NOTES OF THE WEEK

"British engineering is in a very grave position," states the Engineering and Allied Employers' National Federation (Broadway House, Tothill Street, Westminster, S.W.1) in a pamphlet entitled "Realities and Problems" issued on December 3. An official of the pamphlet fills a column and a half in the Times of December 4. We find it difficult to understand what the Federation hopes to accomplish by issuing such a document as this. Its thesis is that costs of production in general are increased by State and Municipal extravagance, and that the incidence of these costs is especially heavy on engineering industry because it has to pay the "pre-charge" it has to use. Its conclusion amounts to nothing more than the vague suggestion that since all industries are inter-related, "it is the "duty of all to contribute to the solution of" present difficulties. It looks as if industrialists of all sorts are settling down to make a living by taking in each other's washing. The pamphlet under notice is chock-full of unsupported or ambiguous statements expressed in bankers' terminology and reflecting bankers' sensitivity. The printer of it may not have cost much money, but the pamphlet writer was not the only person interested in it. It is a difficult document to review because the writer wants to push his views without selling his winter coat. It is a difficult document to review because the writer wants to push his views without selling his winter coat. It is a difficult document to review because the writer wants to push his views without selling his winter coat. It is a difficult document to review because the writer wants to push his views without selling his winter coat.

"There is no such thing as an inexhaustible supply of capital," declares the anonymous writer of this pamphlet. Well, suppose not: why publish the statement on behalf of engineers when its implications are a general one? And so we might go on (passage after passage of the same type as this), all of which, whether true or untrue, have no more to do with engineering than with any other form of economic activity. If the Federation has no more to say than "Hear, hear!" to the City, it should have written a short letter to the Times to say so, and, if it liked, recommended some speech or other pronouncement made by an expert financier, instead of doing the job on its own account and making a hash of it. Listen to the following passage for example: "What is needed is an effort by every branch of industry so as to produce a reduction of costs throughout the whole range of industry." This is exactly what Sir Otto Niemeyer has been telling the Australians—and engineers belonging to the Federation can judge for themselves the practical value of such a declaration by taking note of its present consequences in the Commonwealth generally and New South Wales in particular. Here is another passage which is almost a verbatim quotation from Sir Otto:

"The whole nation is living beyond its means. The standard and mode of living which have grown up in recent years have outrun the national income..."

Now, if this is true as a financial statement it is more repetition by an engineering authority serves no purpose. What the Federation should have done, if it could, would have been to apply its technical engineering knowledge to demonstrating the truth of this declaration in terms of energy and energy-products. What, for example, is the physical process described as "living beyond means?" What is "living beyond means?" and what are the "means?" Suppose we say that the population lives on energy-products. Are we to understand that it consumes these products faster than they are actually being made, or faster than available energy can make them? "There is immediate necessity for a national stock-taking" is one accidental piece of wisdom let drop by the writer of the pamphlet. There is: and it should consist in taking a physical inventory and using it to check financial calculations. Is the population depleting stocks of finished goods? Are industrialists advertising to induce people to buy fewer of them? Or is Lord Melchett scrappeing plants with the humane-kills of rationalisation to prevent the poor animals collapsing through overwork? "Democracy... must be told the truth," is another remark of the writer's. Quite so: let the...
engineers tell it in their own terms. If, as we contend, they proceed, they are bound to work, and, if they are to receive the advantages of ef- ficient management and of manufacturing energy in existence, they have proved it to be living and to move, and, in their terms, it is expressed by the fact that the banks, if one of living and moving, has a potentiality for the realization of the physical and financial achievements that are necessary to the condition of the banks.

It follows that before anything can be said of the banks in this context, it must be remembered that the banks are more than just a set of institutions. They are also a set of human beings, and the measurement of their achievements is not by the number of pounds to the inch, but by the quality of the work that is being done. Thus, the measurement of the banks is by the subjective content of their actions.

Hence, of all systems of measurement, the banks are antecedently the most open to suspicion.

