NOTES OF THE WEEK.

Italian War Loan Finance.

The Financial Times recently described how the Italian Government have been raising credit internally. Their credit policy has been to offer to buy back Three and a Half per cent. Consolidated Stock, worth 70 lire on the market, for 80 lire, on condition that the seller contributes 15 lire as the price for exchanging it into a new issue returning 5 per cent.

Mr. A. L. Jeune, who is financial editor of Paris-Midi, from whose article in the Financial Times (October 4) this information is taken, goes on to make the following comment on the transaction. He says:

"For each 100 lire nominal of the 3% p.c. bonds, holders will pay 70 lire and receive 75 lire in stock and, as the 3% p.c. issue totals 60 milliard lire (about £19,000 million), the transaction will mean a "take-off" of something over 9 milliards (£270,000,000) for the National Exchequer."

He then comments:

"The holders of the Three and a Half per cent. stock will accept this offer. How can they do otherwise? Most of the Government bonds are held, in any case, by the banks or by organisations under State direction, so that most of the holders are not in a position to make a free choice."

Later he says:

"The more prices fall the more milliards accrue to the Treasury by this simple conversion operation. The only limit to the process is the limit of credit facilities which have to be accorded to holders of the old bonds so that they may be able to provide more money to the State. In essence the State first creates milliards of lire which afterwards pour into its coffers. In other words, the internal problem of war finance in Italy is not a question of money but of authority."

Coming back to Mr. Jeune’s analysis, our readers will note his reference to the fact that the Italian banks "or organisations under State direction" hold most of the 3% p.c. issue, worth about £19,000 million. It may be assumed that he knows this as a fact, and that his statement supports the conclusion which has been repeatedly put forward in The New Age that the British banks and other financial institutions are holders of the bulk...
of Britain's war debt. For the phrase 'Organizations under State direction' is a trick of speech which gives an inverted view of the fact that these organizations are directing the State, and have placed themselves, in appearance, under State direction so as to make their close consultations with State Ministers and officials look natural. To illustrate, suppose that in this country the breweries' associations were to be seen hob-nobbing with the Board of Trade officials whenever major questions of policy were under consideration, there would soon be questions in the House by suspicious members regarding other interests. Yet everyone accepts as quite natural the hob-nobbing of the heads of the Treasury and the Bank of England, or of the insurance and stock-market directors and experts. And the reason for this is probably solely because the State appears to direct them by prescribing special regulations (called 'safeguards in the public interest') affecting their conduct. It is a clever ramp. These financial institutions, instead of getting the State to authorize them to do what they want to do, get the State to forbid them to do what they don't want to do. The State places them under control which facilitates their control of the State. It is a clever ramp. These financial institutions, instead of getting the State to authorize them to do what they want to do, get the State to forbid them to do what they don't want to do. The State places them under control which facilitates their control of the State.

Now, it is not stretching the parallel unreasonably to compare the present position of munitions to Abyssinia with the position of the Allies in the League of Nations. And the question arises: Are these munitions going to be charged to Abyssinia? If so, why, by whom, in what country, or a group, or by all? If all, then that means the League of Nations, and ultimately the Bank for International Settlements. And a moment's consideration will show that it wouldn't do at all for some countries to enjoy a trading advantage through the sale of munitions to the exclusion of others, or for countries to supply a disadvantage to be unfairly distributed. Yet not every country can supply munitions, nor, in any case, could so in justly proportioned quantities and values. Eventually, if the Bank for International Settlements is to allot quotas positively, it would be the least advantageous to the most satisfactory of all—\( T \); the most similar to Germany, or anybody else? We all live, under the laws of finance, by reducing wealth which hasn't disappeared; and naturally we don't even for pedantry, if it's nice a mischief how we are at all. So, by instruction, the Bank for International Settlements create real opportunities for reparations. It is a little more fortunate. Who knows? Yet we must not be particularly optimistic for the pruning of the Poet's 'coming' from Poverty might only make Poverty a more sturdy partner; and I don't fear the heart doesn't go over—or, to modernize the saying: To amount to is to remove the temptation to glutonry. To sum up, sanctions are an indirect means of moral regeneration—which is, of course, the objective of the bankers.

