

THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

No. 2276] NEW SERIES Vol. LVIII. No. 25. THURSDAY, APRIL 23, 1936. [Registered at the G.P.O. as a Newspaper] SEVENPENCE

CONTENTS.

	PAGE		PAGE
NOTES OF THE WEEK	193	WHAT IS "ANTI-HISTORICAL"? By John Hargrave	198
Latest from Alberta—further debt-conversion legislation—a Government bank for Alberta—Douglas discloses fact that Aberhart cabled him last August to go out—reasons why he ought to have gone, and, in any case, ought to have communicated the news to the Movement—secret diplomacy dangerous. Hargrave and Douglas on question of Mr. Magor's dismissal.		ALBERTA'S BOND INTEREST	199
THE POLITICAL ROAD. Letter from Philip T. Kenway	197	Correspondence reprinted from <i>The Financial Times</i> .	
PLOTS AND ALL THAT!	198	"THE UNITED FARMER" AND THE ALBERTA GOVERNMENT	199
Credentials of some Directors of the Social Credit Secretariat.		Leading article from <i>The United Farmer</i> on Mr. Magor's appointment.	
		THE FILMS. By David Ockham	200
		<i>King of Burlesque. Kliou. A Tale of Two Cities.</i>	
		"LA REPUBLIQUE DES BANQUIERS"	200

NOTES OF THE WEEK.

Loan Refunding. A Bank for Alberta.

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

Interest on Alberta Bonds.

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

Alberta's Fiscal Orthodoxy.

The Ottawa *Citizen* of April 2 in its first leading article lays stress on the orthodoxy of Alberta's fiscal policy in terms which imply a gentle reproach against the Government for acting inconsistently with the Social-Credit mandate which they asked for and obtained from the electors. In a second article it quotes Agnes Macphail, M.P., as having told a Toronto audience that she is not a "Douglasite" or an "Aberhartian," but believes in "the new economics." The Windsor *Star* having seized on this statement with the object of poking fun at Social Credit, the writer in the Ottawa *Citizen* recites the fundamental points on which believers in "the new

economics" criticise the current system. These are (1) the private monopoly of credit-issue: (2) the inadequacy of a gold basis for currency and credit: (3) the inflationary consequences of an unregulated price-system: (4) the futility of the provision of employment as a cure for economic troubles. The basic contention at the back of these criticisms is that whereas the production-end of the system is amply efficient for economic prosperity the consumption-end is commensurately inefficient. As we would like to put it, the mechanism regulating the distribution of commodities is not allowed to adjust itself automatically to the production-pressure inherent in the plant and equipment of any given country. The production-end of the system corresponds to the boiler-end of the steam-circuit, and the consumption-end to the condenser-end of that circuit. The cooling and condensation of steam is every whit as important as the heating and expansion of steam. The two processes are functions of each other and must work in co-ordinate equilibrium. The chief obstacle to the efficiency of the early designs of the steam turbine was eventually found to reside in the fact that the steam fed in to work the blades couldn't get away fast enough to work them fast enough! The later steam overtook the earlier steam and instead of exerting the whole of its power on the turbine-blades, had to exert part of it in nosing the earlier steam forward and out of the way. You can imagine the blades blinking in irritated bewilderment at this mix-up, and crying out: "Now, you two, when you've quite settled your differences, we are ready to rotate according to specification: what's biting you?" For the situation inside the tubular chamber corresponded exactly with that described in Macaulay's familiar line: "Those behind cried Forward, and those in front cried Back." Well, the engineers, as soon as they discovered the mix-up, set to work to facilitate the escape of steam—to shorten the duration of its imprisonment. Directly they had done so, lo and behold the shaft's revolutions per minute leapt up, and, in the case of marine turbines added, not simply a knot or so per hour to the vessel's

speed, but ten or a dozen knots. The truth had been discovered that the easy escape of used steam exercised, so to speak, a pulling power complementary to the pushing power of unused steam. And when the engineers of our economic system make the same discovery concerning its basic defect, and comprehend the truth that consumption contributes to production by *making room for it*—that mastication by the man-at-the-coffee-stall moves the machinery of manufacture, speeds it up, fractionises its cost by spreading out the incidence of overhead charges, together with other consequences familiar to the Social-Credit exponent—then we shall see the things we long for begin to happen, and happen so fast that we shall have time only to ejaculate like the man in the advertisement: "This is poverty—that was."

Conundrum: What is the best manure for hair?
Answer: Scissors.

Liberals and Centralisation.

In a third article the *Ottawa Citizen* of the same date delivers a shrewd blow at the Liberals who, though traditionally identified with the doctrine of the sanctity of Provincial autonomy, are giving their support to the new policy of centralising the monopoly of credit in Canada. That paper points out that this policy was recommended and foreshadowed a year ago by the Conservative finance minister, Edgar N. Rhodes, who thought it desirable to set up a "federal loan board." Mr. Bennett had "naturally favoured the policy"; and to-day—

"Mr. Bennett, as leader of the opposition, is doubtless deriving a certain amount of inward satisfaction as the Liberals endeavour to carry out the London imperialist policy of reducing the provinces to the position of Newfoundland as far as fiscal autonomy is concerned."

