NOTES OF THE WEEK

Mr. T. W. Lamont in South Africa—his views about the future of gold—gold in the Social Credit Dispensation—is conversion to its proper use. Alberta prosperity certificates—the Hun. Lucien Maynard's explanation at Calgary—declares experiment is "not Social Credit!" and not compulsory—blassed comments on question of political effect of a failure of the experiment. How banks get a stranglehold on industrial capital—analysis with hypothetical balance-sheets.

THE WATERLOO CASE X.
Continuation of Mr. Gavin Simon's concluding arguments in the House of Lords—

NOTES OF THE WEEK.

The South African Press, on July 23, gave prominence to an interview with Mr. T. W. Lamont (senior partner of the firm of Lamont, Morgan and Co.) who was then there on a visit to General Smuts. Naturally the question of the prospects of gold as a marketable commodity cropped up (or should it be outcropped?). Mr. Lamont was able to give a reassuring answer. Gold, he remarked, was recognised even in primitive times as the "basis of precious value." Relics "encrusted with gold" had been dug up during excavations at Ur of the Chaldees—relics dating back before the Flood. Which just shows you the value of its preciousness as a basis. It might be that Noah used it to ballast the Ark—which suggests that some fruitful prospecting might be done on Mt. Ararat.

Mr. Lamont's reason for alluding to this was to show that gold was not the fetish of modern Capitalism, and he seemed to be suggesting that the prestige of gold had been, and would be, unaffected by any changes in social and economic systems. The same yesterday, to-day, and for ever. Well, we can all cry Amen to that—even those of us who wish to see the Social Credit system at work.

We suppose that the majority of people in South Africa are now the displacement of gold as a basis of currency would render it valueless. This is ill-founded, whether the "value," thought of as use-value or market-value. These people's fears would be justified if gold were to be abandoned while the prevailing principles of costings and pricing remained in operation, for then, when the banks ceased to buy the metal, and unloaded their hoards, they would glut the market, forcing the price down, and bankrupting the mining industry. But when the advocate of Social Credit envisages the technical dematerialisation of gold as a currency-basis he envisages also the political dematerialisation of the gold-hoarders as currency-controllers. It is these hoarders, and their methods of regulating supplies of currency and credit which would cause the abandonment of gold to be followed by disastrous consequences to those who mine it and refine it. Get rid of them, or get them to adopt right methods of regulation, and you avert such consequences. For then the "abandonment" of gold will really be the resurrection of gold from its grave of uselessness and its ascension into the sky of usefulness. The fundamental question is this, and only this:—Is gold desired by men for the sake of its intrinsic properties and virtues? There is no doubt about the answer. We would all like to have spoons, forks, rings, chains and ornaments fashioned out of that metal. Very well; under Social Credit the real desires of mankind will be translated into the effective demands of mankind—effective in the market sense that mankind will be able to pay the price of every desirable thing that is available to be bought.

"Yes, but what would be the price of gold?" someone will ask. The answer is that whatever the price might be it would be a remunerative price to the seller as well as a payable price to the buyer. Under the present system no price-level can fall without inflicting losses on sellers. So while this system continues it is impossible for the price of gold to be effectively affected by the course of the gold-price, whether upward or downward.

The reason can be seen by anyone who takes the trouble to examine the machinery of credit-creation in connection with the act of gold-hoarding by the central banks. For convenience let us refer to the central banks of the world under the name of the Bank of the Earth, or more shortly still, the Bank. Now when the Bank buys gold it manufactures the money that it pays. This money is in addition to the previously in circulation. And so long as the gold has
buried in the Bank's vaults that additional money remains in circulation. Conversely, if the Bank should choose to sell its hoard, the money would be withdrawn from circulation and the fundamental reason why the abandonment of gold as a basis for currency would inflict injury. It would involve the withdrawal of money from circulation; it would involve an act of deflation with exactly the same consequent paralysis of trade as happens in its absence. Notice that not only the gold industry would suffer, but every other industry and every person engaged in it.

