

# THE NEW AGE

INCORPORATING "CREDIT POWER."

A WEEKLY REVIEW OF POLITICS, LITERATURE AND ART

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## NOTES OF THE WEEK.

Politicians are curious animals. They are like our dog, who will sleep soundly through all sorts of noises which disturb and annoy us, and suddenly will start up and bark in a fury at some sound inaudible to ourselves. With dogs, however, there is both an explanation and a use in this faculty of theirs, but with Mr. Baldwin it is a puzzle to know why Lord Hewart's name as a suggested member of the Committee on electoral reform made his bristles rise. It is true that Mr. Baldwin gave a reason, namely, that a high judicial authority should not be nominated by any party to a duty of this kind (Lord Hewart was nominated by the Liberal Party), but the public will be hard put to it to discover a reason for this reason. But granting that the principle underlying Mr. Baldwin's objection could be made plain and convincing, it would give rise to another question: namely, why it was decided that the Committee should consist of party nominees at all. The answer is easy enough if one assents to the proposition that electoral reform is nothing more than a re-balancing of party interests; but if it is supposed to aim at the promotion of the general public interest the case for limiting the Committee to party nominees falls to the ground. Any person who has the confidence of the public ought to be included, especially when he has the qualifications which are manifestly possessed by the Lord Chief Justice. Even if he happened to be an active and even aggressive party-man, the force of this contention would not be lessened, because the bulk of the public are indifferent to party-attachments and party-intrigues. The majority would never go to the poll if they were not exhorted, to the point of moral coercion, to do so by powerful agencies of publicity acting at the behest of the authorities.

If we had our way we would have nobody but high judicial authorities on the Committee. But again,

if we had our way we should not appoint a Committee at all. The only electoral reform worth having is one which would enable the public to choose their real rulers—that is, to nominate the persons who control the financial credit of the nation. Needless to say, the present Committee has no intention of considering it; particularly so because of its three-party constitution; for it is a fundamental axiom of politics, to which all three parties submit, that credit-policy shall be "free from political control." Imagine a Committee sitting to revise drink-traffic legislation under a political system in which it had been laid down that no Government was entitled to impose policy on the brewers and distillers. The common-sense procedure under such an over-riding rule would of course be to let all the temperance reformers know definitely and decisively that they must submit their ideas to the Trade and not to the Government. And that is the answer which ought to be made to reformers of the electoral-system.

Electoral reform of any sort is nothing in itself. If the reason for demanding it is not based on the expectation that the public will get some tangible benefit from it, then the demand is pure foolery. One might just as well start an agitation to cure poverty by changing the colour of the currency-note. Simply to assume that just because three parties may agree in Committee on some new plan of voting, the public are bound to be benefited, is really to suspend one's critical faculties. The pieces of legislation which have inflicted the worst injuries on the public have always been those which have commanded the assent of the whole House. All-party agreement on anything is the result of all-party impotence. Parliament is the college where they teach young M.P.s that the only legislation that is practical politics is legislation which the banking interests will agree to back with financial credit. The public who send them to Parliament send them, as it were, in the egg-stage of development—Conservative eggs, Liberal eggs, and Labour eggs: but all alike are put under the Old Lady of

Threadneedle Street, and she hatches them out Members of the Hobson Party. Political democracy is a system under which every citizen may freely and independently "Vote for Hobson."

Whatever the reasons for objecting to Lord Hewart's appointment to the Committee they were not based on any issues of practical importance to the public. Nevertheless the objectors seem to have attached so much importance to them that they proposed to divide the House on the question. In a letter to *The Times* last week Lord Hewart stated that he knew nothing of the objections until the news was brought to him that the House was going to be agitated by a debate on the matter. He then decided to ask to be released from serving on the Committee; but he was careful to point out in his letter that his only reason was that he did not want to be the cause of any disharmony on the Committee. As regarded the propriety of his serving he repudiated very strongly the suggestion that as a judicial authority he was not entitled to express an opinion on such a topic as Electoral Law Reform. He said:

"In addition to being Lord Chief Justice of England, I am also a Peer of the United Kingdom, and in that capacity am summoned by writ, issued from the Crown Office, to be present in the House of Lords 'to treat and give counsel' upon the affairs of State—and this' the writ from the Crown concludes, 'as you regard Us and Our honour and the safety and defence of the said United Kingdom and Church and dispatch of the said affairs in no wise do you omit.'

"These are not privileges to be enjoyed. They are responsibilities to be discharged. And I have not the smallest intention of handing on my office shorn of any of its duties or obligations, or of submitting, whether by actual conduct or by passive acquiescence, to any diminution of the rights exercised by my illustrious predecessors." (Our italics.)

Had every statesman—if only since Peel's time—exercised the same vigilance and offered the same public resistance to the diminution of his rights and duties, politicians would not be obliged in these days to waste their time and energy on such futilities as electoral reform. Electoral reform, indeed, is worse than a futility, it is a means of further renunciation of rights and duties. There is not a single proposition, waiting to be examined by the Committee, on behalf of which its sponsors do not claim that it will result in a more accurate reflection inside Parliament of public opinion outside. This is a beautiful ideal but its achievement will finally condemn Parliamentary government to impotence. Everybody can see with one eye shut how the process is already working out. The creation of the Labour Party was one step. It was justifiable, according to the principle referred to, because it created an opportunity for three points of view to become vocal in the House instead of only two. But the consequence has been to paralyse each of the three Parties insofar as its initiative in the Office was concerned. And the further we go in the direction of perfecting the system of representation the more manifest will be deadlock become.

Under an absolutely perfect system in this sense every citizen would be a Member of Parliament; and we should probably see several hundred Parties operating in a full house of some twenty millions. A grand sight no doubt; but we should then need a super-Parliamentary dictatorship to get anything done. Since all electoral reforms tend in this direction they can be categorised as instruments for consolidating autocratic power, not democratic power. The would-be dictator asks nothing better than for the population to busy itself about the exact representation of its multitudinous opinions, especially in the case where he has the power of securing their ignorant assent to the policy he wants, and fomenting

discords about policies he does not. For, then, it inevitably happens that Parliament cannot legislate at all in respect of the matters of discord, but only in respect of the matters of concord. This is the condition to which the banking monopoly has reduced Parliament to-day. It is free to pass any legislation that facilitates the raising of taxes; but not to pass any legislation that involves expenditure of money unless it can concurrently levy taxes to the amount of the expenditure. To every member of a Party in the office who seeks a benefit for his constituents the Chancellor of the Exchequer makes the same reply, virtually as follows: "Whom shall I rob to concede this benefit?" This is what Mr. Snowden was saying to the Clydesiders and others last week. Unless the latter can prove that the money they wish the Labour Government to spend exists in circulation somewhere as a private superfluity to which the Chancellor can help himself for public purposes, their demand for the expenditure cannot be upheld, however desirable it may appear. They cannot prove it. Even in America the reported profits and losses of all the corporations were shown by Messrs. Foster and Catchings to offset each other in a certain financial year; and this condition of affairs is chronic, and is common to capitalistic enterprise in every country. Public opinion has crystallised round the conviction that Governments are unable to spend any money unless some person or persons give it to them to spend. Whatever else people will argue about they are all agreed upon this. Electoral reforms amount simply to schemes for securing a better balanced representation of a common potential supply of money in visible form and in the possession of people. The truth is that the fund to be tapped exists invisibly and is not in the possession of anybody—it is resident in the unused reserve of productive capacity of the population, and can be made visible by the act of creating its monetary equivalent. Until this truth is realised it does not matter how Parliament is constituted nor who votes for its Members.

