

# STRAWS IN THE WIND

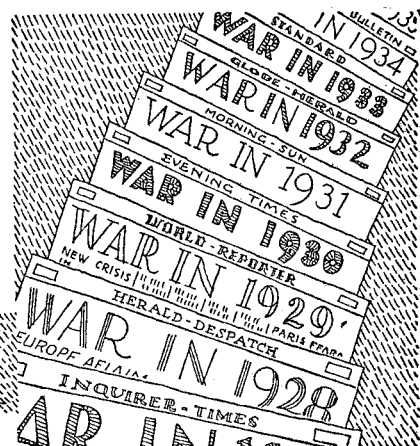


SIGNIFICANT NOTES IN  
WORLD AFFAIRS TODAY

## The Inevitability of Peace

By Foster Rhea Dulles

*The prophets of war confounded by their own statements. A marshalling of facts to show that scare-heads concerning "crises" are not always justified*



THE prophets of war have held the center of the stage too long. For the past fifteen years they have been writing on the inevitability of war. For the past fifteen years they have seized upon every crisis in international affairs to proclaim the imminence of world conflict. It does not seem to matter that in their zeal to identify a possible Serajevo, they have been proved wrong again and again. With a bland assurance in their own infallibility, they refuse to consider the possibility that a war which has been averted in the past may be averted in the future. They refuse to consider the possibility that popular resistance to war may today be a stronger force than it was before 1914. They refuse to consider the possibility that lessons so lately learned may serve to restrain nationalistic ardor should the threat of hostilities actually materialize.

They are incorrigible, these prophets of war, and it is high time they were called to account.

### I

In the immediate postwar period, a weary and disillusioned world watched nervously the course of events in Europe. It held its breath while Russia and Poland, Greece and Turkey, hysterically continued their individual quarrels; it trembled fearfully before the menace of communism. But sick to exhaustion, it had no heart for further fighting. The devastating ordeal through which it had passed forced it

in self-defense to place its faith in peace. Even the most extreme war-mongers were compelled to recognize that, for the time being at least, Europe simply could not take up arms again; that however unsubstantial the bases on which peace was established, a truce had been called.

No sooner had some sort of equilibrium been achieved, however, than future dangers to world peace began to be analyzed and the inevitability-of-war chorus took up its sorrowful chant. In the French occupation of the Ruhr were seen the first signs of impending conflict, and no less an authority than Ramsay MacDonald, writing in September, 1923, eloquently declared that Europe was being plowed and harrowed for another world war. "Within a few years," he said, "the flocks will be gathered, each under its own shepherd; the shepherds will have made their agreements with each other. Then some dog will bark, and there will be a stampede."

But that particular danger was averted and for a time a more hopeful attitude prevailed generally in Europe. An era opened in which the frantic efforts to resolve the reparations problem gradually approached some measure of success and Locarno promised a bright new world. The idea of outlawing war gathered headway, some confidence was felt in the efficacy of the League of Nations, and men of goodwill appeared to be directing Europe's destiny. In the discussions of war and peace which appeared in American periodicals, the

emphasis was not upon the inevitability of war but upon the growing peace movement.

There were exceptions to this.

*The Review of Reviews* saw dangerous specters and nervously asked "Shall We Commit Suicide?", General von Schoenich confidently predicted "The War of 1930," Sir George Paish found war inevitable unless reparations were immediately reduced, and Winston Churchill issued a warning that unless the League was strengthened, international conflict could hardly be avoided. In an article in *Harper's* in November, 1925, Frederick Palmer bluntly declared: "I have been over the ground where the next European war will start."

Despite these predictions, and despite the forecast of a Russian scientist who definitely saw war within two years because of sun spot activity, it was not, however, until 1927 that war's inevitability really began to be impressed upon the public mind.

### II

In 1927 and in 1928 the threat of war, imminent war, was discovered by scores of observers in almost as many quarters. Mussolini's bellicose speeches were considered a definite challenge to France. The attack might possibly be put off until 1935, in which year France's man power would be at a minimum as forecast by the declining birth rate during the World War, but

former Premier Nitti told the War Danger Conference held in London in November, 1927, that Italy was certain to go to war between 1935 and 1940, if not before.

A danger concerning which some spokesmen were even more emphatic was that of war between Russia and Great Britain. They may have been talking for home consumption, but the Soviet statesmen minced no words. "War is inevitable between Russia and Great Britain," declared the Commissar of War in June, 1927, and a month later Joseph Stalin himself wrote that war was unquestionably impending. "It is not a vague possibility," he said; "it is an actual and imminent threat."

So too were war scares conjured up in the Far East with the United States and Japan the probable protagonists. "All the conditions looking to war seem to be satisfied," wrote Admiral Bradley A. Fiske. But he was very conservative in his views. Unless there was some important clash of interest, he continued, "it does not seem probable to me that war will occur until after August, 1931."

