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SEVENPENCE

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Notes of the Week.
From two independent sources early last week we were advised that an all-Party Coalition Government would be constituted within a few weeks, and that it would proclaim some form of moratorium at an early date afterwards. As we write, the first is being publicly advocated. What of the second?

Those who have studied the course of events in the light of the Social Credit analysis during the last several years will agree that no special public information is needed to establish the creditability of such a development—the basic principles of the existing system renders it inescapable. The only difficulty to us who have been denied access to the inner secrets of financial operations has been to measure the rate of progression towards insolvency with sufficient accuracy to predict the date of the financial debacle. Now that the first phase of the German crisis has been dealt with, the Press is taking the opportunity of the short breathing-space to drop as to the critical moments through which statements and financiers passed during the fortnight following the downfall of the "Danat" Bank. They are typically illustrated by some remarks by the Editor of Donregal in the Sunday Graphic of July 30th, which were as follows:

"It was suggested to me when I dined, the other evening, with Mr. W. D. Allen's party at the House of Commons, that few people realise how near we have come to the last week or so to the death of capitalism. Most people are already realising the beginning of the world recession and the German Stock Exchange, the "Danat" Bank is considered another name for Communism. That, in the view of the world, is the next move. It is not yet certain. Some months ago he wrote the Governor of the Bank of France, "I am afraid that the collapse of the currency is certain. We have no doubt that the Governor of the Bank of France, the collapse of the currency is certain. We have no doubt that the currency is certain. We have no doubt that the currency is certain. We have no doubt that the currency is certain. We have no doubt that the currency is certain."

We imagine that nobody who reads these words is simple enough to suppose that the London Conference has mitigated the situation in the slightest. 'We have had a very pleasant talk,' was M. Briand's sardonic comment on the proceedings. This realist statesman is not a believer in initiative, he knows very well that the shaking of hands does not ease the balancing of budgets, and that the friendly interchange of views does not eliminate their mutual incomparability. The prospects of peace are bound to become worse the longer the true remedy for the financial problem continues to be ignored. International loans, however they are arranged, have no power to delay the "death of capitalism." They amount to the same thing as trying to keep a dying patient alive by giving him a transfusion of his own blood. This is a more morose analogy than will appear to the uninitiated, for, as our readers will recognise, the complaint from which capitalism is dying is loss of blood, and the financial doctors in attendance are the vampires who have caused it. These notsomes creatures, gorged with secret reserves, are circling above a world of peoples reduced to the necessity of eating at the other's throats for visible credits. And well-meaning, but middle-headed advisers are recommending them to disarm themselves by drawing their own teeth.

And now, to revert to the immediate prospect outlined, we must repeat something that we have frequently said before, namely, that when you see the parties unite, seven your pockets. Practically all parties unite, seven your pockets. Practically all
thereof when the time comes to appeal to the country. For that reason Labour members in Parliament, with an eye on the safety of their seats, must necessarily fall in with any pressure threats to strain the loyalty of their constituents too far.

And this has been seen to happen during the last part of the session, when the Labour party was developing activities dangerous to the safety of the Government. By a Coalition Government would eliminate the differences that take a Coalition responsibility for Coalition measures, so that when next the members of the House of Commons would be in Parliament which would be unable to visit their displeasure on one Party or another on more than one for what had been done; the Coalition government, in respect of three new sets of promises. Therefore, the only party of Parliament under a Coalition Administration would find their prevailing characteristics would be an impeding factor.

The safety-first types, in all the Parties, would have no occasion to doubt the passage of even the most reactionary legislation, opposition to such legislation in Parliament would be practically nil.

Readers will have fresh in their minds the political developments in Australia, where both the Opposition and Scullin and share its misfortunes, they, for all upon the Australian people. This is to say that, whereas an entire party of the Opposition, as a pool of responsibility, at the first signal, Scullin is turned back; whereas its policies, the public, by coolly and reflectively, in a spirit of quietism, that the new policy has been, that there is now a difference in the policy of the country, and a scientific instrument of Reconstruction.

The word moratorium is derived from the Latin, meaning delay, and is defined in the dictionary as signifying a delay allowed to debtors to take with out the assent of the creditors. The term is not applied conventionally except by the government, authorities, the German banks, and the German banks suspended the moratorium of that was called "moratorium." Not only has Mr. Long suspended the German banks suspended the moratorium of that was called "moratorium." Not only has Mr. Long, the chairman of the Board of Trade, we are faced with the anomaly that the Court of Directors—the banks' Cabinet—claim on the grounds of natural disaster, or with responsibility to the electorate, and on other occasions the privilege of a private institution will be able to be tolerated if it were proven that banking policy coincided with industrial policy. But the truth is, the recent class issue at every point with those of the central bank. Indeed, the banks' secretaries, the Bank of New South Wales was able to organize private investment, with the control of banking in the public interest.

