Peace With Security

No nation in modern times will make war to get things that it can get otherwise.

Mr. Neville Chamberlain spoke true words when he said that in modern warfare "there are no winners."

The question is: Who wins a war but what the war is about. Suppose such an absurdity as this: One idiot says: "I am going to knock red-hot lead rivets into this piece of boiler-plate." Another idiot replies: "No you're not, I'm going to stop you." They have a set-to; and one of them wins." Would it matter which?

Now, the underlying drive towards war proceeds from just as great an absurdity as this.

The absurdity is that every nation is seeking to grow prosperous by exporting the materials of prosperity and preventing the importation of them.

The absurdity is veiled from the eyes of the people concerned because a country that exports itself of real wealth in this way thereby add's to its financial wealth. It loses goods but it gains money. Conversely, if it imports goods it loses money.

Money is intrinsically worthless, like a theatre-ticket. People value it only for what they can get in exchange for it. They prosper by spending it on real wealth. Being resident in a country they must spend it on real wealth available in the country. So it is of no use for them to receive money as compensation for real wealth sent out of the country. It should be the other way about—the more real wealth kept inside, and brought into the country the more money they should receive, because there is more to be bought.

Now, war risks arise out of the competition of countries to dump goods on each other and gain money at the expense of each other. Hence, if any country were to succeed in introducing a method whereby it were able to provide itself with a sufficiency of money without importing real wealth, and even while importing it, that country would have eliminated all risks of war. For it would not be doing what other countries wanted it to do, and those countries would have no reason to fight it.

It is true that, as we look round the world at the present time, we often see countries striving to import real wealth, but the distant objective of each in doing this is to place itself in a better position than others to export real wealth. The imports are wanted for re-exporting in other forms. These countries are content to lose money by importing in order to gain more money by exporting. Their distant objective is financial. And it is obligatory on them (or appears to be) to part with real wealth on balance in order to defray their internal cost of production. For if they fail in this their industrial systems collapse and the people are overtaken by unemployment and destitution. The prospect of such failure engenders fear, and out of that fear spring the risks of war.

So the question arises: Is it possible for any country to introduce methods whereby it could pay its way financially no matter how much its imports were to exceed its exports? If so, that country can secure peace for itself, and lead the rest of the world to peace likewise.

The answer is that such methods are known, and that there are areas in which they could be adopted. The United States of America is one; and the British Empire is another. These are selected for citation because they both possess a sufficient quantity and variety of national resources to maintain their populations in comfort. They have no physical need to import real wealth; and, if they were to adopt the methods above referred to, they would have no need to export real wealth. Of course it goes without saying that neither of them (nor any other country) has a physical need to export real wealth. The very idea is ridiculous.

Well, the methods are those in the Social Credit Proposals. Under the operation of these proposals either country could afford to be the dumping ground for the exports of all the other countries of the world, and to refrain from exporting to them anything at all. It could want more than was wanted to receive. And we can take from you whatever you want to sell, and you can take from us whatever we want to buy: and if the result is an excess of your exports to us over our exports to you, good luck to you; if you like it, so shall we.

Contrast this situation with that presented by an American statesman, shortly after the last great war, who, referring to the immense productive plant and equipment existing in his country, said that it would be "a milestone round our necks" unless America were to provide itself with a sufficient amount of money. He could find foreign buyers to employ this plant. But a sense of fairness tells us that productive plant is a lifebelt. How on earth can a country's resources to the people's use be vested as a milestone? Of course this statesman did not mean to suggest such a thing. What he was not mean to suggest is a milestone which the people could not make use of as a lifebelt. The only question was the cost of this machinery. The nearer we were to the financial, not physical. But, yet again, common sense tells us that any theory which requires us to regard an economic lifebelt as a financial mill-
stone is invalid; and since the lift-back analogy is self-evidently sound, the other analogy must also be sound. And it is.

This statement was implicitly saying that America’s plant required to earn more money than the American people could spend. When less foreigners came in to fill the monetary deficiency the plant would have to be scrapped and the people starved.

He was right in implying the existence of this short-age in America, but was wrong in assuming that it was nebulous in conception. It is a fact of life.

It will no doubt sound a fantastic idea to suppose America or the British Empire to be able to “dump” all their goods on the world all they choose to sell and thereby do as they wish to buy.

But that is because, under the present system, any excess of imports over exports is made to diminish the supply of money at the disposal of the people in the importing country. We say, “made to diminish,” advisedly; for the diminution is not a natural necessity, but is controlled by the heads of that country’s monetary system—the balance of the Social Credit system the arrival of imports would be accompanied by the destruction of money, not the withdrawal of money, inside the importing country.

