

The Abracadabra of Finance
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Social Credit, July 26, 1935

“If the newly published Report of the Forestry Commissioners were a musical composition,” says *The Times*, “a critic might say of it that the opening movement was marked by a profound melancholy.” It goes on to explain the reason for this melancholy. The Commissioners have hardly any money to plant trees and they never know from year to year how much less they are going to get. They can neither plan nor carry out the plans.

When they obediently adapt their schemes to a new scale (which is always a smaller scale) of finance, they can only do so by wasting a great deal of work already done and of material already in existence, including large numbers of nursery plants.” The result of all this is “it is more than doubtful if any real progress has been made in maintaining the existing woodlands on even the relatively low pre-War standard.”

Well, here is another example of enterprise misdirected by the idiot brain of finance. Imagine a military expedition in Abyssinia taking its orders (by wireless) from a War Office which runs the campaign according to the weather conditions in Whitehall. Just when the unfortunate troops have completed their preparations for an attack they may be ordered to retire. After digging themselves in all night they may suddenly be ordered to advance.

This is the sort of thing which the Forestry Commissioners have to put up with. Finance gives the orders, and the orders have nothing whatever to do with trees, but only with abstractions represented by figures in ledgers. So they hardly dare to make any plans at all, not knowing what their next lot of orders will be, and constantly they have the dreadful task of murdering their own baby. No wonder the report is melancholy!

There is just the same state of affairs in the railway world. A time comes when certain extensions or improvements, such as electrification schemes, become due, but the banks refuse to put up the necessary credit (the nation’s credit, of course) on the plea that we cannot afford it. So the work is hung up.

Years pass. Then suddenly for reasons of *financial* policy, the banks decide to create the money and lend it. They give the word “Go!” and the government floats a loan, 90% of which is subscribed by the banks and financial houses by writing drafts on themselves. It is then solemnly announced that the public has oversubscribed the amount of the loan in half an hour! But the truth will out at times.¹

¹ The response to the London Electric Transport Finance Corporation’s issue of £32,000,000 of Two-and-a-Half per cent. Guaranteed Debenture stock, 1950-55, at the price of 97, was the more noteworthy since the security did not appeal strongly to the private investor, and the subscriptions in the main came from banks and other financial institutions. *The Times*, July 19, 1935.

Now it is quite obvious that Finance can always go through this piece of mummery whenever it chooses, and that it chooses only when it suits its own ends. In pleasing contrast, once mumbo-jumbo has, perhaps after years. Made up its mind, the people who have to do the real creative work, the engineers and their staff, go straight ahead and do the job efficiently, without fuss, without hesitation, and without delay.

To say that there is not enough money in the country to plant trees is exactly like saying there are not enough letters in the alphabet to frame an Act of Parliament. There is no limit to the number of a's, b's and c's we can use because letters are simply a literary convenience.

In the same way financial credit is a convenience, and of itself has no power to aid or hinder. But just as letters of the alphabet can be used to frame a curse or to pronounce a blessing, so financial credit is used to allow or prevent us from planting trees, electrifying railways, and many other things which we are physically capable of doing.

Many people smile at mediaeval accounts of witchcraft, but are they not bewitched in the present year of grace by the shallowest of charlatanry based on mere scratchings of the pen? Modern finance is every whit as fraudulent as the shiftiest mesmerist that ever imposed upon a country bumpkin.

Would you argue with a man whom you had detected in fraud and who tried to justify his conduct with some abracadabra of his own invention? No, you would call in the police. The police in this case is parliament, which instead of carrying out its duties stands by while finance mutters its mumbo-jumbo.

How much longer are we going to put up with this preposterous state of affairs? One thing only will break the spell, and that is the will of the people. We must show the self-appointed arbiters of our destiny that it is our destiny, and that we will order it, through our Parliament, and they must obey, for, once we assert it, our will is irresistible.