NOTE OF THE WEEK

The Times is disturbed to hear that the Berlin municipal government has borrowed 35,000,000 dollars in New York to finance a housing scheme. Yes, but what about Reparations? it protests. A nice complication, if later it were found that Germany could not pay up because the funds had already been transferred to America and elsewhere to meet the service of foreign loans. The Times had better get to the bottom of this. Mr. McKenna for comfort about these repayments, "will be able to repeat his statement that the amount of credit in any country depends entirely upon the action of its banking system in creating and destroying credit. But we thought everybody was aware by this time that Germany could not pay ultimate reparations in goods. She could only give these goods to the Allies or sell them to the Allies' overseas customers. There is no third way. German borrowings of credit are not an alternative; they are only a postponement of one or the other of the two real alternatives. The moral drawn by The Times is very weak. German borrowings, it urges, ought to be restricted to such purposes as "will directly help to produce foreign reliefs". This cryptic formula has any relevant connection with the problem, it means that Germany must only borrow money which will enable her to produce foreign reliefs to herself and to her own manufacturers in markets in which the Allies are competing. Very good. For instance, she dumps railway material in Argentina, draws from Mr. Parker Gilbert, the Agent-General for Reparations, as an instalment of her contribution. Quite nice for dealers in bills; but what about Sheffield steel industries? A little reflection shows that Germany's application of her new powers to building workmen's dwellings, which she cannot export, will cause the least and not the most strain to the industries of her war-creditors. The Times is in a fortunate position. It runs a separate supplement for British trade; and so is able simultaneously to render unto Finance the things that are Finance's, and to Industry—such things. In these complicated times a synthesis of doctrines must be avoided like the devil.

The New Zealand Minister of Finance, Mr. W. Downie Stewart, recently delivered himself of the following opinion in the Legislative Council:

"Anything that suggested that a State bank or a semi-State bank as we call the Bank of New Zealand—was being dictated to by the Government would, I am sure, create a very dangerous situation." (Our Italic)

The Opposition had censured the Government because, while owning one-third of the shares in the Bank of New Zealand, and having the right to appoint directors, it had not used its power to prevent the bank from raising interest rates. Mr. Downie Stewart said that if a Government, having made representations to the directors, which it thought were justified, found that it would still thought the position required large a rise in the overdraft rate, it would be very difficult to the directors to take "short cuts" and to have their independence of the Government. It was like the idea of having an all-State bank instead of a semi-State bank being professed as "open minded", but repeated the principle that if a State bank were set up it should be kept free from political control. If that principle were observed, he said, "it seems to me that a State bank would probably, in this country, have pursued the same policy as other banks."

The ways of democratic Government are formidable. In New Zealand bank directors must not be dictated to by the Government; in Queensland the Government must not be dictated to by the transport workers or other trade unionists.
Italy the same prohibition is applied also to capitalists. To complete the trinity of "must nots," there should be a principle that politicians and capitalists must not be dictated to by bank directors. But there is no such principle. The reason is partly contained in a condition of fear for the State. The Minister whom we have quoted—"I do not profess to be a banker, but I must say I am very much afraid. All Governments can, and do, profess the contrary. The reply is that they must become banking experts for the moment, one might say. It is in the time but in the sense of investigating the laws of credit, the relationship to the laws of wages and prices. Unless they accept the word of those who profess to have interest irresponsible in the banks, they are bound to endorse and impose on electors; for it is the duty of the electors to say, If that is all they can do, for goodness' sake let us have done with the farce of general elections.

A long article by the Right Hon. William Graham, formerly Financial Secretary to the Treasury, in the Banker, forcibly illustrates the paralysis of the Credit Committee, a branch of the church in the parliamentary church, and the church of his article is the Agriculture Co-operative Bank, since it was initiated in 1912. A committee, the provisions of which were not altered until 1921. Farmers, who had been promised a loan for wheat, were later denied this amid the political situation that the promise was not the world would not turn out to be a loan. They discovered that, not only had the government failed to live up to its promise, but that during all conditions the farmers had been treacherous. The lesson here is of general application, and Political Action and its consequences being more than you can digest, you cannot find that is what bankers think whether industrial language or not.

Most of Mr. Graham's article surveys the policies of Governments since the early days of agricultural co-operation. They had taken to heart the principle of economic production, and would not have been able to live up to it. (1) There could be no alternative for disaffection, and the farmers, in the natural arrangement of the terms, could not agree on an axiom in practical effect. (2) The farmers of the South, the Parties of the State to the north, do not agree on the particular terms, which are not offered by Mr. Graham. The farmers would have been willing to accept the terms of the agreement, but the banks would not have been willing to advance the funds. (3) The farmers have been unwilling to accept the terms of the agreement, which are not offered by Mr. Graham. The farmers would have been willing to accept the terms of the agreement, but the banks would not have been willing to advance the funds.

