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The Press and Free Speech
A Say-It-Again Law?

The *Farm and Ranch Review* for November contains a heated outburst from its editor, Mr. Peterson, against the Aberhart Government (and, by extension, their Social-Credit advisers) concerning their policy in general, and particularly concerning their Press Act. Mr. Peterson is a conscientious journalist with, as he claims in his article, a record of forty years' service in Alberta; so, for that reason, what he says will have its effect and must be taken account of. He declares that, so far as he is concerned, the Government will have to walk over his "dead body" before they shall censor his opinions or impound space in his journal to express their own.

We can understand his point of view quite well, and sympathise with it, because in all probability he has never experienced the constraints that are already imposed on newspapers by vested interests (with High Finance behind them). He caters for the interests of farmers and ranchers whose support of his journal keeps it going, and whose freedom to withdraw their support is the only safeguard that is necessary against neglect or betrayal of their interests. But for this very reason his journal is not typical of the class of newspaper whose freedom the Government seek to modify. Newspapers in that class do not depend entirely on the revenue received from their readers, but (and in a progressively increasing degree) on that received from advertisers. It can be shown that the allocation of advertising is under the control of the bankers; and that the larger the amount of the allocation the less remote the control. This control is facilitated by the fact that the larger a newspaper is the more it is dependent on bank credit. One consequence of this is to be observed in the tendency (in respect of all large enterprises besides the Press) for the powers of the old-time private directorship to be vested in actual or virtual bankers' nominees—e.g., bankers' auditors or trained accountants. The trial and conviction of the late Lord Kylsant threw a floodlight upon the fact and purpose of the pressure directed against freedom of directorial action (which, observe, corresponds to the freedom of editorial speech in the newspaper-world). The conviction of Lord Kylsant constituted a warning to all private directors to act by the advice of their accountants; and a warning to accountants to give proper advice, and insist on its being adopted. And it made clear what this proper advice should be; namely, to veto any directorial act which is calculated to mislead banks and other credit-institutions into affording accommodation (by loans or investments) to the enterprise in question. In the Kylsant trial it was laid down that the secret accumulation of reserves is legal, but the secret distribution is illegal. By "secret distribution" is meant the paying out of the reserves under the pretence that the money has been earned as profit during the previous financial year. In practice the alternative, namely, to declare that reserves are being distributed as dividends, would bring the bankers on the scene at once with a demand for repayment of overdrafts, leading to the extinction of the enterprise. So, indeed, would the passing of the dividend, though not so promptly, because at least the reserves, which the bankers regard as their security, would not be flowing out into the pockets of the shareholders to whom they belonged!

Well now, when you consider that the directorship of large newspapers has to be exercised within these rules of law, and consider further that a Social Credit Government who mean business is bound to be regarded by the Elders of the banking system as undermining the very foundations of that system, what else are you to expect but that every wire will be pulled to mobilise the voice of the Press against the voice of the People? And where is the newspaper of any important dimensions which can face the penalty of resistance? The warning given by the *Financial Times* that the people at the head of the financial system could destroy the whole fabric of Government finance is equally true concerning the fabric of Press finance. Both alike can only draw breath in the bankers' "iron lung."

For these reasons we hope that Mr. Peterson will, on reflection, adopt a more discriminating attitude to the idea of resistance to the unlimited "freedom" (so-called) of the Press. By all means let him criticise any provision in the Press Act which he considers mischievous or superfluous, but let him not denounce the principle of resistance itself. Let him remember that the newspapers we are talking about are, unlike his journal and others of that useful and public-spirited type, potentially able to dispense with revenue from readers just in the same way as a Government can potentially do without taxes. It is all a question of getting the Money Monopoly to underwrite the deficit. For this reason these newspapers could, in circumstances which the Money Monopoly thought called for it, openly neglect and even betray the interests of the public for whom they hold themselves out to be catering. If merged in a single combine (and the absorption of the *Morning Post* is a pointer in that direction) the loss of revenue from readers could be largely saved by retrenchments, leaving a comparatively small margin for the Money Monopoly to underwrite.

Of course, we do not anticipate their doing this, and

the reason is that such an act on the part of the Press would evoke feelings identical with those evoked from Mr. Peterson by the Press Act. There would be many other people whose "dead bodies" would have to be walked over if that ramp were to be disclosed. The spirit of revolt is not dead in the Empire, and it will manifest itself when repression delivers a quickening challenge. In the meantime, bankmen and newsmen, like the Walrus and the Carpenter, will offer the people their solicitous guidance along the beach. We, who know what's what, cannot stop the procession, but we can shout out: "Beware of the oyster-knife!" And that is what the policy behind the Press Act amounts to in principle.

Speaking of the provisions of this Act we gather that they will be disallowed. If so it may be that the Alberta Government will feel disinclined to press them in their present form, particularly since an honest journalist like Mr. Peterson denounces them with such force. We shall see. But in any case we wish to deliver ourselves of an observation which may be of use. We believe that the Press can be as effectively discredited by examples of its self-contradictions as by exposures of its deceptions. Accordingly we suggest that there might be a provision in a Press Act requiring newspapers, upon notice from the Government, to reprint views or reports which had previously appeared therein—the matter to be reprinted being, of course, selected by the Government. We feel sure, in the first place, that this suggestion will placate Mr. Peterson. The Government would not be asking for powers to gag him, or to appropriate space in his journal to correct him or contradict him: but simply to require him, if necessary, to say again what he had said before. We think that Mr. Peterson would not consider the element of technical constraint in such a provision politically mischievous. And certainly, in his case, not a provision which he need anticipate would be applied, nor one which, if applied, would occasion him any embarrassment.

But, as we said earlier, Mr. Peterson's journal is not typical of the newspapers for which a Press Act is necessary. These would certainly be embarrassed by the provision. And the measure of their embarrassment would justify the law which occasioned it. We do not scrutinise the Canadian newspapers systematically, so we will consider those on our doorstep. Imagine, for instance, that when England came off the gold standard and *The Times* had made its comments on the event, the Government (under Social-Credit advice) made *The Times* reprint its own comments on this subject of a few months earlier. Would there be some fun? Boy!—we ask you, and we don't say maybe.

We need not multiply instances; our readers can amuse themselves by thinking out their own. But we will take an instance at the opposite extreme. We cite (pardon us!) THE NEW AGE. Let the bankers advise the Government, and let the Government order us to reprint, on any subject, all that we have ever said on that subject. Would we be embarrassed? No, sir! We would be delighted.