Someone may observe, and properly so, that in actual practice the Bank of England is allowed to hold gold, because there would be no buyers; or that if it did sell it would have to accept no more than a small fraction of the price originally paid for it. But that is saying the same thing in another way, namely, that the community could not appropriate money for buying this gold without withdrawing it from other purposes for which it was being employed. In physical terms, the community could only absorb the gold by consuming an equivalent quantity of other things, including the prime necessities of living. The only condition under which this dilemma could be avoided would be those in which, when the Bank bought gold and hoarded it, the price of gold were able to board the money they got for it.

Now, there is naturally no necessity for this dilemma to occur. It is quite possible for gold to come out of the Bank's vaults and be used as the gold to remain in the markets. Certainly it ought to be possible, since the gold had never been the property of the Bank and had not changed the property of the community. For consider how the Bank acquires it. Mostly by manufacturing tokens of purchasing-power and handing them to the sellers. It appropriates public credit, and by distributing, appropriates gold. When Social Credit comes into operation it will pass into the hands of the Government as representing the rights and interests of the community. Virtually the community becomes the Bank. They take over the hoard, the assets and liabilities of the Bank. To narrow the essential point, they take over the gold hoard without paying for it. There is nobody to be paid. No bank-shareholder can lay a claim to it. It belongs to everybody.

That being established, all that remains is for the representative Government to decide what to do about the gold. Shall they retain the hoard, or shall they make it available for loan? If they make it available for loan, they beat their swords into plowshares— or, in other words, fashion their bullion into wedding rings? From the point of view of the gold industry it matters nothing what happens to the gold so long as the producers get their incomes out of the gold itself. All that is there an effective demand on a remunerative price? If so, why not let the metal go to manufacturing jewellers instead of monetary jugglers? Come on; hand up all those who do with a gold watch—cigarette case—powder-box—and so on, and see what else. Gold has been always extensively hoarded but it would be turned out and for that very reason its lustre does not depend on its contrived inscrutability. It was admired before bankers cornered it, and it will be admired long after the corners and their tricks have passed out of the memory of mankind. Yes, as Mr. Lamont says, gold will always be in demand, but, as he goes to say, in demand from those who will pay it the tribute of using it. The playing of this virtual currency value will always be left to hope from Social Credit. During the Boer War pro-Boers used to be sung a ribald adaptation of the well known hymn running as follows—

Johannesburg the golden
With milk and honey blest
but this adaptation can stand to lay as a prophetic description of the prosperity and prosperity that will descend on that city when the stone is rolled away from the vaults of the Money Power.

In the meantime the bankers hoard all the gold they will. It makes no difference to the Social-Credit issue. In fact there would be no obstacle to the working of a Social Credit system even if the hoarding continued. If the British—or, let us say, the Empire—Credit Authority, which took over the present functions of the Bank of England and others chosen by this Gold it inherited from them, and to continue the present practice of buying all new gold on offer at a standard price, this could not prevent the attainment of the Social-Credit objective. All it would do would be to lead to much wealth being produced, not consumed. The energy expended in producing wealth would be wasted. But since the energy of the exerted would be (as it is now) so small a fraction of the energy available (actually, and much more importantly for producing other kinds of wealth, the incidence of this waste on the volume of consumption would be negligible.

There was an American gentleman who wrote to the New York page soon after the War suggesting that an American gold hoard might be cast into a shape to be placed in the centre of some public square with a matching round it and one or two policemen attending it. The idea was that the gold would be all the safer for being publicly and essentially understood. Unwittingly the gentleman was touching at the central nerve of the confusion existing between a gold standard and a gold standard. The wording of a bill represents (as just shown) merely the division of so much energy and the exertion of such energy into products from the consumption market, without the aid of gold. But gold functioning as a standard standard represents the meaning of the ‘gold standard,’ the functional implication and consequence is the restriction of the volume of all-wealth-production to some arbitrary division of gold-wealth-production. To make the American idea—made by the American—a practical proposition means in essence the restriction of all production to the production of wealth. The chartered corporation law that forgives a bank to encroach on the streets of the community, with the chartering of the board of directors, has no legal meaning as it is now. Instead of being simply a by-product of the economic facts and circumstances it is destroyed by belonging in another form. Whereupon a number of the standard is a crown of effort the standard is a private effort.

