

REAL WEALTH
AND
FINANCIAL POVERTY

A STUDY OF THE PRESENT FINANCIAL SYSTEM
AS A MONOPOLY OF MONEY, AND ITS RELATION
TO PRODUCTIVE INDUSTRY, SOCIAL POVERTY,
AND ECONOMIC WAR, FROM THE POINT OF VIEW
OF THE DOUGLAS CREDIT ANALYSIS

BY

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WISE COUNSEL AND GREAT ENCOURAGEMENT
AND
AN EXAMPLE OF SINCERITY

PREFACE

To those who experienced and survived the tests and emotions of the "War to end War," and who returned to a disrupted civilian life looking, perhaps, for more than their deserts, certain questionings have been prompted by the happenings of post-war years. The loud promises of peace, prosperity, and progress, have been found to be impossible of fulfilment, and, after a short period of apparent plenty, marred by the evidences of inflation, a prolonged trade depression has plunged the nation into a state of despair; the industrialists are mortgaged or bankrupt, and the workers the number of millions exist miserably on the "dole" or on wages just above subsistence-level. As a final tragedy, War itself is already back in its old place in the esteem of Governments; it is no longer considered "an impossible treachery to the memory of our million Dead," but practical politics. The number of armed men in Europe is at least as great as in 1914; the trade depression is world-wide.

What then are the causes of this poverty within nations, and this possibility of international war? In England the most earnest efforts of different political parties have failed to remedy the ills of unemployment and poverty, and the pious hopes of the business men for a return of commercial prosperity have seemed to be based on a superstitious regard for unknown and unknowable causes.

It would seem that in these circumstances the writings of an original thinker would be listened to with respect, and his suggestions examined with the dawning of a new hope. But though a man has arisen to diagnose the disease that afflicts the social organism, and to indicate the remedy, and though his writings are an essential contribution to social philosophy,—of a status and originality achieved, perhaps, only once in a generation,—unexpected difficulties have been met by those who have examined and understood his proposals, when endeavouring to propagate the “New Economics” founded upon them.

The remarkable books written by Major C. H. Douglas, the first produced in 1920, have supplied the answer to the questions asked regarding poverty and economic war. “Economic Democracy” and “Credit Power and Democracy” undertake a new and fundamental analysis of the economic system, and in particular of the relations between Present Financial Policy and the Industrial Organisation.

The analysis of Major Douglas is so new and startling in its implications, that the possibility of eliminating poverty and the economic causes of war is opposed by those to whom the present financial system is “instinctively” placed above criticism, and this opposition in many cases arises from a lack of knowledge of the actual operations of the present Money Market.

The following chapters, therefore, seek to give within one volume a concise outline of those divisions of the Money Market usually considered separately. These chapters are an actual study-course adopted by a student of the “New Economics,” with a view

to comparing the old ideas of money in the light of the new criticism; it is hoped therefore that the book will be helpful to those in particular who are handicapped, when considering the Douglas analysis, by indefinite opinions as to what the present Money Market is.

It is submitted that an examination of the present financial system as explained by the accepted authorities thereof, from the point of view of the new analysis, will show the conclusions arrived at by Major Douglas to be inevitable; they cannot be controverted, and the remedy suggested is a scientific regulation to replace an archaic and unregulated system. Poverty and war are the needless penalties imposed by an unsuspected monopoly of money, that renders the equitable distribution of natural wealth impossible.

These chapters suffer from the defects that cannot be avoided by one engaged strenuously in business; they have been written in the interval of work, and over an extended period. For that reason, perhaps, they will appeal to those similarly situated, and the reading of them will, it may be hoped, lead to the study of the works of Major Douglas on which they are based, and thereby to the clear understanding of the only practical alternative to Chaos and the ultimate disruption of the present state.

W.A.

Belfast.

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