October 11

According to news of this date the League of Nations has decided to apply sanctions. The form in which international law authors is expected to be that of lifting the embargo on the provision of arms to Abyssinia. On the other side of the account, Austria and Hungary are keeping out of the scheme, and it is assumed that these countries are to play Italy economic assistance in various forms. Apparently, the claims of the Abyssinian war and ammunition are being accommodated during the last several months in that region presumably for the purpose of throwing them into Abyssinia as soon as the League said the word.

The military significance and consequences of this development are immense and assessed by almost anybody interested in international politics; so there is no need for any comments to be made here in this respect. But the financial aspect is intriguingly different. The countries back to the Great War which America poured money into Europe to help the Allies against the Central Powers are in a sense remembers the result: that at the end of the war the Allies were in America, which, almost entirely by reason of her claims as creditor, had to be allowed a dominant share in the drawing up of the Treaty. It is true that America had participated in the final operations of desert arms but however highly rates the value of equipment in the proportionate influence allowed to Wilson, Bernard Baruch, and Wall Street financiers who came over to help draw up the peace terms in 1919, yet it is highly to the credit of the United States that any country should have been compensated so well by the countries whose credit was so completely destroyed in the period of the war. That the United States was able to buy her way out of the war and have a large armament expenditure than otherwise. One of the outstanding features of a prolongation of the war may be the catastrophic and immediate consequences of economic advantages which have been acquired. The result is that the American economy is in a much better position to handle such an eventuality than any other country.

October 17, 1935

Anyhow, what is a fact is that the B.I.S. collectively possesses the power and the machinery for spreading out the incommodities and disturbances of international financial transactions much in the same way, and exactly for the same fundamental reasons, that executors of rich estates take their time in realising testator's securities so as not to strain the capacity of the world's money market is world is able to absorb repayments of debt at a lower than at a rate given—there is evidence to show that a rate of repayment even less than the rate of interest on our national debt is not in the burning. So the Bank for International Settlements fulfills the function of absorbing the shock of payments, and does so, as already pointed out, by suspending the process of settlement.

The practical import of this as concerns the whole range of economic sanctions on the Russian model has already been discussed at where the possibility ofpenning goods was indicated. The B.I.S. could itself become the 'most' of all the products which various European nations may send to Russia and cannot send anywhere. For public opinion nowadays is becoming highly sensitive to spectacles of the destruction of Plenty around Poverty—so much so that already the idea of more of this kind is giving way to protests of an un- calculated and in influential quarters. Then who would hold the bank if and when the B.I.S. wanted to stretch its arms and get rid of that one instead of needle sensation? Well, who always does? The P.B.C.—the public consumer. In other words the old Baiske Bank, through its central bank members, could give orders for new products to be scaled down so that the economic sanctions in the sanction lifted would be able to absorb the accumulated surfeit of goods kept out of the United States. That is technically possible and logistically inevitable under the strict framework of financial system no substitute for the West. So, if it is feasible, its runs into the hands of the Bank for International Settlements. The United States bank only in the hands of the Bank for International Settlements. The United States bank is in the hands of the Bank for International Settlements. The United States bank is in the hands of the Bank for International Settlements. The United States bank is in the hands of the Bank for International Settlements.

So let us leave the goods out of the picture and look at the money. The London credit in Russia's favor on the 1st of September was to be accounted for by the British debt in the hands of the United States bank for International Settlements. The Russian central bank (or its equivalent) could act as a hard money for the Russian bank account the Bank for International Settlements. The capitalization of the Bank for International Settlements is a bank account in Russia in respect of the exports. So eventually all parties are cut out by the transaction except the Bank of England and the United States bank. What is the good of the Russian capitalization? That makes the final adjustment more than the simplicity arising out of the fact that there need not be any adjustment at all, or if so, that adjustment could not be made at any time (or as long as time is there) to capitalization and consultation by the Bank for International Settlements. It is not clear that there is a sense in which the Bank for International Settlements is a bank account in Russia. The Bank for International Settlements is not only to recall the capitalization of all the problems that it has had to face in respect of the foreign reserves, and the Central Powers' reparations of the Allies' war debts, and the Central Powers' reparations might be still further affected by the material financial obligations. statutory financial obligations are as dangerous to the sanctity as are repudiations of them. As has often been observed, even by the orthodox bankers, that the obligations of a nation could be supposed to have the character of a debt could be called the Prevention of Cruelty to Creditors.
Social Credit and the Schools.

By A.R. 109.