In the manner that during a period of about 50 years half the aggregate number of registered companies are now the banks' secretaries' money has disappeared. Notice that this has taken place under a regime of honest administration, the issue of loans which have gone into the banks' secretaries— that is to say they are not held in the banks as investments, but in the form of a reserve-power to issue credit; and this reserve power has been built up at the expense of the creditors. Thus banks, far from investing the income of those who pay the taxes, are investing the income of the people, without responsibility to the electorate, and on other occasions the privilege of a private institution will be able to be tolerated if it were proven that banking policy coincided with industrial policy. But the truth is, the recent class issue at every point with those of the central bank. Indeed, the banks' secretaries, the Bank of New South Wales was able to organize private investment, with the control of banking in the public interest.

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Economics and Culture

Ifascal be subject to the fate of the Wandering Jew, he is surely to be found today among the contributors to the Criterion. The intellectuals of the Metropolitan Age of civilization appear to be afflicting a dystopian image of the future, one that is so filled with ills that they seem to have no alternative but to lament the state of the world. And yet, in this Age of sophistication, one can find a few who maintain a cheerful outlook on the future. One such person is Doctor Sprague, whose ideas are often expressed in his writings. His writings are notable for their clarity, depth, and insight, and they are widely read and respected by many people around the world. In his latest work, Doctor Sprague argues that the future is not inevitable but can be changed by the actions of individuals. He maintains that by working together, we can create a better world for ourselves and future generations. His words are inspiring and thought-provoking, and they are a welcome reminder that even in the midst of adversity, we can choose to create our own destiny.
Drama.

Take a Chance; Whittall

Marion Lorne has this in common with the Spring that, in spite of each new and improved death machine, is not going to be the last. Marion is a rare jewel, and the last terri- bly nice jewel. Terri- bly nice people are the last to go, but they are not destructible. Marion Lorne has this in common with the Spring, which is not going to be the last. Marion is a rare jewel, and the last terri- bly nice jewel. Terri- bly nice people are the last to go, but they are not destructible.

The Films.

Hollywood's Big Stitch

I recently made a brief reference to the character of the American film producer in the single-feature picture business in a native exchange. The plain English of this is that the producer is the man who makes the picture, and that the producer is the man who makes the picture. And the producer is the man who makes the picture. And the producer is the man who makes the picture.

It is not possible that Hollywood may not impose the single feature on the exhibitor, and that the producer will, if anything, get more money for a single feature picture than he did for the single feature pictures in the old days. And the producer will, if anything, get more money for a single feature picture than he did for the single feature pictures in the old days. And the producer will, if anything, get more money for a single feature picture than he did for the single feature pictures in the old days. And the producer will, if anything, get more money for a single feature picture than he did for the single feature pictures in the old days.

A British Film Week

A record, the total proportion of houses presenting the native product this week must be much higher.

Current Films.


Money Troubles.

By A. W. Colman.

[Extract from a longer thesis written by the author.]

We must next proceed to industrial matters, and note the accounting in terms of money that accompanies the exchanges of goods and services. Before doing so it will be necessary to make a few explanations of terms used.

1. Production. Under this term are included all operations of growth, manufacture, transport and dealing up to the time of sale. Products are thus defined as things which have been fabricated by means of the various mechanical processes of the producers. The products are all differentiated by their final consumption. The end product is such as might be purchased by individual consumers for their own use and consumption. The final product is such as might be purchased by industrialists for production purposes.

2. Costs. In any industrial undertaking, the costs of the product are not limited to materials under the head of raw materials. First, the wages and salaries paid to employees; secondly, the prices paid to raw-materials buying, shipping and transportation, and other tasks of business in the buying, selling, and transporting of raw materials.

3. Price. The sum total of all production-costs, plus profits at the various stages of production and distribution.
mand—demand backed by money to buy. Under this law, the prices of goods brought to market rise as and when the supply of the goods brought to market against them rises and falls. This, however, is only partly true. Certainly prices do rise faster than the supply of ultimate goods and services, and there is no limit in the upward direction; but when prices rise, they are checked by scarcity, by advertising, by the increase in the supply of goods, by the production of new goods, or by the use of substitution. These are the obstacles to further rise. Goods cannot be sold at less than the cost of production; they cannot be supplied in excess of demand; and they cannot be destroyed without incurring the bankruptcy of the producer. Briefly, prices of goods are "what they will sell for," and not "what they will cost in production." The supply of goods is determined primarily by the demand for them, and not by the cost of producing them.