The *Ottawa Citizen* is giving Mr. Aberhart a fair deal. While impliedly blaming him for his submission to the Canadian bankers on the question of taxation and Budget-balancing, it impliedly commends him for refusing to bind himself to the principle that their right of interference with provincial autonomy shall be constitutionally established and perpetuated. We are in general accord with this attitude. But our emphasis is different. We do not criticise Mr. Aberhart's tentative taxation policy on the ground that it is symptomatic of bad faith or an abandonment of his hope of implementing his mandate, but rather on the technical ground that his acceptance of Mr. Magor's conditions will make it more difficult for him (the Premier) to resume his approach work towards the Social-Credit objective. If a golfer slices his drive he need not despair of winning the hole, much less the match, but naturally he has to face greater difficulties in achieving success. For example, one interim objective is for Mr. Aberhart to accumulate "foreign exchange," i.e., a fund of dollars acceptable outside Alberta by the sellers of things which Alberta needs to "import." But, technically, new taxation such as he is imposing largely amounts in practice to the confiscation of "foreign exchange." For him to argue, as he does, that this confiscatory measure is a preparatory step towards Social Credit is not convincing—unless, of course, he can show that the accumulation of "foreign exchange" is not essential to that purpose.

Aberhart's Weakness.

This leads us to our main criticism of him. There is too much that we do not know which he could tell us, but has not. Among his friends and enemies alike there

are removable uncertainties about the route he has marked out for himself and the obstacles which he has encountered and expects to encounter during his progress. His reputation as a man of rectitude is weakened by his reticence. He needs outside help, but his would-be helpers cannot help him without understanding his (at present) concealed objective and plans for reaching it.

Aberhart's Cable to Douglas.

Douglas is open to criticism in this respect no less than Aberhart. And the result is seen in the unifying spectacle of these two men pin-pricking each other in their respective journals, *Social Credit* and *The Albertan*, depressing the spirits of their friends and rousing those of their enemies. In *Social Credit* of April 17 Douglas releases a letter which he sent to Aberhart last November. It reveals for the first time the fact that immediately upon the result of the election in Alberta becoming known Aberhart cabled Douglas: "Victory! When can you come?" Douglas cabled that he could come on September 14: would Aberhart telephone him? Aberhart did not respond to this invitation. That is the substance of the letter, and readers are apparently invited to conclude from it that Aberhart changed his mind and did not want Douglas to come out, but did not want to say so definitely.

Let us adopt this hypothesis. It is easily tenable particularly in view of the events which happened before and during the election. Douglas knew, long before the election, that Aberhart was unsound on the technique of Social Credit. That being so it was an antecedent certainty that if he came into power he would be vulnerable to influences proceeding from the Canadian Bankers' Association. And it was an equal certainty that the Association had preparations well forward for exploiting his ignorance in that contingency. Old and responsible Social-Credit advocates in New York, Ottawa, Toronto, Calgary and elsewhere went in fear of this eventuality—so much so that they pressed Douglas to take the extreme course of publicly repudiating Aberhart's policy and programme as not being "Social Credit," but a spurious and defeatist imitation of it. Douglas refrained from doing so, thus causing great difficulties and disappointments to his loyal followers. It was their fears, and the just ground for them, that was uppermost in the mind of the editor of *THE NEW AGE* when, on the day following the results of the election, he was visited and interviewed on behalf of the *Manchester Guardian*. He gave expression to those fears, and by doing so entered a responsible caveat to all and sundry not to accept the triumph of Aberhart as a certain guarantee that a Social Credit policy would be put into operation. The interview was published in the *Manchester Guardian* of August 26, 1935, and reproduced in *THE NEW AGE* of August 29, 1935.

Douglas's Indecision.

Now, in that moment of Aberhart's victory there were two alternative views open—either that Aberhart would give up trying for Social Credit or that he would try for it in the wrong way. Since it is consequences that matter, and not motives, it did not count for much which view were adopted. The essential point is that whichever were adopted the danger would be the same, and the problem of deciding how best to avert it would also be the same. What was the solution of the problem. In our judgment it was obvious, namely, that Douglas should go out instantly, whether invited or not. Douglas's present disclosure that Aberhart cabled him

directly the election results were known reinforces our judgment.

Consider. Aberhart cables: "Victory! When can you come?" What did it matter whether Aberhart intended to play a straight game or a crooked game, or whether he entertained correct or incorrect plans for winning the game? The obvious, indeed, the urgent, thing was for Douglas to take this cable at its face value and turn up at Edmonton instant. Telephones? Rather than wait for further messages he ought to have dodged them, particularly if he had any doubts as to the sincerity of Aberhart's tentative invitation, for by doing so he would have deprived Aberhart of the opportunity to qualify it. In fact, the less he thought Aberhart desired him to go out the quicker he should have gone. By calling in person on Aberhart he would have called Aberhart's bluff, if there were any to be called. In less than a week he could have sized up the situation and come to a definite decision whether to stay or return. By insisting on assisting Aberhart on the spot to reach the right objective he could have forced him to disclose his purpose and his plans for achieving it.

