# THE INCORPORATING "CREDIT POWER."

OF THE NEW AGE SOCIAL CREDIT SOCIETY ORGAN

NEW Vol. LXII. No. 13. THURSDAY, JANUARY 27, 1938. ANNUAL SUBSCRIPTION TO THE SOCIETY No. 2368] CONTENTS. PAGE BOOKS TO READ. By Pakeha . . . ANOTHER YEAR'S DELAY. By John Hargrave .. 61 DEBATING SECTION . . . . . . Alberta: An account of developments during the A. W. Coleman; Gladys F. Bing; J. A. Franklin. last year. AGRICULTURE AND WAR. (Editorial) A. W. Coleman (2); John Grimm; G. A. H.; A.B. Convention of the National Union of Farmers REAL LEISURE . . . . . . . . . . . . 68 agriculture the first line of defence—why not an agricultural rearmament credit "?-farmers W. W. Jacobs's happy definition. indict the financiers—the betting against an out-

# break of war. ANOTHER YEAR'S DELAY.

An Appreciation of the Position in Alberta from January 25, 1937, to January 25, 1938.

# By JOHN HARGRAVE.

Province of Alberta on January 25, 1937, thereby tion that results a factors in the political formation that results a reorientation and setting in motion those factors in the political formation that resulted in bringing about a reorientation and realignment of the forces in play. Except for material in July, I have made no statement for publication on ago.

in the Dosition of the Alberta Government was:

(1) The Government was:

(1) The "stalemate" existing between Aberhart and Douglas.

To-day, at the moment of writing, one year later, outstanding feature is: (2) The "stalemate" existing between Aberhartand Douglas in co-operation, on the one side, and

the Credit Monopoly on the other. A tremendous change, therefore, has taken place, but strategy the outset on

strategy and tactics employed from the outset on Social Credit side have been "circumbendibus," have all alors. and have all along given the initiative to the enemy.

The Principle of Surprise.

from August 24, 1935, until April 30, 1937 (one year both unnecessary and inexpedient. And I am of the Which Set in in August, 1937, two years after Aberhart's in Surprise of the polls. Victory at the polls.

Surprise is the most effective and powerful weapon Surprise consists in the creation of a situation whaterial superiority, which may be moral, physical, or tapiding or a novel use of existing weapons, and bidity of execution are among the principal measures which execution are among the principal measure of superiority can be produced by the use of

It is twelve months almost to the day since I left the surprise."—(Field Service Regulations, Vol. II, Operations of Alberts of Alberts (The Principle of Strong Chap, I, Sec. 8, para, iii, "The Principle of Strong Chap, I Sec. 8, para, II, Sec. 8, para, surprise. — (Fueta Service Regulations, Vol. 11, Operations, Chap. I, Sec. 8, para. iii, "The Principle of Surprise.").

It should not be overlooked that Social Credit is

forced to use the strategy and tactics of guerilla warfare forced to use the strategy and tactics of guerilla warfare against the massed regular forces of the Credit Monopoly. The whole principle of guerilla warfare is that a "positional" or static war must be avoided, and that a war of "movement and manoeuvre" in which the "short attack," using the element of surprise to the full, must be developed as a series of sharp prise to the weakest points in the enemy's lines.

## The Flame of Enthusiasm.

The hang-fire in Alberta is due to the fact that the principle of guerilla warfare has not been applied. I am not concerned, here, as to why this is so nor who is responsible, but merely with the fact that it is so. In responsible, but merely with the fact that it is so. In this connection it may clarify the position to quote a few words from Colonel T. E. Lawrence's "Seven Pillars of Wisdom":

"The Sherif's rebellion had been unsatisfactory for the last few months (standing still, which, with an the last few months (standing still, which, with an irregular war, was the prelude to disaster); and my suspicion was that its lack was leadership: not intellect, nor judgment . . . but the flame of enthusiasm, that

One of the chief factors in making use of the element would set the desert on fire." of surprise is "rapidity of execution," and it will be found that "the flame of enthusiasm," spreading from the point of leadership, is the only dynamic that can make such rapid action possible.

# Guerilla Bands are not Regulars.

The principles governing the effective conduct of the rne principles governing the effective conduct of the spiritual or psychological war for individual freedom spiritual of psychological war for individual freedom are almost exactly those governing a military war. It are almost exactly those governing a military war. It can, therefore, be laid down as absolute that: a band, or bands, of irregulars fighting a politico-psychological

campaign cannot be successful unless the strategy and tactics employed are those proper to guerilla warfare

in the psychological sphere.

A guerilla force, pitted against massed army corps holding strongly fortified positions, that decides to settle down to a "one-trench-at-a-time" war of attrition—a long-drawn-out process of wearing down the enemy-throws away every advantage it has, and is, in effect, out of action. Sooner or later, unless it changes its strategy and tactics in conformity with the principles of guerilla warfare, it must retire from the field, be annihilated, or hoist the white flag and

Not only is it true to say that the Alberta (Social Credit) Government is a small band of skirmishers, elected for a five-year period of fighting for a clearly defined objective (the "basic" dividend of 25 dollars a month), but also that the people of Alberta, in common with the people of every other country, are in the category of guerilla bands, only capable of short, sharp attacks that achieve some easily recognisable immediate objective. If the "short attack" is allowed to develop into a long-term struggle, during which no immediate and tangels are to the recognised the immediate and tangible gain can be recognised, the "flame of enthusiasm" will die down and the irregulars will "pack up and go home," as the Arab fighting men under Lawrence's command so frequently did.

Two years and five months have already elapsed in the "war" in Alberta, during which no immediate and tangible gain has resulted to the Albertan people. There are still, perhaps, another two years and seven

Inere are still, pernaps, another two years and seven months to go before the next general election.

It may or may not be clear to the Albertans that, along the lines of slow-motion "positional" strategy carried out on the legal-" constitutional "front—the strongest position in the enemy's defence works—they have to face an indefinite period of involved psychological struggle which may seem interminable and without worthwhile result. That is not a prospect that can fan "the flame of enthusiasm" and keep it blazing.

In making an appreciation of the present position we

cannot ignore the fact that the enthusiasm engendered at and just after the 1935 election was allowed to dwindle for many months (to be exact, from August. 1935, to January, 1936), until, at the time I reached Edmonton in December, 1936, it was no more than a fitful flickering. And it is now, again, not much more than that

General Conditions in Alberta. The crop yield for 1937, both in quantity and value. is almost the same as for 1936. In spite of severe drought and dustbowl conditions in the south, Alberta had good crops on the whole, owing to the fact that in July the needed rains came just in time. This should be Aberhart Government has been its record difficulties. noted by Social Credit writers who have stated that the Aberhart Government has had its many difficulties greatly increased by a bad crop yield. The potato crop appears to be normal except for prices, which are Unemployment is much as it was last winter (1036-

Unemployment is much as it was last winter (1936-37). Some 4,000 single men have taken advantage of the "farm placement" scheme, a form of relief paid provincial and Foderal Carra and subsidised by the Provincial and Federal Governments. This scheme has taken the place of the "work camps," which have now practically closed down. The down and out section now practically closed down. The down-and-out section of the population relying upon the "soup kitchens" is

It will be remembered that in the draft recommendations which I laid before the Government Planning Committee on December 21, 1936, No. 8 read as

follows:

'If necessary a Debt Holiday on all internal and external indebtedness to be proclaimed for one year, or

That recommendation was included in order to give the Province a breathing-space in carrying its heavy burden of debt; a respite that might allow time for

Governmental action towards the introduction of Social Credit without having to borrow further sums.

