NOTES OF THE WEEK

Principle Versus Plans—an analysis of the problem of Social-Credit propaganda.

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One of the ramifications attendant on the quick growth of public interest in Social Credit is that there will be confusion between what are its essential principles (which are insurmountable and universal) and what should be the practical applications of those principles (which may vary according to times, places and circumstances). And the latter rate at which people are "converted" to Social Credit the greater will be this confusion. You have an expansion of superficial emotional support without an equivalent expansion of intellectual understanding, with the result that you get what may be called a "political inflation" of the technical diagnosis of an economic disease. This inflation becomes manifest in controversies on side-issues which, because they are insular from the force of the main issue, must eventually collapse into deflationary impotence.

One such controversy is that which centres round the demand for whether new purchasing power should be in the form of a "National Dividend" or in the form of "Price Assistance" coupled with "Price Assistance" coupled with "Price Assistance". It seems to derive its importance from the nature of price-discounts while in the hands of people who are destitute, and in which the lower half of the income-queue will be left at the bottom end of the income-queue.

The disputants are not unaware of the fact that purchasing power can be distributed by both methods at the same time; but the question in dispute is whether the two shall be emphasised the more in popular Social-Credit propaganda—and for all we know may involve consideration of whether one method or the other should not be eliminated altogether.

Now, let us break clean away from this issue for a moment and ask ourselves what is the irrefutable minimum consumption-market either to the full extent of their capacity to produce them, or to the full extent of the consumers' capacity to absorb them. In some countries it may be presumed that the total collective capacity of production is less than that of consumption—that the population are able to accept and make use of more goods and services than can be supplied. In such countries the policy becomes that of getting industry to turn out consumption-goods at full capacity. And the Social-Credit method of financing the operation is the policy of reducing the demand to a physical objective. Notice that the problem and its solution are exclusively technical—the latter consisting of a reinforcement of the existing techniques of handling energy and material by a new technique of handling credit, and being directed to bring about the maximum mechanical efficiency of the productive processes for the purpose for which they have been designed.

Now, using Major Douglas's name as signifying the irrefutable minimum Social-Credit objective just described, he is not concerned with, nor is called upon to make any authoritative pronouncement upon, how his discovery shall be put to use. Even the proposition that the purpose of production is consumption, though the foundation of his reasoning, is not his. Nor is the proposition that people ought to produce or consume anything at all. He simply points to both as undesirable propositions. Existence depends on consumption, and consumption on production, and the relevancy of Social Credit depends antecedently on the answer to the question: Do we exist to do the most work on the least food, or to eat the most food on the least work? If the first, then the bankers' technique suffices and Douglas's is superfluous.

During the recent drought a correspondent in The Times mentioned a case in which women had to draw water up 200 feet from a well with a bucket on a rope; and he asked what was the matter with an electric pump! Why pay a rope for one hundred seconds to get a gallon of water when the turn of a switch for one second would fetch it up? Quite so; but the implied superiority of the pumping method was based on the writer's assumption of general consent to the proposi-
tion that human effort should be spread as much as possible without reducing the reward from the effort. If, however, there were a consensus of opinion that the proper purpose of a work was to provide women with rope-pulling exercise, the precise capacity of the rope-pulling bucket would be unimportant and economically unobjectionable. In fact the logic of this attitude would require not only the rejection of the pump but the recognition that the capacity of the bucket; and on this point readers will have no difficulty the segment of our society adequate, and an account-
ure is an excellent perforating device in this sense.

This illustration lends itself to a further consideration respecting the irreducible minimum requirement of Social Credit policy. It is this: that Major Douglas, considering the matter as a social credit technical capacity, has no concern with the question of whether the subject is to be drawn out with the rate of interest pitched at the maximum rate and disposed of such body no person can appreciate. This objective is reached. Should one man drink the beer and leave it to the others to die of thirst that would not matter in the least to him as a Social Credit technician. It would matter to him as a good citizen, the feeling that he was sincerely for justice and the humanities, but the problem would belong to an entirely different frame of reference, in which his judgment and authority would have an humane objectivity, rather than from any actual experience. Plants were erected during the war for the function of nitrogen, which gas was used in the manufacture of nitro-toluol for explosives. That same gas can be used equally well in the manufacture of nitrogenous compounds.

Now nobody would suggest that the designer of a factory should be called upon, on that account, to arbitrate on the question of whether the plant should destroy life on a battle-field or manifest a life-preserving tendency. He would, if approached, properly reply: “My function is to design a factory that can be used at a specified rate.” I did according to specification and that function was fulfilled, and I have no concern with what becomes of the nitrogen; I am an engineer, not a politician.”

