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"THIS war, whatever its outcome—and I believe from the bottom of my heart that we shall be successful—far transcends, in the importance of its issues, the war of 1914-18, or any other war in history."—Major C. H. DOUGLAS, speaking in the famous Ulster Hall, Belfast, on November 30, 1937.

Your War In Alberta

IT has been my very great privilege to address a Belfast audience in this famous Ulster Hall on several occasions. The last time I did so I could not see my audience because of the heavy fog, but I am glad to say I can see you quite well tonight.

On previous occasions I have come here largely as a propagandist, to lecture to you on economics or on the theory of democracy in which we are all interested. Tonight, however, I have come in a somewhat different rôle: that of a reporter and an interpreter of events which are taking place some six thousand miles away in Alberta, under the able leadership of Mr. William Aberhart, the Premier, and under the guidance of the two men you have sent out, Mr. G. F. Powell and Mr. L. D. Byrne.

I think it might be regarded as a tribute to our impartiality that I am a Scot and Mr. Byrne is an Irishman and Mr. Powell a Welshman. Or perhaps you may be reminded of the old saying, "The more I see of men the better I like dogs," because I see a lot of Scots and Englishmen—so I chose an Irishman and a Welshman.

The troops in your war in Alberta are its general population, and if Powell and Byrne do not both end in gaol, they will lead them to victory. If they do go to gaol they will not stay there long because the Albertans will surely let them out.

A Clear-Cut Alignment Of Forces.

Even if the public outside the Province of Alberta or the Dominion of Canada had no direct interest, except as spectators, in what is going on under the leadership of Mr. Aberhart, its dramatic value would be of the highest. Indeed, it has great "news value," as is evident from the space given to it by the general press, even though the reports are carefully edited to misrepresent and distort.

The fact is, however, that in the western provinces of Canada a war has been opened, and Alberta is the first place where battle has been joined; and this war, whatever its outcome—and from the bottom of my heart I believe we shall be successful—far transcends, in the importance of its issues, the war of 1914-18 or any other war in history. When I say war, I mean war—war in which every sanction of civilisation and of barbarism will be brought into play.

If it were only in Alberta that the forces which are there aligned against each other were beginning to form, then the outlook would certainly be bleak. But the same forces are simultaneously opposed to each other, though not yet so obviously, in Australia and New Zealand, in this country and in parts of Europe, and to a less extent in the U.S.A. Everywhere there is growing a clear-cut alignment of the forces of international finance against the forces of genuine democracy; and the clear-cut nature of the issues is not the least important feature of this situation.

One-Way Government

Although the war is only in its opening stages (for whatever its outcome it will be a prolonged struggle) certain facts of vital importance to us all have been demonstrated as never before. It has been made quite clear in Canada specially, but also here and in the U.S.A., that, although popularly elected, democratic Governments are nothing but one-way streets. That is to say, that what we call Governments are only permitted to exist, and are invested with all the panoply of power, supported with money, and their

ways made smooth by help from the press, for just so long as they use their powers primarily in the interest of international finance.

The Government of Alberta elected in August, 1935, with an overwhelming majority—fifty-seven out of sixty-three Members were elected under the label "Social Credit"—evoked no particular opposition from the Dominion of Canada Government at Ottawa for just so long as it increased taxes and used the greater part of the increase to pay the interest on bonds held by financial institutions.

No Opposition While Monopoly Unchallenged

Now the very last thing I am doing is to criticise; indeed, I think it was very natural that a Social Credit Government in the flush of victory should have been lured from the path of Social Credit. The point I am making is this. It was allowed to experiment with all sorts of devices which did not, and could not, lead to any effective infringement upon the monopoly of credit held by the banks. For example, a Bill was passed, among many others, for establishing something which was indistinguishable from a Provincial bank; and another under which so-called Prosperity Certificates, documents very similar to ordinary dollar bills, were printed and circulated. Both of these Acts were flagrant infringements of Dominion prerogatives, but no action such as disallowance was taken, since it was easy for anyone who understood these matters to see that both were useless as an effective challenge to finance.