To-day the financial position of the Government is not at breaking-point, although it has not yet introduced any part of the Social Credit mechanism. By declaring a "debt holiday" (moratorium) in 1937, the Government is now managing to get along from day to day without further borrowing. If the Province is not out of debt, at least it is not sinking itself further into debt. By means of the "debt holiday" the Government. debt. By means of the "debt holiday" the Government has made it possible for Albertan citizens divertints to the control of th divert into tax-payments money which would have gone to pay other delivery for to pay other debts. By pressing most relentlessly for payments due, the Government has been able to collect more than was received. more than was possible previously, and there appears to be no immediately to be no immediate danger of Provincial bankruptcy: or rather, there are no indications that the present state of financial incolumns in the present state of financial incolumns. of financial insolvency will become more acute than it already is. All this, of course, has nothing to do with Social Credit, but it has enabled the Alberta Government to stop sending its Provincial Treasurer to the East to beg for loose. It is no locate trying to borrow East to beg for loans. It is no lnoger trying to borrow from the bankers, and that is a step along the road that can lead to Social Credit.

Opposition Groupings

The bankers' anti-Social-Credit groups are very active in the Province. Since August, 1937, there has been a regular very been a regular very since August, 1937, there has been a regular very since August, 1937, there has been a regular very since August, 1937, there has been a regular very since August, 1937, there were the control of the control o been a regular epidemic of these anti-government "Unity" organisations. The strongest and which aggressive was the People's League of Alberta, and drew support from the Concernative Liberal, and drew support from the Conservative, Liberal, and U.F.A. camps U.F.A. camps. However, this opposition grouping appears to be at odds within its own ranks. also the United Canada Association which consists of also the United Canada Association, which consists of about twenty-four business men of Edmonton. Their against the Social Credit idea and the Aberhart Government, and these broadcasts are nothing if not virulent in their against the Social Credit idea and the Aberhart virulent ment, and these broadcasts are nothing if not from the in their attacks. Just lately, a new offshoot split ranks of the People's League has appeared, calling split ranks of the People's League has appeared, morey itself the People's Unity League. A good deal of them has been poured into these groupings to enable to carry on their propaganda activities. None of copposition line-up would be of the slightest consequence if the Social Credit Government had made even a tentative move in the direction of the promised dividend."

Enemy allowed Two Years to "Dig In'

It is quite useless, except for propaganda purposes amongst the uninstructed, to point to the extent that the virulence of the anti-Social Credit propaganda few has been developed in Alberta during the past few months. the virulence of the anti-Social Credit propaganda few has been developed in Alberta during the past on the and is now raging in the Press, on the platform, and "over the air." If for two years you allow underemy to "dig in" and consolidate his position on the list ines you cannot put up a "how!" later on the his lines you cannot put up a "how!" later on the harassing, raking fire from his machine-gun nests and spring posts.

From the strength of the propaganda few the past of the platform of the his lines you cannot put up a "how!" later on the harassing, raking fire from his machine-gun nests and harassing, raking fire from his machine-gun nests.

From the point of view of political "face-saving captiese anti-Social Conditional "face-saving test these anti-Social-Credit, anti-Aberhart groupings itself of course, be a godsend to a Government that, of clear to delay tactics "by opening a dvised to war," "delay tactics by opening a long-drawn-out the strongly fortified legal-" constitutional front.

Weak Propaganda Worse Than None
The opposition groupings were, if apparently, strengthened by the fact that Mr. Powell, ampaign is following intructions, began a "pillorying camphere you no doubt that the "bankers' toadies", leaflet (of no constructed, schoolboyishly worded document the propaganda value to any one except the position who were quick to make use of it),

libel actions which followed, had the effect of side-tracking and still further confusing the real issue that ought to be kept sharply defined in the minds of the people of Alberta.

JANUARY 27, 1938

#### The Real Issue

The real issue is not: has Alberta the legal-" constitutional, right to take steps to introduce Social Credit? but has Alberta the courage and technical ability to

introduce a form of debt-free "dividend-ticket" based on the real wealth production of the Province?

Any "disallowance" or refusal of "royal assent" by Ottawa or the Privy Council ought to be directly concerned with leading the Alberta Govconcerned with legislation empowering the Alberta Government to issue a dividend of 25 dollars and with the actual in the second with the actual in the second with or actual in the second with the s actual issuance of such dividend simultaneously with or immediately following the passing of the necessary legislation by the Provincial Legislative Assembly.

Import-Export Organisation

This at once raises the point briefly outlined in the Alberta Report (page 14) and elucidated by means of a diagram (the economic a diagram (page 13) making clear "the economic structure to the control of the co structure, together with the import-export 'flow,' necessary, in the import-export in the import-ex cessary in operating any Social Credit mechanism in Alberta at the present time." This diagram shows an bank-money for external trading passing into and out Credit Area." (the whole Province) using Alberta credit debt-tree) for the transfer of goods and services within debt-free) for the transfer of goods and services within the boundary the boundaries of the Province.

In two years and five months there has been ample me in vive for such time in which to establish the main structure for such an import of the stablish the main structure for such an import of the stablish the main structure for such an import of the stablish the main structure for such as import of the stablish the main structure for such as import of the stablish the main structure for such as import of the stablish the main structure for such as in the stablish the stablish the main structure for such as import of the stablish the stab an import-export clearing-house organisation, and to get the farmers to co-operate.

The Dividend as Fighting-Point But apart from this, which will be found to be the Alberta, there is no doubt that, from the point of view social effective political action (as distinct from effective to the point of th of effective political action (as distinct from effective social-economic engineering) the people of Alberta dividend, in their pockets before the legal-" constitutional, struggle was developed; and the issuance of that it struggle was developed; and the issuance of that "struggle was developed; and the issuance of contention" (?) should have been the "born of and the between the Social Credit Government author Manager Property of the Ottawa and the Money Power hiding behind the Ottawa pledge "and the Privy Council. The proper "unity Albertan and "true blue pledge" for uniting the dividend people as a whole was, and still is, the of goods and services. Such an issue of debt-free the provisions of the British North America Act (Section We has consider the advantage of being able to say: provisions of the British North America Act (Section by the University of the British North America Act (Section of the University of the British North America Act (Section of the University of the British North America Act (Section of the University of the British North America Act (Section of the University of the British North America Act (Section of the University of the British North America Act (Section of the University of Section of Section of the University of the British North America Act (Section of University of Section of Section of the British North America Act (Section of University of Section of Section of Section of Section of the British North America Act (Section of Section of Section of the British North America Act (Section of Section of S your own money, issued on your instructions to you by allow properly of \$25.00. Who now stops you from spends you by allow properly of the comment? Who has 'disallow properly elected Government? Who has 'diswho it is the Alberta Dividend Legislation? You shall be be hind it is the Money Power—the Bankers—work-the Behind it is the Money Power—the Bankers—work-the Federal Parliament and You the Alberta Dividend Legislation. The Alberta Dividend Legislation. It is the Money Power—the Bankers—work-the behind, in, and through the Federal Parliament and have Privy Council. But we kept our promise. You even if your dividend in your pockets. Hold on to it—sether you cannot spend it at the moment. Stand to-before with the Covernment that kept its promise, and sether your dividend in your pockets. From Stand to sether you cannot spend it at the moment. Stand to before with the Government that kept its promise, and and the very long, if you stand solid, we will force Ottawa debt free Privy Council to allow us to spend our own own Province."

