

The Green Shirt Review.

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Dictatorship	page 1	Our Three Demands.		
How Banks Make Money	page 3	2. The National Dividend.		
The New Dietetics	page 4	By E. Wood	page 6
Editor's Note Book	page 4	An Expository	page 7
Babes & Sucklings—& Experts	page 6		Books of the Moment	page 8

DICTATORSHIP.

A few years ago, the Bank of England sent Sir Otto Niemeyer to Australia to put the finances of that country in order. The result was that a large gold-producing country, with a population of only seven or eight millions, was said to be living beyond its means; and wages and salaries were reduced by ten per cent. Was this dictatorship or democracy?

The money power has for its object the getting into debt of each country to its own central banks, which in some respects are branch offices of the international moneylenders. At this moment every highly developed country has a stock of goods of every description, but because the golden yard stick was designed for small quantities and has not been altered to suit modern production, we are told by our bankers and "experts" that we must cut our coat according to our cloth. Is this democracy or dictatorship?

Heads of governments, like Hitler and Mussolini are merely puppets in the money show. It remains to be seen what kind of puppet Roosevelt will become; at present he is not the most docile of administrators. Whatever government is in office, however vigorously the people have returned their representatives, the money power

by threatening to destroy confidence can turn out the elected representatives of the people, and then use the Press to stampede the people into sending back another set of politicians who will balance the budget and put the country on a "sound financial basis," which means privation in the midst of abundance. Is this democracy or dictatorship?

In face of these facts the taunt that the Green Shirt speakers have to listen to—that we are trying to set up a dictatorship—is pitifully absurd. It is as absurd as the spectacle of an ill-clad, moneyless person talking about more spending leading to dangerous inflation. If the people of this country are willing to submit to a dictatorship of figures and natural facts, such as will appear on the production side of the nation's balance sheet, then we are out for a dictatorship.

Legislation that will ensure every individual an adequate share in the nation's production by means of a new money system, founded not on a gold standard, but on a goods standard, will be the most benevolent dictatorship mankind has ever known. Such a dictatorship, if our critics will have the word, is what the Green Shirts stand for. The consumption of goods

to be governed by the amount of goods that can be produced, and not by the amount of gold bars or paper lying in the vaults of the Bank of England. Major Douglas has shown how it can be done. The National Dividend for all.

It is sometimes asserted that the Green Shirt policy put into operation would be dictatorship; the word dictatorship connoting to the minds of our opponents a horrible state of society. Let them show us any country where there is not a dictatorship of some kind at this moment; whether a dictatorship of the Communist Party as in Russia, or that of Mussolini in Italy, or that of the German Hitler.

Even supposing the English system of Government, with its electoral representation to be nearly perfect, there is a dictatorship and always has been in the Cabinet system; for the Cabinet meetings are secret, individual note-taking being discouraged. However, behind the Cabinet of this so-called democratic country, there is a dictatorship, the existence of which only during the past few years has the average man become aware. This secret dictatorship consists of the Governor and twenty-five directors of the Bank of England. It is an oligarchy that sometimes acts in response to the international money market, at other times it acts on motives of "prudence" or "sound finance." Thus, if it considers that a certain industry will not be able to acquire a good share of the world's purchasing power, to enable it to pay back its bank loans and interest, credit is withheld and the industry must decline. Any industry that fails to get back its costs quickly becomes the Cinderella of the country's activities, such as agriculture has become.

It was this financial dictatorship, by the help of its paid scribes, that urged the people of England to neglect agriculture and become the workshop of the world. The mass of the people have been divorced from the soil. In 1917, Sir Ernest Cassel, himself a banker, but by no means a supporter of the policy of lust for power, said:

"England is the trustee of civilisation, and I tell you that it is not only the German submarine, but there are

other things, which I know by international finance, which may bring you to a similar pass, unless you grow more of your own food." Later, he said: "I know what I say is true. International finance will jeopardise your future unless you take the steps which I now implore you to take."

Small capitalists are being crushed out or absorbed by large concerns, with the help of the banks. Capitalism has entered on a new phase, as Lenin pointed out in his book, "Imperialism," we have now finance-capitalism. This knows no frontiers; it has no patriotism; its chief supporters are unknown and unknowable. One country is being played off against another. The financiers demand that money shall be "free to find its own level," by which they mean the highest rate of interest consistent with safety, irrespective of national need.

The banking system then, has become, in the words of Lenin: "No longer an intermediary for payments of transactions, but has reached the stage of being an alliance of a small number of monopolisers."