Returning to the European stage, we find the quarrel between Poland and Lithuania over Vilna, a threat of civil war in Rumania, and the Geneva naval conference seized upon as probable causes for setting armies in motion. Wars and rumors of wars absorbed Europe's attention. Senator de Jouvenal predicted hostilities by 1935, Lord Rothermere issued grave warnings in a similar strain, and Lloyd George declared war to be inevitable if national policies were not at once modified. On this side of the Atlantic, Frank H. Simonds gloomily declared: "I do not see any escape from the conclusion that Europe is moving toward another catastrophe."

It is not of course possible to say that Europe was not then and is not now moving toward ultimate catastrophe. In calling prophets to account, one must eschew prophecy. Nevertheless the immediate causes envisaged for war in 1927 and 1928 have largely evaporated.

Mussolini is no longer considered the *bête noire* of European politics; relations between Russia and Great Britain have vastly improved; the United States is still at peace with Japan; the internal difficulties in Rumania have had no in-

ternational repercussions, and the quarrel over Vilna is forgotten. "Is it peace or war?" Pilsudski asked Waldemaras at their historic meeting at Geneva. "It is peace," answered the Lithuanian statesman.

### III

In the period from 1929 through 1932, which began with the death of Stresemann and ended with the rise of Hitler, it is hardly surprising to find the defeatist chorus of the previous two years swelling to an even greater volume. In *The Reader's Guide to Periodical Literature* for that period are listed more than 125 magazine articles dealing largely with the likelihood of war or with certain aspects of future war.

"Mankind Prepares to Die," "Strike up the Band," "Is the Cannon Fodder Ripe," "Onward Christian Soldiers," "The Second World War," "The Inevitability of War" were some of the more colorful titles. Their authors viewed with alarm, gravely warned and solemnly predicted, with such wealth of corroborating evidence that reading these articles over today, it appears utterly impossible that a world war has not yet broken out. The obsession even spread to the humorists who gave us such engaging titles as "Beauty in War," "The Charm of War," "We Need a War," "Why Not Another War," and "Welcome to the Next War."

So too were the newspapers carried away by the war fever and easily found plenty of material for constant headline reiteration of the danger of approaching conflict. Harry Elmer Barnes found "war peril grave" with more reasons for hostilities than existed in 1914; H. G. Wells foresaw war within ten years, and Professor C. Delisle Burns expected it between 1935 and 1940; Newton D. Baker told the International Conference on World Peace that the world was sitting on a powder magazine, and, with admirable precision, General Ludendorff definitely predicted world war in 1932.

Occasionally, in their zeal to arouse the country, the newspapers possibly exaggerated. Thus when Norman Thomas stated his belief that a world war was all too probable if things were allowed to drift, but that it was by no means inevitable and might be avert-

ed, *The New York Times* headline succinctly declared: "Thomas Predicts a World War Soon."

There were various causes for these alarms: difficulties in settling the reparations problem, continuing friction between Italy and France, Germany's proposal for a customs union with Austria. Then as 1931 gave way to 1932, Japan's operations in Manchuria and the rise of National Socialism in Germany gave the alarmists two such probable causes of war that they hardly knew on which to concentrate their attention. That the United States would become involved with Japan if that country did not withdraw from Manchuria, and that France would be constrained to attack Germany if Hitler actually came into power, appeared equal certainties. Such magazine article titles as "The United States and the Next War" and "Shall We Join the Next War?" marked a certain advance in popular opinion.

Nevertheless it is a curious fact that while the world accepted the course of events both in the Far East and in Germany without taking up arms, the prophets of war were not at all abashed. In 1933 they became all the more certain that the disasters they had predicted in 1931 and 1932 could not be put off any longer.

### IV

The year opened with Hitler assuming power in Germany, Japan about to withdraw from the League of Nations, and new difficulties in the Balkans and Central Europe. From any one of these causes it was all too easy to see that war was inevitable. Europe was facing the "crisis of crises," and again in reading the fears and forebodings of the inevitability chorus, it appears incredible that the world is at peace.

*The New Republic* found the tension greater than at any time since 1918 with scores of witnesses reporting that talk in the capitals of Europe was no longer "if war comes" but "when war comes." *The Commonwealth* saw over the world the shadow of the darkest of all the dangers which menace mankind, and wrote despairingly of "the actual danger of war," "imminent perils of another great war," and "today that peril is at our doors." *The Literary Digest* collected dispatches from

Tokyo—"Japan Leading the World to the Brink of War"—which depicted fears of a second world war starting in the Far East, and dispatches from Europe—"Sparks Hissing Around Europe's Powder Magazine"—which said that the question of war was "shaking London like an earthquake" while "on key fronts, in critical danger zones, tenseness is increasing; armed forces are in motion."

