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WHOSE SERVICE IS PERFECT FREEDOM (II).

By C. H. DOUGLAS

The philosophy behind Marxism—and it should be remembered that every policy has a philosophy, very often widely different from that which its supporters claim for it—is dialectical materialism, the economic interpretation of history. I do not wish to misrepresent this theory, but as far as I understand it, it appears to be one of those half-truths which become dangerous weapons in the hands of political schemers. An allied statement is that "Labour produces all wealth." Now, fresh air and sunshine are wealth, perhaps the greatest source of wealth, but they are not produced by Labour in any mundane sense. And, of course, using the word "Labour" in the sense in which it is used by Marx, its contribution to wealth is small and decreasing, which is why "essential services" are so easily maintained in a general strike.

But labour is a *means* to wealth. Its absurd exaltation under the term "Labour" in the Left Wing parties, and "Employment" in the Right Wing Parties, is to my mind clear proof that it is consciously used to "play both ends against the middle" and so perpetuate world slavery, by making employment a condition of a reasonable standard of life.

To say that the primary interest of man is employment or even more narrowly, economic employment, is to say that a means is an end. It is a challenge to (not its opposite but to an infinitely greater whole of which it is in consequence an infinitely small part) dialectic Catholicism—that all means are

comprised in the end of Man.

I am not competent to express an opinion on whether Roman Catholicism would accept this definition, but if it would, Roman Catholicism makes no mistake in denouncing Marxism as its deadly enemy.

It appears to be in the nature of the Universe that the misuse of a "means" results in the breakdown of the means misused. For instance, the centralisation which is so rampant is claimed to be in the interest of efficiency. But civilisation was never so inefficient as it is to-day. We have unimaginable and unthinkable production—yes. And with it, less security, less leisure, more suicides, more lunacy. Is that efficiency? By the canon of dialectical materialism it may be.

It is a curious illumination of the vanity of the human mind that materialism and Marxism are felt by their exponents to be "scientific", "progressive", "modern." Their "science" is of the nature of that which, observing that an electric Power system consists of steel towers, wires, cables and machines would insist that Power systems consist in what you can see, and what you can't see is superstition. The answer is, of course, "Climb up a steel tower, touch those wires, and let us see which is right."

As to their progressiveness, it is quite true that the massacres and misery in Russia far exceed anything which that unfortunate land has previously experienced. But as to modernity, I am not so sure. The invariable characteristic of the mob mind is destructiveness. Its cry

is not "We see there are beings more fortunate and free than ourselves; let us be like them," but "Down with them!" Because one blade of grass in the field comes up first, *down* with it! Who's it to be a-puttin' of itself forward?

I do not wish to labour this matter excessively, but I think it is necessary to draw attention once again to the tyranny which words and phrases seem to exercise over subversive movements. "Socialism" means, in fact, the exaltation of the functionary at the expense of the human being—governmentalism, the increasing, deadening grip of institutions. "The Dictatorship of the Proletariat" is either a rioting mob or it is just words. Each and every one of these is used to forward one end—centralisation of that power which, if distributed, would make men free and independent. There is nothing new about them—they have all been and are being tried, are soul-killing, and every civilisation has been destroyed by them.

Some time ago, Mr. Montagu Norman, the Governor of the Bank of England, replied to the suggestion that the policy of the Bank of England would force its nationalisation by saying, "Nationalisation—we welcome it." Any detached observation of the policy of the Bank of England since the War, at which time it came under "United States" (!) control, must recognise that a policy of conscious development towards State capitalism has been pursued unrelentingly. This is, of course, exactly what has happened in Russia and is happening both in Germany and in Italy. And it is

Mortgage Bank for Canada


this swift progress towards State capitalism everywhere which no doubt justified the remark recently of the Jewish millionaire, that nothing could stop the progress of world domination which would be finally achieved within a few years' time. Jewish Finance will be at the apex of the Pyramid.