The Fight to Spend the Dividend

The Fight to Spend the Dividence battle developing from that point would have developing from that point would have man, and would now be, as clear as daylight to every woman, and child in the Province. Each one of

them would want to spend his or her \$25.00; and because they had it in purse or pocket ready to spend, but were prevented from doing so by interpretations of the 70-years-out-of-date B.N.A. Act, they would fight solidly behind the Government that had kept its promise.

The first Social Credit Government in the world ought, for obvious reasons, to have moved heaven and earth to keep its promise, and it ought to have been helped (even pushed) to do so by competent technical advisers on the spot, sent out immediately, in August or September, 1935, before the bankers had been able to "plant" their Mr. R. J. Magor on October 10.

## Weakest Sector in the Enemy's Lines.

There was a fatal hesitation at this point, and a fumbling in action, that has affected the whole course of the campaign in Alberta. The "surprise attack" was not, and has not been, developed, and failure to do so has allowed a war of movement to slow down and drag through long periods of delay and deadlock, with the consequent serious loss of fighting enthusiasm, and the attempt to use untrained irregular forces, only fitted for the "short attack," in a prolonged process of wearing-down-the-enemy at the strongest position in his

The weakest sector in the enemy lines is the actual issue and withdrawal of "scraps of paper" called

Disallowance by Ottawa of the actual issue of debt-Disallowance by Ottawa of the actual issue of debt-free "money" by the Alberta Government would have focussed the real issue at the right psychological point: the pockets of the people. (The Prosperity Certificate stamp-scrip did not fulfil this purpose for reasons well understood by Social Credit students.)

The Present Political Line-up.

The defeat of the Social Credit candidate in the recent by-election at Lethbridge, with Premier Aberhart and half the Cabinet out campaigning for him, may not indicate a very serious state of affairs when it is remembered that Aberhart was never able to rouse the full support and enthusiasm of the towns. At this bysupport and enthusiasm of the towns. At this byelection all the opposition groups combined, put up a
"Unity" candidate, and got him elected. In 1935
the S.C. candidate received 55.7 per cent. of all votes
cast, the total vote being round about 6,750. In 1937
the S.C. candidate received 44.6 per cent. of the total
vote and although the numbers of voters were increased vote, and although the numbers of voters were increased by 549 the S.C. vote dropped 490. Had the total vote remained as it was the S.C. vote would, by the same percentage, have dropped 514 ballots. This by-election percentage, however, go to show that a group proclaimresult does, however, go to show that a group proclaiming a new idea, such as Social Credit, may be swept ing a new idea, such as Social Credit, may be swept into office on a propaganda campaign, but once in the seat of governmental power it must "deliver the goods" in order to hold its support.

Owing to the initial delays, long-distance hesitations, and failure to apply the principle of surprise either at the outset or later, the enemy has been able to impose a second period of "stalemate" in Alberta. This a second period began in the autumn of 1937.

a second period of "stalemate" in Alberta. This second period began in the autumn of 1937.
The line-up in the Legislative Assembly next session (February, 1938) will probably be as follows, and the weakening of the Government forces and the emergence of several "opposition" groups in the House is not due in the main to "party politics" but is largely the due in the strategy and tactics of delay on the part result of the Social Credit Government and of their Social Credit advisers:

Credit advisers:

Liberals—Gray, Bowlen, O'Conner, Dr. Morrish,

Tremblay.

Conservatives—Duggan, Irwin.

"Unity" Group—Hugill, Dr. Campbell.

"Unity" Group—Hansen, Chant.

Independents (ex-S.C.)—Hansen, Cockcroft, MacNon-Caucus S.C.—Barnes, Blue, Cockcroft, Mac-

This time last year the opposition consisted of the Liberals and Conservatives, and numbered only seven. Aberhart Followers\_Forty-eight.

To-day, a year later, a number of "breakaways" and M.L.A.s excluded from the Party Caucus bring the possible opposition vote in the House up to fifteen. But reliable information shows that the position is, in reality, much weaker than forty-eight to fifteen, because the forty-eight Aberhart followers include a number of pledge-gagged "insurgent" M.L.A.s, and it is not unlikely that some of them will begin to kick again if no action towards implementing an increase in consumer purchasing-power is forthcoming along Social Credit lines at the next session.

#### Time and Tide Wait for No Man.

The feeling evidently is that "the Douglas men" (Powell, Byrne, and the Social Credit Board and Commission) have had time to "get organised" and begin to show results. If there is to be another long period of drift-and-deadlock, then, inevitably, sooner or later, there will be another "revolt" of Social Credit

M.L.A.s.

The "revolt" of insurgent M.L.A.s in March, 1937, was due to "standing still" month after month, "which, with an irregular war," as Lawrence pointed out, is "the prelude to disaster."

It was a demand for results, and an entirely justifiable one. A second insurgency would arise from exactly

If these periods of stalemate-and-revolt are allowed to go on alternating to the end of the Government's five-year term of office any chance of implementing Social Credit in Alberta, or elsewhere, will become remote. The moment of time—" now"—will be flung far forward and swallowed up in the distant future.

Alberta is still the key to the situation. Time is the essence of the contract.

