NOTES OF THE WEEK.

World Government.

For reasons to appear later, the matter which begins in the next and following paragraphs down to the commencement of the "Appendix" ("Origin of the B.I.S.") is reproduced from The New Age of February 17. As many readers know, it was subsequently reprinted as a leaflet. This leaflet has now been reset in larger type and shorter lines, and the diagram reduced, so that it can be issued in a more convenient size than the first edition.

A Fulfilled Prophecy.

The following "Notes" were written by the editor of "The New Age," and were published in that journal on February 11, 1926, together with the accompanying diagram. Both are here reproduced without alteration. Attention is directed to his forecast embodied in that section of the diagram which allocated a function and relationship to what he described as a "Proposed Central Bank for Europe." He described it because at that time the Bank for International Settlements had not been heard of; in fact, four years were still to elapse before that institution was established, namely, late in the year 1930. Accurate prophecy is the test of exact science; and this example emphasizes the necessity for those who want to interpret trends and events in international affairs to understand the nature and source of supreme political power and policy described in the notes referred to.

NOTES ON DIAGRAM.

High Financial Policy.

"Produce more, consume less." The theory is that national prosperity depends on personal abstinence. Consequence—a fast expansion of the means of production (capital resources), but no corresponding expansion of the means of life.

Policy of the Individual.

To increase his consumption relatively to his expenditure—pre-distribution confiscation requires distributive restitution at as frequent periods and at the same rate as it occurs.

POINTS FROM LETTERS.


SOCIAL CREDIT PARTY OF GREAT BRITAIN.

ANNOUNCEMENT. By John Hargrave.

ALBERTA NOTES.

Voting systems in the election. The Dominion loan to Alberta—what it is for.
the multiplication of factories and plant, and to discourage the output of available goods. The result is the "exportable surplus" and the struggle to dump it abroad. Hence war. Against this tendency the individual can, in theory, use the power of his vote. But as finance determines the issue on which he may vote, his political power is diverted to irrelevant issues, and so dissipated.

**Internal Government.**

In Great Britain, the power over policy proceeds from the Bank of England, the affiliated "Big Five" banks, through the Treasury, then through the Chancellor of the Exchequer, who delimits the initiative of his colleagues in the Cabinet. The Cabinet in its turn arranges the main issues to be discussed by Parliamentary Committees, in which each member of the House can make his voice heard. If the House should reject any one of these issues, it condemns itself to dissolution. Notice that the principle of popular election ends at the House of Commons; that is, at the third step removed from the individual, from national policy. The personnel of the banks, the Treasury, and the Cabinet, is decided by secret nomination.

**World Government.**

The accompanying plan shows the extension of the above system to international affairs. The central bank of every nation, while dominating that nation's politics as described above, is itself an agent administering the policy of an international banking trust of which it is a member. Thus the ultimate control of every nation's policy is outside that nation. This central bank can be exercised, in appearance, by the Council of the League of Nations. By the League of Nations are the central banks of every nation, for the Central Bank of Europe, which is the control of the League's policy, is popularly elected. Both are secret nominated. Finance controls the nominations. Thus, the control of policy is not, even in form, granted to the millions of people whose deprivations are involved in the system. Democracy is at an end— if it ever had a beginning.

**The Role of National Parliaments.**

These procedures show no function left but that of persuading or coercing that group into acquiescence in a condition of economic scarcity deliberately imposed by external financial policy. The available national resources are rationed out to Capital and Labour in such manner as to postpone the outcome of industrial hostilities.

**The Role of the League of Nations.**

This body's function is to ration the available world income among nations by rationing their markets in such manner as to postpone a fresh outbreak of war.

**The Final Issue.**

Every economic and political problem in the world can be resolved into a conflict between the individual, who says: "I must consume in order to live," and the world financial monarchy which says: "You must not consume if you would live." The conflict, for instance, between Capital and Labour is really a struggle between two bodies of would-be consumers over a given quantity of purchasing power which is being kept in capital by the banking system as a matter of policy. Neither party to the struggle is responsible for the occurrence of the struggle, nor can remove it by strikes and lock-outs.

**The Morale.**

This international struggle is held to be a war when the nominal Cabinet is faced by the German or French financial leaders who act of their own will. In such a war, namely: "That Financial Credit, which is the lifeblood of all nations, the blood of this People, should be controlled by the financiers for their own personal ends. Capital and Labour must all come in for this People."