It was appropriate that Lord Hewart should not sit on the Electoral Reform Committee. The reason will be clear to readers who followed our comments on his book, "The New Despotism." In that book he pointed out that Parliament, through either ignorance or "absent-mindedness," allowed Bills to slip through which, by virtue of certain cunningly-drafted clauses in them, could be modified by Ministers or departmental officials even to the point of changing their essential character. One of the excuses made, it will be remembered, was that it was necessary to get legislation through the House within some time-limit or other, and that if Parliament were to realise the import of these clauses they would never get through. Whatever force there may be in this contention were representative of several view-points instead of the three party view-points now represented. The more numerous the differentiated attitudes of the Members the slower would be the progress of the debate on any legislation at all. They might all agree on the general objective which they wished an enactment to reach, but for every fresh interest presented in the House there would be a fresh line of objection against any particular method of reaching it. Back in the days of the two-party system when Conservatives and Liberals could pass legislation without reference to what Labour's point of view was, they could afford to debate their bills fully and frankly without risk. But now that Labour's voice has entered into Parliamentary counsels there is no choice but to resort to stealth to get legislation through. Lack of time, too, in

these days of congestion, has rendered closures of debates necessary, and the closures themselves have much facilitated the passage of deceptive clauses. It is easy to see that the more closely the House might come to reflecting accurately the balance of interests and opinions outside, the greater the proportion of legislation which would have to be drafted deceptively, and the more astutely the drafting would have to be carried out. But the cause of the deception lies in the fact that legislation to-day is restrictive, and imposes disabilities on certain sections of the people. The restrictive character of such legislation has its source in the restrictive character of an external financial policy. Since Parliament has let slip its right to interfere with the credit-policy of the organised bankers, every Government is obliged to victimise somebody or other. If that somebody cannot speak and vote in the House, the Government can do it more or less openly. But if he can, the Government must dodge him somehow to get its Bill through. We gave reasons in our comments on Lord Hewart's book to show that his "New Despotism" was most prominently exemplified in financial legislation. While it is true that Parliament would refuse to pass certain clauses if it understood what they meant and what powers they transferred to departmental officials, it is a better way to express the truth to say that Parliament would refuse to attempt any legislation at all in the absence of the power to control credit-policy if it realised that administrative despotism was an integral part of the bankers' credit-policy.

It is a fundamental truth that every citizen has the right to manufacture money. This right was manifestly exercised in the days of barter, when a man, in making a thing, made by the same act the credit-document which would purchase some equivalent thing. The only difference was that the credit-document and the thing were inseparable. The fact that to-day the credit-document is separate from the thing in no wise affects the validity of the principle. One may observe of the modern forger that the essence of his offence from the economic point of view is not that he manufactures a currency-note; it is (a) that his act does not at the same time bring some article into existence which is purchasable by the note, and (b) that in spending the note he transfers a claim to something which is not in existence and receives for it something which is. Also, from the social point of view, the injury inflicted on the recipient does not lie in the transference of the note, but in its confiscation when its nature is detected. The cruelty lies in the confiscation. There is of course a theoretical justification for the confiscation, but no practical justification at all. A banking system which, for its own purposes, compels a community to make use of valueless symbols of wealth ought to replace bad notes with good ones whenever accepted in good faith and for value delivered—the more so because the replacement would be costless so far as the banking system was concerned. The only "injury" would be the theoretical rise in the price-level due to the expansion of credit in the absence of an equivalent expansion of wealth-production.

The legitimate function of a banking-system is to create and dispense financial credit on behalf of the citizens of a country. That is to say, these citizens agree to lease to the banker their right of creating their own credit. Their reason is that they recognise the necessity for the performance of the function by a body which has no personal interest to serve. They want to ensure fair-play as between citizen and citizen in the matter of money-manufacturing. They put the banker there to stop cheating.

He has to record what he does in a book and report to the community what he has done. The limit of his function is really to manufacture, issue and destroy money in such a manner as to produce the same result as would be reached supposing that every member of the community were able to, and honestly did, perform those functions himself according to the measure of his personal contributions to wealth production and his personal consumption of that production. The result would be that there was always in existence sufficient unexpended money to buy the total unconsumed wealth. If the banking system to-day has not produced that result (and it has not) the reason is because it has deliberately or ignorantly neglected or exceeded the duties reposed in it. The time to talk about electoral reform will not have arrived until Parliament realises that its first duty to the electorate is to insist on its right to require the above results from the banks as a condition of their preservation of the title to operate our money system. Instead of the throwing open of industrial accounts all over the country to the inspection of bank-auditors, we want an inspection of bank-accounts by the community's auditors appointed by Parliament and empowered to exact the necessary information.

The present Parliamentary situation reveals the negation of responsibility. Electoral reform tends to make responsibility all the easier to escape. While aiming to get a better-balanced reflection of opinions, it is really going to balance them so well that they will cancel each other out. The leaders of the three Parties connive at this sort of thing. They do not want the responsibility of a commanding majority. It requires little imagination to detect this attitude between the lines of the newspapers, irrespective of party attachments. They are nowhere perturbed in the least at the prospect of "inconclusive elections" continuing until the end of time. They seem quite content with the prospect of mere successions of office by minority Governments who can only carry agreed measures. Now and again they may say what a pity it is; but how much they mean by it can be deduced from the fact that as party papers their chief interest in electoral reform is to prevent any party from being over-represented in the House as measured by its total poll in the country. "What a scandal," they can sometimes be heard saying, "that such-and-such a party which polled half the total votes and such a party which polled half the total votes got only a quarter of the seats in the House." In such wise they incite the Proportionalists and the Transferable-Vote schoolmen to fuss and fidget to get it put right. But when they have done it where shall we be? If seats are apportioned according to mass voting, the only time when we shall see a Government with a clear majority will be when one party scores more votes in an election than the other two put together. When is that going to be?

The phrase "working majority" ought to suggest the proper interpretation of this game. A Government without a working majority cannot do any work. Its only power is that of prescribing subjects to be talked about. The actual work, of course, gets done by the banks and departmental officials. It is true enough that in the past Governments have done very little even with clear majorities, but the remedy for that is obviously not provided by abolishing the majorities. Again, on what conceivable grounds of logic are voters to choose between three parties when the electoral system ensures that none of them will get its own way on attaining office. If they are intelligent electors they will stop puzzling their heads about rival programmes and will either not vote for any candidate or vote for all three. If every voter

did this it would at least cure the evil of "unfairness of representation."