The Green Shirt Movement stands for Douglas Social Credit.

Because this country is suffering from a glut of goods and at the same time poverty on the verge of starvation. Such a situation is a *tragic absurdity* which we will not tolerate. ♦ We know that the only shortage is a *shortage of purchasing power*, and we know that this shortage of purchasing power is due to the policy and methods of the Bank of England, controlled by the International Credit Monopoly.

WE DEMAND—

1. That the power of credit issue and withdrawal be taken from the Bank of England and vested in *the National Credit Office*.

2. That the *National Dividend* be distributed, over and above wages, to every citizen whether in employment or not.

3. That the *Scientific Price Adjustment* be applied.

How Banks Make Money.

We often hear it stated that banks create new money. Mr. Reginald McKenna, Chairman of the Midland Bank, has said so, among other people, but of course he knows more about it than we do. It is almost impossible to understand how a bank can make money, without printing notes, unless we know for what purpose the banks were started and how they have developed.

The original duty of the Bankers was to take charge of the people's savings, and they were chosen from among the Goldsmiths, as being the most trustworthy guardians. A rich merchant would deposit his gold and valuables with his Banker, who would give him a receipt, the origin of our bank-note. When he wished to pay a bill, he was obliged to go to the bank, withdraw the money, and pay it out in cash and in person. Later, a less clumsy method was used. If Smith owed Brown £10, he would write a note, addressed to the bank, requesting the Banker to pay Mr. Brown £10 on demand. This he would hand to Brown, who could then go to the bank, and collect the money, or, if he preferred, could ask the Banker to "place it to his credit." These notes were the forerunners of our cheques, and after a time, the banks arranged that Smith's cheque on Bank No. 1 could be paid into Brown's account at Bank No. 2, so that quite complicated transactions could be carried out, without anyone having seen the money. For all Smith and Brown knew, that Banker might have been playing ducks and drakes with the ten golden sovereigns, but time proved that the money was always forthcoming, if it should be wanted, and a kind of belief in the absolute integrity of the banks has grown up, so that it is very hard for us to realise that some of their dealings are not to our advantage.

As cheques became generally used for all important payments, the Bankers accumulated a large store of gold, some of which was never withdrawn, and it became their practise to lend from this store, to respectable people, who wanted to extend their business. By this means, they were

gradually able to increase the amount of money in circulation. This is the point that is so hard to understand, so let us take a rather absurd case, which might have happened in the early days of banking.

A small Banker has ten depositors, each of whom has entrusted him with £100 in cash, and we will suppose that cash is the only form of money. Shortly afterwards, another man, whom we can call X, asks the Banker to lend him £100, to build a new shop, and offers his present one as security, so the Banker hands him £100 in cash. Then the ten depositors decide to go into partnership, withdraw their savings, and buy a large business, so they go to the Banker, and jointly demand £100. But the Banker is £100 short, and if he is to pay over the full amount he must take that £100 away from somebody else, presumably either himself or X. Now, let us re-tell this little tale, assuming that cheques have come into use. X gets his loan—in cash, let us say, and the ten depositors write cheques totalling £1,000 and hand them out to their creditors. The Banker has a good reserve of cash, enough to meet all likely demands, but although there are £900 in his vaults, the depositors have written cheques for £1,000, so that more than all the reserve cash is "claimed," as it were. The effect is just the same as if the whole £1,000 in cash were in circulation, plus a cheque for £100, which has no backing in cash. In other words, the amount of money in circulation has gone up by £100. In course of time, the depositors pay further sums into their account, while X sells his old shop, and finally repays the loan with interest. The Banker then balances his books, *cancel*s the £100 that had no backing in cash, and it ceases to exist.

This little tale shows that banks can create and destroy money, but does not, of course, prove that they do. People will be sure to say, "Ah, but *all* the depositors would not withdraw *all* their money at once," which is quite true.

To come to more modern times. We all know what enormous strides Industry has made during the past fifty years, and it follows that an enormous

amount of money must have been forthcoming to finance it. Nearly all this extra money has been made up by these bank loans, which have no backing in cash. The fact is that banks do *not* lend their customers' savings. If a man has put £100 in the bank, it is always there when he wants it. The Banker does not say, "I'm very sorry, but I've just lent it to a man who's building a factory. You don't mind waiting a couple of years, do you?" When banks grant loans, or "credit," as they call it, they always create fresh money for the purpose, and at the present time *nine-tenths* of all the money in circulation consists of these bank-credits, only one-tenth having any backing in cash.