But the financial leaders are the real financiers. They are to detach distrust and collaborate in their interest to this Cabinet; then the Cabinet from its subservience to the Treasury; then to detach the Treasury from its subservience to the British Banks; and ultimately to detach the banks themselves from the international trusts which they serve. After all these representative why is it not as small. However, the story of financial panic and aspirations are thwarted by reason of this existing chain of international allegiance. Each nation resizes its power of financial self-determination.

Hansard cannot publish communications with that refuge of long ago, for it is a matter beyond question that the insistence of having a bank in every nation in a system is a repetition of the tragic mistake of 1873. It is attempting to take in hand the independent rationing of Italy and France, and is thereby facing the face of the world's financial panic, which grows in intensity and becomes uncontrolable. Just as in 1873, the financial panic in Italy may easily become a big panic in Italy, too, and eventually a perfect financial panic in Italy, too.

**Appendix.**

**Origin of the B.I.S.**

The formation of this bank was decided at Conference of January 11, 1933, in conference of the League of Nations. And attended by delegates from six countries: Italy, Germany, France, Belgium, and the Swiss people, 1933.

For its formation were made at a second meeting of the League held at the City of London, on the 1st of March, 1933. The Bank was established in the same year with the Bank of England, the Bank of France, and the Swiss people. Germany is the Bank of the League of Nations, numbered amongst the members for the Swiss people.


This information is taken from Whitaker's Almanac, p. 379, the compiler adds the following:

"The object of the B.I.S. is the collection of international banking data, and the publication of annual reports. Literature and statistics are collected by the B.I.S., and published in annual reports. The B.I.S. is the only international organization of its kind in the world. It is not a bank in the sense of being an agency of financial policy. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics. It is a bank of statistics, and a book of statistics.
Retiring Consumption Credits.

By John Grimm.

A number of doubts and critics fix upon the estimated size of the proposed National Dividend (or Discount) as presumptive evidence that there will be a superfluity of money.

A measure of the order of £2,000,000 per annum has been in one quarter, and the object, merely on account of its imposing dimensions, has assumed, as if by magic, the proposition that special provisions for retiring this credit will have to be embodied in the same scheme which distributes it.

Let it be assumed that this figure represents the equivalent of a 20 per cent. discount—which, of course, very few people would suppose that the statistical data of Production and Consumption in the United Kingdom indicated that such a percentage is correct. That is, P = C = 4. Thus the £2,000,000 would represent one-fifth of the Convention Price, and the Convention Price would be £10,000,000.

Now, unless the principle on which the price-factor is worked out is changed, the objection to the dimensions of the collective Discount must involve an objection to the dimensions of the collective Consumer Price. That is, if the objector says:

"You mean that if the consumer prices are £2,000,000,000, then the price of £10,000,000,000, but not the 25 per cent. (or Discount) is a proportionate, not a constant, quantity. Now, the collective sum distributable represents the correct proportion it must be exactly the right, however large or small it may be. It is therefore evident that the figures are inapposite to the argument, and the point is irrelevant in the present consideration of the matter.

We therefore ignore the rows of cliches appearing in the above figures, for they are irrelevant to the point at hand, and the amount of the Discount (or Dividend) is a proportionate, not a constant, quantity. The consumer prices are £2,000,000,000, but not the 25 per cent. (or Discount) is a proportionate, not a constant, quantity.

Let us consider the question from the consumer’s standpoint. We then see that the amount of money that can be retailed is not determined by the proportionate portion of the Dividend to the total amount, but by the proportionate portion of the Dividend to the total amount.

Now, the question of whether the Dividend can be treated as a proportionate, not a constant, quantity is irrelevant to the present consideration of the matter. We therefore ignore the rows of cliches appearing in the above figures, for they are irrelevant to the point at hand, and the amount of the Discount (or Dividend) is a proportionate, not a constant, quantity.

Here to have an example of a distribution of money resulting in a legitimate item in the national cost according to certain accounting principles, but which has not gone into the pool of incomes from which all costs must ultimately be recovered—that is, the consumption market. The net result of the whole mechanism, as through A, has repeatedly a title to sell property simultaneously surrendering the banker all the money which could have been sold, but not the property. In this way, the value of the Convention Price at any one time has been increased by £1,000,000, but incomes available to pay them have not decreased.