Complete State capitalism has already been achieved in Russia. Even the most ardent apologists for that regime are driven to explain that Russian State capitalism has prepared for another revolution which will bring in that true Socialism which is always just round the corner.

However that may be, everyone knows that what has been set up in Russia is a tyrannous bureaucracy possessing powers exceeding those of the most autocratic Tsar without any of their cultural compensation. Nazi Germany is proceeding rapidly along the same path, nor is it denied that Herr Hitler was supported by the great industrialists, who are probably in nearly autocratic control of Germany behind the scenes. In England all individual property rights are being swept away with almost unbelievable rapidity. By the Housing Act of 1936, a state of affairs has been brought about by which the "ownership" of property, so far from being an asset, is a liability supported by State loans. The recent announcement that the occupier of a house had no rights whatever against billeting and that members of a family might be dispossessed in favour of strangers is an attack on freedom far more drastic than any which would have been tolerated without revolution in feudal times, and is copied from Russia.

To suppose that it is coincidence that an identical and recognisable objective is being pursued in every great country under such varying titles and by such apparently, but only apparently, opposing forces. is to strain credulity beyond reasonable limits.

(To be continued).



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The most far reaching federal legislation ever provided in Canada for the alleged relief of home and farm mortgages has been introduced in the Commons by Hon. Charles Dunning, Minister of Finance.

Mr. Dunning's interests are described in the following extract from the *Canadian Who's Who*:

Engaged in finance and business as President, Manager, Director, and consultant to several large corporations—1930-35.

President—Maple Leaf Milling Co., Ltd.

—Ontario Equitable Life Assurance Co.

Vice-President—Seignory Club Community Association.

Director—Howard Smith Paper Mills.

—Barclays Bank.

—Fraser Companies Ltd.

—Canadian Investment Fund Ltd.

—Consolidated Paper Co.

Appointed Minister of Finance in third government of MacKenzie King—October, 1935.

With these qualifications Mr. Dunning is admirably fitted to take action on behalf of the people of Canada whom he is elected to serve—even if this action must be in conflict with the ideas of many of his financial friends.

If he is hesitant in taking such action or if any action he does take produces results which are rather more favourable to the financial interests than to the debt-burdened people of the Dominion, then he must be forced (by the debt-burdened people of the Dominion) drastically to revise his plans and dance to the democratic tune for a change.

The legislation introduced provides for the establishment of a central mortgage bank which will make available to mortgage companies a scheme whereby, in exchange for voluntarily accepting a maximum interest rate of 2 per cent above the average return on Canadian government securities (say 5 per cent), the bank will provide member companies with

refinancing facilities.

The Government is to create the bank with a capital of ten million dollars and endow it with authority to issue debentures up to two hundred million dollars. It appears that this stock is intended for the special consumption of the mortgage companies participating in the scheme as the legislation provides them with the right to sell their debentures to the central mortgage bank thus securing long term money at a low, steady interest rate. This rate has been fixed at $3\frac{1}{2}$ per cent— $1\frac{1}{2}$ per cent less than they are allowed to charge for loans on mortgages!

Recently mortgage companies have been having a lean time in Canada, and high finance is surely a most profoundly knotty subject... but it *does* look as if the Government had set up a neat little fund of ten million dollars for the sole benefit of the unfortunate, harassed loan firms.

Or does it?

One of the chief objects of the scheme is said to be to secure a reduction in interest and redemption payments at present being made (or not being made) by borrowers, but it is also laid down that half the cost of these reductions is to be borne by the Government—in other words the mortgage companies will have 50 per cent of their losses made good by the people of Canada!

It is interesting to note that this ingenious plan is to apply to all provinces—except where the central mortgage bank decides that existing provincial legislation is unduly restricting and penalizing the creditor (Alberta?).

In short, the act is designed to make debt collecting a little more profitable to the loan companies by arming the collectors with quasi governmental powers and by centralising a large portion of Canada's debt structure under the more direct control of the Bank of Canada... yes, we forgot to mention that Mr. Graham Towers, Governor of the Bank of Canada is to be Governor of the Central Mortgage Bank also.