# Agriculture and War

"Farmers Sacrificed to Money Kings." This headline in the Daily Express refers to the proceedings at the annual convention of the National Farmers' Union. Commenting on what took place the reporter rightly observes that the farmers who spoke there talked more sense in five minutes than M.P.'s would talk in half-an-hour. (This is letting M.P.'s down too lightly, however.) Take this passage from the remarks of Mr. Arthur Symonds, of Suffolk. Amidst

loud cheers from 400 delegates he declared:

"We are alienating fertility from the soil. If war comes the land will be like a tired horse, unable to Next, listen to Mr. G. Gibbard, the incoming president

of the Union:

"Last night (at the Union dinner) Mr. Morrison,

"Last night (at the Union dinner) would require conscripthe Minister, suggested that it would require conscription to produce the food. We can produce it without any conscription if we get a remunerative price." The same speaker pointed out that half of our excess of

imports last year was in foodstuffs—that we imported £50,000,000 more food in 1937 than in 1936. He com-

"This country can supply most of that food with the proper encouragement." Mr. Stallard, of Evesham, protested against the waste of thousands of tons of Pershore egg-plums which were allowed to drop into a ratting pulp last year in the allowed to drop into a rotting pulp last year in the orchards of the Vale of Evesham. Let the foreigners who send us eggs take our plums, he said: and, he concluded. Our plums will do them a lot more good than cluded, "our plums will do them a lot more good than

Mr. E. Batten, of East Sussex, had a smack at the Ottawa Conference, and uttered a warning about the

Ottawa Conference, and uttered a warning about the coming conference in Australia. He said:

"For a hunded years this country sacrificed agriculture to manufacturing industry. Financiers were was to the country's advantage."

"These financial gentlemen went to Ottawa to collect their interest, and the only way they can do that is by importing the goods of debtor countries."

Mr. Martin, Glamorgan, pointed out that each of our fighting services cost £500,000,000, and declared that, as a line of defence, agriculture came before, not after, the Navy, Army, and Air Force. "If agriculture had \$500,000,000," he said, "it would solve all our problems"

Reviewing the debate for the Council, Mr. M. T. Davies, chairman of the Parliamentary Committee,

"We have made it clear to the Government that they have only to tell farmers what is required of them for an emergency, and the farmers will do it.

"But I don't think it is our place as a union to come forward and say: 'We are inevitably going to have a war, and it is for us to take the first steps,' Surely the first steps is with the first steps.' the first steps lie with the Government, and the response

from British agriculture will not be lacking."
We should have mentioned that the report of these pro-

Before commenting on the quotations given let us add an item of information recently sent us by a correspondent who resides somewhere in the Near East and is interested in fruit-grouping from the inside. His subject is terested in fruit-growing from the inside. His subject is oranges, and the place, Palestine. He says that the banks withhold credits fruit-growing from the inside. banks withhold credits from growers, who are thereby forced to sell oranges to forced to sell oranges to shippers at 4s. a case. (Price to consumers in England ranging from the equivalent of 20s. to 25s. a case.) From the equivalent of the consumers in England ranging from the equivalent of the consumers in England ranging from the equivalent of the consumers are left unconstituted are left unconsumers. to consumers in England ranging from the equivalent of 20s. to 25s. a case.) Enormous quantities are left unpicked for lack of money to pay the pickers and packers. Towards the end of a season, he says, "you will see 3-ton lorries of uncrated oranges trundling up to Jerusalem, the merchants having bought them at 10s. lorry-load!" From the rest of his letter it appears that for the last several years the control of credit has been exercised to discourage the rustic cultivation. been exercised to discourage the rustic cultivation of creals and vegetables (rustic cultivation ed) been exercised to discourage the rustic cultivation of creals and vegetables (which could be locally consumed) in favour of huge orange plantations (whose fruit can not). Officials, with perfectly good intentions, have been preaching the plausible gospel that mobile, money-bring ing oranges are preferable to immobile wheat and bartley but the effect has been to change an independent self-supporting peasantry into groups of debt-slaves dependent porting peasantry into groups of debt-slaves and shippers and—Covent Garden.

and—Covent Garden.

So much for the Palestine end of the story. The THE don end has been recorded more than once in the City New Age, in the narrative of how the Westminster to Council's dust contact in the dead of night to contact in the dead of night t Council's dust carts are hired in the dead of night to trundle away loads of "surplus" fruit and vegetables from Covent Garden to an unknown destination solution to the tombs of our unknown departed warriors of the council to the tombs of our unknown departed warriors of the council to the sibly to the tombs of our unknown departed warriors that their souls may sit up and the pour state of that their souls may sit up and take a little nourishment will know how the thing was done in ancient times before from an increase to cabbalise superstition and change of civilisation came to cabbalise superstition and change of from an instrument of from an instrument of modest priestly gain into one of enormous universal loss. In our modern philosophy things are corruptible, and numbers are incorruptible, things are to be sown in concrete corruption and turning in numerological incorruption; plough in a row of turning and you plough up a row of figures. Such is the doctrine of the reward of abstinence.

Well, the British farmer (like every farmer) has more realist. from an instrument of modest priestly gain into one enormous universal loss. To priestly gain philosophilos

Well, the British farmer (like every farmer) has town the realistic outlook the every farmer town the more realistic outlook than his brothers in the towns. He does not know his way about the financial labyring but he is more resistant to the honorism of the time. but he is more resistant to the hypnotism of the the posts which the bankers have planted about in it corner numerous forks and crossings (not to mention sites!). He, more than any other knows that coinself. sites!). He, more than any other, knows that consider the true end-purpose of sites!). He, more than any other, knows that cohinsely tion is the true end-purpose of production. He, of the lives on the things that he grows—or as many on as the marketing boards allow him to possesses a sagacity that is affronted by that restriction of the productive process and he has the of products is the way to prosperity. Feasoning faculty which will not entertain at one sent by same time the propositions that a short harvest imposed by made restrictions and penalties is a blessing.

Accordingly, as old readers of The New Age will see. the sentiments expressed at the farmers' convention are imbued with the common-sense realism which advocates of Social Credit have sought to rebuild as the foundation for political thinking. Ten years ago and more THE NEW Age was emphasising the fact that agriculture was Britain's first line of defence. We spoke too soon after the "war to end war" had been won to evoke an echo from anywhere. It has taken the coming of a new warmenace to desired the the commence to desired the comment. menace to drive this basic fact into the consciousness even of the terror of the terro of the farmers themselves.

JANUARY 27, 1938

But here we must pause to make our position lear W clear. We cannot foreknow what is to happen, but we can weigh probabilities, and we should say that the betting is fifth. ting is fifty to one against war in the next three years; ten to one ten to one against war in the next throw one against the next ten years, and two to one against the next ten years, and dimensions. against any further war at all of major dimensions. Our belief is that the universal prompting of industrialists and trialists and private citizens to expect a war at any minute is minute is exactly the same kind of ramp as was per-petrated in a constraint of the same kind of ramp as was perpetrated in 1918-19 when these same industrialists and private citizens. private citizens were prompted to expect a huge boom in trade to replenish the war-stricken world.