The great banks have thus an almost complete hold over Industry. By granting fresh loans, or refusing to do so, and calling in, and cancelling their existing ones, they can vary as they please the amount of money in circulation, and with it varies our power to sell and to buy. In this way the old-time Goldsmiths, honest guardians of the people's wealth, have gradually developed into a vast Banking Combine, which stretches all over the civilised world, and holds in its grip the fate of Nations and Governments, and of you and me. B.J.

THE NEW DIETETICS.

Last month we commented on the report of the British Medical Association, which gave 5s. 10d. a week as the minimum to maintain a man in health and working capacity. Apparently the Government were not impressed by this figure either, for they at once declared that it was too *high*, and since then we have had the edifying spectacle of these two bodies arguing it out as to which is the proper existence-level. Meanwhile, the man in the street, unable to understand the technicalities of the subject, has a feeling somewhere that this show is being staged for his benefit. His instinct is probably right, and the evidence now being collected will be used against him before long.

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THE EDITOR'S NOTE BOOK.

TO SUBSCRIBERS.

Will all those subscribers who came forward with a little timely help during an anxious hour for this paper, accept our sincere thanks? We are by no means out of the wood yet, but whatever the ultimate fate of this pygmy in its struggle with the giants of journalism, we shall always remember with gratitude that there were so many persons willing to throw their weight on the weaker side. Such a fine response to our hurried appeal, renews our faith in human nature.

THE COUNTRY OF THE BLIND.

Mr. H. G. Wells has been riding his hobby-horse of Internationalism. In a broadcast talk on January 9th, in the "Whither Britain?" series, after drawing attention to the state of distrust between the various nations, "carrying on a cruel and disastrous financial warfare, arming and drifting towards war," he comes to the conclusion, that the remedy is "World Unity," with the possibility of a world-money with international banking.

Our comment is—there is quite enough international banking already. We stand for ECONOMIC nationalism.

We know that the ordinary Englishman, Frenchman, German or American distrusts none of his fellows in any other country, but wants a satisfactory standard of life for himself. If he can be persuaded by the international money lenders that foreign trade is absolutely essential to his existence, and that his country must export goods in excess of imports, then war is inevitable.

In the whole of this broadcast, as reported in *The Listener*, Mr. Wells does not say one word about the insufficiency of purchasing power in the manufacturing countries. When Mr. Wells speaks of "The mighty riddle of under-employment" we know he suffers from "*The Work Complex*."

People with this complaint believe that man was created for nothing else but work, and would have the wheels taken off wheelbarrows so that there would be four men to a barrow. These people judge every calamity as a blessing because it will make more work, although Mr. Wells' scientific mind does not admit of such reasoning.

Another writer who forgets that in the country of the blind the one-eyed man is king, is the Editor of *The News-Chronicle*, Mr. Aylmer Vallance. This gentleman the other day treated his devoted readers to an informal editorial on world problems.

Descending from the imperial editorial "we," he delivered himself of a few autobiographical items and then proceeded to put forward his remedy for the miseries of mankind.

~~Boiled down to essentials,~~ his remedy is more, and more, and more production. Nothing about the millions of human beings who are unable to consume "because there has been too much produced."

Mr. Wells ought not to have left his novel writing. As for Mr. Vallance, let us quote the old Book—"and the mountain was in labour, and brought forth a mouse."

PRESIDENT ROOSEVELT.

Whether the thirty-second President of the United States is going a round-about way towards a *Social Credit State* we are not yet able to judge. He has shown the money barons that he is not exactly to be led by the nose.

He has been invested with tremendous power, more world-shaking perhaps, than has ever been given to any other head of a state. But still, in our opinion, he is desirous of putting money into the wrong end of the machine—the production end.

We are on the threshold of a new age of leisure and plenty; the productive part of man's activity is almost perfect; it requires only the *cash nexus* to

make a great country like the U.S.A. into a "land flowing with milk and honey," to use Lloyd George's grandiloquent phrase. Regarding Roosevelt's policy it is interesting to know that the U.S.A. is 98% self-sufficing, having need to import only a small number of commodities not to be found within her borders.

In view of this, is it not rather ridiculous for Mr. Wells (mentioned in previous note) to assert that, Roosevelt cannot carry out his plans in the U.S.A. alone?

THE SPREAD OF SOCIAL CREDIT.