1. Introduction.

It is now about sixteen years since Major Douglas' analysis and proposals were first brought before the public. In those sixteen years the condition of most of our rural schools has not shown any noticeable improvement in their condition and in their relations with each other, has gone from bad to worse,

...and has reached a point where we are approaching one of the major crises in history.

11. As readers of this journal know, the New Econ... the shape of reconstruction.

...the past, and it has not been possible to define the problems with any directness or accuracy, hence the task of the teacher is naturally to look for an... and technique which I have inherited from the past.

...and this article, therefore, is a brief examination of the educational system as we see it today, and then to draw very tentatively an outline of the possibilities which might be expected to follow from the establishment of the Social Credit system.

...the purposes of our inquiry, the educational system of the nation is divided into three parts. First, we look at the ordinary public school system in which about nine-tenths of our population between the ages of five and fifteen receive their only school training. Secondly, we consider the higher education provided by our secondary and technical schools and our universities. Finally, we must look at the educational ladder, to use the metaphor which describes the arrangements by which the able children are selected for higher education with governmental assistance from public funds to institutions of higher education.

2. The Elementary School.

It is almost exactly a hundred years since the first national system of education in Canada was established. An annual parliamentary grant of $50,000 was voted in 1833, which was increased as the "basis of all education..." or "basement of the education of the poorer classes." Such provisions as existed at this time for elementary education were found mainly in the private schools of the religious communities, the municipalities, the school districts, the charitable acts and the school boards financed by voluntary subscriptions. The poor school must be considered to have been the only effective social institution that was not the property of the wealthy.

...school, and that the income tax would make it possible to provide a public education for the entire population.

...thing is that education needs a break from the grinding poverty in which it has to be carried on, and that this is impossible so long as the school system is supported by the community, as is the case in most countries. Therefore, the only way to provide a public education for the entire population is to introduce a public income tax that is to be used to support the educational system.

...the educational ladder, to use the metaphor which describes the arrangements by which the able children are selected for higher education with governmental assistance from public funds to institutions of higher education.

3. Higher Education.

Our higher education has its roots much deeper in the past. The medieval grammar school and university provided a highly specialized education for the clergy, and the colleges of the Middle Ages were designed to train clerks, not clerical, but bureaucratic and administrative assistants. The universities were a sort of free college for the upper classes and were designed to train for the professions. The clerical bureaucracy and the clerical monopoly of the scholastic training which was the medieval preparation for the sort of service that was needed in the organization of the great schools, and we must pause for a moment to say something about these schools, although this is not the purpose of this article.

...many of us may not know, and there are some of us who do not know, how much money is paid out in the form of scholarships to the students of the public schools, but I am sure that the majority of us are not aware of the fact that the students of the public schools are the ones who bear the burden of the education system and who make the sacrifices necessary to sustain the educational system.

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...higher education are needed to provide a public education for the entire population. The tax burden is too great to be borne by the community, and the tax is too small to be considered as a source of income for the schools.

...example of the sacrifices of the schools to the exigencies of a bankrupt national treasury, such as the case of Adam Smith in his famous treatise on the meaning of the phrase "by the Crown at the expense of the people." Henry the Eighth, the King of England, sold the crown jewels to provide the necessary funds for the education of the people. It is not to be expected that the schools will be able to collect the money necessary for the education of the people, and it is not to be expected that the schools will be able to do the work of providing the necessary funds for the education of the people.

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...thing is that education needs a break from the grinding poverty in which it has to be carried on, and that this is impossible so long as the school system is supported by the community, as is the case in most countries. Therefore, the only way to provide a public education for the entire population is to introduce a public income tax that is to be used to support the educational system.
4. The "Educational Ladder".

An increasingly efficient machinery of selection now takes the intelligent child from the working-class home into the grammar and secondary schools. An increasing number of children find themselves able to secure this second step in education through the medium of the scholarship examination. In this way, by the end of the present century, the child who is educated will be able to reach the highest step in the educational ladder. The result of this system of education is that the educational ladder has become more efficient, and the potential leaders of rebellion from the working-classes, the men and women who would be the leaders of the next generation, have been turned into more skilled workers and professionals. By 1935, the educational ladder has become a matter of national pride, and the educational ladder has become a matter of national pride.

The Social Credit Policy.

By John Grimm.