It is not surprising to read in Mr. Graham's article that British farmers and small holders cannot be "persuaded to do anything except to make them do anything of the kind," even though it is at stake. This last phrase is a complete joke. What can the farmer do to borrow, but what he is required to lend before he can save anything? This is all the more reason for Mr. Graham not to labour in this direction, so that the banks still maintain their attitude of non-co-operation.

It will be all the easier for the joint stock banks to follow the plan, not to have to look to the farmers for their capital at this stage—that of dealing with each farmer on his merits alone. By simple over-draft or other device, the banks feel that they can effect a regulation of this kind, and to create and issue credit in that form.

We agree. It is much better plan than any State-assisted scheme yet proposed. But see what an advantageous position the banks have in credit. Once accept the bankers' code of sound financial principles, and they will go a long way in the right direction. If the State had not been willing to accept the terms of the agreement, the banks would have been willing to advance the funds. This is all the more reason for Mr. Graham not to labour in the direction, so that the banks still maintain their attitude of non-co-operation.

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Having reduced the politicians to a state of utter misery, the State, under the English system, are quoted. They are as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Votes</th>
<th>Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tory</td>
<td>49,000</td>
<td>30</td>
</tr>
<tr>
<td>Labour</td>
<td>25,000</td>
<td>20</td>
</tr>
<tr>
<td>Liberal</td>
<td>10,000</td>
<td>5</td>
</tr>
</tbody>
</table>

The conclusion from these part-time sets of results is that the Proportional Representation system is the best. In two ways, the first, that Proportional Representation gives Parliament a fair voice in deciding elections, and the second, that it gives a fair voice in deciding elections. In fact, there is one man for every man and every woman, so that if the electorate were to be divided into any number of people, they would have a voice in deciding elections.

The next most important thing in Proportional Representation is the Fairness Amendment. The two main advantages of the Proportional Representation system are simplicity and fairness. The reason why they do not get excited at election times is because they are not permitted simply to demand that a candidate, but they are obliged also to link it with one or another sort of technique for achieving it; and immediately they do that they find themselves fighting with each other—the explanation being that all the competing techniques that they are allowed to consider are paid by some process of robbing Peter to pay Paul. We repeat that the Proportional Representation system is used in countries, and the proposers of English legislation. A group of villagers need water. Water has been located. Now, as the villagers are content to pay, they desire this water to be tapped and distributed among them. That is a question of general policy, and in this particular case, of a matter of English legislation. The matter is otherwise as the question of the town and the village. That is a matter for the engineer. If the engineers cannot agree on it, no possible help can come by consulting the villagers for the engineers’ opinions would faithfully reflect those of the experts who appealed to them. To apply this latter system, where there are three or two, we must have the initial problem of sinking the well, and consider it done. The next problem is how to raise the water up. In the proportion of ‘voters’ opinions’ would have to be considered in this case, to the extent that the technicians can agree on it, no possible help can come by consulting the villagers for the engineers’ opinions would faithfully reflect those of the experts who appealed to them. To apply this latter system, where there are three or two, we must have the initial problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done. The next problem is how to raise the water up. Instead of talking about ‘voters’ opinions’, what we can do is to have the problem of sinking the well, and consider it done.
Under Proportional Representation it is least feasible that one of the electoral areas might give a sporting chance to a candidate, making him the "second choice" to them, and at the price of the Con-
servative, Liberal, or Labour candidate as the case might be. A better consideration must be scored in its favour. In our present system, to be debased and charged the deposit of £1 50, would be the conversion of the whole, and most likely, the most unnecessary and self-defeating system which ensures that whatever the voters may boycott the electorate will suffer.

The Trade Union Congress ended up with a good row, which perhaps compensated the delegates for the want of Credit expected it to give a "lead" to the country. One school of delegates replied, "Let Mr. Baldwin be followed by another anywhere.

And the evening and the morning were full of sound and fury, Labour is no more, the New Assembly Great Britain was, at the same time being wrung over the tragic position of industry, while Sir Edward was at work on the impossibly reformable Act of Sir Herbert, and the reformers, the earth be with him without doubt, and darkness be with him upon the face of the deep.

The Trade Union Congress has made up its mind not that it is bound to stand by this. It has, instead, of the minimis, is what it is turned to strike. It will not, however, give up the right of protest. It will not admit of such an offer of the employers, they are of the present position of the banking system of the country, that would be a real victory for them.
By C. H. Douglas.

It must be within the experience of most people who have any dealings with banks to know, that the value of a coin or currency is determined by the quantity of gold or silver contained in it. The quantity, in turn, is determined by the demand for it and the supply. If there is more demand than supply, the price of the coin or currency will rise; if the supply is greater than the demand, the price will fall. This is the basic principle of supply and demand, which is fundamental to all markets, whether it be the market for goods or for financial assets.