So we can now correct our equation thus:

Consumption Price

Bank-loans (direct) £0 = Earned incomes £0

Bank-loans (savings) £0 = Earned incomes £0

Bank-collateral (direct) £0 = Earned incomes £0

But in the case of the Convention Price, the amount available to pay them has not decreased.

Now the conclusion is legitimate and necessary, but only at the rate at which they measure the value of property that has passed out of industry into the permanent consumption, and not at the rate at which these disbursements should appear as incomes as well as prices in the Convention Price, and the Convention Price is £10,000,000,000.

How can we find room for the Dividend without the realising the Convention Price? The answer is to be found by investigating the origin and meaning of the Convention Price. Now Savings in this context, are money (not shares and other documents). They are conventions. All money comes into circulation in the form of bank-loans, and dissolves out of circulation when the loans are repaid. Whatever amount of money is in circulation, no matter who holds it, is owing to the banks, and is paid by them. A banker’s savings are offset against his customer’s debt to the banker. If the customer’s savings are reduced, the banker’s debt to the customer is correspondingly reduced. In other words, Savings are outstanding bank-loans which would not be repaid. We can now correct the last equation. We must again amend it as follows:

Consumption Price

Bank-loans (direct) £0 = Earned incomes £0

Bank-loans (savings) £0 = Earned incomes £0

Bank-collateral (direct) £0 = Earned incomes £0

Thus the Convention Price is £10,000,000,000, and not £2,000,000,000 as before.

Now the question of whether the Dividend can be treated as a proportionate, not a constant, quantity is irrelevant to the present consideration of the matter. We therefore ignore the rows of cliches appearing in the above figures, for they are irrelevant to the point at hand, and the amount of the Discount (or Dividend) is a proportionate, not a constant, quantity.

In the case of the Convention Price, the amount available to pay them has not decreased.
**Points From Letters.**

**WHETHER ALBERTA?**

It is extremely difficult for Social Creditors to answer their critics when Douglas himself turns down Aberhart one minute and supports him the next, and when you yourself produce new and interesting ideas as long as you are remotely remote, and the following week take back your words. Again, why will Aberhart keep talking about an unemployment benefit scheme, or what is the purpose of his proposed dividends? If he really means that the dividends are to be raised by taxing producers, and you must admit that he is lending him the money, it is distinctly not Social Credit. — A. S., September 19, 1935.

[If our correspondent will read what we said he will see that our forecasts were admittedly speculative, but things go on beyond our control.]

The **Manchester Guardian** interviewed Balfour before it was known that Aberhart had invited Douglas to advise him, and he seems to have thought the latter might expect a financial stake in Alberta. The Guardian was worth while to tender him advice. When their evidence became known it heightened the chances that Aberhart might enforce his plan, which, as he explained, was not technically sound. We regret that our explanation of this in our last series of notes—hocks; exploration; theemplace—appears to have been wasted. However, it's dodged as does it, and that must be our apology for repeating our selves. In order to make the present position clear, the Guardian says this: "We cannot expect any cheaper plan— we do not know whether Douglas will be able to devise a practicable scheme for Alberta alone, or, if he can, whether the Government can stand it. 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When their evidence has become known it heightened the chances that Aberhart might enforce his plan, which, as he explained, was not techni...
The Social Credit Party of Great Britain.

Statement by John Hargrave, Leader of the Green Shirt Movement for Social Credit.

[Note.—We have received the following official statement from the Green Shirt Movement for Social Credit. We understand that this statement has been issued simultaneously for publication to the editors of The New Age, The New English Weekly, Social Credit, and Prosperity. We print it without comment other than this: that it is obviously a pronouncement that should be carefully studied by every Douglas Social Credit advocate.—Ed.]

It has recently been stated that any attempt to form a Social Credit Party in Great Britain would be "playing right into the hands of finance," and would therefore be a stab in the back for the Social Credit Movement.

That is a "Social Credit" Party could be formed which would be the negation of all that Douglas stands for and is tedious to every competent observer, and such a manoeuvre has in fact been contemplated. Events in Alberta have intensified this danger.

Mr. Aberhart, it seems, much to the chagrin of the financial plotters, is willing to accept expert advice from Major Douglas, and the chance of discrediting Social Credit, as by letting a false scheme fall appears to have gone such, by letting a false scheme fall appears to have gone.

Forced into the open in Alberta, "the enemy" was certain to learn his lesson, and it is known that plans for the formation of a side-tracking "Social Credit" Party in Great Britain have lately been reconsidered.