Furthermore, we believe that the policy behind this 138 ramp is we believe that the policy behind that 1938 ramp is of the same order and tendency as that cancel the people's spare cash through the investment ings.") and it should ever be remembered that prior to Plough in your war-profits and the state of the late of the same the should ever be remembered that prior to the same th this ramp, the then editor of THE NEW AGE, the late word) all who would hear him to hold tight on to their name as a wise documental house held on to his bone. money as a wise dog would have held on to his bone. (Aesop's brook dog would have held on to his bone. (Aesop's brook was composed of watered capital—how huch larger is was composed of watered and a one-pound larger is a one-pound share than a one-pound

The present ramp is in pursuance of a complemendeveloping, namely that of finishing off the long-deflation-ramp of complements of the long-deflation of th deflation-ramp of 1919-20 rendered private capitalism of inflation would become necessary for technical reasons in time or other but had calculated that by rendering the or other but had calculated that by rendering the or other but had calculated that by rendering the or other but had calculated that by rendering the or other but had calculated that by rendering the other but had calculated the other but had calculat some time or other, but had calculated that by rendering private capitalism impotent they would be able to own objectives. The creation of beggars means the own objectives. The creation of beggars means the choosers was to be seen in the elimination of private increasing and in pursuance of the choosers was to be seen in the elimination of private increasing and increasi incotors was to be seen in the elimination of private the property of the property of the transference directing of industrial property, and in the transference directing powers from the hands of "captains of into the property of the property of the property of the transference directing powers from the hands of "captains of into the property of th

directing property, and directing property, and directing powers from the hands of "captains" into those of graduates in accountancy.

Dushed to esaid that the logic of the financial system, to of the staffing to be extended right down to the hiring that the designer. of staffing to be extended right down to the hiring faults. For it is obvious that the designers operators who are unaware of its faults; for either they the bast the machine cannot entrust it faults. onst the machine or will discover its faults. No, bust the machine or will discover its faults. Inackers must have operators who are trained to run machine with have operators who are trained to run to inmachine within its limits of safety, and yet are not remembers must have operators who are trained to peramentally competent to indenperamentally prone or technically competent to indepartmentally prone or technically competent to indeconviction and mutually compatible. The trial
deconviction of the late Lord Kylsant disclosed the
lips index, from the baphase, point of view, for eliminatmention. independent operators of the industrial machine. ret asion of that trial taught the bankers that the on of that trial taught the bankers that distribution and distribution at all; for the distribution would constitute a hint to the that that the decline, and and that current profits were on the decline, and the a signal to them to call in overdrafts and put the on behalf them to call in overdrafts and put the on behalf them to call in overdrafts. the ters and to them to call in overdrafts and person of ould whole situation is that the staff of industry down to the office boy.

Attempts to co-ordinate the bankers' loan-credit system with the production-consumption system are the same thing as if you fitted oval cog-wheels into a machine. It would be of no use having operatives who expected the wheels to go round and round; no; there would have to be experts in every branch of the science (or is it an art?) of dealing with the erratic behaviour of a mechanism embodying the "Pi-equals-3" theory, whether by mounting elastic wheels on metallic axles, or vice versa—in other words to provide freedom of play consistent with a margin of safety, a problem that would probably find its best solution in the adoption of a reversing gear constructed so as to impart a rocking-horse motion to the wheel-system. We all know that rocking-horse motion — Deflation-Inflation — Boom-Slump — Save-Spend — Compete-Co-öperate — and so forth and so on, all of them products of the ovaloid principle of interdependence. Whatever you do, prepare to do the reverse at any moment. For only thus will Prosperity acquire momentum!

Now, to come back to the farmers. Mr. Davies is quite right to say that it is no business of the union to accept the inevitability of war. And Mr. Martin is just as right to insist that if money is to be spent on preparations for war agriculture cought to be the first shown tions for war, agriculture ought to be the first charge on money so appropriated. Further, both are doubly right if our assessment of the odds against an early war is apour assessment of the odds against an early war is approximately correct, as we believe it to be. There is a lot of talk about this and that "axis"—Rome-Berlin, Berlin-Tokyo, and so on. But the axis that counts for most is the New York-London-Paris finlancial axis. Though differences of view may certainly crop up between these centres of high-financial counsels and cooperation, they are nothing like so disruptive potentially as are those which threaten the militaro-commercial pacts or understandings between Italy, Germany, and Japan, whether based on the fear of Communism or on belief in the intrinsic merits of Fascism or any other form of autocracy. What are Communism and Fascism in practice of the control of t autocracy. What are Communism and Fascism in practice but systems of centralisation? The Governments are politically omnipotent—their orders may not be questioned. But they are financially subservient—their freedom to give and exact execution of their orders is subject to external checks imposed by an authority whose fundamental bases of power and prerogative have not been challenged—either in word or deed—by any of the autocrate in Furance or onteide

If, instead of describing these pacts by reference autocrats in Europe or outside. to the Capitals where the axe-grinding axis-turning interests fabricate their window-dressing jargon, we describe them by reference to the currency-denominations of the countries involved, we shall get a realistic perspecthe countries involved, we snall get a realistic perspec-tive. Thus if we choose to speak of a Mark-Lire or a Mark-Lire-Yen axis, and consider either in comparison with a Dollar-Pound-Franc axis, we are able to form a much clearer view about the prospects of the encirclement and absorption of Democracies by Autocracies. ment and absorption of Democracies by Autocracies.

We speak, of course, of the pseudo-Democratic systems now in existence—autocracy in gloves which prevent finger-prints. Have the gloveless dictators anything to show that will incline the others to follow their example? Nothing concrete at all. All they can say is that they have been able to silence criticism and command obedience. But this is not only a weak inducement to the Dollar-Pound-France. silence criticism and command openence. But this is not only a weak inducement to the Dollar-Pound-France not only a weak inducement to the Dollar-Pound-Franc financiers, it is fundamentally the reverse. These financiers know that implicit obedience to the orders of their executive Governments is as likely to be a liability as an executive Governments themselves realize that executive Governments is as mady to be a hability as an asset. And the Governments themselves realise that a vocal Opposition assists them to frame the right orders vocal Opposition assists them to frame the right orders—i.e., orders which carry the highest coefficient of administrative feasibility. Speaking of fundamentals, implicit obedience to orders based on unsound principles plicit obedience to orders. plicit obedience to orders based on unsound principles exposes their unsoundness. For instance, readers will reexposes their unsoundless. For instance, readers will remember how the Government's admonition to the public member now the Government's admonstration to the public to save, and to pay up their income tax before it was due, led to difficulties which forced the Government to due, led to difficulties which forced the Government to reverse its order and tell them to "spend wisely." (The oval cog-wheel started to jam!) And, as regards vocal

opposition, look at what happened to the proposed birthrate inquisition a few weeks ago, when the Government was induced, and reasonably so, to give further thought to its provisions.

66

The time for the military discipline of citizens is the time when military operations begin, and not before. When war comes, the people cheerfully place themselves under discipline without waiting for compulsions. But if, as is our theory, the Dollar-Pound-Franc financiers are not going to have a war, they are unlikely to encourage the adoption of Fascist centralism in their respective countries. It pays them to encourage criticism and (within proper limits) to tolerate resistances.

This gives the people the impression that they are governing themselves, and thus provides the financiers with an alibi when frictions arise. As a matter of fact, certain information in The Week recently suggests that the German Government are trying to get into the good graces of the City. Well, the City will befriend them—on terms. Hitler, the war-scare-monger, might click for a little accommodation; but Hitler the warmaker is not a proposition for a sterling overdraft.