Readers will agree that even if our suggestion is not feasible a debate on it would be illuminating. Astute debaters in favour of it could drive opponents into the position of holding that freedom of speech includes the freedom to exploit the proverbial forgetfulness of newspaper readers—which means, in effect, the freedom to recall and cancel views like bankers do credits. This parallel is not accidental, either: there is a close logical relation between short-term views and short-term loans—the views are lent to the public's memory, and are withdrawn therefrom as and when new views are considered necessary for public consumption. Compulsory repetition of old views would spoil this game, and in much the same way as if racing tipsters were compelled to publish this week the selections they gave last week. So, if the Albertan Ministerialists want an enjoyable evening with the freedom-loving Press here is their opportunity.

"Hands off the Customs!"

We remarked at the end of our main article on November 11 that market-hunting was at the bottom of all international diplomatic intrigues and wrangles. Nations hunt markets to capture revenue, and do so because they need revenue to keep solvent. The penalty of insolvency is the withdrawal of the bankers' support; and the ultimate result of that withdrawal is economic extinction.

This explains what has been happening with regard to Japan. European diplomacy has professed itself shocked by the shedding of Chinese blood and the occupation of Chinese territory. But nothing particular has been done to put an end to these exercises of military power. Even the threatened capture of the International Settlements has occasioned little visible disturbance. But immediately the hint was dropped that Japan contemplated capturing the Chinese Customs—that struck the alarm both good and proper. Britain and America did not wait to consult with other Powers, but told their Ambassadors in Tokyo to warn Japan off in the most unequivocal terms. Why were they so certain what to do, so prompt to take the lead in doing it, and so indifferent to the apparently dangerous consequences of opposing the armed autocracies which were recently bound together by the Italo-Germano-Japanese Pact?

The answer is quite simple. The Chinese Customs are the property of the Basle Combine of International Bankers. They constitute an instrument of financial policy through which the rules of international market-hunting in China are imposed on the competing nations. Basle is the official handicapper of the Revenue Stakes, and for any one nation to usurp that function would be just the same as a horseowner deciding the weights of all the runners in the race where his own horses were competing. The idea of Japan controlling import-tariff scales and collecting duties in respect of everything imported into China needs only to be mentioned to be derided. In fact, it is so ludicrous that one may question whether Japan seriously contemplated capturing the Customs in this realistic sense. The hint might have been put out by Basle agents in Japan in order to provide the Federal Reserve Board and the Bank of England with an opportunity to make the implicit declaration that the Customs arrangements in all countries in the world are integral parts of an international financial mechanism, and that none of them must be regarded as the fruit of national conquest.

Should Capital Be Consumed?

Is Capital charged in prices? Those who say "No" ground their case on two propositions: (a) that investors do not want their money back and (b) that they could not get it in any case. The second proposition simply puts in an explicit form the usual contention that consumers' incomes are equal to prices in the consumption market *because* these prices do not include charges for capital—in other words that consumers have only enough money to pay charges not including capital. (They are able to pay maintenance charges because they receive incomes equal to these charges, according to the contention.)

Assuming this to be true it raises another question, namely: Ought capital to be charged in prices? Critics of Social Credit agree that capital ought to be charged in cases where this capital is allowed to depreciate, i.e., where consumers are using up the investors' property—getting delivery of "pieces of factory" so to speak, until the property has disappeared.

But this raises the question whether these charges which *ought* to be made *can be* recovered in such circumstances. For if, as contended, consumers have not the money to pay out investors in respect of *maintained* capital which they are *not asked* to buy, then they won't have the money to pay in respect of *depreciating* capital which they *are asked* to buy. Obviously the decision of

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CAPITAL IN PRICES.

Mr. Franklin has seen, and replies to, all the letters in this Supplement. Pressure on space compels us to hold over some correspondence. We have held over "Nemo's" letter because Mr. Coleman supports his arguments. "Nemo's" letter will appear next month.

Will correspondents respect the admonition once addressed by a certain gentleman to another, as follows: "Sir; I should see the point that you are making more clearly if you would refrain from pushing your beard in my face."

From B. C. Best.

In your supplement of November 4 Mrs. Bing states that there is no "economic difference between capital goods and consumable goods." There is, however, a vital economic difference. It is true that the *production* of the "fabric of any capital asset," and the *production* of a consumable asset—such as soap—are both financed by a loan. The difference comes later in the *purchase* of these different commodities when completed. For whereas the purchase price of the finished capital asset is financed by (a) a loan, or (b) savings (i.e., investment), and has to be recovered, thereby *creating* a debt against the community, the purchase price of the consumable asset is met by current income, and *discharges* a debt owing to industry. (In other words, I *invest my savings* in capital goods, but I *spend my income* on consumable goods.)

Mr. Franklin, in his letter, rightly states that the deposits created by bank loans become "debts owed by a bank." In actual fact, the banks could no more meet their liabilities to the community if called on suddenly to do so, than industry could meet its liabilities to the banks. Each exists in a state of virtual bankruptcy in relation to the other. The difference arises when the banks—as in 1914—finding themselves unable to meet these liabilities, applied to, and obtained, accommodation from the Government enabling them to do so. Industry, however, is in no such fortunate position, and can be made bankrupt at the Bank's will and discretion if the latter chooses to call in its loans (i.e., deflate), in which case the banks become the possessors of industry's wealth, or real assets.

True, banks have been known to go bankrupt, and many were wiped out in the American depression. But this merely shows that small commercial or industrial banks are, or were, as much at the mercy of central banking policy as industry is itself. Social Credit, however, would enable industry in its turn—through the National Credit Office, and, by means of the discount and the dividend in an orderly and scientific way—to pay its debts to the banks, and would therefore place industry in as strong a position in relation to the banks as the banks are at present in relation to industry.

From L. C. J.