In short, at least two Bills became law which were complete infringements of the relations between the Province and the Dominion, but no action was taken because, under the advice of an orthodox financier appointed for the purpose, the management and administration of the Province of Alberta, apart from these two experiments, was indistinguishable from that of any preceding Government, except that it trebled taxation, and bondholders were getting the proceeds of the increased taxation.

But after two years of rather pathetic experimentation a very definite line of action was taken. By methods which I have explained before in Belfast, based on what is called the Electoral Campaign, the Albertan electorate set about demanding the results it was not getting. The pressure for results became so overwhelming that the Ministers had to yield and take steps to implement their election promises.

Effective Action Provokes A Storm

Powell and Byrne were invited into the arena, and as a result of their entry the Albertan Legislature was called into special session and three Acts were passed definitely designed to give control of the credit system of the Province to the representatives of the Albertan people.

This was real business, and the Dominion Government, with the financiers behind it, reacted at once. Within a week of the passage of these Acts, a storm arose unequalled in the political history of Canada, and the Prime Minister, Mr. Mackenzie King, "disallowed" the Acts.

This question of disallowance is important as an indication of one line of counter-offensive.

Since it was realised that as soon as effective action was taken it would be violently misrepresented—and these Bills were misrepresented as soon as they were proposed—another Act was passed which was misrepre-

sented even more completely than the others. This was the Press Bill—misrepresented as a censorship—which actually provided for no censorship whatever but for the publication of sources of information, and of corrections. In other words, it was an Act to provide for fuller information of the public, since the source from which information is given is often as informative as the information itself.

The B.N.A. Act

The Constitution of Canada, so far as it is supposed to have one—and it is supposed to have one—is contained in the British North America Act, commonly called the B.N.A. Act. This is an Act of the British Parliament of 1867, which confers certain rights on the Dominion and on the Provinces, including rights regarding disallowance. Some understanding of this matter is necessary, as you will be seeing a lot about it in the papers within the next twelve months, and unless you know what it is about you may be misinformed.

The power of disallowance was a delegation to the Governor-General of a power residing in the Sovereign, who in 1867 was Queen Victoria, and her powers were much greater than they are today. In theory the reigning sovereign has the right, known as the Royal Prerogative, of refusing his assent to Bills passed by Parliament, but we all know quite well what would happen if it were to be exercised today, and it certainly does not seem possible to invest a Governor-General with greater powers than his sovereign.

In the B.N.A. Act the only references to the power of disallowance which I can find are in Sections 55, 56, and 57, which read as follows:

55. Where a Bill passed by the Houses of Parliament is presented to the Governor-General for the Queen's Assent, he shall declare according to his Discretion, but subject to the provisions of this Act and to Her Majesty's Instructions, either that he assents thereto in the Queen's name, or that he withholds the Queen's Assent, or that he reserves the Bill for the Signification of the Queen's Pleasure.

56. Where the Governor-General assents to a Bill in the Queen's name, he shall by the first convenient Opportunity send an authentic Copy of the Act to one of her Majesty's Principal Secretaries of State, and if the Queen in Council within Two Years after Receipt thereof by the Secretary of State thinks fit to disallow the Act, such Disallowance (with a Certificate of the Secretary of State of the Day on which the Act was received by him) being signified by the Governor-General, by Speech or Message to each of the Houses of Parliament or by Proclamation, shall annul the Act from and after the Day of such Signification.

57. A Bill reserved for the Signification of the Queen's Pleasure shall not have any Force unless and until within Two Years from the Day on which it was presented to the Governor-General for the Queen's Assent, the Governor-General signifies, by Speech or Message to each of the Houses of Parliament or by Proclamation, that it has received the Assent of the Queen in Council.

An Entry of every such Speech, Message, or Proclamation shall be made in the Journal of each House, and a Duplicate thereof duly attested shall be delivered to the proper Officer to be kept among the Records of Canada.

That is to say that the only case when it ceases to be a personal matter for the Governor-General is when he refers it to the British Privy Council.