Now Major Douglas’s proposals embody a design for what we may call the fixation of purchasing-power. The term “fixation,” as used here, indicates that the rate of nitrogen from the air which it flows about in inanimate and animate life is nothing, so to speak, hence the appropriation of all fixative of purchasing-power would be the technical concept of any quantity of purchasing-power found to be necessary to ab-
ing the product of industry. But before purchasing-power can be provided, the principle, and by whom, have not more to subside. The “information” is provided with the nitrogen-fixing principles, of which the products are assimilated to the nitrogen-fixer. The only requirement is the capacity to produce. That is, for instance, in this country we should see to it, if possible, that at some reason or other, we all decided to let Mr. Merton have all the new purchases the more a complete Social Credit system, this gentleman was willing and able valent products. Major Douglas’s system would work. He has himself often said of it: “It enables any community to do anything it wants to do”, by which he meant that it is the most efficient technical means and that is physically attainable. In this hypothetical case, however, the community would be unwise to use it for the production of goods that are not physically attainable because Mr. Norman’s capacity to supply the goods would be unwise to fulfill the condition that all the products be of the same kind, the credit would be reflected out of the system. The community could, in theory, decide to provide new products, not according to Mr. Norman’s ascen-
date capacity of consumption, and of the social credit system would work efficiently. That part of the system which would be reflected is that the soundness of the system which would be reflected out of the system, the soundness of the system which would be reflected is that the soundness of the system which would be reflected out of the system.
mercenary basis—that is to say, they are, unlike their masters, open to consider propositions which have their personal economic security undisturbed. Hence we see that the tariff, which was originally designed as a protection against foreign imports, was only a means to an end. The real aim was not to prevent the importation of goods, but to make it more difficult for the citizens of free countries to obtain the same goods. The tariff was thus a tool for the enrichment of the ruling class.

Now, the analogy between this and the tactics involved in the Discord-Dividend controversy is not exact, but it is close enough to warrant careful consideration. The Discords-Dividends association agreed on a particular choice or distribution of emphasis in putting forward Social Credit when the bankers were actually backing the proposal. The agreement on any particular choice or distribution of emphasis in putting forward Social Credit would result in a higher degree of public interest among the bankers, their own distribution in their counter-protests. Lack of candidates would be imputed to the Social-Credit Movement as a breach of faith; and even one could show that the bankers are constantly breaking the rules in this respect (for the secrecy of the bankers is notorious), or that they were manhandled out of Social-Credit advocates into such a breach (a more difficult matter), it is most likely that the source of these arguments would be blocked by the fact that the debate was of such a nature that this could not be the case. However, the argument is not that the bankers are not interested, or not trying to, or that they are not trying to, but that they are not trying to, at all. The argument is of the form: "If we can show that the bankers are not interested, or not trying to, or that they are not trying to, at all, we can prove that they are not interested, or not trying to, or that they are not trying to, at all.

This classification, bear in mind, reflects a moral differentiation only, it differentiates between the good and the evil when the picture may be conveniently adopted for the purpose of illustrating the differences in power among the various groups. But as will be shown, that does not affect their use for our purp..."
The Green Shirts.

NOTES FROM THE GENERAL SECRETARY.

The Jewish Chronicle interviewed an article by Mr. John Hargrave on October 2, because they had some idea that the Green Shirt Movement was anti-Semitic, Mr. Hargrave's authoritative statement regarding the policy of the movement. We understand that the interview is published in the current issue.

On Sunday, October 1, the first G.S. street meeting was held in Manchester at Stevenson Square. A crowd of about 200 assembled in support of our speakers. Their report says: "...we had to speak on a level with the crowd for two hours. This made speaking very difficult. The crowd was more interested in the work that we were doing, and more interested in the platform that we were putting on. The workers were not interested in what we were saying. But, in the end, the resolutions of the Green Shirts were passed, and the resolutions for Social Credit were passed. The meeting ended with a demonstration. We had to leave the square because of the noise."

The crowd was interested and many appeared to be sympathetic to our cause. The resolutions were passed by a large majority. At the end of the meeting, some of the workers expressed regret that they could not stay longer, and that they were not able to participate more actively in the movement. The whole meeting was a successful one for the Green Shirts, and we are grateful to all who helped us.

The Shorelitch Section still maintain their record as the most effective in the party. They sold 1,000 copies of No. 13 in two days.

A meeting was held in Warrington on October 4. Our report says: "...During the meeting, several of the Green Shirts got rid of all they paid for and would have sold more. The meeting was not large, partly due to the cold, but it was attentive."