Without further evidence we are inclined to believe that Aberhart sent the cable in good faith and in a hopeful spirit. Firstly there was that spontaneity in its phraseology which one would expect from a person who was celebrating an unexpected piece of good fortune. Aberhart may have counted on a victory, but neither he nor any other participant in the election expected such a clean sweep of the other parties. The very size of his majority might be well calculated to bewilder him, and perhaps even intimidate him. "Victory! When can you come?" That is exactly what one would expect in the circumstances—elation tempered by nervousness. Our second reason is that Aberhart, by sending the cable, was presenting Douglas with the opportunity to test his good faith as just described. There was no need for him to cable in such a hurry if he felt lukewarm about inviting Douglas's assistance. He could have plausibly explained away any delay on the ground that his new responsibilities, and his arrangements for selecting his Ministers demanded all his time, at least for some weeks.

New evidence may force us to revise our view, but in the meantime we consider it unjust, as well as unprofitable, to assume that he did not mean what he said in his cable. He may have faltered afterwards under the influence of Mr. Magor, but that possibility only lends force to our contention that Douglas should have been on the spot in time to forestall that gentleman's appointment. It may be mentioned that Mr. Campbell, who visited this country recently from Alberta, and whom Douglas considered responsible enough to be entrusted with sealed instructions to carry back with him for the attention of Aberhart, paid, in our hearing, an emphatic and unqualified tribute to Aberhart's integrity and courage. He stated that the Sound-Money politicians had combed his and his family's record for three generations back in the hope of discovering something morally discreditable to him, but without success. So we prefer to impute everything that he has done wrong to defective intelligence rather than to defective character. Even then we shall be assuming, without evidence, that he had the unfettered power to choose what

he would do. We admit that a man who is blameless in his private life (and Aberhart's life was private in the high-political frame of reference until last August) can do some queer things for "reasons of State," as they are called, in his public capacity. Nevertheless, when it comes to comparative tests of political figures one naturally puts chief trust in those whose private relationships with their fellows have been free from such blemishes as cupidity, vanity, duplicity, and egocentricity. The raking up of scandals by party agents and newspapers, much as they are to be condemned from the point of view of motive, are nevertheless salutary in their effects. No sin which a person commits in his private capacity is irrelevant to the question of his fitness for public life. We explained and elaborated this proposition some years ago in the course of some comments on the libel action arising out of Captain Peter Wright's allegation against the late W. E. Gladstone. The reason is that a public man who has something to hide can be blackmailed into adopting particular policies affecting the public interest. We mean constitutionally blackmailed, to use that expression. Thus, if A approaches B, the latter being a public man—perhaps a Minister of State—and B has a secret from the public which he knows that A has knowledge of, then B is going to give serious consideration to any request which A may ask him to grant. All that A has to do is to put his request in the form of a suggestion, such as, e.g., "I do not think it would be wise for you to have any traffic with this Social Credit business." That will be quite sufficient. No threats are necessary. Both are men of the world and understand each other. Mr. Bernard Baruch, the "Napoleon of America," commenced his rise to power (on his own testimony before a Government Committee) by *making a study of men*. That sounds innocent enough; but what is actually meant was that he studied their propensities, searched for their weaknesses, watched for their slips, and otherwise got a hold on them. The late President Wilson was got hold of in that way. He was fond of the ladies, and what was worse, left written evidences of this propensity lying about which somebody captured. Rumour has it that they were bought in for an immense sum of money by some undisclosed purchaser. The amount was too large for Wilson to have paid. So a third party was in the secret; and thenceforth Wilson had to function as a puppet President. First he had to give up philandering with the heresy of bi-metallism (see Col. House's reminiscences) and much later he had to enter the War against his pledge at the previous election to keep out, as soon as the United States Money Interests decided that it was to their advantage to be represented at the Peace Conference as a belligerent in order to safeguard the security of their loans to the Allies. Mr. Bernard Baruch was the big noise at Versailles, not President Wilson, and he actually sat in conclave with the Premiers of the Allied countries on the most important occasions. It is a sinister thing to reflect that if the President had not slipped up, or if his slip-up had been exposed to the public, the whole history of the war would have been different. Perhaps it would have been no more pleasant to read; but there could be other circumstances to-day where the struggle between the people and the bankers might be perceptibly affected for the worse by reason of the hostages given to the bankers by the slips of representative public men.

So we say that it is a good thing that Aberhart is a

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

Responsibility—But To Whom?

While Social Creditors have grounds for complaint about Aberhart's reticence they have no ground for putting a sinister construction on it. Or, if his silence is considered sufficient to establish the presumption of bad faith, so must be the silence of Douglas. For this reason the less we hear of the pot-and-kettle wrangle which threatens to develop between these two men the better. After all, Aberhart is not accountable to Douglas, nor to the Social Credit Movements outside Alberta, for his actions. He is accountable to the local leaders of his Party who organised the election campaign, and ultimately to the electors in the province who gave him his mandate. Likewise Douglas is not accountable to Aberhart or to his Party. He is accountable to Social Creditors in this country who have sacrificed their time and money in putting him in the position he now occupies. It is therefore as illogical as it is unprofitable for these leaders to pursue a policy of trans-Atlantic pin-pricking over the results of their methods of secret diplomacy.

The Suppressed Cable.