Section 90 of the Act gives the same right of disallowance and reserved assent to the Lieut.-Governor in respect of Provincial Laws as the Governor-General has in respect of Dominion Laws.

I went carefully into the whole question in 1935, when I was in Alberta, with the best Constitutional lawyers, and they were quite clear that the power of disallowance, to the extent it still existed, lay with the Governor-General in person, and not with the Governor-General in Council—the latter term, of

course, being another way of saying the Dominion Cabinet.

Opposition Tactics Illegal

At the time when Mr. Mackenzie King "disallowed" the Albertan Acts the Governor-General, Lord Tweedsmuir, was in the Arctic Circle, and it is, in my opinion, unquestionable that Mr. King's action was a flagrant abuse of the Royal Prerogative, and could properly have been taken only if the Lieut.-Governor had in the first place refused assent to the Bills.

Now the next step was for Alberta to repass the Acts with modifications to make them more difficult to disallow, and this brought into play a power which had never before been used in Canada, when the Lieut.-Governor of Alberta, Mr. Bowen (who was appointed by Mr. Mackenzie King in 1935), reserved the Royal Assent.

As these Acts had just been passed for the second time, the nature of this action can be judged if we imagine the King to withhold assent from a vital Act of Parliament passed by large majorities in the House of Commons and the House of Lords.

It is certain that the actions of Mr. Mackenzie King and of Mr. Bowen cannot both be legal.

All of this is a clear indication that as soon as anything is done which genuinely attacks the prerogative of international finance—and such was the nature of the Albertan Acts—then the titular governors simply become the puppets of international financiers.

The Mortgage Stranglehold

Before proceeding to explain to you in more detail the nature of these Acts, the present position of them, their objective, and the probable trend of developments in connection with them, I think it desirable to give you a brief picture of the situation as we see it, and as I think we see it correctly.

In the first place, there exists, specifically in Alberta, but to a greater or less extent all over the world, a condition of affairs, the understanding of which is absolutely essential to any grasp of world politics today. It can be briefly expressed by saying that a Government—no matter whether it is a so-called sovereign government, or whether its sovereignty is disputed, as in the case of Alberta—is regarded by its Plutocracy, by which I mean the money-lending interest, and not necessarily the rich men, primarily as the administration of an estate to be mortgaged up to the hilt, the mortgages to be created by the lending, to the population of the estate, of its own credit at the highest possible return of interest.

It is essential also to realise that the primary objective of this policy is not merely, and certainly not in any realistic sense, the acquirement of monetary wealth by the plutocrats through the machinery of the banks, mortgage companies, and insurance companies which are their agencies. Though in comparison with the rest of the population these men are immensely rich, their scale of personal luxury could in many cases be maintained upon an income of extremely modest proportions, and their immense reserves are used to perpetuate the system and to finance the wars which are the outcome of it.

The Threat Of Grinding Toil

With a full appreciation of the gravity of what I am saying, I am convinced that in the case of the ring of international financiers who control the system, the conscious

Your War in Alberta (continued)

objective is to keep the great mass of the population in fear of poverty and of loss of social position; by which I do not necessarily mean in lack of physical necessities, although that is the result of it, but I do mean that it is intended that they should be kept in constant insecurity and under the threat of grinding toil, even though such toil is not demanded by anything realistic in the situation. In the main this is accomplished by immense misdirection of production effort—redundant factories, "Public Works," "Fashions," etc.—anything but wanted consumers' goods.

I can imagine that anyone unfamiliar with the techniques of the debt-creating system under which we all exist, might say that this is merely wild assertion incapable of proof. On the contrary, it is capable of the simplest possible proof, and arises from the following propositions:

- Modern life and work cannot be carried on without the use of money;
- All money comes into existence as a debt from the community to the money-creating agencies;
- The debtor is the servant of the lender until his debt is paid;
- The debts owing by the community to the money-lending agencies are increasing in geometrical ratio, and could never possibly be paid off, since the amount of money in existence at any time in the possession of the community is only a microscopic fraction of the debts held against them by the money-lending agencies.