I must confess that I do not understand the bearing on my illustration of Mr. Franklin's statements (1) that profits are not an addition to costs, (2) that depreciation costs are distributed. These statements appear to me to be both vague and inconclusive in their application to my figures, which, having regard to the use to which they are put, quite properly take into account profits as an addition to costs in prices and allow for distributions arising from depreciation charges to the extent to which such charges are obtained in prices. On the subject of depreciation charges, I gather that Mr. Franklin is contending that these charges are financed by an industry in the same way as other costs through the medium of working capital. Whilst there are important considerations which arise on working capital, it is only necessary for me on the above contention to state that it does not correctly represent the position either in theory or in practice. It is generally accepted, I think, that the working capital needed to finance production consists of such sums as will cover the actual out-payments which it will be necessary to make from the time when production first begins until the goods produced become revenue earning through sale. Depreciation charges are of a special nature in so far as they are made with the object of providing a fund to meet an expenditure which it is estimated will require to be made at some future time on the replacement of an asset at the end of its useful life. Profits, although different in nature, have one characteristic in common with depreciation charges, since they represent in the case of any article put upon the market a claim in price to more than has been paid out upon such article previous to marketing. This distinction between depreciation charges and profits on the one hand and the remaining constituents of price on the other is vital to a proper analysis of the position. The plain fact of the matter is that depreciation charges and profits, so far from being adequately financed, are left to the mercy of competition on a market, which is normally incapable of meeting all the claims of this nature made upon it. I am, of course, conscious that my illustration presents a degree of simplification which does not actually exist in the present system, but I claim that this illustration brings out clearly a fundamental difficulty which operates continuously within the system, and that any circumstances or combination of circumstances which can be urged in mitigation of the difficulty will be found to be inadequate in finally overcoming it. The alleviating influence of credit expanding conditions is, of course, important in so far as the resultant expenditure tends initially to generate additional incomes at a faster rate than it creates additional claims against such incomes, but as soon as this phase is passed, the alleviation fades away and the "trade cycle," which is in fact a monetary cycle, reasserts itself. Will Mr. Franklin kindly look at my illustration again, and, in the light of the foregoing remarks, give us the benefit of his further criticism?

I am sorry that Mr. Franklin puts an interpretation upon the concluding paragraph of my letter which was never intended, nor, I venture to think, conveyed. I did not urge the difficulties to which I referred in support of my theory, but in contradiction of his claim to a self-liquidating economy, and I still think my criticism holds good.

From A. W. Coleman.

I must apologise to Mr. Franklin for stupidly misunderstanding him in respect of interest paid to a bank. He and I had both been explaining to Mrs. Bing that the payment of interest to an individual bondholder caused no shortage of consumer-income. When Mr. Franklin said that the result was the same in the case of a bank, I jumped to the conclusion that he meant the result was the same when a bank was the bondholder.

Interest paid to a bank on its direct *loans* is, of course, the payment of bank prices for book-keeping, clearing, and other services rendered; it reimburses the bank for costs incurred; but the payment of interest to a bank as a *bondholder*, i.e., the payment of interest on bank *investments*, is a very different matter, and results, as I showed, in an increase of the costs/income ratio. This applies not only to banks, but to insurance companies and other trading concerns in receipt of large annual interest payments on their share and bondholdings—more than they disburse as dividends or use to subsidise their prices.

Mrs. Bing says that investment does not produce a shortage of purchasing power, because if effective demand is reduced prices will fall. But the Social Credit contention is that investment causes a shortage of incomes relatively to *costs*—not necessarily to prices, which may fall below costs for a while.

Concerning her statement that there is no economic difference between capital goods and consumable goods, may I point out one very important one.

When consumable goods are purchased they are taken right out of the industrial system and that is the end of the matter. The costs are defrayed, and the money used for

this purpose may properly be cancelled (or immobilised). But when capital goods are purchased, they are *not* taken out of the industrial system. Although their costs have been defrayed, they remain *within* the system, and charges against consumers will continue to be made in respect of them, unbalanced by any payments *to* consumers unless the industrial system is expanding and getting into debt at an ever-increasing rate.

I feel sure most of your readers will share my disappointment over Mr. Franklin's reply to the "parables" put forward by "Nemo."

In brief, "Nemo" points out that when capital assets are financed by loan, and investors defray the costs by share-subscriptions, out of their consumer-incomes, which are used to repay the loan, the volume of consumer-income at the end of these operations is no more than it was at the beginning. (And the final result is the same if the construction of the capital assets is financed by working capital.)

He then asks from what source consumers can meet the depreciation charges which will appear in the prices of the products of the new capital assets.

In Mr. Franklin's reply it is difficult to find any appreciation of the factor of time. He points out that industry will have to distribute incomes to get the work of replacing the capital assets done—a fact which no one questions. He does not explain how a distribution of income (say) twenty years hence will enable consumers to meet depression charges to-day. It is no reply to say that they can be met from replacement payments issued by other concerns; that only shifts the difficulty to another part of the industrial system. One cannot make good a shortage by transporting it. It is beside the point to say that "depreciation costs are distributed," if the distribution occurs twenty years after the costs appear in prices.

Mr. Franklin appeared to be on the point of tackling this problem at the end of your October issue, when he announced the entry of an eighth man at an eighth window. Instead of following up this most promising trail, he now, under the pretext of "beginning at the beginning," introduces columns of highly contentious matter on the ownership of bank credit, which has nothing whatever to do with "Nemo's" problem.

The only matter concerning bank credit which *is* relevant to "Nemo's" case happens to be the one point on which both Mr. Franklin and his opponents are agreed, viz., that credit issues are creations of money, and credit-cancellations are destructions of money—using the term money as defined by Mr. McKenna.

The rest constitutes a red herring drawn across the trail. It is a good fish, and should provide an entertaining repast in due course, but I submit we are entitled to request Mr. Franklin to remove it to cold-storage and deal directly with the "self-liquidation" question.

It should not be a lengthy business. He merely has to explain how *current* depreciation charges can be offset by *current* payments to consumers without (1) causing a lag of incomes behind costs, or (2) necessitating indefinite expansion of the system. In his explanation he must continually bear in mind that money invested is used in two ways, (a) for purchasing capital assets, and (b) for providing working capital; and he has to show, after a careful examination of Mr. R. N. Temperley's letter on "Price-Income Shortage" in your issue of November 4, how self-liquidation is possible in the case of (b).

From Gladys F. Bing.

May I be allowed to point out that Mr. Franklin has wished me off the field of argument while running away from me? I am Mr. Franklin's opponent because I agree with Douglas, Marx, and Bellamy that there is a gap between incomes and prices. I agree with Mr. Franklin that Douglasites have, so far, been hunting the snark where it isn't. But that is not to allow Mr. Franklin's assertion that there is no snark.

It will clear the issue if Mr. Franklin will proceed from the point at which he abandoned any reply to my demolition of his dream of borrowing £100 from X. He now says that when he borrows £100 he allocates £5 to X, and distributes only £95 to himself and book industries. So he pays himself his own profit out of money he borrows at 5 per cent.! Or doesn't he? Because, if he doesn't, then he must charge his profit into the prices of his books. In which case he has distributed only £95, but must recover £95 plus profit.