When we are feeling a little down-cast at the prospect of a long battle with the Money Power, it is very heartening to come across evidence of the progress of Social Credit ideas in other countries. We learn that several members of the Norwegian Government have studied Social Credit by means of a book "Douglas Planen," by R. Millar and H. J. Murstad. Furthermore, Social Credit advocates are increasing in Australia, New Zealand and France. Why can't England be in the van, as she was with railways, power looms and electricity.

We believe that Social Credit will make Elgar's song a reality and not as at present a mockery to millions. It is a land of *Hope* since the Green Shirt Movement came into being, the other part of the song will be fulfilled hereafter.

FASCISTS LATEST MOVE.

Several newspapers report the purchase of armoured cars by Fascists in London. Whilst expressing doubt as to whether this is in the public interest, the general opinion seems to be that it may safely be left to the discretion of the Home Office. That is to say, the Bankers' Government shall decide whether or not the Bankers' own private army is dangerous to the public. Since the sole purpose of raising the army is to protect the Bankers and their satellites, in time of necessity, from the just anger of the public we do not think that there will be much interference from that quarter. It does seem as though the Banker-Fascists are anticipating trouble from somebody.

BABES AND SUCKLINGS —AND EXPERTS.

Does our reasoning power change as we grow older, from the direct logical way to the indirect illogical way? The average intelligent child has a most uncanny knack of hitting upon truths, which entirely elude the mature adult, who has been re-educated and spoon-fed upon slogans until he cannot grasp the most elementary economic fact, and is well satisfied to leave the thinking to experts. These experts who, quite rightly, furnish scientific information, and have their counterpart in other specialists who, however, supported by various vested interests, besides furnishing information on economic science, also draw conclusions that are by no means free from personal views.

The child, on the other hand, seeks to know the why and the wherefore of things and cannot digest statements which to his mind appear to be insane methods of working. He cannot understand why fish should be thrown back into the sea when thousands of people would be only too delighted to get the chance of eating them, when told that there is no money to buy them because so many people are not working, he wonders why the fish should not be given to those who need them, but this is—to his elders—an utterly absurd idea. "Imagine, giving things away!" why if that were to be done nobody would want to work. The child ponders on this problem for a while but cannot see why people should starve simply because they cannot get work.

The child mentality cannot reconcile the supposed over-production with the ill-fed and ill-clothed thousands. He knows that something is wrong and while his mind is still unbiassed he very often finds where the fault lies and thinks that all machinery should be scrapped and everyone could then work with their hands as they used to do, but this idea—strangely enough—doesn't appeal to the adults who say that wonderful strides are being made in mechanical improvements which make work lighter for everyone. Then why not give people money, for not

working? is the next question, and the scandalized adults quickly crush him and change the subject, but he hits the nail on the head for when the uncultured savage hit upon the idea of making a log into a wheel he laid the foundation of the age of leisure. The civilized man scoffs at the African savage who prays to Mumbo Jumbo for nature to be more and more bountiful, but the same civilized man is now reduced to the absurdity of praying that nature and science be more niggardly.

The age of leisure is with us now and is waiting to be enjoyed when the wages of the machine are issued as a National Dividend through the National Credit office and backed by the Scientific Price.

A.D.

OUR THREE DEMANDS.

This is the second of a series of three articles explaining simply the Three Demands of the Green Shirt Movement.

—Editor.

II.—THE NATIONAL DIVIDEND.

The Green Shirt Movement has a very sensible and obvious cure for the problem of under-consumption, embodied in Demand No. 2. We propose to give people the money to buy. Now, seriously, could it, by any stretch of imagination, be suggested for one moment that the people of Britain really need, as the first step to the age of commonsense, anything but the money to buy? Are not the goods here, there and everywhere in super-abundance, awaiting the people with the cash to spend? Is it not true that there would be a tremendous stimulus to trade if the people's purchasing power was greatly increased? The National Dividend has been called a spender's bonus, and that is what it may be regarded as. It is not the purpose of this article to discuss the social and cultural consequences of the issue of the National Dividend, for there is material in such a discussion to fill several articles, but rather to explain its nature and economic effect.

Taking for granted the necessity of more purchasing power, we will proceed to explain why it must be a gift. The reason is that, as we now live in

the power age, and work can no longer constitute the *sole* basis of incomes, due to the rapid introduction of work-saving or labour-saving machines, the *gap* or shortage of incomes must be made up somehow. We must have payment for leisure or wages of machines, or break up the machines to make more work, so that we can draw some pay.

The countries of the industrialised world are starving millions of people in the midst of plenty, because they are too stupid to force the banking system to provide wages of machines representing men's wages, which have disappeared with their jobs.