The proposition which is put forward by the Governments, who act as spokesmen for the money-lending agencies, is that capacity to pay should be the measure of a debtor's liability, which means that everything that he does not require for a bare existence should be at the service of the lender.

There is another point which is frequently misunderstood, and which I should like to make to you, since it is vital in a consideration of the remedial steps which can be taken in connection with the situation, and that is that, although the debts owed by the community to the money-lending agencies are assuming astronomical proportions, they are quite small in comparison with the real wealth of the community measured in the same units.

Alberta's Real Wealth Is £46,200,000,000

Perhaps an instance of this in connection with the Province of Alberta may be illuminating. A very conservative and detailed estimate, which has been made at my suggestion, of the capital wealth of Alberta at the present time, places that wealth at the astounding figure of forty-six thousand, two hundred million sterling, or over £50,000 for every man, woman, and child in the Province.

As you probably know, the population of Alberta, men, women and children, is about three-quarters of a million, little more than half that of Northern Ireland in an area 50 times as large, and the greater part of this population, which might be supposed to be the titular proprietor of the Province of Alberta, on the assumption that the citizens of a country are the owners of it, which is of course not true, are for the most part in a state, not merely of grinding poverty, but hopeless debt.

I am not saying that there is £50,000 potentially in the pockets of every man and woman in Alberta, but the debts of the population amount to about £400 a head; nevertheless, all their debts together do not represent a hundredth part of the capital wealth of Alberta; but since they are money debts, and the wealth in Alberta is real wealth, and not money wealth, civilised life in Alberta is becoming impossible. This is the picture that I want you to bear in mind as a background to anything I may have to say.

Debt Should Be Asset Of Citizens, Not Banks

Now in essence, the problem which faces Alberta, and not less the rest of the world, is quite a simple one. The present financial system is, as I have said, a debt-creating system, but it must be remembered that, to the holder, an acknowledgment of debt is an asset. If you grasp what I mean by this, you will see that you have only got to put the individual citizens in the position of the moneylender, and every development which takes place through the aid of money is reflected in an asset which can be placed to the credit of the citizen. In other words, it is not the credit system in itself which is primarily defective in the world today, it is the usurpation of that credit and its conver-

sion into a monopoly, which is at the root of the dangers which face our civilisation.

Nationalisation Is NOT The Remedy

Once again, let me emphasise that what is called "nationalisation" has no bearing on this problem. The Bank of New Zealand has been nationalised and debt and taxation are rising more rapidly than before its nationalisation. The Commonwealth Bank of Australia is a nationalised bank, and is, if possible, more tyrannical than the Bank of England. The Bank of Canada is controlled through the Dominion Government, with the result that the Bank of Canada controls the Dominion Government. Mr. Montagu Norman, the Governor of the Bank of England, is alleged to have said: "Nationalisation? We welcome it."

Once again, let me endeavour to put the matter in that nutshell with which all Social Crediters are familiar, as being the dimensions to which they are asked to reduce their explanations.

No change in the banking system, or its administration, is of any value whatever which does not place to the credit of the individual citizen those assets which are now placed to the credit of the banks.

The Bank Acts

We are now perhaps in a position to consider the steps which are being taken in Alberta to implement these ideas. The first of these are comprised in two bank Bills, one of which consists of two Bills which were subsequently consolidated in one Bill known as "An Act to Amend and Consolidate the Credit of Alberta Regulation Act," the short title being "The Credit of Alberta Regulation Act, 1937." The essential provisions of this Act are first that all bank officials shall be licensed, so that if they refused to carry out reasonable orders, their licenses could be withdrawn or suspended. In the second place it is provided that every bank operating in Alberta shall, from the passing of the Act, establish one or more local directorates, and that a predominating number of directors shall be nominated through the Social Credit Board, which is the department of the Alberta Government concerned with the initiation of a Social Credit system.

You will notice that this Bill involves no confiscation of bank property, involves no interference with the methods of bank administration, but, like all boards of directors, the board of directors set up would have control of bank policy.

The provisions are not even very novel. Many other businesses are licensed, pawnbrokers, doctors, dentists and chartered accountants, and so forth. The Act was disallowed because it referred to banks.