As a woman with a good deal of business experience I advise Mr. Franklin that if he ever comes down to earth and engages in real industry he had better try the latter method!

The flaw in Mr. Franklin's case is that he imagines there is some difference between profit and interest. In economics there is no difference. A man saving £100 to open a shop lends that money to himself exactly as X lends £100 to Mr. Franklin. The saver has the financial onus of charging his customers rent for his investment of £100 in his own business, and he must collect that rent or perish financially. The same applies to all investment, large and small.

Douglasites should long ago have taught Mr. Franklin and his like that rent for any investment must always be a sum not contained within the investment. This omission in Social Credit propaganda bears its lamentable fruit in Mr. Franklin's intense preoccupation with one particular trade: banking. The banker is a red-herring Social Credit should long ago have put in his proper place—at the head of *all* moneylenders, great and small. (This follows Mr. Hiskett's advice and sees the "industry as a whole"!) It does not matter whether the bankers *create* money or not. Somebody must. It has always puzzled me why Douglasites should blame the banker for *creating* money to let out on hire more than they blame the average sadist who commits the crime of thrift in order to accumulate surplus money. The essential point is that charging a *rent* for loans of money creates the shortage, no matter who issues the loan or whether it is saved or created.

Mr. Temperley misses this point in his admirable letter. He fails to observe that the act of saving merely withdraws effective demand, and so reduces prices until such effect is mitigated by the expenditure of the savings on labour for Capital enterprise. Saving without investing merely precipitates the slump in prices which Chamberlain's War Loan is designed to postpone.

D. G.'s "intelligence exercise" in "If All Prices Were Taxes" contravenes Douglas's most sacred and precious tenet: that all taxes are robbery. In the community cited, if the bank debited the Government with £100 issued to the producer, no such anomaly as a sales-tax could enter. The repayment of the total loan itself by the producer to the Government would leave the banker with no interest and the producer with no profit. If the Government collect the bank's interest by tax, then the ninety-nine other inhabitants would feel an income-shortage. If the producer collected a profit, ninety-eight would feel the shortage.

To remain consistent with the inviolable truth that taxation is the premier and paramount weapon of money-power against humanity, the way to abolish the shortage of purchasing-power that is inherent in the practice of Capitalism is to Socialise Credit; let the Government issue all loans, charge no interest, and so release all mankind from the misery of bureaucracy, overdrafts, and murderous competition.

Douglas has said it. "New enterprise shall be financed with new money and not from savings." Interpolate "interest-free" before "new money," and Social Credit will inaugurate a self-liquidating system without any shortage of purchasing-power and with no need to control profits; where the bugbear of dividends becomes a financial expression of Christian economics: human equality in Democracy.

From J. A. Franklin.

Mrs. Best in the last Supplement expresses preference for the term "recovery of capital" to define maintenance. Not much objection could be taken to the phrase but for the false interpretation Social Creditors are likely to put upon it. "Recovery" would be the more apt word only if consumers had to provide new parts or machines for the capitalist without cost to him. But, of course, the capitalist has to buy his replacements from the community; no way of obtaining them is open to him but that of paying incomes to people.

Mrs. Best avoids consideration of my illustration of payments between industry and consumers to cover depreciation by asserting it to be useless because it "assumes" that the public who pay do receive the money. Well, the only 'assumptions I make—and they seem to me reasonable—are that workers engaged in upkeep of capital equipment are also paid wages; that those who make new machines are paid; that depreciation is made good by paying for work to be done at a rate at least great enough for maintenance or, to quote Mrs. Best, "that machines are being produced at a rate sufficient to do so."

In the passage from page 24 of the *New and the Old Economics* which I quoted in the first Supplement and which Mrs. Best dismissed as "irrelevant," Douglas recognises this, but proceeds to claim a shortage on the grounds that original capital costs are brought forward in the price of consumption goods—the original cost as well as the working, maintenance, and replacement costs. That is the fallacy behind his words "the (invested) money creates a second price value, but does not produce any fresh money." Of

course it does not and need not, even must not, produce any fresh money. What has been produced is new real wealth—an asset and not a debt against anyone, to meet which they have to find money. The investor has received value just as if he had bought bread and the money, having done its task, is rightly retired. He can put a price upon his new holding and, should he wish, sell *to another investor*. But he has not produced a second price *against consumers*, for the simple reason that consumers are not going to buy his investment. The Social Credit misunderstanding is expressed well by Mr. Paul Hampden in *The Fig Tree* of September, 1936. He says that "the money value of the entire investment must now be recovered in prices for future consumers' goods," and speaks of "the repayment of principal, plus returns on the investment, plus depreciation." A mere bowing acquaintance with business and affairs should prevent this error. An investor requires interest or profit—yes; he requires payment to equate his expenditure on depreciation—yes; but he does not also require consumers kindly to pay him so preposterously "the money value of the entire investment." The serious nature of this flaw in Social Credit doctrine can be appreciated when it is realised that National Dividends are based on capital values on the mistaken assumption that the values are debts consumers have to meet. (See clause I of the Scheme for Scotland.)

Major Douglas has previously underlined his misunderstanding by writing (*The New and the Old Economics*, page 12):

"I trust Professor Copland will not consider me unduly elementary if I explain that a cost is created *either* by the application of paid labour to production, *or* by the allocation of book costs in respect of previously incurred expense, or by both together. Payments to labour distribute purchasing power to consumers, who supply the labour as workers, *and* create costs which go into prices of the goods they produce. The allocation of book costs does not distribute purchasing power, but is the presentation of a claim on purchasing power *already distributed*, and is met, if it is met, by the inclusion of the sum claimed, in price."

This is certainly elementary—it is the elementary mistake that runs through all Douglas's work, from A plus B to Z. Costs are not created by book entries; costs are created only by payments to people for their work or for the use of their capital. Prices will be raised to include profit, but that is not an addition to costs and is met by a redistribution of total income. In the last analysis, it is taken out in goods, as our Editor has frequently explained. In answer to a correspondent in THE NEW AGE of February 12, 1931, he put it admirably as follows:

"A bank is no more involved in increasing loans because it is making a profit than it is because other successful enterprises are doing so. The reason is that fundamentally there is no such thing as a money-profit; profit in actuality is goods; and the ultimate realisation of profit is the distribution of goods. Industry's profit consists not in getting more money for its total production than it spends, but in getting back all it spends against delivery of only a portion of the production—and as small a proportion as possible. The balance is valued in monetary units, but it is not itself money. This is true within a closed credit area—i.e., it is universally true."