In this connection two most concrete questions arise which Douglas ought to answer. The first is this: When Aberhart cabled: "Victory! When can you come?" did he enjoin secrecy on Douglas? The second is: If not, why did Douglas refrain from communicating the fact of its reception, and its terms, to (a) the London Press, or (b) the 1930 Club, or (c) at least to authentic, responsible Social-Credit Press-organs? We assert as almost a self-evident proposition that had the Social Credit Movement been supplied with this information at the time, every member would have returned an emphatic "yes" to the question whether Douglas should instantly seize upon the opportunity opened by the invitation. And supposing that the suggestion of temporising in its phraseology were deemed to have any sinister significance, this would have doubly underlined the necessity for Douglas to appear on the scene and announce to Aberhart: "You sent for me: here I am: let's get down to the job." Look at the dilemma in which this would have placed Aberhart if he had not wished to tackle the job. The terms of his cable could have already been published in every Social-Credit journal in the world by the time of Douglas's arrival, and the synchronisation of this publicity with his appearance in person to discuss plans would have effected an instant resolution of all uncertainty about what Aberhart wanted to do and how he wanted to do it. Douglas would have found out whether it was worth his while staying, and if it was not he could have resigned and come home with a full, authentic story of what had caused his resignation. What a dramatic news-item such an event would have made. And what months of useless speculation it would have saved the Movement.

Instead of this Douglas hugs the cable to himself, and we know nothing of it until after Mr. Magor has exploited Douglas's absence and established an ascendancy over Aberhart's policy. It is curious to reflect that this ascendancy was established while Douglas's visit remained a matter of doubt, and shows incipient signs of being disestablished now that the visit is cancelled. "He travels fastest who travels alone," and it may be that Aberhart needed to be left to his own resources to prove his mettle. He has not yet assented to the Loan Council legislation: he has defaulted in

bond-repayment: he has given notice of instituting a Provincial Bank: his compulsory debt-conversion policy has infected other parts of Canada. These things are not "Social Credit," but they all serve to open up issues and controversies in which Social Creditors can participate for educational and agitational purposes. In a word, Aberhart is stirring things up. He is occasioning uncertainties and stimulating inquiry in a region of politics where, hitherto, no foot but the banker's has trod. We hope that he will mix things up some more.

Douglas and Hargrave on Magor.

The probability is that this is all that he can do at present in the way of approachwork towards Social Credit. True he has neglected Douglas's advice that he should dismiss Magor, scrap the new taxes, and present an interim Budget; but, allowing that these things were feasible, it must be pointed out that in themselves they are no more "Social Credit" than the things he is trying to do. Hargrave's recent advice to Aberhart coincides with Douglas's in respect of the dismissal of Magor, but it also includes the injunction: "put in Social Credit," whereas according to Douglas the putting in of Social Credit involves the passing of a series of "carefully-thought-out measures," presumably spread over a considerable time-period. We appreciate the value of such a symbolic defiance of the Canadian Bankers' Association as would be registered by the dismissal of their agent, Mr. Magor, but only if accompanied (as Hargrave seems to suggest) by such an actual defiance of the Association as would be implied by "putting in" Social Credit, namely, giving out the Dividend. Otherwise we could never be sure, in the event of Magor's dismissal, whether the banks had not connived at it. For, to them, it matters little whether he enjoys official status or not; and in the event of their feeling assured that the Albertan Government were going to pursue a policy of gradualism they could afford to allow the Government to perform the ritual of dismissing him. On the other hand, if we imagine the Government's "putting in" Social Credit promptly, the dismissing of Magor would be superfluous—he would resign.

Abolition of Poverty Illegal!

As concerns the "putting in" of Social Credit we come up against the perennial dilemma that what is technically feasible is not lawfully feasible. It is by no means impossible to devise schemes for distributing a Dividend in Alberta and giving it effective new purchasing power. The only snag in doing this promptly, as Hargrave demands, is that the Dividend would have to be comparatively small. For if the extra money paid out is to carry extra purchasing-power corresponding to its amount, the extra things to be purchased must be available at the time of distribution. Probably there are stocks of things in Alberta which can find no buyers, and which the Albertan people could use, and also replace quickly out of Albertan resources. Dividends sufficient to absorb these could be issued promptly. But, as we say, the Dividend could not be very much because the quantity of purchasable things would not be great. This does not matter, because any effective dividend at all, however small its size, would be accepted by the people for its use-value, and be regarded as a fulfilment of their mandate. A dollar a month starting now is worth twenty-five dollars a month starting years hence.

The Law of Supply and Demand.

Unfortunately, any scheme which produces effective dividends, i.e., extra money carrying extra purchasing-

power must necessarily transgress the law of supply and demand. And, as was pointed out by Mr. Campbell on his recent visit, the law of supply and demand has been woven into the texture of the Constitution. It is not formulated as a section of constitutional law; it is disguised therein much in the same way as cash-betting is lawful in theory but unlawful in practice. Anybody is perfectly free to do a cash transaction with a bookmaker, but there is no place where he can do so without breaking some law or bye-law! "Public places," as the law defines them, are taboo: and the bookmaker must not "frequent," or "loiter in," or "cause an obstruction in" any place at all. There is thus a complex of laws which have the effect of making illegal every conceivable exercise of your legal right. (We hope that this is intelligible.) We noticed a case not long ago in which a bookmaker after collecting bets in a public house was taking them to his office: a policeman on the watch for him arrested him: at the station he was found to have betting slips on him. Thereupon he was charged (and eventually convicted and fined) for—loitering! In vain he pointed out to the magistrates that when intercepted he was walking at a fast pace along the street. But no use. The betting slips found on him were evidence which proved that he must have been loitering for the purpose of collecting them. And that's how the law got him—from round the corner.