We support the principle that the relative strengths of parties in the House should be in the corresponding order to their respective aggregate polls in the country; but provided this happens we do not care two hoots whether the party-seats held are always in the same ratio to the party-polls. The one thing that matters is that the strongest party in the House must take office; and when in office must be in power. Government is at best a system of trial and error. Not all the wisdom of a perfectly balanced Parliament can foresee and provide against the ultimate reactions of its legislation. The final test of a policy is how it works. A party returned to office on a policy is entitled to try it out. And not merely entitled, it is expected to try it out by those citizens who voted for it. Why else should they vote? Lastly, it should be forced to take the responsibility of doing so or changing its mind on its own initiative. The fashioning of the legislation designed to instrument the policy could be the work of the whole House; and the Government should try to meet objections that did not require compromise on main principles. But with this reservation the Government should be prepared and able to carry its Bills against all opposition. To enable it to do so the voting-power of its supporters would have to be increased. Suppose for instance that in a Division the vote of a Ministerial member counted as two votes (or three, if necessary to secure the Government a clear majority in a full House) on all legislation which had been foreshadowed in its electoral programme.

We are not presenting this idea as a practical suggestion. For one thing, we are not particularly concerned to reform Parliamentary procedure, and for another we have not given sufficient consideration to the idea to say whether we mean it. But there is one thing that it would do if it were in operation: it would stop all this loose and ungoverned promise-making which deceives and confuses the electorate during an election. For instance, the *Morning Post*, in commenting on Mr. Lloyd George's Unemployment Scheme before the last election, said that "of course" Mr. Lloyd George could promise to solve the problem if "put into power" (whatever he meant by it) because he knew very well that he would not get into power. The *Morning Post*, as it happened, guessed right. But it was at least conceivable that his campaign might have stampeded the electors into giving the Liberals a shade the strongest representation in the House; in which case, undoubtedly Mr. Lloyd George would have excused himself from fulfilling his promise by saying that his condition was that he should have a clear majority over the other two parties. Again, as is to be seen in the papers every day, the Labour Ministers are telling their constituents in the country not to expect a fulfilment of electoral pledges, and are thereby implicitly throwing the responsibility for the disappointment on their own supporters for not having worked to get a larger poll for Labour. The above scheme of double voting strength for the favourite party would call this sort of bluff pretty effectively.

To the objection that it would constitute a serious risk to the country to allow any party to ride roughshod over the Oppositions, the answer is that the proposed legislation would have been examined by the electors under the guidance of speakers and newspapers of all persuasions, and that if the largest vote was given for this legislation the electors concerned must be taken to have voted for the risks as well as the benefits of the programme.

The fear of "risks" is largely make-believe. People who express the fear do so not because they feel fear but because they want to strike fear. Again, directly the "risk" doctrine is applied in this sense to effective majority Government it is seen to be equally applicable to the democratic system itself. Lastly, a Government would not be compelled to fulfil its promises. If they proved to be ill-considered when closely debated the Government would doubtless change its mind and suffer the discredit of its miscalculation rather than incur the greater danger of trying to force a provedly unsound policy on the country. What the Government could not do would be to say: "The policy is good and we believe in it; but those other fellows won't let us practise it."

Another pleasant feature of this hypothetical scheme would be if Ministerial members could use their double-voting power against the Government as well as for it. Mr. Hilaire Belloc, in *The Party System*, pointed out that Administrations used frequently to fall by the action of their own discontented followers, who showed no hesitation in voting against their own Party when they did not like its policy. To-day the Labour Government is being attacked by its Left Wing supporters for defaulting on its promises. If each of these critics could, by voting against the Government, cause a difference of four votes on a division, the Cabinet would have to pay more attention to their complaint. From the point of view of the promotion of independence among private members we are not sure that we would not allow four votes to every Ministerial member who voted against his own Party thus enabling him to cause a 6-vote difference on a division. This would oblige the Government of the Opposition for every one of its supporters who turned against it. The existence of such a check would tend to make the Parties more careful in their election promises. We are quite prepared to be told that this idea runs counter to some "principle" or other, and is utterly impracticable. But all the same, if there is to be a Party system at all something must be done to ensure Party government. If government is to rest on a fusion of policies there is no reason at all why the electors should be troubled to distinguish between them. Let us abolish elections altogether.

Here are some authentic notes recounting the recent experience of a new Member of Parliament. He naturally took it for granted that as a Member he was entitled to get whatever information he desired from Ministers of State. The story of it is illusionment tells its own tale. The pity of it is that the same tale has not already been told thousands of times by Members of Parliament to their own constituents. But they dare not do it: they would henceforth be marked men with no chance of a career.

The Private Member approached the Clerk, He wished to put down a question on the Order Paper asking the Chancellor of the Exchequer whether the Committee he had appointed to enquire into Finance and Industry would take their evidence in public. The Private Member was a new Member, and was naturally surprised to be told by the Clerk that his question was out of order.

The Private Member thought that he had obviously made some mistake in the wording, and, having modified the form of the question, he returned to the Clerk. The Clerk explained that it was not the wording that could not be accepted, but the question was out of order. The Chancellor of the Exchequer had appointed his Committee and the Chairman. It was for the Chairman to decide such details as to whether the Committee should sit in public, and really the Chancellor of the Ex-

chequer had no power to interfere. Such an embarrassing question must not be put to the Chancellor of the Exchequer—it was quite out of order.

The Private Member, being a new Member, was still unshaken in his faith in the Government of the People, by the People, for the People. In such a Democratic Institution surely there must be some way of dealing with the situation, for, after all, he only wanted to ask a very simple question. Of course, there was a way out—he could ask it as a supplementary question.

He had not long to wait for his opportunity, but once more he was balked. The Financial Secretary, who was replying, told him that he would require notice of that question.

Armed with this invitation from Authority, he again approached the Clerk. The Clerk was very sorry, but he could not accept the question even if a Minister of the Crown had asked for it to be put down. The Honourable Member's question was clearly out of order, and the Clerk could not allow an infringement of the rules governing questions of which notice could be given. The Private Member protested against the absurdity of the position in which he found himself, but it was of no avail. He asked whether it was really impossible for him to put a simple question. The Clerk was afraid that it was impossible for the Private Member to obtain a reply to the particular question which he wished to ask.

This is a true story with both a moral and a lesson. The Private Member, who is no longer a new Member, recognised both, and, moreover, he knows now why it is called the "Order Paper."

## All Education Is Propaganda?

By John Hargrave.