The Bradford Section opened their local headquarters on Saturday, October 7. On Sunday, October 7, the Green Shirts marched in unison, bannered "Social Credit to the masses" on the front and "The inner world" on the back, to the car Park, where three speakers held the crowd for over four hours. After the meeting the Section marched back to their H.Q. Our report says: "We have now fully equipped our local H.Q. room, and the men are more numerous than ever. The Saturday night fire for the present is a failure, and we are in the process of forming a committee to go into the matter."

Two meetings were held at Otley, on Tuesday, November 5 and 6. P.L. and B.L. were attending.

After an unavoidable delay of three months we hear that the first G.S. Section is forming.

The Labour Party in the Dominion is under attack and are doing their best to prevent their diminishing adherents from going over to Social Credit.

In almost every railway station and post office in New Zealand, the Labour Party is putting up pictures of Mr. St. George Reid, his name and his picture being prominently displayed. The Labour Party is trying to increase production in order to repossess the country from the capitalists.

The boycott in Western Australia.

Mr. J. F. North, M.A., claims to have found a means of overcoming the secret of the Labour Party. He claims to have found a secret with most of the members, a sprinkling of people in the public office, and a sprinkling of members in the Assembly. The boycott is thus a substantial one. Without lowering his voice a single degree, Mr. North asserts that "if we were to boycott the Bank of England, we would know that our method is successful."

The Montague Norman Loan.

The recent loan to Australia which has the full guarantee of the Bank of England, is not a loan to the United Kingdom. The Bank of England, not a penny of it will find its way back to Australia. The loan is an effort to strengthen the mandate that has been given to the Bank of England. If you are a member of the Bank of England, you should not bealarmed in this movement. The bank that has been financed by the Montague Norman Loan, is a bank that is foreign to Australia and to New Zealand.
Questions and Answers.—VIII.
(Contributed by the Credit Study Group from their correspondence.)

What does the conversion of bank loans into “first charge” mean?

Bank loans are generally converted into “first charge” by the lender, thus making the borrower liable to sell his goods on condition that they are returned to the bank.

The cost of new machinery is not yet recovering from the costs of production of a period in the past, and the increase in the price of raw materials has not kept pace with the production of the new machinery. The result is that the price of raw materials is not included in the price of the new machinery.

The cost of raw materials, which is a necessary part of the price of the new machinery, is increasing and will continue to increase until the price of the new machinery can be paid for in the same way as the price of raw materials.

The result of the new machinery is not yet compensating for the increase in the price of raw materials. It is necessary to increase the price of raw materials to get the profit on the new machinery.

The profit on raw materials will be increased by the price of the new machinery.

What is meant by “liquid assets”?

“Liquid assets” are assets which can be sold for cash at any time and without any serious fluctuations in their price in consequence of current events, and which can be easily converted into cash.

These assets are deposit accounts with banks, and they are called “cash” or “currency.” These assets are also called “fixed assets” or “investment assets.”

The idea is that these assets are more liquid than other assets, which do not yield interest, and are likely to be realized at a loss if they are sold at any time.

The idea is also that these assets are more liquid than other assets, which do not yield interest, and are likely to be realized at a loss if they are sold at any time.

Why is a loan secured on assets entered as an asset on the books of the bank?

The bank should have some security for the loan it gives. The security is usually some personal property or some property which is not subject to seizure by a creditor.

The security is usually a mortgage on a house or a mortgage on a piece of land.

The security is also called “collateral.” The bank also keeps collateral on the loan, and this collateral is held as security for the loan.

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What are “fixed assets”?

“Fixed assets” are assets which cannot be sold or used again for the purpose for which they were acquired.

These assets are buildings, equipment, and machinery.

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What are “current assets”?

“Current assets” are assets which can be sold for cash within a short time.

These assets are cash in hand, or in the bank, or in the hands of a broker, or in the hands of a1 expense, or in the hands of a1 expense, or in the hands of a1 expense.

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Social Credit Secretariat.

A short statement of the general policy of Social Credit will be issued at an early date by the Secretariat. In the Secrecy, it may be emphasized that the fundamental promise of the Movement is that the object of production is consumption. Such questions as the nature of the state of society to which the community would move, and what form the new society will take, are questions which must be discussed in the light of present experience and the results of Social Credit activity. A preliminary list of affiliated groups and associations whose activities are based on this principle is appended. Further lists will appear subsequently.

W. L. BAXSBY, Secretary.

Affiliated Groups:

[First Preliminary List]

... continue...
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 credit of the community, on the strength of whose resources are made as 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 insecurity, 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 "vicissitudes" 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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