And so with the law of supply and demand. It is the law which says that the price of an article must not be less than its cost, but may be as much above cost as the buyer can be forced to pay. Of course, nobody is taken to court for selling at under cost—he finds his own way to the workhouse. Nor is anyone punished for selling an article at less than it will fetch. But let any statesman try to alter the law of supply and demand, and to regulate prices in order to increase the purchasing power of consumers' incomes (supplemented by the Dividend), and he will find himself faced with psychological resistances which he cannot allay by inducement or overcome by force under the present laws of the Constitution. To regulate prices downwards without compensating industry would stop production. No law could be passed making people sell at a loss. To issue the Dividend and charge it in taxes would be to regulate prices upwards and deprive the Dividend of purchasing power. No law exists under which bankers can be forced to put money into circulation on other terms and conditions of repayment than they choose. Such a law might be passed, but if so it would amount to a basic change in the Constitution. Now in a country like England such a thing is possible, and in fact will take place sooner or later. But in a Province like Alberta no such orderly remedy would be worth while without the approval of the Dominion, and ultimately of Great Britain.

Can Dividend Be Given Promptly?

Hargrave's advice appears to mean that Aberhart should not wait for that approval but should begin at once on improvising and using some machinery of Dividend-distribution, pursuing his purpose in disregard of external laws, and throwing upon the Dominion Government the onus of stopping him, and the problem of deciding how to do so. Well, suppose we assume that Aberhart is capable of living up to this heroic level, we have still to consider that there are limits to his ascendancy over his Cabinet, the Cabinet's over the Party, and the Party's over the electorate. How far

would these, severally or collectively, agree to back him? Next, suppose they were willing to go all the way with him, what help other than moral support could they afford him? The clearest way to realise the nature of the problem is to compare Alberta with some county of England, say Surrey. A good deal of what, in Social-Credit jargon, is called the real-credit of Surrey consists in postal, railway, omnibus, tram, and river-craft services and communications. Now supposing there were a Social-Credit County Council who decided upon running the county without reference to external legislation. In theory they, and the Surrey men backing them, might take possession of the machinery of the above services. Assuming (to reproduce Albertan conditions closely) that the postmen, railwaymen, etc., did not go outside Surrey, and that they were ready to follow the Council's lead, a certain amount of short-circuiting could be done with the captured machinery. There would be two main difficulties, the first that the sources of their wages lay outside Surrey, and the second that the property would have been stolen from its rightful owners, a majority of whom resided in other counties. So financial and legal reprisals could be visited on the Council and the inhabitants.

Financial reprisals could be resisted provided that Surrey were able to export as much as she needed to import, and could thus get possession of "English" pounds with which to pay external suppliers. For domestic transactions "Surrey" pounds could be created and distributed as production-loans and consumption dividends. There are plenty of snags which we have in mind, but must leave for comment later, as they need more space than we can allow them this week.

We must hurry on to the question of legal reprisals. If the British Government chose to apply the extreme sanctions which the Law allowed them, they could stop the experiment. At the fringes of the Empire they do it with bombs. But in England the insurance companies with bombs. But in England the insurance companies would have something to say about the matter! Dismissing the Air Force, there remain the broker, policeman and soldier. Postulating that the citizens of Surrey were behind their Council, could they, and if so, would they, impede the Government's agents by coercion in the exercise of their duty? They certainly could if they chose to risk the penalty.

It is a question of courage. And the practical value of Hargrave's advice to Aberhart depends on whether the citizens of Alberta are ready for a rough house. Who knows the answer?

The Political Road.

TO THE EDITOR OF "THE NEW AGE."

Sir,—Sympathise though we may with Mr. F. J. Gould's general attitude toward the question of Social Credit, many of us hardly see our way to accept his advice.

Speaking for myself, I maintain that Major Douglas has initiated the greatest revolution that the world has ever seen, which will in its course solve very many of the problems that Mr. Gould enumerates.

I further maintain that though educated leaders from the middle class will be needed yet that the real revolutionary force must come from the masses of the people and from them almost alone.

I ask myself, then, of what do these people feel themselves most grievously in need. Do they at present hanker after religion, education, equity and moral adjustment, town-planning, inter-racial relations, and so on? They do not. All they want at present is money. Money to buy life.

Is it not, therefore, politically wise for us to concentrate on this necessity for money, for money which we all see and which Mr. Gould admits to be "after all a means to many ends," and not, as he puts it, "confusedly to survey a miscellany of problems," and so diffuse and weaken the force of our attack.

Get Douglas Social Credit "and all these things shall be added unto you."

PHILIP T. KENWAY.

Plots and All That!

[COPY OF LETTER TO A CANADIAN CORRESPONDENT.]

Sir,—Douglas's "diplomatic withdrawal" of credentials means nothing to me. Look at the people who do have his credentials:

Dean of Canterbury—second remove from Queen Anne's Bounty and the Ecclesiastical Commissioners.

Bardsley—late of the United Dominions Trust where he was one of Gibson Jarvie's "bright young men," the Trust being virtually a branch of the Bank of England.

Wilcox—first a travelling engineer on the Southern Railway, then suddenly translated to be a sub-editor of the *Railway Magazine*, and now openly the "Lord Northcliffe" of the Secretariat's official organ.