James G. MacDonald, in an address before the graduating class of Wellesley in June, confessed that while he felt somewhat relieved for the moment, two months earlier he had thought July or August would probably witness the start of another world war. The irrepressible Frank Simonds somberly reiterated his belief that "Europe has been moving unmistakably toward conflict."

It was all very nerve-wracking. "Europe on the Brink of Disaster," "The Shadow of War," "Europe Moves Toward War," "Satan Loosed": these were not the alarms of a jingoist press, but article titles in *Harper's*, *The New Republic*, *The Commonweal*, and *The Christian Century*. We were told that if Germany withdrew from the League, if the disarmament conference failed, if no agreement was reached at the London economic conference, then at last war was really inevitable. A deluge of warnings. Then Germany followed Japan out of the League, the disarmament conference collapsed, and no agreement was reached at London.

Yet somehow the world survived.

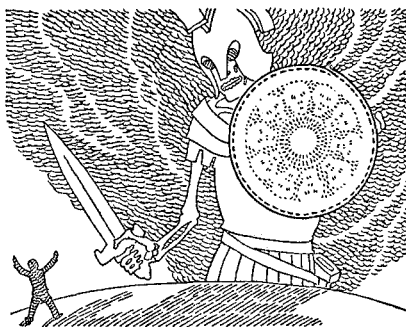
## V

We are perhaps still too close to the brief spasm of civil warfare in Austria to recall with complete equanimity the jitters which that sudden outbreak gave a nervous world at the beginning of 1934. It was over too quickly for the magazine writers to take advantage of it, but the newspapers opened up with their heaviest artillery.

"Italy Moves Troops," "Paris May Send Army," "Britain Warns Hitler," "France Discusses Action by Powers," and "Europe Divided in Armed Camps." Here was something far more definite than any clash of policy between France and Italy, any shifting in the conflicting alliances of Central Europe, any incident in the Polish Corri-

dor. The withdrawal of Japan and Germany from the League, the failure of the disarmament and economic conferences, faded into insignificance beside the imminent probability of foreign intervention in Austria.\*

Yet somehow the world survived.



At the same time even more emphatic reports on the inevitability of war between Japan and Soviet Russia furnished new ammunition for the barrage laid down by the prophets of war. In the early months of the year, it was proclaimed with absolute certainty by scores of authorities and students of the Far East that hostilities would follow the melting of the snow on the plains of Siberia. Writing in *Harper's*, Nathaniel Peffer bore witness to this general feeling, and while he did not associate himself with those who believed the war would necessarily break out in the spring, he said that the likelihood of such a conflict had "ceased to be a hypothetical question for the airy speculation of experts in foreign affairs and international journalists with a flair for the melodramatic."

Yet the snow has melted on the Siberian plains, and somehow the world has survived.

## VI

There is no gainsaying that the basic factors which ever since the last war have threatened the peace of Europe are still in existence, or that developments in the Far East have increased international tension. It has been reported that while a few months ago Lloyd's offered odds of 100 to 7 against a European war in 1934, it would on no terms insure against war in the next five years. But surely some

\*This article was written just before the assassination of Chancellor Dollfuss and the Nazi putsch in late July. The similarity of the headlines during that period of tension to those quoted above is remarkable and further bears out the author's point.—EDITORS.

confidence in the forces making for peace may be derived from the past record of crises successfully surmounted, some hope wrung from the fact that failure to disarm has not had the immediate consequence of war. A world system capable of surviving the shocks of the past few years must have some staying power.

Still that is not the point which this article would stress. It has been provoked by the certain and unshakeable confidence with which so many self-appointed prophets, not content with continually reiterating the inevitability of war, insist upon interpreting every "incident" in international politics as a *casus belli*. They will not remember the victories of peace. They do not feel the slightest humility because earlier forecasts have proved false.

Nor is it only preparedness advocates, big navy spokesmen, professional jingoists who contribute to the development of our war psychosis. The friends of peace and disarmament are equally alarming. The only difference in point of view is that while the former paint their frenzied pictures of impending conflict to demonstrate the need of armaments, the latter somewhat paradoxically arrive at just the opposite conclusion. They cry aloud that the danger of war is so immediate that only disarmament can save the world, and then somewhat naively wonder why the nations refuse to disarm.

The responsibility of these war prophets is a grave one. It is the fearful attitude on the imminent possibility of conflict which they have engendered in the public mind, which now makes it so easy to accept the most extreme implications of any threatening move in international politics. When authoritative writers, supposedly viewing the situation dispassionately, can give such titles to their articles on world politics as "Marching Toward Hell," it is hardly surprising that the Austrian situation or a controversy between Japan and Russia calls forth all the war headlines in the newspaper copywriter's journalistic repertory. It is hardly surprising that the world should be so psychologically ready for war that it sees the storm in every cloud.

