NOTES OF THE WEEK.

A reader in Scotland sends us the following passage (and comment) from Mr. Baldwin's speech at Douglas recently.

"... There are international changes in progress, industrial—financial; changes which may be, in the long run, salutary. The dangers might be a threat to the disinterested enthusiasm of the mass of the people, but fairly significant to one or two select groups in the wide world of events as a reader of your Notes finds himself." There is a lot to be learned by listening to speeches by leading politicians that cannot be gathered from published reports. This is one of the cases where the "wireless" is of benefit, for not only can one hear in the quiet of his own room what the speaker says, but how he says it; and, more important still, can measure the differing emphasized vibrations of the bars of a song because he succeeds in evoking. On occasions it is more exhilarating to hear some majestic orchestral climax massed up, especially when (as has happened in other experience) it has taken the form of a passionate emanation of some sound financial principle. Of course, cases where it may be, but to generalize on the basis of such instances is unwarrantable.

"Candidus," a regular contributor to the Daily Sketch, makes use of an argument, against the Labour Party's new taxation proposals, that we have seen repeated in many other quarters. It is to the effect that a tax on a person's unearned income is a penalty on that person's thrift. There is, of course, some justice in this view, but to generalize on the basis of such instances is unwarrantable.

We look at the Labour Party's proposals as a graduate tax on unearned incomes rising from a minimum of £500. Now, we would very much like to know how many persons are in the least likely to save sufficient money out of their earnings to produce an income of £500 a year before they die. Assuming a dividend of 5 per cent., the principal invested out of savings would have to be £10,000! If "Candidus" cares to narrow his proposition and say that the effect of the tax will be to discourage people who happen to possess a sum of money approaching £5000 from investing further sums to complete it, his case would look more plausible, although even then it must be remembered that the tax does not take more than a small fraction of the unearned income while it remains in the region of £500 a year. As it is, the calculation must admit that "Candidus" and his fellow scribblers generally err on the present scale of income generally. It has probably been observed that everyone with £500 a year and the invested principal thereupon has inherited a substantial past and a substantial present, and is capable of becoming a substantial future. Once they admit that, their case falls to the ground. The false argument of those who subscribe to the principle that recipients of money who have not earned it "have no right to the full amount," (this is a quotation from the Labour Party's article), is a complete misrepresentation of the facts. We have our own objections to any tax, but they are relative to the values ascribed to the taxes; but fair's fair, and we shall drop the idea, as far as we are concerned, and be content with whatever we are allowed, thought-out criticisms. Wherever we are not convinced of the value of the argument, we are not convinced of the value of the argument. The validity of the argument is a matter of individual opinion, and it is not the purpose of this article to state that the Labour Party's views are wrong. The article is only attempting to gather more accurate information from the tax on the financial policy, remarks, "Candidus." It is a financial policy, remarks, "Candidus." It is a financial policy, remarks, "Candidus." It is a financial policy, remarks, "Candidus." It is a financial policy, remarks, "Candidus."
News of August 25. But accounts of it and leading articles on it have appeared in all the important American papers, and in the most noteworthy view expressed by the author is that

"... If, however, the profits of all kinds of work are to be shared equally by all the workers engaged in any kind of work, and if the industrialists are to have their profits taken away from them, the result will be that the working classes will be forced to live on the earnings of the capitalists."
The article concludes as follows:

“Our demands only increase as the standards of living rise. We have more properly lived in the last generation because of the increased demand. But the increased demand has driven up prices to levels where many are unable to afford such living standards. This is not a fair representation of the situation, and it is not yet resolved.

All these sentiments are admirable. But just as Mr. Davis appears to have misunderstood his ideals are to be institutionalized within the limitations of existing economic practices. For instance, it is not difficult to devise means of production that are capital-intensive and involve an additional industrial cost. It is amusing to hear Mr. Davis speaking of the grave problems of overproduction, No wonder the Murrays have got their hands all Americans consuming above the existence level. They will then be buying less than they want, or all they want. If less, there is no overproduction problem.

In fact, what is wrong with the idea of overproduction is that it is a problem. The Murrays have got their hands all Americans consuming above the existence level. They will then be buying less than they want, or all they want. If less, there is no overproduction problem.

Current Political Economy

Mussolini sometimes appears to have conceived a conspiracy that everybody disapproves of. He is not afraid of the consequences of this conspiracy, and he advises his advisors on an unscrutinized wisdom in duty-bound. Mr. Davis appears to have misunderstood his ideals are to be institutionalized within the limitations of existing economic practices. For instance, it is not difficult to devise means of production that are capital-intensive and involve an additional industrial cost. It is amusing to hear Mr. Davis speaking of the grave problems of overproduction, No wonder the Murrays have got their hands all Americans consuming above the existence level. They will then be buying less than they want, or all they want. If less, there is no overproduction problem.

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Most English collectivists would repudiate Mussolini’s theory and follow one to put it through the logic of State Socialism. In these times of relative time, if one could imagine the same number of people, one would be quite content to stage the course of the collective Utopia. Mr. Davis, being MacDonald, might very well say that the course of the collective Utopia is the only course which is worth following.

The Fascist State takes the results of each one of whom has either to regard himself as state-proprietor for a long time to have a bad time. Reflecting on Mussolini’s activities as a child with a back against the wall, we find a pattern of the sort of building they are capable of. The Fascist State is the Maritnental State with a capital. Mussolini is like the child in that respect, he is quite ready to throw away the brick that doesn’t fit. He is working on the model of the collective Utopia. Mr. Davis, being MacDonald, might very well say that the course of the collective Utopia is the only course which is worth following.