"Because of the powerful auxiliaries possessed by the militarist and semi-militarist organisations," writes Mr. Mark Starr,\* "attempts to form in Britain Peace Scouts, Kibbo Kift, and other pacifist and non-military youth bodies, have until now met with small success." Mr. Starr also mentions my book "The Confession of the Kibbo Kift," which at the time of its publication was very generally ignored by the Press. I am, therefore, particularly interested in what Mr. Starr has to say about "lies and hate" in education. In eight chapters he makes out a fairly strong case when viewed from a particular standpoint. That point of view seems to be that by making certain educational changes, especially in school history books, "we shall remove nationalist egoism, the mutual distrust and envy of peoples, and the diseased glorification of war to the lasting benefit of humanity."

The last chapter is called "The Antidote." The antidote is education free from imperialistic "lies and hate"; such propaganda to be replaced by a kind of H. G. Wellsian League-of-Nations outlook in which "the importance of work and the existence of the class struggle are recognised." Militarists, according to this now popular Labour-movement point-of-view, make wars by peppering the school books with lies and hate, thereby inculcating Nationalist egoism, the distrust and envy of peoples, and the diseased glorification of war.

Those who know how to analyse the trend of finance-capitalism cannot accept this point of view. "Lies and hate" in education do not lead to war. On the contrary, war brings with it lies and hate highly organised as "war propaganda." War has little or nothing to do with "goodwill" or "ill-will." Modern war is the chronic disease of an industrialised civilisation with an inadequate mechanism of distribution.

From Mr. Starr's standpoint it must be a great encouragement to note the change that is taking place in post-war war-peace propaganda? For instance, "Journey's End"—hailed by the Press (against its author's will) as Powerful Propaganda for Peace. "All Quiet on the Western Front"—shows up the

\* "Lies and Hate in Education." By Mark Starr. (Hogarth Press. 5s. net.)

horrors and degradations of war. And now the flood of war books and war novels are all Peace Propaganda. The truth about the war is being told at last. Peace is popular! The militarist is being defeated. The international pacifist is no longer a mere crank and faddist. War between America and Britain is "unthinkable"—Mr. MacDonald and Mr. Hoover have shaken each other by the hand.

Is Sir Basil Zaharoff very angry—or can he smile a little smile at all this? Can he, and all the other Elder Brethren, smile when the antidotes are listed?

"The intermixing of peoples will encourage and make more necessary the use of an international language to eliminate the hindrance of language diversity against reciprocal understanding. Correspondence, collective and individual, between students of various countries, exchanges of picture albums, lesson material (e.g., samples of local plants, fossils, minerals), and so forth . . . followed up by personal visits. School journeys abroad . . . sport olympiads on an international scale. . . ."

Is it any wonder that the Kibbo Kift holds itself aloof from "Peace Scouts" and "other pacifist and non-military youth bodies"? In place of all this Esperanto students' letter-writing, picture album and exchange of visits; in place of this shapeless International Pacifists' Jamboree jumble (as if "getting together" could do anything useful) we take full advantage of the growing lack of faith in the present parliamentary system, realising the helplessness of politicians and the passing of party politics, and move towards economic control in the name of the British People in order to establish the Economic State in which the equation of Consumption to Production shall be maintained.

No matter how "impartially" facts are stated, such statements are, and obviously must be, stated from a particular basis, or groundwork, of assumed truth. It can be shown, therefore, that all education is propaganda—especially that which pretends not to be, and sincerely believes that it is able to present information impartially, fairly, and without bias.

So when we find someone propagating against "lies and hate in education," we are witnessing one form of propaganda fighting some other form. In this case it is Labour-Pacifist Propaganda fighting Imperialistic Propaganda. The point is that both these forms of propaganda—Wembley Lion and Socialist Unicorn fighting for the educational crown—miss the mark. The mark is another form of propaganda—the "propaganda" (i.e., the information) revealed by the economic analysis of C. H. Douglas. Douglas has destroyed the assumed truth, the axioms, of orthodox economics. By doing so, he has altogether changed the frame of reference regarding all educational systems; and although educationalists (especially the modern go-as-you-please Freedom fanatics) hate to face up to it, it is now clear that the problem facing Education is not "How to allow the child to develop freely," but "How to free the educational mechanism from artificial poverty," since this economic release, and this only, is the key to the problem of how to allow the child any real freedom at all.

Education is still, despite all the New Idealism and the New Schools, forced to fit the child to earn a living—work. That is not the function of education in a properly organised economic state.

Mr. Mark Starr has, evidently, no clear idea of this, but has pinned his faith to Socialism, and to the socialist fight against imperialist "lies and hate in education"; thereby, so it seems, hoping to do by means of educational reform what can only be done by economic adjustment: that is, to make a world fit for human beings to live in, in which poverty, industrial strife, and international war are wiped out.

## The Screen Play.

### The Informer.

When I wrote on this film after seeing the part-talking version, I expressed myself as having an open mind as to whether the introduction of speech was an improvement or the reverse. At the same time I suggested that in some scenes the dialogue might have been eliminated to advantage. Comparison with the silent version (Tussaud's Cinema) makes me prefer the original form. Dialogue is here a distinct aid to the action and, the synchronised sound effects are more natural and impressive than their orchestral rendering. This preference may be due in part to the prior impression created by the sound version, after which there seemed something lacking in the silent film. I should add that there are some differences between the second parts of the two versions, and that Lya de Putti is rather better in the silent film.

### Rio Rita.

In common with many inhabitants of London, and, no doubt, of the provinces, I was recently favoured with an almost diurnal sequence of communications, each printed on paper of a different colour, and enclosed in a large and handsome envelope to match. These bulletins informed me, *inter alia*, that compared with "Rio Rita" previous talkies were in the main in the amateur class; that "no praise could be too high" for the production; that Florenz Ziegfeld, who was responsible for the musical comedy from which the film had been adapted, was "the world's greatest stage producer"; that a Mr. Joseph I. Schnitzer, whose name I had not previously had the advantage of hearing, but who planned the film, "had decided to spare nothing" to outshine the stage version; that "Rio Rita" cost over One Million Dollars," which "was not excessive for what has come out of the studio"; and that "no words of praise will be too high for it." Also that Bébé Daniels wore "five different costumes," which did not seem unduly lavish in the circumstances, although one of these, "made chiefly of gold lace," alone cost over two thousand pounds.

I will admit at once that when I eventually had the privilege of seeing this much-heralded masterpiece at the Tivoli, it was very much better than the blurbs had led me to fear. "Rio Rita" is in the main well acted, is quite tuneful, has a coherent, if not very original story, and will undoubtedly please those who like musical comedy and do not mind seeing it in two-dimensional form. Bert Wheeler and Robert Woolsey, an admirably-partnered pair of comedians whose fooling is one of the bright spots of the production, are even funnier than was promised, while the presence and singing of Robert Boles are worthy of grand opera.