Many other businesses have Government nominees on the board—I will instance Imperial Airways, but there are many others at home and abroad. It is nothing novel, but it was disallowed because it referred to banks.

The second Banking Bill was a reply to the "disallowance" of the first Bill, and greatly increases taxation upon banks for the relief of taxation upon individuals. Under the Canadian Constitution a Province can unquestionably impose any direct taxation it chooses, but this was disallowed because it referred to banks.

Correct Information A Vital Need

Since it is important that the political power of the population of Alberta should support those and similar measures, it is fundamental that they should be properly informed as to the meaning and object of them, and therefore a Bill entitled "An Act to Ensure the Publication of Accurate News and Information" was passed. It was fiercely attacked under the pretence that it was a censorship Bill, which is a gross misstatement. The provisions of it, however, made it compulsory that, if the Government should require it, the source of news, and, if necessary, comment upon it, should be published by any newspaper.

Now the weight to be attached to either news or comment depends very largely upon the source from which it proceeds, and the so-called "freedom of the press," at the present time, consists in a freedom to publish any amount of propaganda, together with the right either to censor completely any reply, or alternatively, and invariably, to insist on a signature to the reply. Thus anyone carrying on a controversy with the powers which for the most part control newspapers, is in the position that his adversary can say what he likes without disclosing his identity, whereas publication of dissent from

the views thus anonymously expressed can either be refused or, if it is published, can be discounted as coming from someone known to be a "crank."

It is a primary civil right of any people to be correctly informed. A nation is simply an assembly of individuals who agree to co-operate for their own advantage. Stripped of all the trappings of romance, if a nation fails in successful co-operation for the advantage of all concerned, then it fails as a nation, and a community cannot know what is to its advantage if it is persistently misinformed. I might add that the population of Great Britain is the most grossly misinformed of any of the so-called democratic countries.

Now Alberta has certain rights granted under the British North America Act which are quite beyond discussion (so long as the validity of the B.N.A. Act is conceded, and that is gravely affected by the subsequent passage of the Statute of Westminster); it is specifically laid down that all matters pertaining to property and civil rights shall be the sole prerogative of the Province and not of the Dominion.

It is the contention of the Province that it is a primary civil right to be correctly informed, and the interference with the Act to Ensure the Publication of Accurate News and Information was a gross infringement of Provincial rights under the B.N.A. Act.

The Folly Of Premature Plans

To an audience such as this these Bills will hardly require explanation as simply logical steps towards the primary objective of any Social Credit Government—the assumption by the population of the control of its own policy through the control of the Credit System. Please note that they are not a "Social Credit Plan." Immense harm has been done by persons, probably well meaning, but equally lacking in experience, training or judgment, who have represented the problem as one of drawing up some neat, tidy "plan" on the lines familiar to observers of the Sidney Webb-Fabian Society tradition.

The only effect of this is to produce on those members of the community whose assistance would be most useful, an impression of irresponsibility. Americans have a name for people of this kind: "Parlour Pink." The cold hard fact is that the struggle for the control of credit is a war—the deadliest war ever waged by humanity. When the war has been won it will be sensible to dispose of the spoils, but not until then.

The "People's" League

The three Bills I have mentioned are, therefore, the first offensive against the entrenched monopoly of credit, and were instantly recognised as such by the international financiers. They were the first Bills to be immediately and vigorously resented, and the first step in retaliation was the "disallowance" I have described.

At the same time the activities of an organisation called "The People's League" was redoubled. You will no doubt have noticed that if there is a particularly dirty piece of work to be done, it is generally done by a league said to represent the persons who are to be swindled. I have always noticed that any company almost exclusively controlled by foreign capital is called "The British . . . so-and-so," and acts in the interest of the British in much the same manner as does the Bank of England. Representatives of the chartered banks, mortgage companies and insurance companies were, and are, also active members of the People's League.

They were all very indignant that the British in Alberta should be so badly treated, and agreed that there was only one thing to be done, and that was to get Mr. Aberhart and his Government out as quickly as possible.