Now here goes for what I hope is a reasonably final statement of the situation as regards saving, investment, depreciation, maintenance, and replacement.

In the first place money is collected, not from the public as a whole, but from certain members of the public, for investment. (Even if the plant is first paid for by a bank overdraft and the overdraft wiped out by money subscribed by investors the position is still really that certain investors have paid consumers for making the plant). The consuming public now has the money which was taken out of the consumers' system when it was saved and the effect of the transaction is that instead of themselves obtaining consumable goods the investors hold capital goods. It is not true to say that consumers have paid for the plant. Because it is privately owned it is paid for not by the general body of consumers but by a much smaller body of investors, and as those investors allow the plant to be used up in the process of production of goods they naturally expect consumers—who have been paid for making the plant—to pay for the use of the plant in their service. They do this through the depreciation charges which appear in the cost of the goods they buy.

To suggest, as Social Creditors do, as a sort of side-line, that the community is paying a second time for the same plant is quite wrong. If you look at it from the point of view that the investors have provided the plant, then the consuming public have not paid, until they pay, in the form of depreciation, for the plant which they are actually consuming. If, however, you prefer to look at the matter from the point of view that the investors are part of the consuming public, and because investors have paid for the plant in the first instance, consumers, *as a whole*, have paid for the plant, then the answer is that equally consumers as a whole—including investors—are obtaining a second lot of plant in return for the second outlay. In other words, the community as a whole has worn out the first lot of plant, and *is paying for a second lot to replace it.*

Nor can blame be put on the maintenance of capital assets, because this maintenance is merely the replacement of what is used. It is a separate system in itself, and so long as the purchasing power taken from consumers in depreciation charges is equated in the same period by an equal amount paid to consumers for making replacements, there is no deficiency. It is true, of course, that owing to boom and slump this does not always occur, and you get instead a surplus at one point and a deficiency at another point. So long as the community is merely replacing its plant at the rate of its depreciation the amounts taken from the consumer in depreciation will be coming back to consumers in the form of payments for making the replacements, and the consumers' net income will not be affected.

Major Douglas, in his theorem, treats capital assets as something which the consumer requires to buy *directly*, just as he buys consumer goods. But this is clearly not the case. He no more needs to buy capital goods, as such, than he needs to buy raw material, or semi-manufactures, as such, and when the depreciation charges on plant and machinery appear in prices, they are just as much a cost of production as any other item of cost. In other words, the community acquires the plant in order to maintain it and, as it is depreciated, the replacement costs appear in the prices of the goods produced, as a cost of production.

One illustration in an effort to make both sides clear. Take a token figure of £100 saved and used to build a factory. It then goes out of existence and the community are where they were before, but with a new plant which cost investors £100. Yes; which COST £100. This is where Social Creditors triumphantly point out that a new industrial cost of £100 has been created, but the actual £100 representing it has gone for ever (except to be issued as a fresh cost). They say that the plant is valued at £100, and depreciation charges totalling £100 must be met by the community at a rate of, let us say for convenience, £1 a week. This sum, they will say, is entered into the price of the goods over and above wages, salaries and dividends distributed to workers in the plant. But, they will continue, the only purchasing power *is* wages, salaries, and dividends. Price is their sum total (A) plus £1 a week (B). A cannot purchase A plus B. The remedy is to restore to consumers the wrongly retired £100 and to cancel it at the rate of £1 a week, and thus the reality of physical depreciation will be faithfully reflected financially, and only in that way can consumers meet the total costs and prices. The answer is as above and as follows:—

1. Consumers have not now to buy the plant.
2. Therefore the possession of the £100 at this moment at least is unnecessary and inflationary.
3. They will, however, normally maintain it. Let us say the job devolves upon one individual continuously who is paid £1 a week.
4. Then in the price of the goods from the plant is included £1 a week "depreciation" charges. These are not charges for the original plant, but are represented by payments for making another set of plant.

Even if the £1 a week is collected and, instead of at once being used to pay the man to do the maintenance work, is actually hoarded and then paid out at the end of one hundred weeks to renew the now completely worn-out plant at one go, *then there is no deficiency*. Some disequilibrium would be caused, a fact realised by every economist; it constitutes part of the problem of relating savings to investment.

But whether in bits or in one whole the community is merely receiving and paying for a SECOND lot of plant. The money they receive and pay for it is technically known as depreciation costs and charges. There is no cost over and above wages, salaries, and dividends distributed. Price is A, not A plus a phantom "book-charge," B.

The foregoing broad statement should, I feel, be the comprehensive reply to letters in this issue. I hoped I had made clear why economists can only reject such claims as "the finished capital asset . . . is a debt against the community" (Mrs. Best); "profits are an addition to costs" (L.C.J.); "depreciation charges represent . . . a claim in price to more than has been paid out" (L.C.J.); "rent for investment must always be a sum not contained in the invest-

ment" (Mrs. Bing); "charges against consumers will continue to be made in respect of capital goods unbalanced by any payments to consumers" (A. W. Coleman).

Mrs. Bing: If she would not dismiss my example of borrowing from X, but meditate upon it, light might come to her. She cannot see what our Editor and most Social Creditors, with the notable exception of Major Douglas, do know—that the acquisition of profits is an exchange of extra goods effected by means of money-tokens, but not requiring an increase of them. Strange though it may seem to Mrs. Bing, I can pay £5 to X, £95 to others, recover only my £100 costs, and yet make a net profit, not at the expense of the others, but to their profit as well as mine. How the flaw in my case can be that I imagine a difference between profit and interest I fail to see, for I said in my first letter that the charges and their payment are identical in essence.

L. C. J. surely views profits as does Mrs. Bing, and that was one of the defects in his illustration. Because they have not been distributed by industry, he contends that industry's claim to profits cannot be met. Well, the answer is printed above; in addition, he should realise that because industry does not pay out money in respect of profit, this item cannot possibly be one of the components of cost. I am sure L. C. J. gets muddled by the fact that profit is a component of price, and he identifies cost with price, and thus confuses the two. In his other contention he joins up with Nemo and Mr. Coleman. The idea here is that depreciation charges are claimed on the price of an article, although they have not been paid out "previous to marketing"; Mr. Coleman speaks of "the factor of time."