But the film is much too long; the music and the work of the chorus could and should have been much better; as musical comedy the whole affair has an old-fashioned quality which made me wonder when the ladies of the chorus would pipe, "Oh, girls, here comes the Squire"; Bébé Daniels, who sings pleasantly, could easily have been bettered in the role of the heroine; a lady whose name I forget has a voice of such exceeding brassiness that its shrillness still exacerbates my ear drums; and the colour scenes, with which it is now the fashion of Hollywood to terminate any spectacular production, are still so far from technically perfect that they reminded me irresistibly of a series of grocers' almanacs. Incidentally the colour scheme was extremely unkind to Miss Daniels' facial charms. Finally, if "Rio Rita" cost a million dollars, and I unreservedly accept the producer's assertion, I find it difficult to see how and where the money was spent, since the production does not give the impression of lavishness, and some of the settings were distinctly the reverse.

This question of cost recalls a quotation from Proust, "Kings and queens on the stage, in dressing whom it is useless for a producer to spend hundreds and thousands of francs in buying authentic costumes and real jewels, when a great designer will obtain a far more sumptuous impression by focussing a ray of light on a doublet of coarse cloth studded with pieces of glass, and on a paper cloak." That will serve to explain why Miss Daniels' two thousand pound costume did not seem to me to be worth the money.

DAVID OCKHAM.

"The action of the Federal Reserve Board in permitting the advance in the rediscount rate by the New York Reserve Bank naturally brought forth tremendous selling orders in the stock market and a wild scramble to unload. It is estimated that the aggregate price declined about \$2,000,000,000 in one day. The action of the Federal Reserve System in making this sudden announcement once more brings to the front the supreme importance of requiring the Federal Reserve Board to open its meetings to the public. . . . The Supreme Court, the most august body on earth, wouldn't dare to reach a decision on vital matters without an open session, permitting both sides of the case to be permitted for discussion. But the Federal Reserve Board permits the public to know nothing whatever as to what is going on, holds its meetings in a secrecy which cannot be penetrated, and suddenly promulgates its decisions. . . . When the secret meeting for further deflation was held by the Federal Reserve Board and its advisors in May, 1920, its decisions were not known to the outside for two years. Only there was a stenographic report made of the discussions of the meeting and copies sent to those who had been in attendance. One of the members of the board promptly sent his copy to the *Manufacturers Record*. We were thus enabled, two years after the meeting and in advance of any other paper in the country, to tell the story exactly as it had taken place on that fatal day of May 18, 1920. That meeting was fraught with results of terrific influence upon the welfare of the country, but at its close Governor Harding made the statement that it was to be understood that nothing that had taken place could be discussed outside, except to the immediate associates of those in attendance, and that when the newspapers asked for information as to the day's doings, he would turn them off by discussing the weather. Because the *Manufacturers Record* dared to publish a summary of that meeting, Vice-Governor Platt wrote to this paper stating that he would endeavour to induce all who attended the meeting to take part in a suit for libel against the *Manufacturers Record*. It is needless to say the suit was never brought. If the men at that meeting had united to bring a libel suit against the *Manufacturers Record* they would themselves have been responsible for a criminal conspiracy, and we knew that we held the cold end of the poker.—The spirit shown at that meeting and the closing remarks of Governor Harding indicate a spirit which is still too dominant in the Federal Reserve Board, and which must be eliminated by congressional action if the members of the board themselves are not wise enough to see the situation."—*Manufacturers Record*, Baltimore, August 15, 1929.

"It is no use talking about 'markets' for this or that special product. Industry has only one market—the market where people buy things to take home. In no other market are goods taken out of industry and their costs recovered by industry. Industrial solvency depends on retail revenue."—*Notes of the Week*.

"No sacrifice of war more demanded atonement and expiation than that of the uneducated infantryman in his millions, who gave up life itself because the educated had not yet learned to express in politics and economics the teaching either of their religion or their poetry."—*Current Political Economy*.

"But if we find that the growth of a daisy or a kitten is as wonderful as the use of wireless telegraphy, which would have been ascribed to the Devil in the Middle Ages, then we can afford to throw away the symbols in which organised religion has wrapped eternal truths."—*The Biology of God*. By Michael Joyce.

"The ultimate issue is therefore this: Is bank-policy to be above the Law? Is 'sound finance' to condition civil liberties?"—*Notes of the Week*.

## Drama.

### Douaumont: Stage Society.

The Incorporated Stage Society has been passing through hard times. Fortunately through the generosity of the grateful few, it has once more its head above water, though it will need to have regular support for it to keep it there. The Stage Society is vital to the English theatre. It is, indeed, England's most sensitive organ for perceiving the growth of world-consciousness. To read through the list of plays first presented in this country by the Stage Society is itself an edification. Practically every modern dramatist in the world who has achieved a reputation of public importance received his first introduction to the English public as a result of the wideawakeness and adventurousness of the Stage Society. Before the curtain rose for "Douaumont" Mr. Peter Godfrey, addressing, he said, the members of the society and not the critics, imparted the good news that the Society could again give Monday matinees as well as Sunday performances, and that it would be able also to set an example in manner of production as well as in choice of play. Mr. Godfrey certainly set an example in the manner of public-speaking; and I wished that nearly all the teachers of elocution in the country and all the members of both Parliaments had been present if only to receive a lesson in how it ought to be done. The applause at the end of Mr. Godfrey's speech signified 'delight at its execution, and not, as is the rule with speeches, thankfulness that it had come to an end.

"Douaumont, or the Return of the Soldier Ulysses," is the work of Eberhard Wolfgang Moeller, a dramatist still under twenty-four years of age, whose most impressionable years, as a programme note says, were passed in the immediate post-war period during which poverty and starvation seared the souls of the German middle-classes ineradicably for the rest of their lives. "Douaumont," produced early this year in Essen and Dresden simultaneously, has made him well-known in Germany. The play does not merit comparison with any of the established war plays, "The Unknown Warrior," "The Silver Tassie," or "Journey's End." It would, indeed, probably have been a better drama if the author had allowed his characters wills of their own and not attempted to direct them into any comparison, half-romantic or half-ironic, with the homecoming of Ulysses to Penelope; in which the author repeats the mistake of his returned soldier of inability to lay the ghosts of dead times. When the soldier, the sole survivor of seven hundred lost at Fort Douaumont, returns at some unspecified period after the war, his wife has created for herself a new life. She has set up as a lodging-house keeper, and caters for what ordinary folk would call a good quality of lodger, including a well-to-do commission-agent and a schoolmaster, both of whom want to marry her. The situation is tragic enough in itself. A husband regarded as, if not dead, at least missing for ever, turns up without visible means of subsistence just as his wife has made a new life, with new tasks and interests. But the author cannot be content with the tragedy. Both the schoolmaster and the business-man are caricatures, drawn in dislike and neither from life nor from clean imagination. The business-man, in fact, deliberately attempts later, in a cabaret, and at a cinema where a war-film of Douaumont is being exhibited, to drive the half-mad soldier totally insane. Earlier this business-man gave the schoolboy son money to spend to send him out of the way to facilitate the wooing of the mother; and one could almost believe that the author, by causing the boy to spend this tainted money on women and wine, was desperately anxious to settle all the guilt possible on the business-man. Only the necessity of finding parallels for the suitors round Penelope forced the author to overload the play

with so much of the business-man and the schoolmaster. The wife and her "mother's boy," each jealous of the other as regards further marriage in the one case and the world in the other, seem to have been drawn from life. But it was their tragedy, and they should have had more of the play. Their having moved with the times set against the husband's inability to move beyond Douaumont provided conflict enough in itself for a great, simple, tragedy.