What price these alarmists who so luridly stress the danger of war and expend such torrents of ink in continually anticipating disaster?



# Social-Credit Dictatorship of the Consumer

By Herbert Bruce Brougham

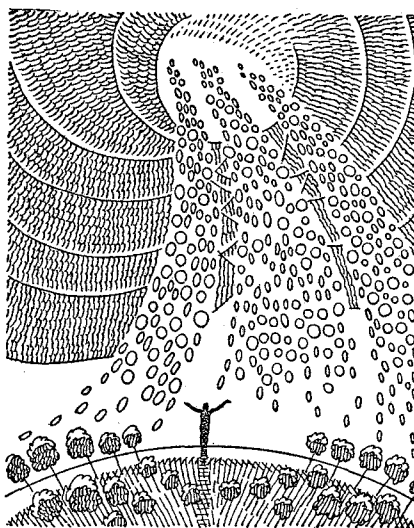
*Although greeted with considerable scepticism among economists, the theories of Major Douglas as to a possible means of financial salvation are receiving increased attention and will undoubtedly figure prominently in the debates of the next Congress. We therefore asked Mr. Brougham to write on the present status of the Douglas movement and what it proposes in the present situation.*

## I. FINANCIAL OBJECTIVE

**D**UBBED the Einstein of economics, Major Clifford Hugh Douglas, Scottish engineer, justifies the title by his tough-textured paradoxes of a dynamic financial theory. "If I am unorthodox," Major Douglas remarked in 1918, "it is because orthodoxy has not envisaged the credit power of the consumer." But within a few years the industrial world has recognized the futility of business with a diminuendo of buying. Its leaders are conscious that the problem of production is solved; but not so the problem of income. Some of them are now beginning to examine with interest the Douglas hypothesis that the income of the masses may proceed, in main part, from another source than wages or relief based on debt and taxation to correct the error of financial scarcity.

Douglas in 1918 was writing his first book, *Economic Democracy*. He had been a student of mathematics at Cambridge; chief engineer of the British Westinghouse Company in India; expert in engineering projects in Canada and South America, and assistant manager, during the war, of the Royal Aircraft Factory at Farnborough. Together with Arthur Kitson he had bestirred Frederick Soddy, Nobel prize-winner in physics, to study what Soddy terms the financial inversion of science. In 1923, a select banking committee of the Canadian parliament called Douglas to Ottawa to face the administrators and upholders of the banking system, who were applying for renewal of their charter, and to draw, by his original testimony, the attention of the financial advisers of other governments.

In the United States the Pollak Foun-



dation for Economic Research issued, beginning in 1923, successive studies which adopted, in part, the Douglas diagnosis of the chronic decline of mass-purchasing power. In 1927 the Foundation engaged me, who represented Douglas in America, as its executive secretary. President Hoover was converted to the Pollak views, but not to the Douglas remedial proposals, before he entered the White House. After Hoover, President Roosevelt adopted the Pollak theory and remedy—still not the Douglas remedy—of augmenting the flow of money in trade with immense public borrowings from a banking system which had failed.

Meanwhile informed groups had sprung up in every country in Europe, in British South Africa, China, Australia, New Zealand, Tasmania, Canada, and the United States for study and dissemination of the social-credit ideas of Douglas. His books were translated into many tongues; in Japan, they were pirated. Incidentally, Japan is the first power to use social credit—that is,

national book-credit issues against unused industrial capacity—by subsidizing exports without charge upon her budget; thus underselling, with ease, all competitors in the trade war of nations. Douglas, now better known, was called early this year to appear before governmental committees in Australia and New Zealand, in the western provinces of Canada, and in Ottawa. Before returning to England he addressed in Washington a group, privately assembled, of some thirty members of both houses of Congress, including their official and progressive leaders. English and American lecturers this year toured the United States with popular versions of social credit. Last spring the Reverend Charles E. Coughlin espoused social credit, commended Douglas before the Goldsborough subcommittee on banking and currency at Washington, and delivered to his millions of radio listeners several addresses on this subject. In London a social-credit secretariat keeps in touch with followers in both hemispheres, including the groups in the United States who are active from coast to coast. Throughout the world the task of such groups is to interpret the theories of Douglas, and to lay down programs of action in accordance therewith. The chief theories may be stated in these terms:

The function of industry is not employment, but disemployment, with paid leisure for the masses, shorter hours, and universal incomes progressively supplanting wages.

The wage system must give way, under labor-saving technology, to the income system publicly administered.

There should be no inflation with higher prices; rather, rising purchasing power accompanied by a fall in prices.

Public debts should be paid with costless credits until there is no more non-monetized wealth.