We have received a report from the Sydney Morning Herald of October 30, describing the meeting of engineers which considered the Australian Government's proposals for balancing the budget. As was to be expected, this local report gives a very different impression of the substance of the proposals than that which was received in London. The "extremists," in whose eyes most of these proposals were authority, and in whose words the economy was committed to the responsibility of the Labour Government into all considerations and conclusions. There are two permanent and definitional fallacies in that argument: namely, (a) a person who insists on doing something against a law is greater than the evidence that it is false; and (b) a person who insists on doing something against a manifest balance of adverse public opinion is greater than the evidence that it is false.

In addition to Mr. Lang and Mr. Hughes, there is another influential critic of banking policy, one of the most important in the Australian Cabinet, Mr. Hughes, who has issued a pamphlet entitled "The Facts and Theories of Finance, and The Problem of Inflation." This pamphlet is an analysis of the theories and practices of banking in current use, and it shows that in many respects the banking and financial systems in Australia have been working against the interests of the country. Mr. Hughes, in his pamphlet, states that the banking and financial systems have been working against the interests of the country, and that in many respects the banking and financial systems have been working against the interests of the country. Mr. Hughes, in his pamphlet, states that the banking and financial systems have been working against the interests of the country, and that in many respects the banking and financial systems have been working against the interests of the country.
of his death when we wrote.) We refer to this speech again because it gives a clear and comprehensive account of how the railway companies have raised their money and how they have to manage with it when they get it. Four kinds of Stocks are described, also "Loyds Bonds," which are like the ways-and-ends advances on the railways. The government is familiar with the restrictions which all enterprises experience in obtaining loan-carpenters, and the need for a more friendly attitude here. The government has virtually compelled the companies to pay dividends in their ordinary stock (Trustee Act, 1905). The 1% grade railway Stocks are to the list of securities in which trust men could be legally invested by trustees, and a conclusion that the railways' should have paid a dividend of not less than three per cent. for ten years previous without a break. The enactment was subsequently suffered by an Order of the directors that required the railways to pay a dividend of 4 per cent. requirement and decided that, if the railways paid any dividend out of their stock for ten years requiring their higher grade ("gift-edged") Stocks would qualify for sale on the list of Trustee Securities.

"From this it will be realised how important it is for a company to maintain a dividend even in order to give a large per cent. on its ordinary stock. In fact, in order to maintain the price of its ordinary stock, the railways may not remain on the list. For only one year would it be a serious blow to the company to leave the list. The railway Stocks may remain on the list for at least ten years, but they would have to lead a weekly selling of their ordinary stock if they were to be sold. There are no other securities where in stocks become within the four cornes of the Act and Order in which the railway Stocks are to be sold.

It is fruitless to observe that this Order of the Supreme Court amounts to a writing down of the ordinary-stockholders' security without any profit. In the circumstance of the rapid development of railroad Stocks which has been proceeding since 1906, the Act of ordinary order has been bound to result in their charging loss of revenue on the ordinary shareholders.

On October 15 last the Government issued a statement declaring its intention to issue a new loan of £1,000,000 in order to maintain the steady progress of railway development. The closing-time here stated is our closed meeting of official railway officials being necessary. According to the law of the land (India) of October 16, a gentleman who has a good understanding of the work that lies behind the machine for self-government. He said that a vast amount of alkastra of European Assia is bound to be found in connection with the "security" on which money is loaned is the existence of a population, its needs and desires, and the one hand and its power to render service on the other. No population, no needs, no demand, no demand, no payment of interest, no payment of interest, no payment of interest. This is the same as in which this was said.

In our issue of November 27 we referred to the late Mr. R. H. Sillars's frequent ability to transport students last February (We were not aware of the measures before they vetoed it. The present policy puts the Council in a strong tactical position, because its refusal to bring about its own abolition when it "hasn't done much." It will appear natural and reasonable to the majority of the voters. We understand Mr. Lang's policy if we adopt the hypothesis (a) that he has not got his economic measures ready and wants time to think of them carefully; (b) that he is afraid of the effect of the arguments which can be brought against them which will be false and against which no sign blanket could cover to any sort of legal legislation he likes (Single-Chamber government) whereas the case was filled in with more or less definite objective.