The decision of the Government to hold an early election may serve to clear up some uncertainties which exist as to the comparative merits of Social Credit electoral policies.

As suggested in a previous article (October 29) an early election will facilitate the pooling of information and linking of effort among the leaders of opposition, and it is to be hoped that the leaders of the opposition will secure their place on the political ladder and in the national interest. The potential leaders of rebellion from the working-classes, the men and women who would be the leaders of the next generation, have been turned into more skilled workers and professionals. By 1935, the educational ladder has become a matter of national pride, and the educational ladder has become a matter of national pride.

The Social Credit Party of Great Britain.

(The Green Shirts).

Application Forms.

Copies of this leaflet, "Social Credit Application Form" are available at headquarters, 44, Little Britain, E.C.1.

There are two sections:

1. Registered Members. Pledged to further the Social Credit cause.

2. Unregistered Members. Pledged to further the Social Credit cause.

The programme comprises the three items: National Credit Office; National Dividends; Scientific Price Adjustment.

For details contact: Mr. A. E. Bristow, 50, South Street, London, E.C.2.

The Unregistered members of the Social Credit Party are encouraged to help further the Social Credit cause. They are to be directed to the effort to return a Social Credit candidate to Parliament.

It is here assumed that up to the present time no negotiations have been concluded with party candidates standing for national office. Presumably, when a Social Credit candidate has been elected, he will come before the number of places accumulated by the Social Credit Party has reached dimensions sufficient to impress future candidates. If this is the case there is no reason to prevent an alliance between the electoral candidates of the Social Credit Party and Mr. Towndrow's election committee.

His candidates are important—apart from all other reasons—because they are to provide students of socialist theory with examples of the practical application of the electoral campaign. During the time over which the campaign has been fought, there have been collected (a) the votes of the Social Credit candidates; (b) the votes of the Social Credit candidates; (c) the votes of the Social Credit candidates; (d) the votes of the Social Credit candidates; (e) the votes of the Social Credit candidates; (f) the votes of the Social Credit candidates; (g) the votes of the Social Credit candidates; (h) the votes of the Social Credit candidates; (i) the votes of the Social Credit candidates; (j) the votes of the Social Credit candidates; (k) the votes of the Social Credit candidates; (l) the votes of the Social Credit candidates; (m) the votes of the Social Credit candidates; (n) the votes of the Social Credit candidates; (o) the votes of the Social Credit candidates; (p) the votes of the Social Credit candidates; (q) the votes of the Social Credit candidates; (r) the votes of the Social Credit candidates; (s) the votes of the Social Credit candidates; (t) the votes of the Social Credit candidates; (u) the votes of the Social Credit candidates; (v) the votes of the Social Credit candidates; (w) the votes of the Social Credit candidates; (x) the votes of the Social Credit candidates; (y) the votes of the Social Credit candidates; (z) the votes of the Social Credit candidates.

Some of the figures are useful, others are not. In this respect, the comparison between the electoral candidates and the Social Credit candidates is a matter of national pride, and the educational ladder has become a matter of national pride.

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Social Credit and South Leeds. 

Election Fund Opened.

Mr. W. Townend, the candidate of the Social Credit Party of Great Britain, has issued from his address, 125, Church Lane, Leeds, an appeal for funds and service. The Treasurer of the Election Fund is Mr. A. Dean, 225, Ring Road, Farnley, Leeds, from whom collecting cards may be obtained. Mr. Townend's circular contains the following information respecting his reasons for standing.

On August 29 I led a delegation of Green Shirts to an interview with Mr. Noel Whitehead, M.P. for South Leeds, to ask if he would support our demand for the abolition of poverty and war by the issue of a National Dividend. Mr. Whitehead would not commit himself, and refused to answer my questions, but a few days later he had an interview with Major C. H. Douglas. On September 15 Major Douglas wrote to the Secretary of the Leeds social Credit Society on the matter, and concluded his letter with the sentence "You might be forced to put up a candidate against him."

On October 1 received an invitation from the Social Credit Party of Great Britain to contest South Leeds at the next general election as the first Social Credit Party candidate; I have accepted the invitation, and with your support will win. There are several points in our favour in South Leeds:

1. At the last general election 40 per cent. of the electorate did not vote.
2. At the last general election Mr. Whitehead won by a very small majority.
3. I am very well known as a Green Shirt Leader and Social Credit speaker in South Leeds.
4. As a member of the old parish school board, I have some personal standing.