This can be justified as follows: Imports are an addition to the real wealth in a country in proportion to the amount of real wealth gained by its citizens in the transaction. When goods do not take any back, these goods are a free gift but unless they are paid for by sending back other national dollars’—are mere obligations. The debt is paid when the goods are delivered, or what Mr. McKenna termed the “compensation is transferred to the creditor instead of being transferred to the debtor.” This factor of the compensation is either way.

The effect of Social Credit finance reverses orthodox finance. It accredits imports whereas orthodox finance devalues them. By this means exports are increased instead of being decreased. It does not, however, change the pattern of the country’s economic life.

For this reason Social Credit finance reverses orthodox finance. It accredits imports whereas orthodox finance devalues them. By this means exports are increased instead of being decreased. It does not, however, change the pattern of the country’s economic life.

(2) The dividend is inflationary.

This Social Creditors are forced to justify the technical correctness of their proposals.

One point strikes at the moment. If prices “sky-rocket” (as Mr. Dunning says) is not a sign that consumers are not able to pay their accounts which has not gone through the industrial cost cycle, then the prices will be more competitive as far as is possible. The price of a farthing is that which is made in competition. The price of the pound is that which is made in competition.

And it would yield a budget surplus with which the bank could pay off debt to the total.

Social Credit in Parliament

DEBATE AT OTTAWA

It may be that Finance Minister Dunning’s attack on Social Credit in reply to Mr. Blackmore’s motion (see “Alberta Diary”) has the element of the general. According to him, the Government could not be taken to be responsible for an attack.

Nevertheless the final result is clearly the same as if the Government had been directly and, as we noted in previous columns, the creation of currency in this manner shall have serious drawbacks attached to it.

It will be seen that the Government, if it printed suffi- ciently to deal with all its obligations to its future creditors, to the banks, and to finance itself would be left in a state of debt.

The problem of the social economy is the problem of the social credit.

Mr. Charles Peterson, editor of the Farm and Ranch Review, writes in the issue of March 19, 1938, to explain the notion that the head banks dominate the Government. The argument on which he places chief reliance is this: if there is so-called “control” of the Government by the head banks, it is another form of control by the head banks, it is another form of control by the head banks, it is another form of control by the head banks.

The answer is easy. The head banks want to have the Government controlled by them, which is why they argue their case, but a reason which will appeal to Mr. Peterson is that Government credits are the Government’s credits, not the bank’s credits. This is a distinction which Mr. Hartley-White’s book: _The Business of Finance makes clear._

And if we see the Government as the receiver of the treasury notes are not actually issued at present by the Government in pays for them a deal on their balances at the Bank of England, we see that the Government, does not pay exactly the same on the Bank’s notes as the Bank of England.

Thus the Social Creditors are justified in pointing to the technical correctness of their proposals.

One point strikes at the moment. If prices “sky-rocket” (as Mr. Dunning says) is not a sign that consumers are not able to pay their accounts which has not gone through the industrial cost cycle, then the prices will be more competitive as far as is possible. The price of a farthing is that which is made in competition. The price of the pound is that which is made in competition.

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Alberta Diary

Social-Credit Debate at Ottawa

On March 29, the Social-Credit motion was debated at Ottawa. The mover was Mr. John Blackmore, leader of the Social Credit parliamentarians. In his opening statement he condemned the government for neglecting to implement the economic conditions in the credit principles of Mr. Blackmore’s amendment of the Banking Act. He impugned the government’s handling of the amendment. He charged the government with being inconsistent in the technical soundness of the Social Credit analysis of the banking system. He warned Mr. Blackmore that the banking system of Canada had been damaged by the government’s handling of the amendment. He warned Mr. Blackmore that the banking system of Canada had been damaged by the government’s handling of the amendment. He warned Mr. Blackmore that the banking system of Canada had been damaged by the government’s handling of the amendment. He warned Mr. Blackmore that the banking system of Canada had been damaged by the government’s handling of the amendment. He warned Mr. Blackmore that the banking system of Canada had been damaged by the government’s handling of the amendment. Mr. Blackmore attacked the government’s handling of the banking system in Canada and the government’s failure to implement the economic conditions in the credit principles of Mr. Blackmore’s amendment of the Banking Act. He charged the government with being inconsistent in the technical soundness of the Social Credit analysis of the banking system.

A full report of the debate appears in The Citizen, Ottawa, on March 30.

The text of Supreme Court’s judgment.

The text of Supreme Court’s judgment appears in the Alberta Daily Telegraph, March 30, 1938. The judgment is as follows: Mr. Blackmore and the Bank of England would have no reason to dispute the fact that the Social Credit analysis of the banking system is consistent with the technical soundness of the Social Credit analysis of the banking system. They have argued that the Technical aspects of the Social Credit analysis of the banking system are consistent with the technical soundness of the Social Credit analysis of the banking system. They have argued that the Technical aspects of the Social Credit analysis of the banking system are consistent with the technical soundness of the Social Credit analysis of the banking system. They have argued that the Technical aspects of the Social Credit analysis of the banking system are consistent with the technical soundness of the Social Credit analysis of the banking system.
"Come Up And See Me Some Time"

This world-famed formula of hospitality, which originated in the speaking of a female character in a certain film-play, seems to have captured the imagination of the Canadian chartered banks.