Tuke, J. E.—cousin of Favill Tuke, Chairman of Barclays Bank.

Byrne—area superintendent of the Medical and General Assurance Society and organiser-in-chief of the Secretariat.

I impute nothing against these people's good faith, but if someone chose to ask: How do we know that they have not been encouraged by their employers to become directors of the Secretariat; and if so, how do we know that these employers have not assented with Montagu Norman's knowledge and approval? the answer would have to be: We don't know. Nor do we know who are putting up the big money donated to the Secretariat. I point this out to show that when you come to individuals like Brougham it is hardly fair to make insinuations that because the origin of the funds which financed his mission is undisclosed, it is a sinister origin.

The fact of the matter, in my judgment, is that from the very moment when Douglas decided (or was persuaded) to adopt the policy of exercising pressure exclusively by massing majority-votes, the bankers were spared the necessity for direct interference. There is no need for saboteurs to de-rail a side-tracked train, and, in my opinion, that part of the Social Credit Movement which works his plan (a declining part to-day) is in a siding. The voting system is like a railway system. The engine-driver can make the train move, but the signalman makes the direction in which it moves. Only if the two understand each other and have a common purpose in view will the train reach its destination. If they do not, then nothing happens. Douglas's differences with Brougham (whatever they may be) can only be something like a struggle on the foot-plate for control of the levers of the engine. It doesn't matter who wins. The banker in the signal-box just laughs. It is he who controls the levers that matter. And when you take into account that it is he also who controls the supply of fuel and water without which the engine can't move, you get a clear view of the futility of footplate politics—which is all that the Secretariat engage in.

There is, however, a difference between the railway system and the banking system in this respect:—that in a railway system the signal lights indicate the position of the points as well as indicating the presence of obstructions. In the banking system they need not necessarily indicate either. The bankers' red light often means, not that you cannot run past it without danger, but that they want you to think so. Suppose you tried it to see? Well, would the banker permit you to crash if by altering the points he could avert it? If there was a crash there would have to be an inquiry. If there wasn't a crash, the bluff of the red light would have been called. That is the bankers' dilemma, or will be when some leader is resolute enough to disobey signals.

J. S.

What is "Anti-historical"?

NOTES FOR A THESIS.

By John Hargrave.

Reference: "Enter Mussolini," by Emilio Lussu (Methuen, published 1936, 7s. 6d.), an Anti-Fascist.

Time: 1922.

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

Text: "... People there (Sardinia) still hoped for a general movement of revolt (against Fascism) throughout Italy, but the situation was in truth desperate. To talk of revolt in Rome was to be treated as a madman. I even went so far as to approach certain Communist deputies. They were all agreed in regarding Fascist violence as 'anti-historical'; it was useless therefore to oppose it with further violence, equally anti-historical, and one must wait for the development of an atmosphere favourable for 'historical' violence." (Pages 112-3 of reference.)

Question: What is "historical"?

—Anything that happens must be historical. Dog scratching flea—man lighting pipe—slow erosion of rock—blink of eyelid—stone thrown—idea formed in mind—sneeze sneezed—leafbud unfolding—bus skidding—cat purring—words spoken—heart beating—troops marching—blister watering—cinder dropping—hammer hitting—ink drying—anything that happens must be historical.

Question: What is "anti-historical"?

—That which has not happened, is not happening, and does not happen is anti-historical.

∴ as Fascist violence happened it was (it at once became) "historical" violence.

∴ unsound Communist reasoning to conclude that it was "useless" to oppose with "further violence" on the grounds that such opposition would have been "equally anti-historical." Only sound reason for Communists not opposing would have been inability to do so with reasonable chance of success.

Breaking through jargon, what these Communists were really telling Democrat Emilio Lussu was:—

"Fascist violence has taken us by surprise. According to our reading of historical development Fascist violence is not really possible—it is anti-historical. It is happening, but ought not to happen—it is not 'according to plan' of Materialist conception of history. If, therefore, we oppose this Fascist violence with Communist counter-violence we also shall fall into anti-historical sin. No, we must not sin against history. We must wait until this strange anti-historical interlude is over and real historical violence can begin."

A kind of "gap" in history, if you understand? Must wait until "historical" history begins again. Mussolini marched through that gap.

That gap is the flaw in a certain doctrinaire interpretation of Communist historical dialectic. The fact that such an interpretation is possible shows that the basic argument of the dialectic has not been accurately stated. It allows of "anti-historical" violence taking place in the historical process, which is absurd.

The development and violent onset of Fascism is perfectly understandable within the limits set by the materialist conception of history, when that concept is correctly stated. The Italian Communist deputies who talked to Signor Lussu in 1922 had turned it into a metaphysical conception in which Fascist violence was not only unforeseen, but could only take place as a

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

There are other "surprises" in store, not only for the doctrinaire Marxian theorist, but also for the opportunist Fascist; and the "gap" through which they will march has been to some large extent created by Collectivism and the organisation of the Total State in the realm of mass psychology.

It is easier to-day for one individual to control the million-headed mass than ever before in the history of mankind, and, for that very reason, after a certain point has been reached in Mass Regimentation, "an atmosphere favourable" for the de-control of the mass will develop, and such de-control will take place.

To many it will seem "anti-historical."

Alberta's Bond Interest.

[Correspondence reprinted from *The Financial Times* of April 15-16.]