Here we come to the essence of the distinction: a prescribed code of conduct imposed on mankind by private interests who control the board. And these interests get away with it by transferring to themselves the prestige and esteem belonging to the gold which they control. When Mr. Lamont says that gold will always be desired by mankind he is implicitly claiming that mankind cannot do without gold—wanting money monopolists and law-givers. Well, he’s telling the truth. The power to return to this is the opposite to Amen—it is Oh yeah!

Albertian “Prosperity Certificates.”

Hon. Lucien Maynard, 28, Minister without Portfolio in the Provincial Government, second youngest Cabinet Minister in the British Empire, six years out of law school stood upon the platform at the Victoria Canada high school auditorium last night and explained the Provincial Government’s new monetary scheme to an audience of more than 1,000 Calgary business men and representatives of public organisations.

Both he and Premier Aberhart, who accompanied him, skillfully admitted the value of the province on its feet, or weight, the Government.

"If it doesn’t work—let it be our funeral," Mr. Maynard said.

(The Calgary Herald, June 18, 1936.)

We have received from a correspondent a copy of the Calgary Herald and he has advertised the meeting at Calgary referred to in the extract printed above. This meeting, appears, was one of a series promoted by the Government in various important centres in Alberta which were attended by the Hon. Lucien Maynard for the purpose of giving information and answering questions about the prosperity-certificate scheme. Judging by the proceedings at the Calgary meeting he was a polished and able expositor, and an intelligent and helpful heckler who asked “a question without reference to their relevance or importance. For example, at one juncture he promised that the Government would indemnify every man who might be prosecuted under the Bank Act for refusing to pay a lawyer in the audience got up and asked him if he was not aware that it was illegal to undertake to offer to indemnify a person for a breach of the criminal law. Maynard explained that a breach of the Bank Act was not an offence against the 'criminal' law—a distinction whose fundamental significance will be clearly recognised by readers of The New Age, particularly those who recall the precedent case published in Public Welfare and Credit Power fourteen years in which the New Age’s activities were prosecuted as counterfeiting under licence. All bank charters are forged-lie’s—permits to private monopolists to duplicate what may be called standard tokens. A perusal of the Act permits certain pro-
It is reasonable to suppose that the change of heart in the citizens of Alberta that the Government is attempting to bring about is a refection of a similar change going on in the higher places of society. Both on material and moral grounds the change is spreading. One symptom is the increase in the number of civil servants protesting against having to sign the oath prescribed by the Tax Act. It is a "dirty work," in the words of the dissenting officials, and they are determined to call their superiors to account if the systems are not changed. This change is also being felt by the public, who are demanding an end to the Government's methods of collecting taxes. The continued mismanagement and corruption within the Government are causing public confidence to wane. It is in these higher places of society that the change is most evident, and it is these changes that will ultimately affect the public sentiment, which is the ultimate goal of the Government's efforts.

The change in the citizens of Alberta is also reflected in the way they are handling their finances. They are increasingly opting for more conservative and secure investments, such as the Social Credit movement. This change is being driven by their desire to secure their financial future. The Government is working to address these concerns by implementing changes in the Social Credit movement. It is clear that the change in sentiment is spreading, and the Government is responding to this change by making necessary adjustments in its policies. The ultimate goal of the Government is to create a more stable and secure society for the citizens of Alberta. This is achieved by addressing the concerns of the people and implementing changes that reflect their changing beliefs and values.

In the event of the Government's failure to address these concerns, the change in sentiment may continue to spread, and the Government may face significant challenges in the future. It is clear that the Government is aware of these challenges and is working to address them. The ultimate goal is to create a more stable and secure society for the citizens of Alberta. This is achieved by addressing the concerns of the people and implementing changes that reflect their changing beliefs and values. The Government's efforts in this regard are ongoing, and they will continue to work towards achieving their ultimate goal.
An Aerial View of Social Credit.

By Frederick J. Good.