From the cabaret scene, where the soldier has resolved to return to Douaumont and the son wishes to go with him, the metaphysics of the play are vague. In the cinema the soldier disturbs the audience and delivers a violent rhetorical attack on the untruthfulness of the film, supplemented by what it was really like in Douaumont. In the final scene, back in the house, the soldier's hallucination attains such frenzy that all about him, except the wife, are swept under its sway. Whether it is to be understood that all of us are living still too much in the war period on war memories, and too little in the future, is not clear; and it would be possible to believe that the author himself was saying so unconsciously. Nor is it clear whether, at the last curtain the wife's voice brings back the soldier, now escaped from Douaumont in the mind as years before he had done in the flesh, to a moment of sanity.

Mr. Esmé Percy's performance as the soldier seemed to me to reach the maximum pitch of melodramatic intensity too early. A quality of tragedy is that it draws the audience over the footlights. The oratory in the cinema in Douaumont, mainly the consequence of the author's manner of composition, is veritably an attack on the audience. It realises that the soldier feels very strongly, but his message is lost in incoherence, and does not sink into the audience's mind. As the wife Martita Hunt was too cold. The torture that this woman must have felt at being turned back into the desert with an impossible burden just after emerging with one too heavy should have been much more deeply moving. Mr. Arthur Chesney's business-man was finely done, the actor not being content merely to exhibit nastiness, but making it live. Mr. Peter Godfrey's spotlight production could be displayed at its best only in the final scenes, the earlier ones being too nearly naturalistic to give him the necessary scope; and in the later scenes the violence and the lack of a clear focus deprived the production of the power which Mr. Peter Godfrey strove to lend.

### The Amorists: Royalty.

Mr. Dennis Bradley's "The Amorists" was reviewed in THE NEW AGE when produced some time ago as "The Sybarites" at the Arts Theatre Club. Since then it has been revised, and is now offered to the public with the assistance of a very strong cast. It is still, however, largely a marionette play in which mechanical figures deliver Mr. Bradley's epigrams, the dull characters having only a smaller share than the brighter ones. As a dramatic satirist of modern manners, Mr. Bradley is too tolerant of what he chastises, with the result that, with the exception of the passage between the idealist and the hardface who did well out of the war, the characters are just amusing poseurs fully conscious of what they are doing, and, therefore, to be forgiven. Even the upstart peer seems conscious of his hypocrisy, which he almost advertises in a manner which may be called barefaced in a genial sense. Mr. Bradley is so popular a satirist because he lacks malice, perhaps the first necessity of a true satirist.

The outstanding feature of the present production, even among so strong a cast, is the performance of Mr. John Wyse as the young idealist who, after winning the V.C., turned pacifist and led a

crusade against hardfaces. His performance in the original production was good. Now it is magnificent, the work of an actor in love with his job. Mr. Wyse, by restraint and study has succeeded in breathing the breath of life into a marionette. The other members of the cast include Miss Isabel Jeans, with her delightful superciliousness of speech, deportment, and presence. Mr. Morris Harvey as a nasty profiteer that anybody could drink with, and Mr. Esme Percy as a painter who commanded the hearts of women with his speech. As the young, artistic, impecunious, but sincere, lover of the millionaire's daughter, Mr. Cecil Landeau seemed to me to fail in the couch scene, an opportunity to reveal a poet's soul which he failed to take; and Miss Alison Leggatt, as the antithesis of the amorists, the woman of experience looking for genuineness, showed that she has not yet developed the warmth of presence which her miraculous performance in "The Fanatics" promised. In her present performance her opportunities of vapourising the audience's emotions are limited; but she does not fully take such as there are.

PAUL BANKS.

### Le Reglement des Dettes Internationales.

[For certain purposes we are publishing this French translation of our article of a few weeks ago on "The Settlement of International Debts."]

Nous référant à nos observations du 3 octobre au sujet des propositions que le Commandant Douglas a faites à Monsieur Lloyd George pour acquitter la dette britannique aux Etats-Unis nous proposons d'y ajouter quelques remarques supplémentaires. Bien entendu, les propositions s'appliquent également aux dettes française et italienne envers la Grande-Bretagne et, par conséquent, elles sont d'une importance politique suprême pour l'Europe en général et pour la France en particulier.

Aujourd'hui presque tous les économistes de ces pays sont d'accord qu'en dernier ressort le paiement des dettes et des réparations doit entraîner la livraison de marchandise. De plus, tout ingénieur reconnaît que l'Allemagne, la France, l'Italie et la Grande-Bretagne sont à même d'acquitter facilement leurs dettes entre eux-mêmes et aussi leurs dettes envers les Etats-Unis si l'on leur permet de payer en la forme de marchandise. Par exemple, considérons le cas de la Grande-Bretagne: personne ne nierait qu'elle puisse fabriquer et livrer des marchandises aux Etats-Unis pour la valeur d'un milliard de livres sterling pendant la durée de quelques années. Bien sur, les industriels et les travailleurs de la Grande-Bretagne seraient rejouis d'avoir l'opportunité de fabriquer les marchandises, et il en est de même en Allemagne, en Italie et en France. Par conséquent, il n'y a point d'obstacle matériel au règlement des dettes en marchandise. Les nations débitrices veulent et ne peuvent accepter le règlement. C'est une situation pour rire parce qu'une nation qui reçoit ces marchandises reçoit une augmentation de richesse physique tandis qu'une nation qui cède des marchandises fait diminuer sa richesse matérielle. Il en résulte qu'une nation débitrice qui refuse d'accepter de marchandise d'une nation débitrice assiste en réalité la nation débitrice à conserver et à augmenter ses ressources matérielles, et telles ressources matérielles constituent le pouvoir économique et militaire d'une nation. Or, appliquez cette vérité aux relations entre la France et l'Allemagne. La France a peur d'une renaissance allemande, mais en même temps elle refuse de permettre à l'Allemagne de céder des ses ressources matérielles. La France a peur d'une Allemagne puissante mais elle refuse que l'Allemagne s'enerve. Mais dans cette attitude contradictoire elle est ni moins ni plus déraisonnable que les autres nations; nous insistons sur le cas de la France parce qu'elle demeure porte à porte avec son ancien ennemi et pour elle c'est beaucoup plus important qu'elle se protège ses intérêts que les autres Alliées. Mais tout de même c'est un absurdité pure. Pendant la guerre les Alliées firent le blocus d'Allemagne afin d'affaiblir le pouvoir allemand; aujourd'hui elles font tout le possible pour empêcher l'exportation allemande afin de—quoi? de perdre la paix après avoir gagné la guerre? Cependant, comme tout le monde sait, il existe des arguments accablants et pratiques pour que les Alliées

refusent d'accepter les marchandises, mais tous ces arguments se basent sur des considérations financières et non pas sur des considérations physiques. Par conséquent il doit exister une contradiction fondamentale entre la loi physique et la loi financière. Or, vu que les déductions que nous avons faites des faits physiques sont absolument inattaquables le raisonnement qui se base sur la loi financière doit être illusoire. Par conséquent, il n'y a pas de surprenant que les propositions que le Commandant Douglas a faites à Monsieur Lloyd George contiennent des stipulations financières peu connues et que, en effet, le Commandant Douglas base l'une d'eux sur un principe financier absolument nouveau. Nous voulons parler de son projet de répartir du crédit afin de faire baisser le prix des marchandises de consommation pour les habitants d'un pays qui paye sa dette en marchandises.