I.
Sir,—In the matter of the Six per Cent. bonds, a case may be made out for the hopeful Mr. Aberhart. Six per cent. is so enormous a rate of interest that the average man would regard it as unconscionable, except as the reward for taking speculative risks. Obviously such a rate implies the existence of considerable risk of losing the capital.

In Alberta this risk, which the lender took with his eyes open, has materialised. For fifteen years he has drawn 6 per cent., instead of 3—and if the gamble has, at the finish, gone against him, I for one cannot see that he has any kick coming.—I am, etc.,
Kingsgate, Kent.

ST. JOHN HAMILTON.

II.
Sir,—In the *Financial Times* of 15th April, Mr. St. John Hamilton makes a statement in regard to Alberta Six per Cent. bonds which seems to me to disregard the fact that the rate of interest on a loan of this class is governed by the monetary conditions at the time of the issue. Mr. Hamilton says, "Six per cent. is so enormous a rate of interest that the average man would regard it as unconscionable, except as the reward for taking speculative risks." I agree that such would be the case were a loan of this class raised at the present time, but money was dear fifteen years ago, so dear that even first-class trustee stocks could not be placed on worse than a 6 per cent. basis.

Those familiar with monetary history doubtless will recall that the City of Liverpool during 1920 and 1921 issued over £4,000,000 of Six per Cent. Redeemable stock, and about the same period, London County Council placed a somewhat similar amount of Six per Cent. Housing bonds with the public. Again, in 1921, Newport (Mon.) and several English boroughs issued Six per Cent. Redeemable stock at 9½ per cent.

Now, because monetary conditions of the time compelled borrowers to pay what, in these days of cheap money, seems excessive interest, Mr. Hamilton would describe such returns as "the reward for taking speculative risks," and urges that such "implied the existence of considerable risk of losing the capital." Having regard to the status of the borrowing Corporations such implications would be absurd.

What Mr. Hamilton appears to overlook is that the financial troubles of Alberta are of comparative recent date, and that the credit of the Province was high fifteen years ago; it was even high in 1934, judged by the quotation in that year of 104½ for the Four and a-Half per Cent. (1943) bonds and 112½ for the Five per Cent. (1962-67) Loan.—I am, etc.,
London, E.C.

CHAS. WADDELL.

"The United Farmer" and the Alberta Government.

[Reprinted from *The United Farmer*, March 27.]

URGENT ISSUES.

A delegation from the United Farmers of Alberta waited on the Provincial Government this week to lay before them a number of issues of urgent importance to the farm people of the Province. They were courteously received, and we trust that the representations which have been made will yield tangible results.

The budget imposes heavy handicaps on the farming industry at a time when it is already overburdened. If the new sales tax should be levied on fuel and lubricating oils and on machinery and other necessities of farm production, the primary industry of the Province upon which all else depends will be confronted by a serious situation. The proposal that these should be exempt is a most reasonable one. The increase in the fuel oil tax will hit agriculture hard, while the new social service tax of 3 mills an acre to replace the supplementary revenue tax will also bear heavily upon all rural communities.

The delegation from the U.F.A. Executive and Board laid all these matters before the Government, supporting their case with evidence which should be convincing. They asked, among other things, that the new code should be so designed as to avoid any interference with co-operative activities which are developing with advantage to consumers, particularly in the rural communities of the Province. They asked that there should be no lessening of the protection given under such measures as the Debt Adjustment Act and the Agricultural Stabilisation Act.

We are sure that the granting of the requests made in behalf of the organisation would be welcomed by farm people throughout the Province.

Until all the correspondence which has passed between Premier Aberhart and Major Douglas has been published, as Major Douglas requests, final conclusions on the issues which have led to the break between them will not be possible. Enough, however, has already been made known to cause surprise, not that the break has come, but that it has been so long delayed.

What is apparent is that from the moment when R. J. Magor, chairman of the Sound Money Committee of the Canadian Chamber of Commerce and a thoroughly orthodox financier, became the adviser of the Government in financial matters and his advice was followed, a clash was inevitable. For whatever views an observer may hold upon the matters at issue, it has always been evident that the financial policy of Magor and the financial policy of Douglas are fundamentally opposed.

The fact that it was on Mr. Magor's advice that Newfoundland saddled her citizens with heavy new burdens and lowered their standard of living, in order to meet the requirements of the bondholders, and that finally the Newfoundlanders were deprived of political rights and the government of their Dominion was turned over to a Commission who govern, without any kind of Parliamentary check, in behalf of her creditors seemed, when his appointment by the Alberta Government was announced, to afford grounds for apprehension.

Such apprehension was felt not only by citizens who share Major Douglas's views, but by all who regard the orthodox school of finance and economics which Mr. Magor represents as reactionary.

If the correspondence should show that Major Douglas sought such powers as would enable him, in his own judgment, to carry out his contract, and that such powers were denied, then it will be established, as the Hon. R. G. Reid, former Premier suggests, that the only honorable course open to Major Douglas as the chief reconstruction adviser of the Government was to resign.

The Films

"**King of Burlesque.**" Directed by Sidney Lanfield. Regal.

Only Hollywood can make good "musicals." The best was "42nd Street," produced by the Warner Brothers. This is the next best. It is well directed, cast, and acted; is not spoilt by pretentious production numbers; has a beauty chorus that is good looking; and is first-class entertainment.

