

The Ford Interview on Muscle Shoals

(From Various Newspapers)

Florence, Ala., Dec. 3.—Henry Ford says he wants Muscle Shoals to show the world how to stop all war. This, he declares, is the supreme purpose of his life.

It was while the automobile manufacturer and the inventor walked about over the great water power development, which the Government built here during the war that Mr. Ford expressed for the first time what he declares is his real purpose in seeking to buy Muscle Shoals from the Government.

The Government, as yet, has not completed the development. Several great dams, locks and other works are to be built. To date about \$80,000,000 has been spent on it. According to Government figures, \$30,000,000 more will be required to complete it so that Mr. Ford can take it over and operate it, developing power and manufacturing nitrates, aluminum and other activities.

Congress so far, in keeping with its policy of economy, has been averse to raising the \$30,000,000 by taxation. The only apparent alternative is for the Government to issue 30-year bonds and sell them to the highest bidder.

"If you take over Muscle Shoals," Mr. Ford was asked, "what effect will it have on your Detroit industries and Detroit as a whole?"

Mr. Ford didn't reply for a moment, and then it was a question.

"Why do you think I want Muscle Shoals?" he asked. "It can't be money that I want out of Muscle Shoals. It can't be more business that I want. We're now turning out more than a million cars a year, and we are ready any time to put out that number of tractors. So it can't be a greater expansion of operations that I'm after in bidding for Muscle Shoals.

"There must be some other reason—and there is. If Detroit, or the South, or any other particular locality is benefited by my taking over Muscle Shoals, good—that's fine—but it's incidental. My purpose in taking over Muscle Shoals is not to benefit us or our business or Detroit or any other part of the country—my one purpose is to do a certain thing that will benefit the whole world."

"In what way?"

"Just this way," the manufacturer answered, as he came to the corner of a great abutment. Pointing his finger for emphasis, he said: "If the Government accepts my offer for Muscle Shoals as we have made it and will consider completing the dam according to a financing plan which I have in mind, we can here do an epochal thing—literally, I mean it—an epochal thing. We shall eliminate war from the world."

"But how?" I queried.

"How?" he asked in return. "Just this way. It's very simple when you analyze it. The cause of all wars is gold. We shall demonstrate to the world two things—first, the practicality; second, the desirability of displacing gold as the basis of currency and substituting in its place the world's imperishable natural wealth."

"I don't quite follow you," I ventured.

"I didn't expect you would," Mr. Ford came back. "Most everybody in the world except the newspapers recognize that civilization has entered on a new era—the newspapers and the bankers. The newspapers don't see it and the international bankers don't want to see it—it would mean changes in world finance and bankers always oppose changes."

"I can't see the connection," I said,

"between a river in Alabama and the elimination of war."

"But there is a connection," Mr. Ford answered. And then abruptly: "You don't want war, do you? Of course not. If you ask your neighbor, you'll find he doesn't want war, and his neighbor and the family next to him feel the same way.

"And if you went out and knocked at every door along every street and road in the world, you'd find every grown man and woman in the world giving the same answer: 'No, no, God save us from war.' Then, if all the families in the world are opposed to war, why, in the name of Heaven, do we have wars—did that question ever occur to you? Well, there's a reason. There's profit in war. I don't mean moral profit or increased religious interest or spiritual uplift, through trial by fire, nor any of that kind of bunk—it's money profits I mean, profits in gold—that's the one and only reason for wars."

"Would you destroy all the gold in the world and prohibit mining any more?"

"Not at all—you don't get me yet. Gold as a metal is all right. It is not as useful as a metal as many other metals, but there are arts in which it is useful—don't destroy an ounce, keep it for the arts and industrial uses. But it has this distinction from copper, steel and other metals—it is scarce. Hence, through its scarcity it has acquired a fictitious value far beyond its value as a useful metal.

The peoples of the world made a mistake, which has cost the generations of financial slavery, when they consented to make gold a basis for the issuance of currency. They failed to see that, because gold is scarce—there is only about ten billion dollars' worth of it in the whole world—its total supply can be controlled, can be got under the dominance of the one interest or group of interests, and thus the currency and capital of the whole world controlled.

"And just exactly that thing has happened. There's a group of international bankers who today control the bulk of the world's gold supply. They have their members or their agents in every country. No matter to what country they, as individuals claim allegiance, they all play the same game, to keep the gold they have in their own hands—and to get just as much more as possible.

"But, having gained control of the world's gold, it has become a curse to them. Hoarded gold earns nothing—they must keep it turning, making a profit, or lose its control. Peace times with stable conditions do not turn it fast enough. The way to make it work hard and often is to create a great demand for it in the form of loans—but always of currency in lieu of gold. And the way to make a tremendous demand for loans at any rate of interest the money sellers want to dictate is to create a war.