In these circumstances, as we see them, the British farmers can reasonably press their claims for recognition of British agriculture as the primary defence-service. The claim would be manifestly unworkable if war were imminent, because the restoration of food-production is a long-distance proposition. But, given time, then agriculture comes first in order of importance. Of agriculture comes first in order of importance. Of course the old deadlock would begin to appear, namely, that under the existing financial system efforts at making this country physically self-sufficing would make it financially insolvent. But this consequence, and the reason for it, should not hinder the farmers in pressing their claim. Mr. Morrison's hint about conscription gives them an excellent cue. As Mr. Gibbard wisely says, there will be no need for conscription if the farmers get a remunerative price. But he must be ready with an answer to the orthodox economist's objection that a remunerative price would be found to exceed something called the "world price." The proper initial answer is: Damn the world price. That is not an argument, but it is a peg for many arguments. There is no justification either in physics or finance for the proposition that economies in production outside Britain must restrict production inside Britain. On the orthodox economist's own showing all money spent on production becomes income available to cover the cost of that production. If that is true, then why not let the farmers have their £500,000,000? Come on! An Agricultural Rearmament Credit. What about it?

After all if you build battleships and construct gasmasks in preparation for war you cannot eat them if the war fails to come along. But you can eat the

Yes, and that leads to an argument connected with the fitness campaign. Fitness is primarily a matter of feeding, not exercises; and we are glad to see that a physiologist recently got this truth published in a newspaper. The ideal food for any person is that which is grown on his doorstep. Comparatively speaking, imported food is inferior food, inferior not only by reason of the time elapsing between its harvesting and its consumption, but by reason of the fact that the food and its consumer have been reared under different climatic conditions. Where you have identical climatic conditions governing the growth of cabbages and kings (with the rest of humanity in between) you have the perfect-catalyst of digestion and nutriment. In this context such things as canning and cold storage are poisonous devices. And long-distance transport carries risks of many sorts to the animals we breed for food. We import straw and foot-and-mouth risks with it. have driven horses off our fields and scrapped our limekilns in favour of oily tractors and synthetic fertilisers. Hence even the food grown at our doorstep is not the food that our forefathers thrived on.

Yes, let our agriculturists go on kicking up a dust-and luck go with them.

### Books to Read

With so many readable books among the thousands published powerfers ago. lished nowadays I have had to give up buying long ago.
Where could I put them, anyway? So, as I have mentioned
before, I rely on the libraries, keeping just a rough list of
what I have read with an odd cross or two for reference.

In looking book through the country and quite

In looking back through this for only a year I am quite artled to find the result of the second seco startled to find how the contents of so many of these, even of some of the of some of the marked ones, have entirely escaped my memory. Perhaps this is just as well.

Of the others there is The White Ant, a very excellent the little book there is The White Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the state of the white Ant, a very excellent the white Ant, a very exc fresh little book by the late Mr. Marais, a Boer. His naturalist lived for several years studying baboons. Son is hoping. I became the studying baboons on this subject. son is hoping, I hear, to publish his papers on this subject.

Judging by *The White Ant* they ought to be of the deepest interest.

Old Jules. By Mari Sandoz. A biography of one of the first settlers in the wild Sandhills of Nebraska. A Swiss and an expert fruitgrower; rather an old ruffian, too, a terror with the rifle, who married and illtreated several wives, but had the good fortune to produce a daughter who has admirably preserved his memory in print. It was worth doing.

Then there is Baghdad. By Freya Stark, who cannot write badly but whose two previously published sooks, Southern Gate of Arabia and one called, I think, Ararat, are much better and, in fact, were written later. By anyone who is interested in adventurous Eastern travel or admires real pluck in a traveller, these last two should not be missed. real pluck in a traveller, these last two should not be missed.

Affairs of a Painter. By Ioni. Translated. An quite who was brought up in what must have been still a paint medieval Siena. He lived, and maybe still lives, by Panding original Old Masters and selling them to dealers, is a yet one likes him well, and one is ready to swear he good honest artist.

Danish explorer and writer Peter Freuchen.

Danish explorer and writer Peter Freuchen.

account of the life and death of his little Eskimo whe stays in the memory for good.

Miss Sackville West's Joan d'Arc I remember as far thy best life of the maid I have ever read, and her accept done. It is the tale of her grandmother and her daughter and her done. It is the tale of her grandmother and her daughter and is carried through her life as the mistry of a rather dull British diplomat to that of her subsequently great character of the book. When her father subsequently statesman, he calmly imposed his illegitimate association ambassadorial hostess on the prudish and correct so a his ambassadorial hostess on the prudish and correct so her washington and got away with it without turning a this ambassadorial self-complacency things might have like superb Victorian self-complacency things might have like and the writer.

Leave of Relia Ry Mignel Covarrubias. From a configuration of the production of the production

and the writer.

Island of Bali. By Miguel Covarrubias.

able length of sometimes rather technical charming them the fact that here there exists a happy, the fact that here there exists a happy, supports the day to day, a community, in fact, where artipping almost one. Frequent ship-loads of ocean tripping near this same state of things may at long tree that same state of things may at long tree that same state of things may at long tree that same regime.

The Jews. By Hildian 19.

is admirably illustrated.

The Jews. By Hilaire Belloc. (Constable.) to publish the seventeen years ago, is at any rate well worth of the Jewish question, more especially as regards should be seventeenly as the seventeen years ago, is at any rate well worth of the Jewish question, more especially as regards should be sepecially noteworthy at the moment as should be and even the impossibilities of Zionism.

Cleopatra. By Emil Ludwig. (Allen and Unwinch and dead, long, and unwinched).

and even the impossibilities of Zionism.

Cleopatra. By Emil Ludwig. (Allen and Plutarus dead, long, and unconvincing. But when Shakespeare had done with her, what hope of parents for Cleopatra in a Ludwig pot-boiler?

## DEBATING SECTION.

From A. W. Coleman.

JANUARY 27, 1938

"Sir,—In imagining that Mrs. Best and myself are trying to convince Mr. Franklin that the price of every Mrs. Bing is somewhat wide of the mark. As a matter of fact, the price of course the price of course the price of the price of course the price of the sound that the price of course the price of the fact, the price of every bar of soap must bear a fragment of the cost of of the cost of a new soap factory to replace the existing one when it can no longer function profitably.

When Mrs. Bing says that "there is no attempt to recover the purchase price of a soap factory in the price of the bars of soap," I presume she means that, in a competitive market, the price of a bar of soap is "what it will fetch." True, but if it does not "fetch" sufficient gross profit to soap factory by the time the factory is productively useless, that Soap factory by the time the factory is productively useless, that soap business will find itself in Carey Street.

But we don't have the soap business will find itself in Carey Street.

But we don't have to convince Mr. Franklin of this: he perfectly well award to the case. He maintains, is perfectly well aware that such is the case. He maintains, however, that however, that consumers can meet those cumulative "frag-ments" of cost out of the incomes distributed to them in

respect of cost out of the incomes distributed to them in deny this.

