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HARGRAVE'S OFFICIAL REPORT ON VISIT TO ALBERTA.

REPRINT FROM REPORT.

Alberta's Resources—Basis for Dividend—Stamp-Script Failure—Hargrave and the Planning Committee—Hargrave's Strategy: "Imprisonment" of the Government—Can Bankers Evict a Social-Credit Administration?

Alberta

The Hargrave Report

The Report made by John Hargrave on his visit to Alberta will have been published by the time that these comments reach our readers. At any rate its date of publication has been fixed for July 20.

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By the courtesy of the author we have been allowed to select for reproduction any extended passage which we consider is reliably typical of the whole compilation. The result of our choice is printed elsewhere. Older readers who examine it will be reminded of the record of Major Douglas's first examination in Ottawa which we published subsequently under the title: *Canada's Bankers and Canada's Credit*. That book was considered by many people to be the best propaganda that could be circulated at the time. The chief merit of it, from their point of view, was that it had high dramatic appeal on account of the dialogue-form in which the matter was set out. It was question and answer nearly all the way through. Well, Hargrave has incorporated dialogue to as great an extent as the nature of his story permits. Perhaps we should say, *requires*; for there is sufficient drama in the circumstances of his visit and the state of affairs that he encountered without bringing in verbatim conversations. Again, Hargrave has the flair for making a story come alive. He draws vivid pictures out of material which many other writers would find dull and intractable. The passage where he describes his cross-examination of the Planning Committee, together with his commentary, concerning the Stamp-Script experiment, is a good example.

* * *

Yet, brilliantly as the Report has been written, it is a *Report*. It largely confines itself to recording dates, names, places, and events—to recounting who was who and what he said or did—and, for the rest, to offering reasons for the advice that he gave and the action he took. Lastly he reproduces in a short Appendix the text of the Planning Committee's final Report which was based on his earlier draft. Students of Albertan politics have here everything that they need to form a sound judgment; and nothing calculated to warp it. They can now size Hargrave up as a writer, an organiser, an expositor, a draughtsman, a tactician, and a strategist, assessing his merits or de-merits under any of these heads by applying their own knowledge and judgment to the authentic, first-hand evidence assembled in the book.

It reveals an extremely valuable piece of work done, and in fact, when you realise the state of uncertainty among Ministers, Members and People alike about where they were and what should be done, you almost get a shiver at the thought of what might have happened if Hargrave had not packed his bag and slipped across just when he did. Moreover, as we believe our readers will generally agree, the effect of his work has been to straighten things out for Major Douglas (or his representatives) to carry on. As regards the much canvassed "Hargrave Plan," which was the one piece of work which might (for it has not been disclosed publicly before) have encroached on Douglas's sphere of prerogative and hampered his strategy, we hear, unofficially, that the Secretariat procured a copy of it a short time ago and saw no reason to criticise it adversely. In fact it is not a Plan: it is too widely drawn to carry that narrow designation. It is rather a foundation on which almost any Plan can be set up provided that it incorporates the essential principles of the authentic Social Credit remedy.

* * *

Most readers will be especially interested in the facts given about Alberta's natural resources and the potentialities of prosperity contained in them. We may have in passing that both Mr. Powell and Mr. Byrne have recently felt able to assert that a Dividend is technically feasible in a comparatively short time. This confirms Hargrave's view, which (as will be seen elsewhere) is based partly on the fact that even as things are now the financial value of the wealth exported from Alberta is always "enormously greater" than that of the wealth imported. Alberta, as he remarks, "cannot be starved out." In terms of food, fuel and shelter she is impregnable. She is vulnerable in respect of other things, but, as Hargrave points out, if she tries to cure this vulnerability by other means than Social Credit (i.e., industrialising herself with the help of outside capital on the usual conditions) she will only make it harder to adopt Social Credit afterwards. In face of this dilemma the thing to do is to start in with Social Credit now and face the risk, such as it is, of an economic blockade. It may not materialise; for it is a double-edged weapon. External Provinces are under as much necessity to send things in to Alberta as the Albertans are to receive them. If there were a blockade those Provinces would have to get the banks to nurse their held-up exports. A pregnant spectacle for Social-Credit propagandists to exploit if the banks did so. It will be remembered that the blockade of Italy caused just this difficulty, although the general hostility in Europe to Italy's war of conquest helped the bankers to do their job cheaply and

Premier Aberhart could not go back on that. All genuine Social Credit advocates would be eager to keep the government to its pre-election programme. And so also would any anti-Social-Credit factions. Here was the possibility of taking the government "prisoner," surrounded by its own supporters, and its opponents, who, closing in on all sides, could stand united in the demand that it begin without further delay to take the necessary steps to implement its very definite election promises: "You promised these things—now put them into operation."