"**Kliou.**" Produced by the Marquis de la Falaise. Rialto.

Kliou is an Annamite word for tiger, and the film is a simple, naturalistic record of the killing of a tiger that menaced a native village. Its simplicity is admirable, and the absence of all spoken comment and attempts at humour earn my deepest gratitude. But the Technicolour process is still a long way from perfection. Until colour on the screen is true to nature, monochrome is vastly preferable, especially in long shots.

"**A Tale of Two Cities.**" Directed by Jack Conway. Empire.

Very conscientious reconstruction of Dickens, so conscientious as to lack spontaneity. Excellently acted; Ronald Colman has never done anything better than Sydney Carton, and among the large cast Elizabeth Allan, Edna May Oliver, and Isabel Jewell demand special notice. Hugh Walpole's collaboration should have prevented such anachronisms as "Hoodlum," "in years," "your witness," and "nothing to it." I predict an immense success at the box-office.

DAVID OCKHAM.

West Central-ism!

"**Managed Economy:** Under this heading the *Canard Enchaîné* reproduces the following notice, just received by the Renault Works, Billancourt:

"The heavy losses which we are suffering are often caused by the careless superintendence of departmental chiefs; workmen are frequently absenting themselves from their places without cause.

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

"The chiefs of departments are requested to exercise a stricter control over the *good functioning* (sic) of the staff.

"The Management."

"Obviously that must be one of the profound causes of the crisis in general and of the deficit of Etablissements Louis Renault in particular.

"Formerly the workmen went less frequently to the w.c., and it was that which caused the prosperity of the French nation." (*La Grande Relève*, Paris.)

A "NEW AGE" ANNIVERSARY.

April 17, 1930. THE NEW AGE of that date was "censored," and appeared with two blank pages. The incident made a Fleet Street story, the journalists got their facts wrong (as usual), and some of the intelligentsia murmured: "THE NEW AGE? Ah, yes; that paper died when Orage left England, didn't it?"

Once the Ghost Journal of Fleet Street, THE NEW AGE has become the "skeleton in the cupboard" of the Social Credit Movement.

E. P.

GREENSHIRT DEMONSTRATION.

In addition to four "uniform" recruits, twenty non-uniformed recruits joined the Social Credit Party following the meeting at the Fulham Town Hall on April 3.

NOTICE.

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

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

'La Republique des Banquiers.'

[Extract from Prologue.]

First of all, a picture:

It was the end of March, 1924, and M. François Marsal, Chancellor of the Exchequer, had called together at his private office in the Ministry, Rue de Rivoli, the directors of the big banks: Crédit Lyonnais, Comptoir National d'Escompte, Société Générale, Banque de Paris et des Pays-Bas, Banque de l'Union Parisienne, Banque Rothschild frères, Banque Nationale de Crédit, and Crédit Industriel et Commercial.

The atmosphere was almost chilly—I speak of the weather—and the Chancellor fussed around the assembled company:

"Some armchairs, take some armchairs, gentlemen! This way, M. le Directeur of the Crédit Lyonnais; don't remain so near the window, there is a slight draught."

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

The Minister of the Republic stopped a moment and took breath, and then delivered himself as follows:

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

Immediately there was a sound of coughing, the creaking of armchairs, and laughter. The Minister added:

"Well, gentlemen, I am very uneasy about a maturity. I am short of nearly 700 million francs—wait a moment, here is the exact figure: 695,861,000 francs. Therefore, I have thought of you. I know that you would not refuse me this service. Besides, one good turn deserves another; and I shall not forget you. I have still some Treasury Bonds. . . ."

Those gentlemen looked at each other, and then nodded approval; and one of them made this short statement:

"This evening, M. le Ministre, you shall have your 700 million francs—or rather the exact number of millions you require. When it is a question of patriotism, we always answer: 'Present!'"

Salaams. Handshakes.
(Curtain.)

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

Forthcoming Meetings.

The following public meetings will be held at the Blew-coat Room, Caxton Street, S.W.1:—
April 24, 7.45 p.m.—By the Marquis of Tavistock. Question and Answer night.

The Social Credit Party of Great Britain.

National Headquarters: 44, Little Britain, E.C.1.
Wednesday, May 6, at 8 p.m.—Final Lecture for the season 1935-6, by John Hargrave, Founder and Leader of the Party, at National Headquarters, 44, Little Britain, London, E.C.1. Subject: "The Element of Surprise in Social Credit Propaganda Tactics."

"**NETHERWOOD," The Ridge, Hastings.**
4 acres of lawns and woodland. 500 ft. up. Swimming pool, gymnasium, tennis court and dance hall. Home produce for all diets. Cent. H. H. & C. all bedrooms.

From 7/6 a day inclusive.
Write for illustrated brochure.

ACADEMY CINEMA, 165, Oxford St.
GER. 2981.

The gayest film of the season! **MARTA EGGERTH** in
"LIEBESMELODIE" (A)
Music by **FRANZ LEHAR.**

Published by the Proprietor (ARTHUR BRENTON), 70, High Holborn, London, W.C.1, England (Telephone: Chancery 8470), and printed for him by THE ACADEMY PRESS, LIMITED, Temple-avenue and Tudor-street, London, E.C.4, England (Telephone: Central 3701).