As to her statement that "the price-income gap only the capital asset, may I beg her to read Chap. III. of carefully in the Price System," by P. W. Martin, very Finally.

Finally, Would Mrs. Bing supply an instance of capital goods, as such, being taken out of the industrial system?

Sir,—Mr. Franklin, in reply to me, merely repeats himself interest; answering my question. He says that the cost of total costs of the bookstall are interest, wages to employees, Franklin, these costs are contained. Inside £100, says Mr. Will Mr. Franklin, these costs are contained. Profit come from? It can have two sources: (1) either it at £100 into prices (in which case the books are priced to the first price of the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices (in which case the books are priced to the first prices).

charged into prices (in which case the books are priced for plus flo) to \$95 plus \$10; or (2) they are contained within \$100 is solemnly assuring us that a man can run a business by borrowin y assuring us that a man can run a business by borrowin y assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing assuring us that a man can run a business by borrowing the state of the state

solemnly assuring us that a man can run a business by age! This assumption is so ridiculous that it is not worth an abusiness summer. It is of a piece with Mr. Franklin's incur a total

serious assumption is so ridiculous that it is not worth and the same that it is not worth and the solution is so ridiculous that it is not worth and the solution is so ridiculous that it is not worth and the solution is so ridiculous that it is not worth and the solution is so ridiculous that it is not worth and the solution is solution in the solution in the solution in the same capital, by lending it to the public which money of bank-notes. . . . It was not long ere this not the solution in the same time it was not long ere this not the solution in the same that the same the state. . . It was receiving more with the other; it remained, even whilst what it has a solution of the same capital, by lending it to the public which the bank made by the bank itself, became the coin in the bangs had the bank gave with one hand and last what the bank gave with one hand and last what the bank gave with one hand and last what he was applies to the bank applies to any money-hand and take back more with the other.

From J. A. Franklin.

From J. A. Franklin.

Not the utmost emphasis I do protest that Mrs. Bing has the letter readers of the Supplement or myself fairly in hoo has. A process of the Supplement or the lines of the supplement of of the readers of the Supplement or myself fairly in An argument cannot be conducted on the lines adopted here. In her first sentence she says I have wered here. In her first sentence she says I wered her question. She then gives a very fair of the answer I did in fact make!

wished answer I did in fact make!
it is to attempt to refute this she should have
ot. Instead, she implies that it is invalid because
it cover. cover something the question of profit under by tover something—the question of profit—which cover something—the question of profit—which cration is the herself had introduced, not under and, at all. If I agree to give a man a hat and ustified at his request, get him the hat first, he is not at I he in complaining that I have not got him the hat have not yet obtained the coat. Yet this is just upplement 2 she set out at considerable length her book-

stall illustration in an effort to show that interest payments were not contained within a loan and were not part of the costs covered by that loan. She did not mention the word "profit." Consequently, in my reply, I examined her illustration precisely, and confined myself to the operation of interest payment. I added that when that one point had been dealt with we could then proceed to examine the related matters of profit and rent.

In the meantime she need not have set out something she quite rightly says is absurd and impute it to me. I refer to her second suggestion as to the possible source of profit. It is indeed "ridiculous"; but Mrs. Bing produced it; I did not. On the other hand, the first source she suggests is correct. Profit is not, as is interest, a cost of production, but it is charged into prices. I shall be happy to set out the it is charged into prices. I shall be happy to set out the way it works in detail when Mrs. Bing has accepted the facts regarding interest or produced her reasons for rejecting

I have always credited Mrs. Bing with a sound knowledge of Karl Marx, and am still ready to believe she really knows that the passage she quotes completely supports what I said and in no way confirms her present attempt to prove that Marx anticipated Douglas or herself. His view was that and in no way confirms he perself. His view was that Marx anticipated Douglas or herself. His view was that every capitalist, whether banker or manufacturer, "took back more" from industry than he put into it. But he back more "from industry than he put into it. But he never contended, as Mrs. Bing does, that anyone took, tried to take, or could take out of the pool, more than had been to take, or could take out of the pool, more than had been than they were allowed to take out, and the balance going than they were allowed to take out, and the balance going than they were allowed to take out, and the balance going than they were allowed to take out, and the balance going than they were allowed to take out, and the balance going than they were allowed to take out, and the balance going than the years of the same wery clearly set out in the total capital states. His views are very clearly set out in the tenes for which Mrs. Bing has substituted dots, Marx tences for which Mrs. Bing has substituted dots, Marx tences for which Mrs. Bing has substituted dots, Marx tences for which gould be further from his mind than the idea paid. Nothing could be further from his mind than the idea paid. Nothing could not be paid in the long run or for the that interest could not be paid in the long run or for the hat interest could not be perhaps she will accept Mrs. Bing where he is explaining the Marxian Everyman edition, where he is explaining the Marxian doctrine, he says, "This surplus over and above the cost of the labourers' subsistence is Surplus Value, and is the source out of which rent, interest and profits are paid."

(My italics.)

As regards Mrs. Bing's last paragraph, of course it is true.

(My italics.) every capitalist, whether banker or manufacturer,

source out of which rent, interest and profits are prime (My italies.)

As regards Mrs. Bing's last paragraph, of course it is true that any money-lender or any profit-maker takes back more that any money-lender or any profit-maker takes back more that any money. Nobody ever denied it. Mrs. Bing's only than he gives. Nobody ever denied it. Mrs. Bing's only that the gives of the second yet see how it can be done in a trouble is that she cannot yet see how it can be done in a trouble is that she cannot yet see how it can be done in a trouble is that she cannot yet see how it can be done in a trouble is that she cannot yet see how it can be done in a trouble is that she cannot yet see how it can be done in a trouble is that the payment of an in a trouble is the payment of interest payment of interest in the payment of interest in say about the payment of interest has anything further to say about the payment of interest is in a say about the payment of interest in say about the payment of interest in a say about the pay

Although I have made aminor.

Although I have made are in emphasising the required and doing so for all readers in emphasising the required the point.

A word here on my part in this debating. I am not out to put forward any individual point of view of my own in a discussion of technical matters. I am a mere reporter, to offer nor any cure for all ills. I am a mere reporter, to offer nor any cure for all ills. I am a mere reporter, a speaking text-book. As is well known, economists to offer nor any cure for all ills. I may be called the Economy of the world are throughout the world are unanimous in rejecting a speaking text-book. As is well known, economists throughout the world are unanimous in rejecting the throughout the world are the producing what might be called the Economy of the ford doing so, reproducing what might be called the Economists' Majority Report (with no dissenting Minority). The ford doing so, reproducing what might be called the Economists' Majority agreed with that report is evidence of mists' Majority agreed with that report is evidence of that I entirely agreed with that report is evidence of the stand one another. The trained economist is liable to reject whereby both sides to the controversy can get to understand one another. The trained economist is liable to reject whereby both sides so much which to him is simply Social Credit completely out of hand, because as soon as stand one another. The trained economist is liable to reject whereby both sides so much which to him is simply social Credit completely out of hand, because as soon as stand one another. The trained economist is liable to reject whereby both sides so much which to him is simply social Credit completely out of hand, because as soon as stand one another. The trained economist is liable to reject whereby both sides so much which to him is simply social Credit completely out of hand, because as soon as stand one another. The trained economist is liable to reject where the cones across it he reads to the cones across it h

the soap must bear only the cost of a new or replacement factory. I believe Mrs. Best in the early stages of our debate, as in her piano example, was going all out for the Douglas idea. But I think Mr. Coleman is right in holding that she, too, has now abandoned that in favour of the proposition, he himself proposition he himself proposition. proposition he himself propounds. At least her last contribution argued merely this.

