his extension of "General Expenses" to cover all B payments, in which he follows closely Major Douglas's argument in "The New and the Old Economics." He would extend them to cover payments for materials, etc.—in fact, every B payment for which the purchasing power, distributed in the past, has been spent and cancelled.

From one point of view there is admittedly no difference between a manufacturer who spends £1,000 on raw materials and charges this sum into his prices at the rate of £200 a week for five weeks, and a manu-

facturer who spends £1,000 on a new machine and charges it into his prices at the rate of £2 a week for a period of ten years. One process is simply more protracted than the other. But a vital difference arises from this very protraction. The first manufacturer can obtain a loan of £1,000 for five weeks, and repay it at the end of that time from his sales. The second manufacturer cannot repay his loan in five weeks from his sales. He, therefore, recovers the £1,000 from investors in return for share-scrip, repays his loan, and then proceeds to recover the money a second time.

But because the consumer obviously cannot meet the second charge—the depreciation charge—let it not be thought that the system distributes sufficient purchasing power to meet the first, even when production is continuous. Both the £1,000 of raw materials and the £1,000 machine are loaded with depreciation charges from past cycles of production. A. W. COLEMAN.

The Theatre.

"Full House." By Ivor Novello. Haymarket. Mr. Ivor Novello's new comedy would look pretty thin without Miss Lillian Braithwaite and Miss Isabel Jeans to eke out the wit; with them, and with Mr. Leslie Henson's spirited production, it provides very fair entertainment for the summer months. Miss Braithwaite plays the usual delightful half-wit, and drifts through life committing all sorts of irregularities and getting away with them every time. Miss Jeans plays a retired, hypochondriac actress who is galvanised into life by her husband's infatuation for another woman—an old story if ever there was one; but Miss Jeans plays it out in a style that makes Mr. Novello's middling sort of lines sound like Restoration comedy. A. BONELLA.

LETTERS TO THE EDITOR.

"VALUE OF PETITIONS."

Dear Sir,—Having read Major Douglas's article in *Social Credit* of Friday, August 23, 1935, I am convinced he is a far cleverer mathematician than historian, for throughout our history all radical changes that have taken place in the British Constitution* have been brought about, not by means of the ballot box, but by petitions and charters drawn up and agitated for by the people.

The article gives as an example the petition presented to the King through the Aborigines' Rights Protection Society. It is obvious that the author has little or no idea how small is the body of opinion on the Gold Coast behind this petition, and that it does not represent the general opinion of the people. Having served in an official capacity in that colony for a number of years, I have no hesitation in voicing this opinion. Moreover, this petition was directed to the King in such a way that he was required by the British Constitution to seek the advice of the Secretary of State for the Colonies. This, as the writer rightly states, enables the real interests opposed to the petition to shelter behind the name of the King. The Gold Coast petition was similar to those applying for a reprieve—whereas the petition sponsored by the Prosperity Campaign is exercising the privilege vested in the British Constitution for the people to call for the appointment of a Judicial Commission. To quote an example: The Victorian farmers in Australia petitioned the King in Council asking for a Commission to investigate their complaints against what was then known as the Victorian Land Settlement Scheme (about 1924-25).

A Judicial Commission was set up and responsible officials, no matter what their position, had to appear. The Commission found that the Government had been guilty of

* "The Economic Charter of the British People," by John Hargrave, *The New Age*, June 13, 1935.

gross misrepresentation, and ordered adequate compensation to be paid to the settlers.

The petition to the King of Denmark is beside the point, as their Constitutional powers are totally different from those of Great Britain.

The Prosperity Campaign Empire Petition to the King in Council does not place "the onus of declining to right or even express an opinion upon an alleged injustice," but calls into being a public and judicial investigation of the claims brought forward by the petitioners, who do not depend solely on their written petition, but are prepared to back it with public demonstrations to obtain what it requires, i.e., the issue of national dividends.

There are those in both campaigns who wish to help each other for a common end, but Major Douglas's article makes this exceedingly difficult. *It is a calamity.*

H. A. JARRED (Capt., R.R. of O.),
Hon. Nat. Director of Territory,
Prosperity Campaign Empire Petition

"PROSPERITY (SNOWBALL) CLUB"!

Sir,—May I use a small space in your organ to protest against a form of Social Credit propaganda which is illustrated below.

I have recently received two copies of the enclosed letter, with names and addresses slightly altered, accompanied by a leaflet advertising Douglas Social Credit.

I beg of you in the name of the fundamental logic of Douglas Social Credit to publish "Prosperity Club's" letter in full, and so by exposing the "Club" to the ridicule of sane propagandists, help to stop the rot, which has evidently reached high places.