Dans cette stipulation se trouve la clef de la solution finale et amicale de l'énigme des réparations. Le Commandant Douglas a déchiré le Plan Young en chiffons; il a fait sauter la Banque des Réparations Internationales. Nous n'allons pas discuter les raisons de la technique financière n'allons pas discuter les raisons de l'objectif financier que le mais nous nous occupons de l'objectif financier que le Commandant Douglas prétend atteindre par là—le voici: mettre les habitants des pays créditeurs à même de consommer les marchandises livrées par les pays débiteurs.

Ceci ne veut pas dire forcément que les paiements des réparations et des dettes doivent être sous forme de marchandises consommables ils peuvent être sous n'importe quelle forme, comme le Commandant Douglas a indiqué dans sa première proposition. Cela veut dire que pour chaque unité de richesse matérielle reçue par un pays les habitants de ce pays recevront une unité équivalente de richesse additionnelle pour leur consommation personnelle. Regardez cette proposition à l'égard de la France. La population de la France se compose d'industriels et de travailleurs et ensemble ils constituent les clients pour leur propre production. Selon la théorie économique leurs bénéfices et salaires combinés équivalent exactement les frais de leur production totale de sorte que s'ils avaient un monopole du marché intérieur ils pourraient acheter toutes les marchandises consommables qu'ils peuvent fabriquer. (Cette théorie a été réfutée par le Commandant Douglas, mais supposons qu'elle soit inattaquable à propos de l'argument.) Or, si l'Allemagne livrait une grande quantité de marchandises en France actuellement cette livraison, bien entendu, ne serait pas donnée aux Français mais elle serait vendue, et l'on achèterait ces marchandises avec les salaires tirés de l'industrie intérieure. Par conséquent le prix total de la production intérieure serait plus élevé que tous les salaires disponibles à l'acheter. Il y aurait un solde invendable et après une réduction de production qui entraînerait les conséquences inévitables: faillites et chômage. Mais supposons, d'un autre côté, que les livraisons allemandes en France se soient évaluées à tant de francs et que cette quantité de francs soit répartie entre les Français (1) outre leurs salaires (2) sans être chargée comme coût additionnel, toutes les conséquences défavorables que nous avons indiquées seraient évitées. La France se tifierait par rapport à l'Allemagne pendant la durée des paiements des réparations—elle serait plus forte dans un sens véritable. Les réparations auraient ainsi abouti à rendre la vie plus large à la nation française qui recevrait cette récompense de ses douleurs et ses sacrifices qui est son droit.

Personne ne niera que s'il est possible de donner dix pommes à une groupe de dix jeunes garçons il est incontestable qu'il y a un moyen de donner une pomme à chaque garçon. Mais beaucoup des "experts" prétendent très sérieusement que quoique la France, comme "nation," puisse recevoir des marchandises gratis il n'y a pas de moyen de répartir ces marchandises entre les Français; l'obstacle c'est un obstacle financier. Si l'Allemagne et la France avaient été deux nations d'aborigènes qui n'eussent jamais connu telle chose que l'argent les réparations se seraient toutes payées il y a bien des années, mais de nos jours nous apprenons la sagesse des financiers, et nous avons l'illusion qu'à cause de les nommer les gardiens de l'argent il faut que nous acceptions leurs idées en fait de politique monétaire.

Nous allons annoncer cette proposition: S'il est démontré qu'un objectif généralement approuvé est pratique physiquement la méthode d'enregistrer les démarches nécessaires pour le gagner ne peuvent pas le rendre impraticable. Le système monétaire est un système pour enregistrer les activités économiques et s'il est possible de développer de telles activités c'est absurde de parler de l'impossibilité de faire ainsi à cause d'un système d'enregistrement financier. Par exemple, considérons l'assertion: "Il n'est pas possible de voyager en chemin de fer sans billet." Si la machine est en état de

marche et le train est là et il y a une place dans le train vous pouvez le faire. Ce que veut dire l'assertion c'est que l'on attend que vous observiez des conditions légales quand vous voyagez. Mais si les conditions n'étaient pas raisonnables les voyageurs ne tiendraient nul compte de la loi. Imaginez que l'employé du guichet annonce à une foule de voyageurs que la moitié seulement de leur nombre pourrait prendre place parce qu'il manquait de billets, et par conséquent il faudrait laisser quelques voitures en gare! Les voyageurs se jetteraient sur le train ou ils démoliraient la gare. Tout de même nous permettons que les financiers règlent la circulation économique pour des raisons semblables. Quoi que vous puissiez faire, et quelque envie que vous ayez de le faire, et si utile qu'il soit pour tout le monde, vous ne pouvez le faire sans les "billets de permission" du financier, soit donc le crédit.

Le plan dressé par le Commandant Douglas pour acquitter les dettes suppose la coopération des financiers britanniques avec le gouvernement britannique, et il est possible d'obtenir cette coopération par un accord ou par la force—c'est une question de politique. Le fait est que si le gouvernement et les financiers adoptent ce plan par rapport aux deux catégories de crédit la coopération des industriels et des travailleurs se fera automatiquement. Il n'y aura pas besoin de demander leur coopération au travail—ils seront prêts à la faire et ils le seront aussitôt que reçue la permission.

Ce n'était pas l'affaire du Commandant Douglas à suggérer explicitement la manière de procéder pour les Etats-Unis à l'arrivage des marchandises britanniques, mais il l'a fait implicitement, comme nous avons déjà démontré en parlant de la France à propos de l'Allemagne. Le gouvernement et les financiers des Etats-Unis émettraient du crédit pour permettre au peuple américain d'acheter les importations sans limiter ses achats de marchandises américaines; et d'une manière semblable dans tous les pays affectés par le problème des dettes le même plan pourrait fonctionner pour permettre aux nations de consommer leur richesse potentielle. Au lieu de se faire concurrence internationale pour gagner les marchés étrangers ils développeraient leurs marchés intérieurs et désormais nulle nation ne voudrait vendre sur un marché étranger à moins qu'elle veuille acheter de marchandise pour une valeur équivalente sur ce marché-là.