But it is not generally the case that replacement costs are not paid out "previous to marketing." In modern many-processed industry exactly the opposite occurs. An article goes through a number of manufacturing concerns covering an average production period of months. During that time the manufacturers have weekly, even daily, to pay for repairs and replacements, since the efficiency of a machine cannot be allowed to deteriorate. Months later the ultimate consumer, when buying the article, delivers up his payment for the depreciation. This factor alone would compensate for cases where the consumer pays before the entrepreneur pays him. Mr. Coleman is right in saying that the time factor is important, but, as Major Douglas points out, time implies rate. That is exactly what does matter, and it allows us to check up theory by fact. Does industry maintain its assets or not? The answer is that normally it does, therefore it must be paying out at the rate it is charging. The only possible reply to this is to assert that, even so, it charges more than maintenance and replacement actually cost. The answer is that, were this so, the amount recovered over costs is profit, a redistribution of income. There is no question of making up a shortage, as Mr. Coleman contends. Of course, at any moment prepayments in one place may be used to meet pre-charges in another. That causes no more trouble than the fact that workers on Rolls-Royces rarely spend their money on luxury cars. My critics' views are static; it is essential to take the dynamic view.

Mrs. Best still believes "the purchase price of the finished capital asset has to be recovered." Industry would be an investors' paradise; one hundred per cent. profit right away! We shall be dealing with banking later, therefore I merely comment that banks certainly can meet their liabilities to their depositors if they are sound as ours were in 1914. That they could not pay out everybody in sovereigns no more matters than the fact that they could not pay everybody in half-crowns, or that Messrs Selfridge do not hold all their assets in cash.

It is really all this misunderstanding of banking which is at the root of Social Credit arguments. Mr. Coleman still goes wrong about the nature of interest on bank investments. Until the nature of bank credit is properly understood, it is impossible to deal adequately with such mistaken notions as that industry is not self-liquidating, that the community is in debt to the banks, that money is a ticket, that the "premature" repayment of bank loans is a deduction from consumers' income, and many other ideas peculiar to Major Douglas. Then up can come the eighth man, Mr. Coleman, and nobody will be more pleased to see him than myself.

We came to a stop last month when we had seen that the picture of banking presented by Major Douglas is one of a privately-owned monopoly; in his own phrase, "licensed forgers," able to acquire other people's wealth by "creating" money, requiring everyone to come to it for the very right to exist, and thus able to exercise an anti-democratic government of its own by depriving people of their rights and liberties.

It is surprising that Major Douglas should have been successful in putting across this fantasy, "fundamental" to Social Credit, remember its author says, but it is not surprising that, once persuaded of its truth, Social Creditors should want to do something drastic about it. If the omnipotent tyranny existed it would be the duty of the whole nation to exterminate it. As it is, tragedies, like the recent one in Alberta, must result from gross attacks upon individuals or institutions quite innocent of the practices with which they are charged.

Let us return to an examination of the statements Douglas printed last month. In quotations 1 and 4 Douglas states that, because a bank lends money, it must be lending something that belongs to it. "You do not lend something which belongs to the person to whom it is lent." No; of course the money does not belong, without a corresponding liability to repay, to the borrower. Where would be the sense or justice in that? Douglas is ready enough to announce that money is not the reality, but is merely a representative token of real goods and services, but he forgets it as soon as he has said it. He consistently confuses money with real income.

When a borrower receives a loan in money, it is merely a convenient way of allowing him to obtain his choice of goods and services—as a loan. Obviously, he cannot expect to be given them, inevitably at other people's expense. He is allowed the loan if it appears that he can ultimately repay, which simply means that presently he himself provides goods and services by his own efforts in return for those he has obtained from other people, is paid for them, and pays off his debt. The thing is exactly the same at this point as Smith borrowing a lawn-mower from next door and later returning it. Money borrowed from a bank or anywhere else naturally no more rightly "belongs" to the borrower than the lawn-mower belongs to Smith.

But, Douglas would reply, if you could get him so far, which you cannot, the lawn-mower does belong to the lender and it cost him money. In the same way, therefore, the money lent must belong to the bank, yet it cost them nothing to acquire. This is where he forgets McKenna's famous dictum. Because the truth is that the moment money comes into existence it is a liability against the bank, first of all to the borrower who has a corresponding liability to the bank, and then to the man whom the borrower uses it to pay, for he becomes a depositor without any corresponding liability on his part whatever. The money is his absolutely; he can acquire whatever he likes with it and the bank has to see that he gets it. Note that at no time is the bank able to touch a penny for their own spending; it never belongs to them. In fact, the bank does not make the loan costlessly; it costs them the full amount of the loan because it puts them in debt to that amount. Against it they hold the promise, usually backed by security, of the borrower to repay, but if he defaults, then the bank has to pay the depositor as a deduction from its profits or out of its reserves or subscribed capital or go bankrupt. As Professor Leacock says in his recent book: "When John Smith, anxious to buy raw material for his business and to pay wages, 'borrows 5,000 dollars' it is Smith, not the banker, who gets the goods and the services. Smith, not the banker, who sells the finished commodity to Jones; and when Jones pays Smith with a cheque it is the banker, not Jones who has to make good the cheque. When the transaction is all over what does the banker get—interest, that's all." The simple and all-sufficient reason why banks cannot give away the money they create is precisely that it is not theirs to give. You do not give away something which belongs to someone else.

In quotation No. 3 Major Douglas is saying something which would be unpardonable were it not so obviously an honest mistake. He couples two statements as though they were one, and asserts that his *combined* proposition is denied by nobody. The truth is that the assertion that money is created by the banks is, as he says, agreed by banks themselves, but the assertion that the ownership of that money is claimed by the banks is accepted by nobody but Major Douglas himself and his immediate followers, who, needless to say, do not include bankers.

In No. 2 he is unquestionably right in holding that "the banks should be paid for their services, but the public should get the benefit"; but that is an accurate statement of the actual position. The banking system controls the issue and recall of the community's money under Charter from the people. They may do their job badly; their profits may be exorbitant; it may be desirable that the business should be taken over by the State. But to Major Douglas these important considerations are a closed book. To their discussion he can contribute nothing but an immense indifference. To start off with a vital misunderstanding as complete and closed as a circle is to build Utopias, not to escape from them.

investors to sell their capital cannot affect the arithmetical equation between charges and incomes. If they cannot sell their capital while they do not want to, by what means can they sell it when they do not want to, or are compelled to try to do so?