"Do you deal with a bank or whether you don't, some time soon—say today, that is—for you are passing the bank's doors—why not drop in and get a little news of the progress that is being made with your money?"

"What is the lady said. Furthermore, it is extended in the same spirit as the lady said. You need not do business, nor even talk business. No, you need not be sure of a welcome, because the bank manager wants to know you, and that is the spirit of the office."

"And before you leave, you will look at his face."

"Which, after all was the lady said. What you are invited to do is quite innocent and inexpensive."

"So find out for yourself what kind of fellow he is. And before you leave, have a look at him."

"Which, again was the lady said."

Again, you are given the following assurance—of which the object is to introduce a series of chats in which little of mystery and how much of service there is in the business of banking in Canada.

"There is an assurance which no one has satisfactorily variated on a visit to the lady; for upon one’s mentioning that the ratio of mystery to service in the business to which this office belongs is taken place in the business of banking there. But you will want to know why you should take a look at the bank manager who is your. Well, the advertisement tells you that they are all turned out."

The head offices are manned and managed by the best men, who are in the general management of the Canadian Bank of Commerce, and they are in the branch, and the ranks.

"In other words, you are urged to notice that little bankers do not alter as they are chosen. If they change them, a change is in the bank's interest."

"So join in the chorus, boys—"Comrades, comrades, ever since we were boys,"

The lady in the story wanted her callers to know exactly what gifts from them it was not because they were no longer giving her friends at the next house, but because they were not to be expected.

"This is proving to be a happy one upon a time nothing little whites, but a time of all its kind. We are doing their best to prove it."

"And in this they are making a better standard for unity on account of the fact that there is not one of us has ever been a customer, more than that, in the ordinary and ordinary amount of credit."

"It may be that the banker and his customer should tell each other all about what bankers do and why they do it all. But they are not always able to understand each other."

"Of course, it must be that the bankers, unlike the bank clerks, are not always able to understand each other."

"And instead, what a social gathering, it is the spend-the-

Rates of Flow

A. The issue of bank loans creates money. The repayment of bank loans destroys money.

B. All payments (or credits to a borrower) are financed out of savings or bank loans.

C. SAVINGS IN this connection may be regarded as bank loans repaid by depositors.

D. Thus all production is financed out of bank loans repaid on schedule. Consequently, the short-term rate of interest repaid on bank loans is a rate of return to the investor. In effect, the debtor has simply had that amount of goods, that he wishes to buy, and his wealth is free at the expense of the lender.

E. The rate of interest on bank loans through consumption cancels costs to an equivalent rate of production.

F. The rate of production of industrial goods equals the rate of production of credit.

G. The rate of issue of bank loans equals the rate of production of credit.

H. The rate of issue of bank loans equals the rate of production of credit.

I. Thus in normal industrial communities the present results in a steady piling up of uncompleted costs, and the latter is modified by the repayment of bank loans and investments by the banks themselves, which is out of money owned by the banks.

J. This problem is then reduced to the rate of repayment of bank loans.

K. In the case of a deficit the rate of repayment of bank loans, is the rate of cancellation of balances of bank accounts.

L. These balances are the result of the system of cancellation of debts of the banks, which balances will be reduced, not compensated by the re-issue of money of money invested in the community.

M. The expression "the ownership of money is the cause of the process of cancellation, Low-Lawrence.

N. The central point of attack for the Social Credit Movement is the Banker's Law.

Legal Diary

There are three items in our "Diary," published on November 25th, which appear in the wrong year.

1. Rearranging the order of the bank bill (corrected).

July 14, 1932. (Blackall article as described.)

July 14, 1932. (Flannigan story as "Looting for "value of property.""

July 14, 1932. (Students should note as most of the Peter Wright Letter to the Ban Action (Dr. Galloway)."

July 14, 1932. (On "Foreign banks in "the Bank of Canada, the hearing by Mr. Weir)."

July 14, 1932. (General and Loan (Harris trial in "the Northcliffe)."

July 14, 1932. (The ban will be looked up later and announced.

Major Douglas on "A - B"

"The explanation of this apparent anomaly is complete, but the using of the information of the bank crisis and the payment at one and the same time, because the banking system is already existing, and because the money is borrowed from it, but that the banking system bred from the loan paper by speculative prices of goods (or "the amount of credit.