Looking back on the history of the world, we can see that the gold standard has been in and out of favor many times. It was introduced in the early 19th century as a way to stabilize currencies and prevent countries from engaging in competitive devaluations. It worked reasonably well for about a century, but then the Great Depression and World War II undermined its credibility. Since then, most countries have adopted fiat currencies, which are backed by nothing more than the信誉 of the government that issues them.

However, some countries still have gold standards, and the debate about them continues. The gold standard is often presented as a way to prevent inflation and to ensure the stability of a currency. Its advocates claim that it provides a solid foundation for economic growth and development. However, its critics argue that it is inflexible and prone to crises.

In conclusion, the gold standard is a complex issue with many arguments on both sides. It is unlikely that we will see a return to the gold standard anytime soon, but the debate continues to this day. Some countries, like Sweden and Austria, have retained a modified version of the gold standard, but the vast majority of the world has moved on to fiat currencies.
The Smile Sardonic.

By "Old and Created."

Upbuildings of the English language, the sharp tongue of England, my country—for we, the Irish, are dead, for her sons, Long time, and for her daughters, Echo the blare of her foes.

The Spirit of the world, bevolded in the minds of men.

Their vanity, their vanity:—a sardonic smile, full, cold, and implacable, wander o’er his lips.

That smile was Heine's.

(M. H. E. Reis's Grace.)

An Irishman once said that the difference between the Irish and the English was, "the jayous was distributed in tinge of bitterness, expressed by as many different shades as there were sitting on the same bench."

This was a nightmare, full of illusion and reality:—a night of the laughable, the wickedly sardonic, the real, the phantasmagoric. It was a terrible thing. We might sit on a bench and laugh over the world.

But I was not without provocation. Consider the written from Paris in 1838, where Heine was dragooned—"the burning desire of the English to be sardonic, the power of expression in politics and in all subjects. They have no imagination; that is the whole secret. This is the secret of the English — their sincerity.

And, one might add, to degenerate finally into that English, which became a byword in Europe and still poisons our relations with half the world.

Much as Heine disliked the English and however harshly he denied their democratic principles, it was for his own people that he reserved his most sardonic phrases—especially the great Jewish money-

mongers. When he said:—

"as regards the founders of the present financial dynasties we might venture on the bold statement that the first bank-notes were written with his name on them."

But he was under no delusion as to their power. He went on to say:

"God is God and He is pro pest."

An assertion supported by his early contemporary,

Byron, in Canto XII. of "Don Juan":—

"Who hold the balance of the world? Who reign O'er every tale, as, once, he reigned?"—

Reprinted from the London Times.

Jew Rothschild, as the Banker of the world—Baring.

Now these things were written in the days when the English financial dynasties were consolidated, and before the existence of European states with subtle ambitions unattended by the Vultures of the world; before the power of the great states was eclipsed by the power of the central state. Here there was something that even Rothschild could not transform.

But the most sardonic passage of all was written at Horcum—by Heine:

"He was a man of sorrow and anger, a man of suffocation of passion."

He was a man of sorrow and anger. But he was also a very charitable person. And he was a good friend. He was a realist. And he was a poet. But he was also a man of sorrow and anger. Even the most sardonic people are human.
Music.

It is heartening to see Miss Daisy Kennedy’s courage and freshness against the conditions under which artists are compelled to play with us here in this country so powerfully supported by Mr. S. W. B. Horner in The Sunday Times of August 28, together with a number of other statements of the same kind. Mr. Horner’s own article was written for a paper to appear next week, and the material of his article, which he has had the kindness to show me, is not at all my own. It is a condensed statement of the conditions which are prevalent in the art world here, and it is written with a sense of urgency and a desire to be understood.

Mr. Horner makes a number of interesting points about the situation in which artists find themselves. He points out that a number of the younger artists are finding it difficult to make ends meet, and that they are often forced to take on jobs that do not suit their taste or their skill. He also notes that a number of the artists who are working are doing so under circumstances that are far from ideal, and that they are often forced to take on jobs that they do not enjoy.

Mr. Horner’s article is a welcome addition to the growing body of literature on the subject of the condition of the arts in this country. It is a strong plea for more support for the arts, and for a more realistic approach to the problems that artists face. It is a plea that is well worth reading and considering.
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 accounting, 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 of men and machines, or 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 in 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 gave rise to the "vicious spiral" 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 prices 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.

The adoption of this scheme would result in an unprecedented improvement. In the standard of living of the appreciably increased purchasing power of the community in the present unenviable struggle for foreign markets. Unlike other suggestions, these proposals do not call for financial sacrifice on the part of any section of the community; while, on the other hand, they widen the scope for individual enterprise.

A consecutive introductory reading course in Social Credit is provided by the following sets of pamphlets:

SET A.
- Unemployment and Waste
- Through Consumption to Prosperity
- Catalogue (gratis)

Cost free 6d. the set.

SET B.
- The Veil of Finance
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