Professor Harold Laski, in an article on Mr. Montagu Norman—spared over four columns—in the Daily Herald of November 29, says that "in a democracy, decisive power ought not to be held by people who are not elected to hold it." If putting this right is as follows: "I should like to see the Bank of England a public corporation related to the State like the Electricity Commission" (B.B.C.). This change would do no harm. Whereas, under criticism, the banker answers nothing. In other words, such sorts yield exactly the same illumination. Mr. Laski ought to get on famously with Mr. Wells and Mr. Harris: they share his weakness for substituting sounds for things.

The gossip-writer in the Evening Standard says that when listening to Mr. McKenna's address over the wireless the other day he "assumed the tone of timbre which makes his flexible voice so interesting in conversation." He appears to be unaware that speaking without a telephone and submitted to the B.B.C. in duplicate. On the night the speaker reads from his book, and in another room an "observer" chooses what he likes. He could shut him down if any substitution of actual speech is made. This process may suit the subject by persons who have been subjected to the case: it will be apparent that Mr. McKenna's political and financial discourses. It may also be noted that Bank Chaiman does not necessarily compose their own speeches through a well-drawn speech, and his "observer" have the title of most of the late Sir Edward Johnston's famous speeches. He says it is not easy to read a wireless address that he had not even seen until he came to the microphone.

Sir Oswald Mosley's Manifesto had a good Press last Sunday—a fact which, in itself, proves it to be good. Apetures. His Council of Five could assume the function as the permanent Cabinet of the Economic Parliament which Mr. Churchill is advocating, or the Business Government which Mr. Barnard Baruch says must supersede Parliament.
On Casting Pearls.

When the conscious mind first realises that the Social Credit State will have no use for those intra-society restrictions which society today-day is, without doubt, adequate for meeting all requirements, and the existing grave emergency of, is of course, almost wholly due to ineffective demand. So soon as the Douglas remedy is permitted to be applied the appalling results of the "error in accounting" will commence to disappear. The practice of gambling on the part of the common man will then be regulated by a different spirit and the scheme will be required to the reward of that industry when it is profit then Social Credit will not keep, render the evil effects almost impossible. The basic significance of Social Credit, rightly unappreciated against its potentiality to liberate inflation. It means not creation, but belief and seeing, because only on the principle of belief can any society work as a harmonious, self-sustaining, co-operative, and all the growth we do manifest our obvious understanding of the essential Goodwill of God. The validity of such belief lies in the word of time. This faith cannot be implanted by propaganda, and any attempt to do so will render support in another form.

Meanwhile, does not the calumny of the nation proclaim the urgent need of our industry? If the government is not convinced by the visible signs that the Douglas project is being released the incentive the victim, the army and the police, will be lost. Victory humanity arrives at the path leading to the realisation of our solitary hopes.

A. McCLASHAN

Current Political Economy.

ONE YEAR OUT OF THE DIARY OF THE SNOWBALL-GEORGE

For the benefit of those who may not have heard of it, the Snowball-George, now a democratic spring of Mr. Wells's Mr. Parkinson, and be the social democrat of England at its most honest and most lucid moment. The basic idea that Social Credit, combined with Socialism, might not only provide the necessary environment for the health of the worker, but as a whole nation be a self-sustaining, co-operative, and all the growth we do manifest our obvious understanding of the essential Goodwill of God. The validity of such belief lies in the word of time. This faith cannot be implanted by propaganda, and any attempt to do so will render support in another form.

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A. McCLASHAN


december 11, 1930

Wages abroad they required protection to retain home market.

Feb. 2. — Ad valorem duty of 20 per cent. levied on all imports from outside Empire.

Feb. 3. — Report of Intelligence Bureau that all prices had increased by 20 per cent.

Feb. 4. — Received deputation from Federation of Trade Unions asking for 20 per cent. increase of wages only. This was coupled with a demand for living costs, which the administration had been forced to meet. They considered that conditions would stabilise themselves shortly.

Feb. 19. — Received deputation from Retailers' Association, who complained that their takings had not increased, although everything was costing them more. They asked that their local banker to tide them over until the government met their demands. They considered that conditions would stabilise themselves shortly.

Mar. 16. — Received report from Intelligence Bureau that prices had risen by a further 20 per cent.

Apr. 3. — Retailers are unapathetic. Again received complaints from Manufacturers' Association that takings had not increased with prices.