This "People's" League hold meetings all over the country; I heard of one at a place called Red Deer, where the audience was larger than the population of the town, and that half the audience was recognised at another meeting 300 miles away. A mobile population!

A very interesting feature of the propaganda being carried on is an oblique attack upon the "Demand Results" policy of the Social Credit League and the United Democrats in Alberta, which was so dramatically successful in the hands of Mr. G. F. Powell in restoring unity in Alberta six months ago. Without exception the bankers' broadcasts are devoted to an attack upon Social Credit technique and a perversion of facts in regard to banking and finance, and the "Demand Results" policy is side-tracked as much as possible.

The general line now being taken is that, although the financial system is, of course, not perfect, any changes in the direction of Social Credit would make matters much worse, and that the proper course to pursue is to reorganise completely the whole economic system on the lines of Fascism or Communism, and to have a general argument about how to do it. I regard this feature of the campaign, the attempt to stir up a technical wrangle, as being particularly interesting and informative, because I do not underrate the brains of our adversaries, and I am confident that the prime strategy is at all costs to delay Social Credit action until such time as they have control of the administrative system along the lines of Russia or Italy.

The financiers are fighting to retain control, and it is that control we have to wrest from them. Although the matter at the moment, and on the surface, is being carried on along lines of legality, nevertheless, as always, the real question is one of sanctions. In this connection there is significance in the remark generally attributed to General Griesbach, of the People's League, that with twelve hundred rifles he could clear Social Credit out of Alberta in two weeks.

Our adversaries are certainly realists, and as lately as 1932 they arranged for the Provincial police force to be superseded by the Canadian Mounted Police, who are controlled from Ottawa. However, for obvious reasons, I cannot discuss this aspect of the matter very closely, but I know that it is receiving every possible attention, and there are ways of dealing with it.

Other Provinces Now Taking Notice

Meanwhile it has been made clear to a large number of people in Canada that Social Credit, which formerly was only words to them, has something to do with banks. This is very important. All over Canada people are saying, "Oh, they are against the banks, are they? Well, we're all for it."

There is also a growing feeling that if Albertan laws can be treated with such contempt, it may be the turn of any Province next. They are taking notice, especially in New Brunswick and Quebec. Quebec, which has immense political power at Ottawa, is solidly on the side of maintaining and extending Provincial as compared with Dominion control. It will almost certainly turn out Mr. Mackenzie King, and whoever takes his place will have to walk much more warily.

The immediate objective of the opposition is to gain time, and in this they have succeeded, for the Bills, which would have been disastrous to them, have certainly been delayed. Whatever the outcome of the Supreme Court's deliberation upon them they will almost certainly be referred, by one side or the other, to the Privy Council in London, probably next midsummer.

The Albertans have done great work and scored three tactical victories to one of the Dominion. And while the latter's delaying tactic has set the Provincial Government the problem of keeping up the morale of the Albertan people against a great barrage of misinformation, at the same time the Dominion Government is steadily losing in prestige over the whole affair.

The Supreme Task Of This Generation

Of the ultimate outcome of the struggle, I have no doubt whatever, but it will be a long and bitter one. There is no single issue in the world today which approaches it in importance, not merely for the people of Alberta, or even for the people of Canada, but for the whole world. The issues of poverty amidst plenty, of war, of insecurity, of health and even sanity, are all bound up in it.

This is just as much your fight as it is the fight of the people of Alberta. In fact, you have no future worth considering unless you grasp and deal with this matter. The things which fill the papers in these days are of minor importance. The scurrings to and fro of the Edens and the Hitlers are the inevitable result of the present system, and these men are merely the public relations officers of International Finance, which makes their scurrings necessary.

If that is so, and I am convinced that it is so, all these other issues are bound up in the struggle to make democracy a correct reflection of the people's will and at the same time to abolish poverty in the midst of plenty.

There is no one in this room who cannot, in some way, play a small part, or possibly a great one, in this struggle, and I commend it to you as being of greater importance than anything else which can occur in your lifetime.

C. H. DOUGLAS