The National Dividend has been calculated by Major Douglas for the country of Scotland at £75 per annum or 35/- per week for every citizen at the commencement of the scheme. We all know that England is much more wealthy in industrial productivity, and consequently the Dividend could be greater in this country.

It would be paid direct to everyone through the Post Office, either monthly or quarterly, and increased every quarter if production had increased.

~~If people thought of throwing up~~ their jobs they would be quickly warned that anyone who was not in employment within a certain time after the introduction of the scheme would lose their National Dividend. Furthermore, if people gave up work, production would *decrease* and the National Dividend correspondingly. Increase of production would mean a corresponding increase in the Dividend. This, it will be noted, differs greatly from our present system, which produces the ridiculous situation of decreased incomes resulting from increased production.

Next month we will show how the Social Credit State would deal with price control, without which the National Dividend would simply be absorbed in higher prices.

E. WOOD.

An Expository from "The Coming of Community."

The inherited and existing human and material power to supply the physical and cultural needs of society is so great that poverty is an anachronism. This power is a communal asset, and its expression in money is a communal duty. The financial monopoly has acquired control over the national assets, and has them in pawn as debt, which automatically keeps them immobilised except at the will of the banks.

From this restraint upon the full exploitation of national power flow:

- (a) limitation of production below the real needs of the community; resulting in
- (b) widespread poverty and lack of the goods and services that could be produced;
- (c) unemployment of men and mechanical power; and
- (d) war.

The money system is exceedingly efficient as an organisation, and the service of its administrative machinery is essential to the conduct of finance in the national interest.

The essential technical evil of the existing banking system is that the Banks treat credit created by them for Production, as debt due to them and repayable in money. They can neither accept as repayment, *and consume themselves*, goods or services equivalent in price to the amount of the loan—which would be grossly unjust (since they would be receiving real things for what cost them nothing) but which would solve the *Producer's* difficulty; nor do they act for the Community, whose Real Credit they have monetised, by providing Consumers with purchasing power to take off the market the goods left unsaleable in consequence of repayment of the credit in money and its cancellation in their books. This repayment should depend, not upon the Banks' proprietary rights in respect of the debt, but upon their accurate administration of financial credit as an efficient instrument for the production and mobilisation of Real Credit.

CORRESPONDENCE.

The Editor invites letters dealing with the Green Shirt Movement for Social Credit. Letters, which should be as brief as possible, will be subject to the usual editorial supervision.

The three component parts of the financial system are described as :

- (a) Credit,
- (b) Debt,
- (c) Prices.

- (a) *Credit* is divided into Real Credit and Financial Credit; the former meaning the aggregate power of the community as a going concern; upon which the latter is raised. Financial credit is therefore an expression of national value, and should not be a private monopoly.
- (b) *Debt*.—Money is issued as debt—repayable to the banking system.
- (c) *Prices*.—Through prices money is collected from the public for discharge of debts upon production; but under the financial system aggregate prices of consumable goods always exceed the amount of money available for their purchase, hence debt can only be discharged by continuous further borrowing, or goods are left unsold.

Principles of Reform.

“Prices of goods to consumers should be the monetary expression of what has been destroyed or used up in their production, without the addition of any costs on account of capital equipment which remains for future production.”

The working out of this principle is described as essential to a proper utilisation of the Nation's credit in the common interest. Its monetary expression is shown, by a suggested

example, to be theoretically practicable through the functioning of a Credit Issuing Office; and its dependence, not upon force but upon *inducement* to all sections of the community, is urged, no less than the radical nature of the change that could thus be inaugurated.

BOOKS OF THE MOMENT.

THE GREAT GOD WASTE!

[By J. Hodgson, Eggington, Beds. Paper 1/6, cloth 4/6, cloth illust. 7/6.]

This book, written by an engineer and inventor is a gold-mine of facts. The author defines Communal Waste as “human effort spent without adequate satisfaction to the individual or benefit to the community.” He shows that human labour could be dispensed with to a very much larger extent if this waste were eliminated, and he suggests that the financial system is to blame for the existence of the myriad forms of waste.

Waste being abolished, the author anticipates an age of cultured leisure for all, such as every follower of Douglas will approve of. His criticism of Douglas seems to us quite inadequate, since it covers merely the methods of bringing Social Credit into operation.

We heartily recommend this book, however, to those who share the prejudices of a certain professional economist who declared that Major Douglas grossly overrated the possible output of a modern industrial system freed from the shackles imposed by finance.

E.H.