Recent pronouncements against the formation of a genuine Social Credit Party, and the inauguration of a new campaign to Abolish Poverty WITHOUT "the advocacy of any technical proposals whatsoever," have encouraged the "advocacy of the way has been opened, and that a bogus party can now be formed with impunity.

A mingling and sapping operation of this nature is certain to cause the utmost confusion either at the time of an election or during a crisis that might lead to a coup d'état, with the statement that the Douglas doctrines allow of "so many interpretations that there are as many Douglas theories as there are Douglas supporters." Bearing this in mind, it cannot be too strongly emphasized that in the absence of a genuine Social Credit Party pledged to the Douglas Principles, a number of independent candidates, "pledged to abolish poverty," without advocating any technical method, could appear and act as a Garrison force against any such independent Douglas supporters. Already two or three such "independents" are preparing to take the field. How easy it would be to make such independent candidates appear genuine without having to be pointed out. Only the aid of test party membership could circumvent this manoeuvre.

The General Council of the Green Shirt Movement for Social Credit, foreseeing several dangers some time ago, realized that steps would have to be taken to protect 18, 1935, the Green Shirt membership derived by an over-whelming majority to adopt the title: "The Social Credit Party of Great Britain."

It is therefore now impossible for any bogus "Social Credit" Party to arise in this country.

To avoid all misunderstandings the Green Shirts wish of a position and not to be in defiance of individuals or groups working for the same cause in other places and other ways, have never been found from their loyalty to the true Douglas watchword—"Douglas, and nothing but as rigidly as ever to the articles of their faith, and to fight always for the Social Credit Party of Great Britain."

The Party will have no programme other than the establishment of the National Credit Office, the issuance of the National Dividend, and the application of the Price Adjustment. Membership of the Party will depend upon signature to an undertaking to accept and further these three demands and the Douglas method of implementing them.

Candidates or sitting M.P.'s who become converted to the National Dividend and who, on that account, have to abandon their own party allegiance, will automatically find a genuine Social Credit Party organization in support. At the same time, Social Credit advocates who feel that they can be of service to the cause in Parliament will not be handicapped by the label "Independent," now open to suspicion.

No change in Green Shirt agitational propaganda methods is contemplated. Green Shirts remain the trained and disciplined "secret agents" of the Party, and the Green Shirt technique of bringing pressure to bear upon members of the Government, M.P.'s, and members of the opposition, will be developed and intensified.

The ranks of the non-uniformed Party membership are open to all willing to sign the Party undertaking and agree to support the movement, as such, lose its supremacy to join the Social Credit Party and fight a straight fight for Douglas Social Credit in Great Britain.

Alberta Notes.

DOMINION LOAN.

Mr. Aberhart's application to the Dominion Government for a loan of £400,000 has been granted to the amount of £400,000—sufficient to tide him over until the end of October. The purposes for which the loan is required as follows:

Anticipated deficit for the fiscal year

Province's share of unemployment relief and Retirement of bonds maturing in January and

Meeting of withdrawal demands against Provincial certificates

Repayment of bank overdraft

Provision for provincial municipalities (bankrupt)

VOTING SYSTEMS IN ALBERTA.

The Proportional Representation system was used in the two towns, Calgary and Edmonton. The Alternate Ballot system was used in all the other constituencies.

The total of 3,126,611 votes cast was 7,900 more than the total of 3,126,000 votes cast in 1930. The Liberal Party, with 1,740,760 votes, or 53.55 per cent, of the total, was returned with 45 seats. The Social Credit Party, with 1,020,540 votes, or 32.45 per cent, of the total, was returned with 11 seats. The United Farmers Party, with 380,870 votes, or 11.84 per cent, of the total, was returned with 4 seats.

Forthcoming Meetings.

Green Shirt Movement for Social Credit.


London Social Credit Club.

Blackett Room, Caxton-street, S.W. 1, London, W.C. 1, September 29th—a night with the "New English Weekly." "Mr. Maisier, Editor of the "New English Weekly." Mr. Will Dyson, and Mr. A. Newman, A. Newman.

ACADEMY CINEMA, 165, Oxford St.

Commencing September 28th, 1935, Alexander's "JAZZ COMEDY" (90 min.)

Final Performance. October 17th, 1935.

Last Day "DER TRAUMENDE MANN" (A) and "CES MESSIEURS DE LA SANTÉ" (B)