"With the international bankers the fostering, starting and fighting of a war is nothing more nor less than creating an active market for money—a business transaction. If the different countries of the international groups are at war—that makes no difference, no matter who loses the war there have been a great many loans—the gold system always wins. The young men from 18 to 30 fight the war and are maimed or killed; the internationalists are safe and prosperous.

"Ten years ago I said I intended to put every ounce of brain and energy in me to stopping war. I never meant anything more earnestly, and that's why I want Muscle Shoals. I see a way which, if it can be done, will do more to end war than a thousand years of agitation.

"The essential evil of gold, in its relation to war, is the fact that it can be controlled. Break the con-

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32x4	9.00	7.50	14.00	19.50	2.00
33x4	9.50	8.00	14.50	20.00	2.15
34x4	10.00	8.50	14.75	20.50	2.25
32x4 1/2	11.00	9.00	18.00	22.50	2.50
33x4 1/2	11.50	9.00	18.75	23.50	2.50
34x4 1/2	12.00	9.50	19.50	24.50	2.65
35x4 1/2	12.50	10.00	21.50	26.50	2.75
36x4 1/2	12.50	10.00	21.50	26.50	2.75
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trol and you stop war. And the single way to break the control of these international bankers, the way to end their exploitation of humanity forever, is to remove gold as a basis for the currency of the world.

"What did they do a hundred years ago without any gold standard? The idea of gold as a money basis is nothing more nor less than a conception of international bankers. They knew that if they could establish gold by law as the basis of currency they could then control the capital of the world by combining to control the world's gold."

"But what have you to substitute?" I asked.

"That is where Muscle Shoals comes in," said Mr. Ford. "Army engineers say it will take \$30,000,000 to complete the big dam. But congress is economical just now and not in a mood to raise the money by taxation. The customary alternative is 30-year bonds at 4 per cent. The United States, the greatest government in the world, wishing a pesky \$30,000,000 to complete a great public benefit, is forced to go to the money sellers.

"At the end of 30 years the Government not only has to pay back the \$30,000,000, but it has to pay 120 per cent interest, literally has to pay \$66,000,000 for the use of \$30,000,000 for 30 years. And all the time it is the Government's own money. The money sellers never created it; they got it from the Government originally. The Government first gave credit, and then must pay for the use of what it gave.

"Think of it, could anything be more childish, more unbusinesslike? Now, I see a way by which our Government can get this great work completed without paying a nickel to the money sellers. It's as sound as granite and there's just one thing hard about it: it's so simple and easy that, maybe, some folks can't see it.

"The Government needs \$30,000,000. That's 1,500,000 \$20 bills. Let the Government issue those bills and with them pay every expense connected with completion of the dam. The dam completed, we can set the whole works running, and within a shorter time than you would suppose, the entire \$30,000,000 currency issued can be retired out of the earnings of the plant."

"But," I asked, "suppose the contractor would be unwilling to accept that kind of currency in payment?"

"There's not that kind of a suppose in the situation at all," said Mr. Ford, smiling. "He would take Government bonds in payment, wouldn't he? Certainly."

"Here," said the manufacturer, pulling a \$20 bill from his pocket, "he wouldn't hesitate about taking that kind of money, would he? Of

course not. Well, what is there behind a bond, or this bill, that make them acceptable? Simply the good faith and credit of the American people. And \$20 bills issued by the Government to complete this great public improvement would have just as much of the good faith and credit of the American people behind them as any bond or other American currency ever issued. You see, it's just a question of faith in the American people."

"But your plan would upset the money system of the world and might work incalculable harm."

"Not necessarily; not at all. We need not abolish anything. We need not even abolish the gold standard. Simply forget that there is any such thing as a gold standard, and whenever the Government needs money for a great, serviceable and profitable public improvement, instead of thinking of bonds with their heavy drag of interest charges, think of redeemable non-interest bearing currency.

"Do you realize how the interest charges of our Government mount up? Do you appreciate that 80 cents of every dollar raised by taxation is spent in payment of interest? The national debt is nothing more nor less than the nation's interest liability pile. Every public improvement this country makes means an increase to the national debt. Here's a way to get the improvements without increasing the debt. The interest load is breaking down our whole financial system; we've got to stop somewhere."

"But, in a sense, there would be no security behind this kind of money," it was suggested.

"There would be the best security in the world. Here you have a river capable of furnishing 1,000,000-horse power. It has been here for, say 100,000,000 years. It will be here as long as there are rain and mountains to send the rain into the rivers. This energy is wealth in a most productive form. Now, which is the more imperishable, the more secure, this power site and its development, or the few barrels of gold necessary to make \$30,000,000? This site, with its power possibilities, will be here long after the Treasury building is an ancient ruin."

"But have you worked out a standard of values?" Mr. Ford was asked.

"Yes, we have. We will have that ready when congress wishes to hear about this plan. It's simply a case of thinking and calculating in terms different from those laid down to us by the international banking group, to which we have grown so accustomed that we think there is no other desirable standard.

"We should change our minds on