I enclose one letter and leaflet just as received.

W. TOWNEND.

Leeds, August 8, 1935.

The enclosed letter is as follows:—

PROSPERITY CLUB.

If you are unwilling to join please return to sender at once.

Within three days make five copies of this letter, leaving out the name and address at the top of the list, and adding your own name and address at the bottom.

Post or present those copies to five friends.

In omitting the top name send that person a postal order for sixpence.

When your name reaches the top of the list there will be an accumulation of 3,125 letters, and if all members follow the instructions implicitly you will receive over £78 in about eighteen days.

[All the names and addresses given in the "enclosed" letter referred to were those of Social Credit supporters.—Ed.]

"THE POOR."

Sir,—Mr. Laugier's comments and generalisations on "the poor" (odious term) in his article, "Educating for Leisure," which appears in your issue of August 8th, are surprising; they betray a class consciousness which one does not expect from a true social creditor. For the social creditor regards people as individuals, and distrusts their classification and the generalisations based thereon. Mr. Laugier's patronising praise of "the poor" is as distasteful as *The Times'* reviewer's disparaging contempt of them that Mr. Laugier rightly condemns. Both judgments arise from a common attitude, namely, snobbery; an attitude of superiority adopted by those who dissociate themselves from those people they are appraising or disparaging, and who, by virtue of that exclusive position, assume the right to generalise and judge. But it is the generalisation that is particularly obnoxious, and it is certainly false. We may admire the courage and sacrifice of "the poor" (and goodness knows their circumstances provide them with unique opportunities for exercising these virtues), and at the same time recognise that what passes, at times, for courage, may be no more than a fatalistic acceptance of the "status quo." And this attitude of "acceptance" is as much an obstacle to the advance of social credit as is the stonewall opposition of those who enjoy privilege and power. A little less courage and sacrifice, and a little more lively resentment on the part

of "the poor" might serve their cause better. It seems necessary to point this out as a corrective to Mr. Laugier's sentimentalisation of "the poor." But, in any case, "the poor" are composed of individuals, and their reaction to their environment is individual; a general exaltation or condemnation of them is alike stupid, and does them scant justice.

We are treated to the same senseless generalisation again when Mr. Laugier speaks of the middle classes who "abandon homes and live in hotels for the sake of automobiles, Mediterranean cruises, or out of sheer laziness and lack of guts on the part of their women." Well, how abandoning your home, and living in a hotel, will enable you to keep an automobile I don't know. I wish Mr. Laugier would enlighten me. But laziness and lack of guts are to be found amongst "the poor" as well as amongst the middle classes; they are to be found anywhere and everywhere. Vice is no more a class characteristic than virtue. Nothing but a peculiarly narrow experience or blind prejudice could argue otherwise. And I must add, for Mr. Laugier's information, that the "servant problem" has not been created by "petty tyrannies." The problem is inherent in the inevitable conditions of domestic service itself, conditions which can be traced directly and indirectly to our bestial financial system, and could only be altered under a sane and decent one. As one who has suffered from the domestic problem and had to grapple with it, I could enlighten Mr. Laugier if he had grace enough to admit he might have need of enlightenment.

At all events, it must be sad for him to reflect that if Social Credit ever comes to pass there will be an end of the poor. They might buy automobiles and go for Mediterranean cruises; some might even live in hotels! Their women would become lazy and gutless, and the virtues of sacrifice and courage would cease to be.

"ONE OF THE GUTLESS."

Forthcoming Meetings.

Green Shirt Movement for Social Credit.

Wednesday, September 4, at 8 p.m.—John Hargrave, Founder and Leader; Lecture at National Headquarters, 44, Little Britain, London, E.C.1. "Mass Pressure on Parliament."

Wednesday, September 11, at 8 p.m.—Speakers' Class, National Headquarters, 44, Little Britain, London, E.C.1.

Wednesday, October 2, at 8 p.m.—John Hargrave, Founder and Leader. Lecture at National Headquarters, 44, Little Britain, London, E.C.1. "The Party of the People's Credit."

Wednesday, October 9, at 8 p.m.—Speakers' Class, National Headquarters, 44, Little Britain, London, E.C.1.

Sunday, October 13.—Salem (Leeds) Congregational Church. 3 p.m.—John Hargrave: "Is Poverty amidst Plenty the Will of God?"

Same date: Mass Meeting, Rialto Cinema, Leeds, 8 p.m.—John Hargrave: "Your Part in the Fight Against Poverty and War."

Dewsbury D.S.C.A.

Wednesday, September 4, Mr. E. Wright on "The National Dividend," at headquarters, 27, Wellington Road, Dewsbury.

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.]

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