May 10. — Manufacturers' Association again complained of slack trade, but they said that prices should stabilise themselves shortly.

June 2. — Went to Bank of England for advice. Had a headache. Was informed that, as demand was not in evidence prices were still too high. Advised to reduce duties on food and reduce wages accordingly.

June 3. — Decree free trade. Reduced wages 30 per cent.


Aug. 9. — Informed lady friends they pay their angry wife and daughter. Women don't appreciate science.

Aug. 15. — Received deputation from Retailers' Association. They said that, that this rose in prices had enabled them to satisfy manufacturers, at least temporarily. Retailers cannot collect their debts from unemployed. They had abolished credit trading, but what about their debts on the higher rates? Turnover and profit both halved.

Told them that things would stabilise themselves shortly.

Aug. 17. — Decreed a deole of a pound a week for every unemployed worker. They kept themselves more cheaply within their means.

Aug. 25. — Left London for Bath. Would not go away until, they said, as long as good weather.

July 2. — Went to Bank of England for advice. Had a headache. Was informed that, as demand was not in evidence prices were still too high. Advised to reduce duties on food and reduce wages accordingly.


Aug. 9. — Intelligence Bureau. Demand everywhere for relief because of new taxation.

Aug. 9. — Intelligence Bureau. Wages abolished in Germany. Works being built on grass and hay by the State. Fifty shiploads of goods
The Films.

Renegades: Capitol.

"Better than "Beau Geste." A Woman was to Blame!" She, the Siren of the Desert, made the Slave of her Charms. Rumm, Dronon, were the prices they paid, but Love changed her for just a Man. This publicity over the film was the reason why the critics forgot to review it with common sense beyond questioning the entire accuracy of the comparison with "Beau Geste." "At least the latter has been more truly a man," and there the matter ends.

As a city without a university, whose Gospel is work, the sight of its great, thriving industries, and its huge farm villages, is a sight which few visitors ever find unimpressed, and its excellent banking system, which is being formed into a powerful economic force, is a sight which few find unimpressed. The city's government is also very active in providing for the welfare of its citizens, and is being conducted with a spirit of efficiency and economy.

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TheNihilist States of America.

"Do you think that a State can exist and not be overthrown, in which the decision of the law is of no force, and any is protected and set at naught by private individual violence?..." Crito XI.

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They Die Young.

They die young. All these new novels are glib. Is it any wonder? They are made to please the public. What is the good of studying the mind of a man, if not to please the public? What is the use of writing a novel, if not to please the public? What is the point of studying the human mind, if not to please the public? What is the purpose of writing a novel, if not to please the public?

The Technique of Credit-creation.

Orthodox economists are now taking up the question: "Do banks create money out of thin air?" Many go so far in their efforts to prove that banks do not have the power to create money, that they are forced to accept the view of the orthodox economists. This is a great mistake.

The writer of a novel is a bank, and the public are its customers. The writer of a novel is a bank, and the public are its customers. The writer of a novel is a bank, and the public are its customers. The writer of a novel is a bank, and the public are its customers. The writer of a novel is a bank, and the public are its customers. The writer of a novel is a bank, and the public are its customers.

Readers.
The Light-Heeded Student—A German. By Bryan and Troubridge, (Poetry.)

This novel German teacher, though calculated to shock the grammarian and pedagogue, should be very helpful to all who are not yet conversant with the principles of language-learning, a note on pronunciation, and an indication of the use of the present tense in German, is a necessary part of the instruction. It is not easy to make students understand the difficulty of the task, but a few words of encouragement will go a long way toward the solution of the problem.

The Care of Stammering, Stuttering, and Other Functional Speech Disorders. By J. Louis Oron, (Therapeutics.)

A concise and popular discussion of the physiological and psychological aspects of the causes and treatment of speech disorders. Dr. Oron recognizes that there is no real difference between stammering and stuttering, and that the same principles apply in both cases. The causes of stammering and stuttering, and the methods of treatment, are clearly explained.
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Fred Tait.

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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 fallacy 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 resultant 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 dearth, and bringing them face to face with the alternatives of widespread unemployment of men and machines, as at present, or of interminable 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 prices, higher wages, 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.

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