To ensure the first Social Credit victory in England I now need the utmost support from every serious-minded Social Creditor in the country. We can put up a big fight; will you help us to succeed in South Leeds and give the heart of Social Creditors throughout the world a new lease of life?

Social Credit or Communism.

According to a report in the Daily Mail on October 1 (page 3), the Dean of Canterbury appears to have said these words to his Calgary correspondent:

"If Social Credit fails, well then, I shall be behind the barricades. Unless Great Britain has Social Credit, Communism is bound to come. There is no other alternative."

Assuming that the report is accurate, it is in tune with something that Mr. Bennett said in one of his interviews with the press. After the election: "If we don't have Social Credit you'll have to get your gun."

The context indicates no threat to proceed otherwise, but a prediction of their spontaneous appearance. In both these declarations that people are animated by a militant spirit seems to be accentuated by a statement made by Mr. Bennett, Premier of Canada, in a recent speech to the effect that a Communist plot to kidnap him and hold him as a hostage had been discovered and frustrated not long previously. Whether the story is true or not is hardly more significant than the fact that Mr. Bennett expected his constituents to accept it as credible. It suggests that the ante-mortem probability of such a thing happening is recognised in the language used by the Dean of Canterbury and Mr. Aberhart.

Press Publicity Continues.

Humble River Yacht and Engineering Company, near Southampton, recently built boats for the Admiralty and the War Office. Between thirty to forty boats to be held up in the yard for the winter.—Reports from interviews with Mr. C. H. Douglas, who manages this company.

LETTER TO THE EDITOR.

League to Abolish Poverty.

Sir,—Your contributor "J. G." infers that the League to Abolish Poverty was an extension of the Secretariat and has now become independent. I should be glad if you would make it quite clear that this League has never been an extension of the Secretariat, but is, and will remain, an entirely independent organisation. At the same time we are prepared to cooperate to the fullest extent with any organisation which has the same objective.

E. A. HOLOWAY.
Hon. Sec.

Sentinel House, Southampton Row, W.C. 1.

Forthcoming Meetings.

The Social Credit Party of Great Britain.

The Green Shirts.

Wednesday, October 23, 8 p.m.—Speakers' Club, National Headquarters, 44 Little Britain, E.C.1.

Wednesday, November 6, 8 p.m.—Lecture: John Asprey-Greene: "Why must we win South Leeds for Social Credit at the next Election?" National Headquarters, 44 Little Britain, E.C.1.

Glasgow.

The Scots Movement for Douglas Social Credit.

Mass Rally Against Poverty and War, Central Halls, Bath-street, Glasgow, on Monday, October 21, at 8 p.m. Speakers: Dr. T. Robertson, B.Sc., M.B., A. F. Stewart (Baldick D.C.), J. Trainer (1st Glasgow Green Shirts), and W. Finlay (Scots Movement for D.S.C.). Price 6d., can be had from Grant Ede Co., Ltd., Union-street, or at door of hall, night of meeting.

Richmond (Surrey). The Electoral Campaign.

Lord Tinkerville will speak on the Electoral Campaign for Social Credit at St. John's Hall, Richmond, on Friday, October 25, at 8.45 p.m. Admission free.

The New Age Club.

[Open to members only.]

NOTICE.

Social Credit at the Albert Hall.

The London Social Credit Club is arranging a Douglas Social Credit meeting at the Albert Hall on Friday, November 29, 1935. The Marquis of Tavistock and Mr. Norman Smith will be the principal speakers. Other speakers will be announced later. The meeting will be held at the Albert Hall, London, W.C. 2, at 8.15 p.m., and tickets will be on sale from the Club's headquarters, 365, High Holborn, Lincoln's Inn Chambers, Lincoln's Inn, London, W.C. 2.

Public Meetings.

These meetings are organised by the London Social Credit Club.

At the Broadway, Caxton-street, Westminster, Friday, Oct. 18, at 7.45 p.m.—The Social Credit Point of View, by Mr. Braine Hillyard.

Friday, Oct. 25, at 7.45 p.m.—Questions and Answers Night.

ACADEMY CINEMA, 165, Oxford St.

GER. 2961.

Something new from Russia! A Riot of Fun that has set all Europe laughing! Alexander's "JAZZ COMEDY." (£0)