Il peut paraître étrange que le Commandant Douglas ait supposé la nécessité pour la Grande-Bretagne d'étendre la consommation du peuple britannique pendant la période quand elle livrerait des marchandises aux Etats-Unis sur une si grande échelle. Cela s'explique partiellement par la circonstance que la Grande-Bretagne recevrait des marchandises de la France, de l'Italie et de l'Allemagne, mais l'explication véritable est plus profonde. Considérons le cas de l'Allemagne, dernier débiteur, seul pays qui livrerait de marchandise sans en recevoir, les allemands mêmes devraient développer la consommation nationale bien qu'elle ne soit pas développée à telle point que chez les Alliés. Raison de ceci: le pouvoir énorme de produire qui existe actuellement dans tous les pays. De plus, la raison reste sur le degré presque illimité à ce qu'il est possible de développer cette productivité. Tous les jours la science découvre quelque méthode nouvelle de produire encore plus de marchandise en utilisant moins de labeur humain. Tous les jours, aussi, la fabrication s'organise en de plus grands "trusts" et d'autres combinaisons et il en résulte que l'on se passe des services de directeurs, de gérants, de dessinateurs, de commis voyageurs et d'agents de publicité. Mais selon le système financier actuel l'élimination de ces employés entraîne l'élimination de leurs salaires et par conséquent la réduction des marchés de consommation. La tendance générale est de créer des surplus de plus en plus considérables de marchandises invendables et en effet ce résultat s'est produit. Ca se voit dans le spectacle de populations qui touchent de salaires minimes mais qui font face à des sommes énormes de coût de capital qui leur seront chargées dans les prix futurs. Les industriels de tous les pays savent qu'ils ne peuvent pas se rembourser de leurs frais à moins qu'ils ne fournissent aussi aux clients étrangers. Voilà la cause de la dernière guerre—voilà la force qui pousse vite l'Europe et l'Amérique à la prochaine guerre.

Cette concurrence désastreuse pour le commerce international est due en dernier ressort à la politique financière. Dans notre dernier article nous avons remarqué que l'Amérique exige le paiement non seulement du coût des marchandises fournies à la Grande-Bretagne mais aussi celui d'une partie de l'outillage industriel qui reste toujours aux Etats-Unis. Le même phénomène se produit dans l'économie intérieure de tous les pays industriels. Les consommateurs payent toujours (dans les prix de détail) une

portion du coût des usines qui fabriquent les marchandises qu'ils achètent. Le principe est bon mais la manière de l'appliquer ne l'est point bonne. Toujours les consommateurs dépensent leurs salaires plus vite que l'outillage industriel ne s'use. Ce n'est pas la faute des industriels: ils sont obligés de se rembourser à ce taux parce que les banques exigent d'eux l'argent au même taux. En dernier ressort la production s'est faite par moyen des emprunts des financiers. Dans le cas d'un chemin de fer, par exemple, il est évident que quand le financier a fait rembourser ses emprunts à la compagnie le peuple en général a dû remplacer le coût du chemin de fer. Il en est de même avec toute espèce de construction capitale. N'importe dans quels prix le peuple a payé cet argent: c'est incontestable que cet argent n'est plus dans leur possession. Mais les propriétaires du chemin de fer, ou n'importe quel capital, continueront à charger au peuple dans les prix de billets ou de marchandise pendant des années après que les emprunts originaux, auront été remboursés. Or, si les financiers tenaient un registre de leurs emprunts et remboursements, et les projets pour lesquels les emprunts s'étaient emmis, leurs livres révéleraient que les banques étaient les débiteurs du peuple pour l'argent que la nation avait payé en plus du véritable coût des marchandises qu'elle avait achetées. Le montant de cette somme équivaldrait approximativement le coût de l'outillage capital dans le pays. Il en résultera que le peuple aurait le droit de disposer sur les banques pour cet argent—pas toute la somme entière de suite mais de telles sommes exigées par les industriels pour remplacer leurs usines, outillages, etc. Mais on ne voit pas un tel fonds nulle part dans les bilans que les banques font publier, parce que, quand elles reçoivent le paiement d'un crédit avancé ils annulent le dit crédit. Le public ne voit qu'un registre de (a) combien de crédit doivent les banques aux dépositaires, (b) combien doivent les dépositaires aux banques. Dans le cas de la Grande-Bretagne les chiffres sont bien inférieurs à £2,000,000,000 de chaque côté du bilan, et précisément parce que les items se balancent à chaque côté—jusqu'au dernier sou—tout le monde pense que les bilans des banques révèlent la vérité, toute la vérité, et rien que la vérité en ce qui concerne les relations des financiers avec la communauté laquelle ils représentent en qualité d'administrateurs. Un véritable bilan financier national d'aujourd'hui montrerait une sommaire approximativement comme suit:—

|  | Million | Million   |
|--|---------|---|
| Emprunts flottants à producteurs, placements, etc.         | 2,000   | Comptes de dépôt du public ..... 2,000  |
| Solde, Réserve pour le compte de la consommation nationale | 20,000  | Valeur actuelle évaluée d'actif capital permanent de la nation à coût original ..... 20,000 |
|  | £22,000 | £22,000   |

Le montant de ce bilan est si énorme parce qu'il représente une accumulation énorme d'arrières que l'on aurait dû émettre sous forme de crédit pour développer la consommation ici en Angleterre pendant les années écoulées. C'est la tition ici en Angleterre pendant les années écoulées. C'est la mesure des "reserves cachées" auxquelles nous avons fait allusion plusieurs fois dans THE NEW AGE. La France, l'Allemagne, l'Italie et les Etats-Unis en peuvent produire un pareil bilan et en peuvent montrer une balance semblable et chaque balance constitue "le marché étranger" qu'elles ont cherché en 1914 avec des canons, des obus, des bombes et des baïonnettes et qu'elles n'ont pas encore trouvées—après une période de quinze années.

L'inquiétude des financiers à créer une banque internationale à base du Plan Young s'explique très bien maintenant. En principe cette Banque deviendrait le dépôt de ces "reserves cachées." Dans le domaine de la politique pratique les financiers auraient un avantage immense parce qu'il serait infiniment plus difficile pour une groupe de citoyens patriotes à mobiliser l'opinion publique pour régler les comptes avec une institution internationale qu'il régler les comptes avec leur propre pays, et s'il avec une institution située dans leur propre pays, et s'il agissait de la force bien que le Ministère de la Guerre Britannique puisse envoyer des soldats occuper la Banque d'Angleterre il ne pourrait les envoyer en Suisse pour rappeler à l'ordre la "Banque de l'Europe." C'est significatif que l'on propose que le siège social d'une telle banque, soit comme le siège social de la Ligue des Nations, en dehors des pays intéressés dans le problème des réparations et qu'il soit situé dans un pays où, advenue que pourra, il n'y a pas de risque de la loi militaire et la mobilisation des troupes. Pendant la dernière guerre la Suisse s'est trouvée être un abri improvisé pour les financiers cosmopolites; actuellement ils renforcent cet abri pour l'occuper d'une façon permanente.



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