This difficulty is not merely theoretical: it is of supreme practical importance. The reason is because the dominant characteristic of the world's economy to-day is the enormous glut of capital. By this is meant the enormous disproportion between the capacity of industrial output and the actual quantity of products actually bought in the consumption markets. The mountain in labour and the mouse is a fair description of the acknowledged situation. It is said that the United States of America alone could keep the world supplied with adequate means of life.

Now if this enormous excess of capital is not charged in prices, it is not being converted into consumables. But every reasonable person will see that it ought to be. Who wants capital in excess of consumption-requirements? If a given rate of consumption; y can be achieved by the use of capital-capacity: x, and this rate: y will remain constant so long as x is maintained undepreciated, nobody is benefited by increasing x unless y is thereby speeded up, which presupposes that the community want y speeded up.

At the present time we have, say, $10x$ of capital-capacity yielding an output at the rate y. In principle this means that $9x$ is not utilised at all, and that the work done to accumulate $9x$ has been diverted from the task of speeding up y.

Now assuming that the community need to consume at a faster rate than y, but do not wish to work any harder, they can do this by using up the excess capital $9x$, by allowing $9x$ to depreciate (physically) as a means of speeding up y until a balance is struck between the x-capacity and the desired y-output—say $5x = 5y$. Thereafter they would live at the rate $5y$ without doing more work on capital-account than maintaining $5x$. They would stop accumulating more capital.

At present the accumulation of excess capital is beyond the power of the community to arrest: it is the automatic consequence of the bankers' arbitrary timing of loan repayments. These repayments arrest the flow of production into the consumption market and compel industry to divert it into the investment market. Once there it is unsaleable, no matter in what forms it happens to be (machines, tools, semi-manufactures, and everything else, even stocks of unsold consumables). And it cannot be made saleable by new loans without making new production less saleable still. Industry says: "Seeing we can't sell it, we will turn it into something that is not supposed to be sold"—namely, fixed capital. Having done that, it excuses consumers from paying for it. But because they do not pay for it (for they cannot) they do not get it. But they ought to get it, or at least that part which is in excess of capital requirements. So they ought to be provided with the money to buy it.

Social Credit Basic Propositions

The bankers are at the bottom of every mischief.

. . . .

Every mischief originates in attempts to get money.

. . . .

These attempts cause mischief because the demand for money is greater than the supply.

. . . .

The supply of money originates with the bankers, who control it exclusively.

. . . .

The bankers use their power of control to keep money in short supply.

. . . .

They use this power by methods which conceal the fact that they are using it.

. . . .

By reason of this concealment the people attribute the shortage of money to each other. They divide up into classes, each of which believes that its deficiency of money is caused by the amassing of a surplus by the others.

. . . .

Hence the people are deceived into the impression that the total supply of money is equal to the total demand, and that the cause of their troubles is that the supply is unfairly divided. If the supply, they think, were equitably distributed, everybody would have enough.

. . . .

Thus the people unconsciously acquit the bankers of responsibility for the mischiefs that afflict them.

. . . .

Their mutual suspicions and antagonisms form, as it were, a barbed-wire entanglement protecting the bankers' money-monopoly from moral reproach and political interference.

Improving on Nature

It is a curious circumstance that people who stand aghast at the idea of a short-cut out of the poverty-problem will flock to advocate short-cuts out of more intricate problems. And the more curious still when there is so much evidence that the latter problems are part of the poverty-problem. Poverty amidst plenty in the realm of economics is causally related to the phenomena of disease amidst health in the realm of physiology and insanity amidst sanity in the realm of psychology. Yet there are reformers who hope to solve this interlocked problem by direct interferences with human functions. Some of these interferences are assembled and arraigned by Mrs. Dudley Short in a pamphlet* entitled *To Be or Not To Be*, namely, the prevention of births, abortion, the sterilisation of the mentally unfit, the "helping out of life" of suffering incurables and of the useless aged.

Mrs. Short, who knows exactly what is wrong with the financial system, is able to examine these interferences collectively against the economic background, and to show that they would be largely superfluous if communities were permitted access to a sufficiency of the means of life. In addition to doing this she examines each of them separately on its own merits as a means to a desired end. In general, she holds that the tendency to interfere with the *processes* of Life is due to—and is a method of covering up—the neglect to put right the *conditions* of Life. And in particular, she indicts each of these interferences with processes as wrong on ethical, sociological and scientific grounds.

How far her indictments succeed must be left for readers to judge by reading her arguments; but this much can be said, that she makes out a strong case against hasty resort to experiments of the character enumerated, showing that they are potentially dangerous or superfluous or both.

To the student of finance it will be an elementary proposition that the cutting about of bodies is the ultimate logical extension of the cutting down of wages. Poverty, or the fear of it, drives many into a condition of mind where they could be adjudged proper subjects for sterilisation. Even the impulse to commit suicide could be interpreted as a symptom of insanity, and the would-be suicide could be held fit for sterilisation in case he transmitted his so-called "suicidal tendency"!

* Published by the League of National Life, 53, Victoria-street, S.W.1. Price 3d., or (bound) 1s.

Hargrave On Alberta.

PUBLIC MEETING.

Social Credit Party of Great Britain and Northern Ireland. National Headquarters: 44, Little Britain, London, E.C.1. Address by National Leader John Hargrave on Wednesday, December 1, at 8 p.m.: "What Is Happening In Alberta."

WANTED "NEW AGE" of the following dates: 1930—June 19th; 1931—Jan. 29th, March 5th; 1932—Nov. 3rd; 1933—Dec. 28th; 1934—Jan. 4th, Nov. 1st; 1935—June 6th, Oct. 17th, 24th; 1936—Jan. 23rd, 30th. Index Vol. 47, 48, 52, 54. Reply to—
G. E. STECHERT & Co., 2 Star Yard, Carey St., W.C.

LETTERS TO THE EDITOR.

ALBERTA

Sir,—I enjoyed this week's leader on "The Press and the Law" immensely, but am left wondering at your remark: "The essential fact here is that as long as this case is hanging about under notice of appeal it will hold up the plans of Social Credit movements, particularly the movement in Alberta. . . ." In heaven's name, why? Whether Powell is guilty or not guilty, whether he loses or wins his appeal, seems to me to be entirely beside the mark.

But why should that interfere with (a) general plans and propaganda in Alberta and elsewhere; or prevent (b) the Aberhart Government fulfilling its promise to implement Social Credit and pay a National Dividend; or (c) Douglas advising Aberhart (or any other Premier) as to the best line of action.