4. Capital. As with Credit, there are two forms of capital—Real and Financial. Real Capital comprises the land, buildings, machinery, equipment, etc., necessary for industrial processes. Financial capital comprises the money assets of industrial firms, in the form of Reserve funds deposited with Banks, or invested in Stocks, Shares, etc.

With these definitions and explanations in mind, it is proposed to view industry as an economic giant, made up of separate and self-contained organisations apart from the market. This will be found quite possible in spite of the fact that in an industrial giant, all parts are not equally important.

We begin by emphasising two facts which have already been noted: First, the sole end of Industry is "To produce," and second, the sole end of Industry is to "sell," and the sale of products does not change the price. This will be found quite possible in spite of the fact that in an industrial giant, all parts are not equally important.

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The following table shows how the introduction of new goods, and the production of new goods, or by the use of substitution. These are the obstacles to further rise. Goods cannot be sold at less than the cost of production; they cannot be supplied in excess of demand; and they cannot be destroyed without incurring the bankruptcy of the producer. Briefly, prices of goods are "what they will sell for," and not "what they will cost in production." The supply of goods is determined primarily by the demand for them, and not by the cost of producing them.


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overdrafts, which will wipe out existence of the money so used. Beyond this they will partly distribute certificates to shareholders and partly use the money for the expansion and capital development of their businesses. In the latter event, the effect is that the company has received and promptly invested it in the business, except that no interest is now paid on it. In the former event, the company will probably pay a dividend of some portion of it, and spend the remainder on goods and services, which will be of benefit to the consumers, and this new demand at a time of increasing trade prosperity (due to increased productivity) will help the credit market. The company will then obtain an undue proportion of industrial credits.

Some money will, to a considerable extent, be paid out in the form of dividends, and therefore entering the market at a time of trade prosperity it will enter the market against the food, clothing, amusements, et cetera, of the consumers, and further inflate the prices of these.

But, apart from all this, there is a further cause of discrepancy between incomes and prices of account of the normal Bank policy of keeping banknote supply at a high level, as liquid as possible by dealing in short-term loans, so that there is continual measure of funds from Finance upon Industry to recover its borrowed capital from the consuming public at the earliest possible moment.

There is thus a definite amount of financial credit called letters of credit, which in the nature of things begins forthwith to depreciate. If Finance is accurately reflected in the daily reality, a change will occur at the rate of the real credit—just as gold is a good leader. The existing system results in a rate of financial credit of 5 per cent. via repayment of loans, far in excess of total phys-

It becomes plain, on all these counts, that under the operation of the present system the rate of out-flow of goods and services must be less than the rate of inflow of goods and services, so that Industry is unable to recover its losses on its current operations within the period of two years.

In 1933 Sir Leo Chouzas money calculated that the total financial money invested by Great Britain in various industries in the country and abroad during the previous fifteen years was approximately £200,000,000, and that out of this total the less than £5,000,000 which the government took in taxation figures may be taken as offering a very rough indication of the extent to which British Industry during the period from July 1923 to 1933 had been unable to recover its costs in its prices.

Letters to the Editor

The Douglas Social Credit Association, N.S.W.

The Association is now entering into a large scale of business, having a central office and club room at the New South Wales National Bank, 60-62 Broadway, Bathurst, Lithgow, and other branches in Sydney (the last four are situated in close proximity to each other). The system with which is associated the Douglas Social Credit Association is one of the most important and significant features of the new world financial system of the 20th century. The Douglas Social Credit Association is one of the most progressive and active social democratic movements in the world today.

A BIBLIOTEQUE

The New South Wales National Bank and the Social Credit Association are two of the most important features of the new world financial system of the 20th century. The New South Wales National Bank is the central bank of the country, and the Social Credit Association is one of the most progressive and active social democratic movements in the world today. The New South Wales National Bank is the central bank of the country, and the Social Credit Association is one of the most progressive and active social democratic movements in the world today. The New South Wales National Bank is the central bank of the country, and the Social Credit Association is one of the most progressive and active social democratic movements in the world today.

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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 resulting new capital resources.

This has given rise to a defective system of national loan accountability, 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 or increased machinery, as at present, or of international complications arising from the struggle for foreign markets.

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