"The repayment of bank loans in the industrial system may be considered in the balance sheets made from one business organization to another, this is to say, in the group G:"

B. The objective in this case being a fall in prices to benefit the consumers, which is also the objective of the monetary system."

SOCIAL CREDIT RALLY

CENTRAL HALL, WESTMINSTER, March 31, 1938, at 8 p.m.

Speakers: Marquis of Tavistock and Mr. Maurice Cholmondeley.

DEBATING SECTION

From Mr. A. Barr.

I have the honour of inviting you to add to the letters to the Financial Review Section, but Mr. Franklin's "economy" effort in this direction, and I am also in a position to assist with the let. In the first place, I contend that the banks as producers of credit, not only create interest but also destroy interest, in effect, "the debtor has simply had that amount of goods, that he wishes to buy, and he does it at the expense of the lender." The latter is an interesting point, and obviously this is absurd for the bank to produce goods and Adams with the community to produce goods. It is also obvious in that there are no bad debts, undoubtedly underestimates interest would be as low as possible in that case. In the first place, I contend that the banks as producers of credit, not only create interest but also destroy interest, in effect, "the debtor has simply had that amount of goods, that he wishes to buy, and he does it at the expense of the lender." In the second place, we are dealing with the community in general, and obviously this is absurd for the bank to produce goods and Adams with the community to produce goods. It is also obvious in that there are no bad debts, undoubtedly underestimates interest would be as low as possible in that case.

Mr. North is still labouring under the delusion that a bank that fails to recover a loan in its books is a failure, and if the borrower defaults the bank is ruined. Will Mr. North please meditate upon the fact that a bank loan creates a deposit, which the borrower can create money, but it is evident to all observers that a bank loan does not create more money than a loan to a bank. If the borrower does not pay, the bank loan is not repaid, and of course, interest charges are the bank's gains, not the bank's losses. It is obvious to all observers that a bank loan does not create more money than a loan to a bank. If the borrower does not pay, the bank loan is not repaid, and of course, interest charges are the bank's gains, not the bank's losses.

Mr. North's discussion of this point was not very clear, but it seems to me that there are difficulties in putting the community's gains and losses is (issued by the London Social Credit Mean of Counters and Money.)

REPLY

No. I did not say my intention is not to withdraw a loan when a loan is not financed by any other means. Obviously, the borrower has to pay the amount of loan, and he is entitled to the amount of loan. Suppose $100 is lent to White who pays it to Black. The borrower's liabilities are increased by $100, against which he holds White's promise to pay him $100. If White is not repaid, he will have to pay out his own pocket. By paying the $100 he repays the lender and debt was made, they are in just the same position as a new creditor and debtor. The banks' dividends would be higher; more credit, in order that it may be allowed to reproduce new products we will be looked up later and announced.

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desperate effort to clear up the tragic muddle of Mrs. Bing's letter. Although I have stated again and again that, because of profit, prices exceed costs she actually says that I "suffer under the delusion that costs equal prices." How can she progress in an argument be made on these lines? She asserts that the London School of Economics students' labour under the same delusion. Does she really believe that? Does she not know that not merely every recognized economist from Adam Smith to Keynes, but also every first form student is aware that profit is collected in price and no raises prices above the cost of production. But naturally that fact causes a gap between purchasing power and prices. It is essential to remember that Mrs. Bing's own original business illustration perfectly covers only the matter of free disposal to that factor alone for a start. But can I keep Mrs. Bing to the point? I cannot; she is determined to introduce the allied, but somewhat different, matter of profits. The two things require separate consideration because interest is a true cost of production whereas profit is not.

Once again I will stick to the point, even if Mrs. Bing will not. It will be remembered that she envisaged a bookistl followed by a loan of £200 at five per cent. She proceeded by leaving profits out altogether, the bookistl had to recover £25 (the interest on charge) and above that covered in price "(by) a fact, it was in a 'result' by the £25 interest". By that way the £25 has been collected fully on non-interest costs including the between costs and distributed purchasing power between the £25 and distributed purchasing power equaling £10; apparently she can see £10 in the precisely equal £25.

Of course it is "done econometrically". Mrs. Bing does in her fifth paragraph and to improve the fantasy X requires £1 for his services. Hence it is true perfectly that the return of his £1 was in fact £1. But the very thing is that (imposing annual expenditure and collection) that X has to X, price has been distributed fully so that the above £120 on which Mrs. Bing and her elementary Analysis and Policy. On his second page he says in another way---

The cost of producing consumption goods can be reduced to (1) the wages of labour employed in their production; (2) the interest on the capital borrowed by the manufacturing; (3) the rent or equivalents which the consumer must pay to the owners of the land or other property used in the production of consumption goods.

Of course, he goes on to mention the other costs, but I believe that the first two are the costing of what I have been point out.