As a matter of personal experience it is a curious fact that, so far, not one of my many acquaintances, who dearly love to "pull my leg" about Social Credit, and have frequently done so when there was some news in the Press about *political* matters in Alberta, have yet referred to the Unwin-Powell proceedings.

FRANK GRIFFITHS.

[We agree that the question whether Powell loses or wins his appeal is beside the mark. But will the public look at it in the same way? Will the bringing of the action and its outcome in the lower court have strengthened or weakened the resolution of the Aberhart Government? Will it have made the Government uncertain whether to continue to act on advice from London or to develop its policy independently? We fear that there will be divided counsels between now and the final judgment on the action. The delay will strengthen the hands of those people who are in declared opposition to the Government's legislation, and also of those people who, though nominally supporting this legislation, would like to find a plausible excuse for marking time on it. As Mr. Griffiths points out, there is no logical reason for a hold-up of activity by leaders of Social Credit movements; but then, the suggestibility of the public is unrelated to logic. We can all continue to summon spirits from the vasty deep, but will they come when we do call to them—or will they wait to book their passages until January, or afterwards?—ED.]

"PRICE-INCOME SHORTAGE."

Sir,—Analogies are not water-tight arguments, but they are illuminating and serve to confirm the facts proved by arithmetic; will you let me, therefore, try to describe the mental picture I have of the effect of saving on the balance of incomes and prices, and of the effect of making new money and passing it through industry in the vain attempt to restore the out-of-balance produced by saving?

Let the price-income balance be represented by the surface of water in a tank, above or below a painted mark. As long as the rate of issue of total incomes equals the rate of accounting costs, the water surface remains constantly on the mark. Such is the position postulated for my "taking-off-ground." Now saving of 2 per cent. per week of incomes is made and invested. When conditions settle to the permanent state there is a resulting continuous loss of balance of 2 per cent. per week, according to my arithmetical proposition of November 4. (Mr. Hiskett seems to see this, but not to see the following development.) Let us represent this new condition of saving by picturing a 2-in. outlet cock to be opened at the bottom of the tank. The water level will continuously subside, i.e., a shortage will accumulate, if no addition is made elsewhere.

Now suppose outsiders create new money at a rate equal to that at which the shortage is made, and pass it through industry. At first this has the effect of opening a 2-in. inlet pipeline connecting the above-pictured tank to an unfailing supply of water. The water level will now remain steady, the flow in and out being equal—but only for a time. The new money passing into the community as income will record its cost on the price tickets, and these price tickets will one day (after the time-lag of industrial progressing) appear attached to goods or services ready for sale retail. After that moment any new money will be absorbed by such sales as fast as it enters the community. In our analogy we may picture the opening of another 2-in. outlet pipe from the tank bottom, carrying away the equivalent of the water supplied by that 2-in. inlet pipe from the unlimited source. The help of this source will now fail to prevent the water falling at its original rate, due to the first opened 2-in. cock. In other words, the price-income shortage will continue to develop as before at the rate of 2 per cent. per week. The only real remedy of the water suppliers will be to open another 2-in. pipe from the source, at the moment the defect appears, namely, at the end of the time-lag, assumed to be four weeks average. When operations attain a permanent condition one new 2-in. pipe per four weeks will have to be fitted, for the effect is a repeating one. In that way alone the tank level can be kept constant. In a year thirteen pipes of 2-in. diameter will have been fitted . . . and so on. The quantity of water that will have passed through the system will be colossal. But the level will just remain constant at the mark. Even so, the price-income balance can be retained by issuing new money through industry with a figure that rapidly becomes astronomical.

My analogy illustrates, but does not prove, how a constant figure of money saved and invested causes a shortage which can be restored by new money being created and passed through industry, but as soon as the corresponding costs arrive on the retail counter the rate of creating sufficient new money increases without end.

Our present system has had time to settle down to a permanency; charges have been accounted to costs for centuries. Present-day price tickets do not fail to carry the record of loans and investments of years ago, as well as of to-day. Industry is now in a permanent condition of decline in spite of the well-known palliatives.

To forestall possible critics I might state here that my propositions have not yet included the effect of banks issuing loan money for such work as armaments, municipal services, etc., where the goods are not sold by industry, and the transaction appears as a debt that bears interest. All this is another story, the story of a bigger inlet pipe, arbitrarily opened, and an ever increasing leak in the tank.

Replying to Mr. Coleman's letter of November 25.—My exposition of the shortage does not separate expenditure on capital goods from that on so-called consumption goods. There is no need to distinguish them here. I hoped I had made this clear on November 4.

The cost of my watch includes not only the latest wages paid in polishing the case but shares with 10,000 watches the wages paid in making the machine that cut the teeth. True, only 1d. may now be written on the price ticket of the individual watch, but 10,000 pennies were spent on making the machine and are all represented somewhere on the tickets of 10,000 watches. If the cost is not so recorded it must be because it is still owed by the manufacturer to the lender of money, and no attempt has been made to collect it from the public in prices. No producer is considered sound unless he is collecting from sales enough to repay money lent him or invested in him, or collecting enough reserves to do so if required. If not repaid it exists as a debt and so incurs interest which will finally over-sum the original debt figure in so many years. Money doesn't grow to repay interest.

In whatever condition our system may be, self-liquidating, or drained by savings, or restored by outside new money, the figure of prices includes all consumables spent on goods, whether it be through the spending of human labour in late operations, or through the attrition of the bearing surfaces of a lathe in far earlier operations. I can see no line between making "capital" goods and making "consumable" goods.

N. R. TEMPERLEY.

Mr. Powell's Credentials.

"Mr. Powell is a director of the Social Credit Secretariat, Ltd., who was sent by Major Douglas to Alberta in May, and who has since been given a temporary appointment by the Government."

(From paragraph headed: "Mr. G. F. Powell"; 4th col., page 2, *Social Credit,* October 26.)

* * *

"The London headquarters has never sent anybody to Alberta."

(From article entitled "Dark Spot in (Bankers') Canada," by W. L. Bardsley, in *Social Credit,* October 26, page 7, col. 2.)

Forthcoming Meetings.

LONDON SOCIAL CREDIT CLUB.

Blewcoat Room, Caxton-street, S.W.

December 3, 8 p.m. "Men, Machines and Money," by Mr. C. Marshall Hattersley, author of "This Age of Plenty."

December 10, 8 p.m. Private Meeting: "Lessons from the Abdication," by Mr. Ewart Purves.

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