"It was essential that there should be something upon which the Social Credit M.L.A.s could unite; something other than the somewhat enigmatic personality of the school-master-preacher; something impersonal and unemotional. Reason rather than Rapture.

It was with this in mind, after very careful consideration of all the factors in play, that Hargrave now decided to draft certain recommendations in the form of a report based upon technically sound Social Credit principles, rather than leave it to the planning committee.

If such a report could be brought intact through the committee, and approved by the Party Caucus, it would be possible to turn any attempt to sidetrack it, or bungle it in application, into the signal for an effective revolt of the M.L.A.s, and in this way it might be possible to end the long-drawn-out drift away from Social Credit and regain the position.

Within twelve weeks this line of action proved effective.

Alberta cannot be Starved out.

The recommendations drawn up by Hargrave were based upon a diagram which he had originally worked out for his own better understanding of the problem. This diagram makes clear the economic structure, together with the import-export "flow," necessary in operating any Social Credit mechanism in Alberta at the present time.

[A diagram appears here in the Report.—Ed.]

In considering this diagram, it may be helpful to give the typical argument which was frequently put forward by Social Credit students as well as those who held that Social Credit was unsound in theory. For example:

—"Social Credit is impossible in Alberta because, quite apart from the constitutional problem, something like 86 per cent. of the consumable goods used in Alberta are imported. They would have to pay for these imports in ordinary bank-money. These imports include clothing, boots, automobiles, radios, machinery of all sorts, and a thousand and one other necessary products, as well as all sorts of luxuries. Until Alberta has been fully industrialised and can produce most of these things herself, Social Credit is out of the question."

Such an argument might seem to dispose of the whole thing, at any rate until such time as Alberta had been industrialised, which would take at least 10 years, and probably more. No one asked "Where is the money to come from?" to finance this intensive industrialisation of a so-called "bankrupt" Province. Such financing would have to conform to the orthodox bank-loan debt-system, and, because of that, the problem of introducing Social Credit into a fully industrialised Alberta would be far more complicated than it is at the present time.

However, many people said:

—"What a pity Social Credit should be attempted in a Province like Alberta where they only produce wheat and meat and a few other things—the worst possible place to make a start, don't you think?"

Hargrave's reply was always "No."

—"But you don't think it's a good place to try such an experiment?"

Hargrave's answer was, "Yes, in some ways it could hardly be better," and when asked why, he said:

"Because the Albertans cannot be starved out. They produce an enormous surplus of wheat and meat for export, far exceeding their own requirements. They have ample dairy produce, as well as sufficient vegetables and fruit for their own consumption. And there is any amount of fish and game. They cannot be starved out. That is vitally important. So far as food and shelter are concerned, they are self-supporting. They are not only able to produce all the food they need, but all the materials necessary for building are there, including timber. The money-ticket system has to be made to reflect the facts of the actual production of real wealth."

—"But if Alberta used her own credit-tickets wouldn't it be impossible for her to pay in bank-money for such absolutely necessary imports as boots, clothing, and machinery?"

To this Hargrave pointed out that it would be perfectly possible, because: *the total financial value of real wealth exported is always enormously greater than the total financial value of real wealth imported.*

OFFICIAL REPORT ALBERTA

A DOCUMENTED RECORD
OF MR. JOHN HARGRAVE'S VISIT
TO THE PROVINCE OF ALBERTA
DEC., 1936 - - JAN., 1937

Incorporating a review of his activities
as
Honorary Social Credit Adviser
to the
Alberta Government Planning Committee

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Blewcoat Room, Caxton Street, S.W.1.

July 23, 8 p.m. "Social Credit and Personal Freedom."
By Mr. Edgar J. Saxon.

July 30, 8 p.m. "A Business Man Looks at Social Credit," by Mr. A. F. Anderson.

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