As if from a serene height I look down upon a world which, since first listened to Douglas in an obscure small chamber in 1913, has become crammed with signs of interest in the Social Credit doctrine. Alfred Orage was present in the small group, and he had the vital spark. A few years later I had the privilege of expressing my position for National Dividends and Price-control at a Daily News dinner. Those dinners were like Methodist love feasts, with brothers and sisters smiling in a communion of saints, and murmured to each other terms concerning Wealth, Money, Satahine Finance, Pay-day loans, etc., and the dance of the harps of Hope and Faith. And I—infused with the spirit of Social Credit and religion of Humanity, and with the benediction of all the ideals of Social Creditology—felt (and I feel in 1930) that Douglas's gospel is a spiritual and humanist to the Socialist revolution which has no parallel before the Christian era.

In my memory I see the solemnity of Positivism, Ethicus, Socialists, and Communists to catch on to the splendid Social Credit truth, and because they know not the things that belong unto their peace. But, in comparison with the $2,000,000,000 to be spent by the globe's people, these coeries count not as governors of their own. All human beings other than the stones of construction, moved (as by the lye of Douglas) in the Hebrew myth) by the Social Credit idea into walls and principles. The Church and the State, the Church and the State, the Church and the State.

Contemplating from my serene height, I do not see human social and political, cancelling one another out. I see rather the Church and the State, and I see also the Social Credit idea in its fullness.

The Church and the State, the Church and the State, the Church and the State.

"Social Credit" on York Conference.

The official organ of the Social Credit, Social Credit, its issue dated August 14, published a new and editorial article (unigned), which is intended to be as exposing Douglas's attitude with his knowledge and conclusions as certain on the "calling of the conference. The fourteen promoters whose names are given in theimoto are not known to have met by grace of the newspaper, but are coming forward to state that they are in favor of the report. They are presented as exclusivist to certain individuals, and are ready to confine their error under the weights of evidence that the policy of Action, as formulated and presented at Buxton, has been successful. Among the leading ones are Mr. G. and Mr. G. and Mr. G. and Mr. G.

The article goes to a certain of gratification at this spectacle of the helplessness of the Social Credit, which is often quoted by the main leaders in their attempt to get on. It begins with a warning to the promoters who have been forward to state that they are in favor of the report. They are presented as exclusivist to certain individuals, and are ready to confine their error under the weights of evidence that the policy of Action, as formulated and presented at Buxton, has been successful. Among the leading ones are Mr. G. and Mr. G. and Mr. G. and Mr. G.

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LETTER TO THE EDITOR.

CAPITAL COSTS IN PRICES.

Sirs,—As Mr. Franklin says that the letter in your issue of August 13 is to be his last, it is, I think, fitting that some expression of gratitude should be conveyed to him for criticisms which have been instrumental in clarifying an important aspect of Social Credit theory.

After that it may seem ungracious to point out that he practically grants the Social Credit case when he says that “so long as collected depreciation charges are returned to the money stream by temporary investment elsewhere, a hold-up will occur,” though I suspect that some readers may agree that quite enough of your valuable space has been occupied of late in pointing out the alarming conditions at which this “temporary investment elsewhere” must take place.

But every reader will be especially gratified to learn that the community is not in debt to the banks. Evidently he could not have been the bankster who in a recent debate on the repayment of debt, it was just our silly selves down one another. Perhaps we shall be wiser next time.

A. W. COLEMAN.

Captain Rushworth at the Central Hall.

The London Social Credit Club has been fortunate enough to obtain the services of Captain H. M. Rushworth, M.C., for Boy of Iceland, New Zealand, who is at present on a visit to this country. The club is, therefore, arranging a meeting in the Central Hall for Thursday, September 24, 1926, at 8 p.m., and hopes that all supporters of Social Credit will do their utmost to make the meeting a success.

Further particulars will be announced shortly.

In addition to the large meeting, Captain Rushworth will answer questions at the Blewcoat Room, Garrick Street, Westminster, S.W.1, on Saturday, September 26, at 3 p.m. As this hall has a very limited capacity, the meeting will be open to Social Creditors only.

The Social Credit “Who’s Who.”


NOTICE.

All communications requiring the Editor’s attention should be addressed direct to him as follows:
Mr. Arthur Brenzoni, 20, Victory Road, Barnet, S.W.12.