In the words of a recent peulogry: ‘It is not in slight eccentrics, but in the realism of the Fascist State that the real hope lies.’

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Coal Versus Water. (Editorial.)

Sir Alfred Nimmü's reply on behalf of the coalowners to Sir Herbert Samuel has been reprinted as a pamphlet and commented on in the Observer recently, and need not subject it to further discussion for the purposes of this column. But it is a case of the 'Canadians' hydro-electric power development. Dr. J. W. Macdonald, the erstwhile Conservative minister in Ontario, has gone on the record as Canada's potential water power. On a comparative scale of all sources of energy, the United States of America and Canada are estimated to have the following potentialities, viz.:

Power generated by water

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Power</th>
<th>Per Capita Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>300,000,000</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Canada</td>
<td>150,000,000</td>
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The development of this power, which is relatively new, has been slow, and it is estimated that the total development of the potentialities of water power in the United States will probably not be completed until the year 1925. The development of water power in Canada is likely to be more rapid, and it is estimated that the total development of the potentialities of water power in Canada will probably be completed by the year 1920. The development of water power in Canada is likely to be more rapid, and it is estimated that the total development of the potentialities of water power in Canada will probably be completed by the year 1920.
THE NEW AGE
September 8, 1927

The problem of leadership," he wrote, "seemed to me to be of immense dramatic significance. And the problem presented several aspects—the leader inspired by a moral idea, to the overthrow of a system, and the leader inspired by the vindication of a system, the leader inspired by a moral idea to the overthrow of a system, and the leader inspired by a moral idea to the vindication of a system—an idea of the power of the idea, and the idea of the power of the idea in itself. And Lincoln, Cromwell, and Lee emerged from the divergent influences of the idea of a leader inspired by a moral idea to the vindication of a system, and the leader inspired by the vindication of a system, and the leader inspired by a moral idea to the overthrow of a system, and the leader inspired by the vindication of a system. I am not to be impatient of the idea without falsifying character, I have fulfilled my intention.

Therefore Drinkwater's vision of the past is that he will lend his talent to the interpretation of the characters of the great ones. Among them are Cromwell and Galton, and Oliver Cromwell and Mary Wollstonecraft. There is a legend that Shew wrote "Saint Joan," and there is a rumour that Barry is going to re-embark on "The Martyrs." But the "three-times-married" Drinkwater

There are, of course, many of the best plays in the world, but John Drinkwater, of "Cromwell," is, in every sense of the word, a great actor. He is an interesting actor and a great actor. His character is not made to be played by John Drinkwater, of "Cromwell," to be played by him, but it is, in the least concerned with propagating theories or apologizing for surmises.

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LUTHER'S WIFE.

The glossy coat is vividly marked with black and white.

She is a gentleman, with the grace of the noblest of bishops.

Her eyes are as blue as the summer sky.

Her hair is flaxen, and her nose is as small as a bird's.

She wears a gown of pure white silk.

Her sleeves are full and puffed, and her shoes are as gay as a lark.

She is young, and she is beautiful.

She is the apple of her husband's eye.

She is the pride of her people.

She is the joy of her heart.

She is the light of her home.

She is the soul of her beauty.

She is the flower of her grace.

She is the apple of her husband's eye.

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The Social Credit Movement.

Supporters of the Social Credit Movement contend that under present conditions the purchasing power in the hands of the community is chronically insufficient to buy the whole product of industry. This is because the money required to finance capital production, and created by the banks for that purpose, is regarded as borrowed from them and, therefore, in order that it may be repaid, is charged into the price of consumers' goods. It is a vital falsity to treat new money thus created by the banks as a repayable loan, without crediting the community, on the strength of whose resources the money was created, with the value of the resulting new capital resources. This has given rise to a defective system of national loan accountancy, resulting in the reduction of the community to a condition of perpetual scarcity, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of international complications arising from the struggle for foreign markets.

The Douglas Social Credit Proposals would remedy this defect by increasing the purchasing power in the hands of the community to an amount sufficient to provide effective demand for the whole product of industry. This, of course, cannot be done by the orthodox method of creating new money, prevalent during the war, which necessarily gives rise to the "vicious spiral" of increased currency, higher wages, higher prices, higher costs, still higher prices, and so on. The essentials of the scheme are the simultaneous creation of new money and the regulation of the price of consumers' goods at their real cost of production (as distinct from their apparent financial cost under the present system). The technique for effecting this is fully described in Major Douglas's books.

The adoption of this scheme would result in an unprecedented improvement in the standard of living of the substantial classes. It would also, therefore, eliminate the dangerous struggle for foreign markets. Unlike other suggested remedies, these proposals do not ask for financial asceticism on the part of any section of the community, while, on the other hand, they widen the scope for individual enterprise.

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Critical and Constructive Works on Finance and Economics.

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NACZIUS, C. SIR LEO: Fifty Points About Capitalism. 1s.
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FOSTER, W. T., and CATCHINGS, W.: Profits. 1s. 6d.
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STRACHEY, JOHN: Revolution by Reason. The "Birmingham Pioneers." 6s.

Instructional Works on Finance and Economics.

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COWSEWS, HILDER: Pros and Cons. A Guide to the Controversy of the Day. 6d.
HILTON, J. P.: Britain's First Municipal Savings Bank. 6d.