### LETTERS TO THE EDITOR.

#### AN EXPLANATION.

Sir,-May I thank Mr. Franklin for the explanation he has offered in your issue of January 20? I fear I may be

has offered in your issue of January 20? I tear I may be prejudiced, but it seems to me to aggravate the offence.

As regards hoarding, I should have been more explicit. In the meantime, may I ask Mr. Franklin to note the difference between hoarding by consumers and hoarding by producers? Money hoarded by consumers is available at any time for defraying costs, absolutely without any "hogs." any time for defraying costs, absolutely, without any "back-wash." Money hoarded by producers is not available in this

And, by the way, the Douglas "deficiency" does not necessarily imply that money is "simply not there." It may be "not there"—the banks may have cancelled it prematurals. maturely. Or it may be "there," but with additional costs

As regards "the proper understanding of banking and the nature of debt," I am glad to see that your correspondents have so far treated this as the "red herring" which it understanding it. doubtedly it. I can only repeat my offer to Mr. Franklin that I am prepared to accept all he has written on this subject (without prejudice to future discussion) for the purposes of the problem in hand.

A. W. COLEMAN.

#### A. W. COLEMAN. BOOKS TO READ.

Sir,—I like "Pakeha's" snapshot-notice method of dealing with books. His notices express his reactions without elaborating his opinions. They give you a consumer's assessment of merit. And as the consumer, in this case, knows what's wrong in the world of finance and economics, his assessments are worth attention. And I say that anyone who wades through the flood of stuff published nowadays, and jots down features which please or displease him, is performing a service to his neighbours.

I follow his example by giving three references.

Detective and Secret Service Days. By Edward T.

Woodhall. (Mellifont Library.)

The December Library.

The Documents In The Case. By Dorothy Sayers and Robert Eustace. (Penguin Books.)

Disraeli. By Andre Maurois. (Penguin Books.)

Disraeli. By Andre Maurois. (Penguin Books.)
The first and third give you an insight into real politics from two angles; and the second is the best example of detective fiction that I have read for years. All three are books that ask to be read more than once. I have marked my copies up, and am hanging on to them for reference. And as they cost only sixpence each the hanging on does not strain the pocket.

JOHN GRIMM.

# CROSSED WALNUTS AND WINES.

Sir,—Where do walnuts go? I do not mean the walnuts are walnuts grown in England any more? The things kernels are shrunken. If there is no rattle, you find that gone a bleaching process. And they behave as if somethey smoulder away instead of bursting out into flame like old age, if nothing else. Where do the youngsters go? thing that we eat and drink. You, sir, published combe going the time is not far distant when, except for the will be lightly the banking community, the whole population will be lightly the community to the whole population will be lightly the community. Sir,—Where do walnuts go? I do not mean the walnuts

heads of the banking community, the whole population will be living like the Prodigal Son. No; worse than he; will be living like the Prodigal Son. No; worse than he; for even the swine's husks came from God's hands—yes, and fresh from His hands. We may still be talking instead of sipping '78 port and crunching " 1040 " walnuts, we shall have to put up with " 1040 " port and '78 walnuts. A friend of mina of the same state of the same state of the same state.

A friend of mine often expresses the sentiment: "Cold storage is the curse of this country." Cut out the word "cold," and this statement is true for all our food. Physical declension to subserve financial ends.

G. A. H.

CANCELLATION SEQUENCE. Sir,—If your original correspondent is still "not quite convinced," after reading the letter by "Norman Conquest"

in your issue of January 20, he must be hard to please. But, if so, would he consider the matter very briefly from

yet another angle?

The issue of credits to consumers will increase retailers orders to industry generally. This will increase industrial activity at all stages of production. But this increase in activity will entail an increase in the rate of borrowing by activity will entail an increase in the rate of borrowing to produce with all these additional loans waiting to the control of the control producers. With all these additional loans waiting pounce upon it, revenue will stand a pretty slim chance of where.

With all these additional loans wature of producers any where.

BANK-LOANS AND CAPITAL GLUTS. Sir,—If a bank-loan is called in before the costs created in the ball that the ball th by it have been recovered in full from consumers, the balance of costs not so recovered is taken over by industry in the balance of products bearing those costs becomes industrial property.

Since, at this point, the loan has been repaid, nobody has any money. The industrial property cannot be sold nor will the issue of further bank-loans enable industry to recover the cost.

This is true irrespective of the character of the proper whether fit for contractive of the character of the properties of the pr (whether fit for consumption or not) and irrespective of fixed intentions of industry concerning its use (whether as materials under going productive processes)

capital and other productive assets, or as materials going productive processes).

Now if industry writes the whole cost of this property into a suspense account and does not charge it in subsequent prices to consumers the issue of a new bank-loan will repeat the consequences described in paragraph 1. There are production; and the consumption and accumulation of the production; and the ratio of the costs will depend on the timing of the repayment.

The result will be a progressive increase in the guspense.

The result will be a progressive increase in the quantit of unsaleable property and in the figures of the suspension account.

account.

This increase will take place irrespective of whether in dustry can use the property as productive capital.

If no part of its cost is charged to consumers, it is delivered to consumers. If consumers can it the balance that is delivered (i.e., the balance that is delivered in the part of the question arises: How can the increase in industrial purposes, setting free the rest for delivery into the consumers.

Real Leisure.

"His temper passed off arter a time, and, he wend along to do and plenty in 'is pocket to do it, with, w. Jacob, illike a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The like a schoolboy with a 'arf holiday,' (W. W. Jacob, The Jacob, Jacob,

Work State—You can't have money unless you work you can't work unless you find a job, and we haven to make jobs to go round. you can't work unless you find a job, and we haven't english to go round.

Leisure State.—Here is some money to enable you to nate yourself a job to your liking

Nothing to do—and plenty of money to do it with werything to do. Everything to do.

# Forthcoming Meetings. LONDON SOCIAL CREDIT S.W. Blewcoat Room, Caxton-street, S. Mr. y 28. "Control of the control of the cont

January 28. "Social Credit and War," by Mr.

John Hargrave will lecture on "Social at 44. British Isles" on February 2, at 8 p.m., Britain, London, E.C.1.

Published by the Proprietor (ARTHUR BRENTON), 12-14, TRE Fleet Street, E.C.4, England, and printed for him by Englas Limited, Temple avenue and Tudor-street, London, E.C.4, Englas Central 3701).