News and Views

Labour Party Conference

Reports of the Labour Party conference at Southport last week show the contradictions of what traditionally has been, what is and what, in their opinion, ought to be their policy. The Labour Party must *oppose* because it forms the official opposition: so a resolution was passed regretting the slow conclusion of the Anglo-Soviet agreement and another condemning the Government's breach of pledges not to introduce conscription. On the other hand, the morally righteous attitude of the Labour Party in which it is (only surpassed by Mr. Winston Churchill) insists on the Anglo-Russian Agreement and conscription as well as a number of even less generally acceptable provisions as steps in their own scheme of tidying up the world. What they are criticising is not the measures taken but the rate at which they are going forward. Also, rather disconcertingly for them, Mr. Chamberlain does not recommend conscription as a good thing in itself, but only as a temporary measure, nor has the Anglo-Russian pact yet materialised.

In a speech truly remarkable for its confused thought allied with a realisation of the direction in which people's minds are turning, Mr. Ernest Bevin said:

"One of the greatest contributory factors to world disaster has been our dormant financial policy, and Mr. Chamberlain is merely trying to fit the movement of world events into the requirements of that narrowed island, the City of London. The bankers are the principle persons who want appeasement for Germany, but they do not want justice for Germany, which is a different thing. I do not want this movement to be fighting for the salvation of the Paris Bourse, the London Stock Exchange, the Amsterdam Exchange and Wall Street. I want this movement in its peace policy to be fighting for the salvation of the common people throughout the world." (cheers).

To disentangle this passage is

as good as a crossword puzzle; and it may have some significance when considered in conjunction with the political practice of accusing the other man of doing what you are yourself about to do.

Miss Ellen Wilkinson called on the Labour movement to continue unremittingly their efforts to aid the Spanish people, and her resolution was passed by the Conference.

In the second part of Henry IV., Act IV., Scene 5, the dying King Henry gives this advice to his son:

"Therefore, my Harry,
Be it thy course to busy giddy
minds
With foreign quarrels; that
action, hence borne out,
May waste the memory of the
former days."

We all know the story of the man who said to the tax-collector "You take my income, I'll take the tax." Mr. Hugh Gaitskell in a letter to the *Economist* advocating the financing of near-war conditions by a capital levy, added a note as regards war finance:

"... I also agree that it should be possible to increase taxation to a far greater level than most people care at present to contemplate. But I would suggest that, if you are considering increasing taxation on the scale suggested in your article, there is much to be said for the view that it would be simpler to place the whole income-tax paying class on an allowance basis and, instead of first of all allowing them to receive incomes and then taking away half, to deduct the half which you want at source."

Rubber and Cotton

The tentative arrangements between the United States and Britain for the barter of about 1 million bales of cotton for £10 million worth of rubber has given rise to varied comment. The *Daily Mirror* is concerned to point out that this barter arrangement is entirely different from the German type of barter. The elusive "City"

alternately believes it is merely a device by which the Americans may rid themselves of surplus cotton stocks (in which case it seems to be regarded as reprehensible even if we want the cotton) and is shocked because such a measure would give America, which is one of the most important consumers of rubber, some control over prices. Rubber is one of the few commodities not grown in the United States, and that country, Germany and Soviet Russia have done a great deal of work on the synthesis of artificial rubber. Soviet Russia recently claimed to have worked out a process of synthesizing rubber from a lime stone, large deposits of which are found in Armenia.

On June 4th.

Herr Hitler, in the course of a speech to the Reich ex-Servicemen said that before 1914 and during the war Germany had had no war aims. The responsibility for 1914 lay in the encirclement policy of the Western Powers. Behind that policy lay the ends—theft of German colonies, destruction of German trade, elimination of German power—realised at Versailles. The same policy and the same ends were being followed by the Western Powers to-day.

M. Daladier, before the Executive Committee of the Socialist-Radical party said that France would give a firm "No!" to aggression, to tyranny, to ideological fanaticism, to claims to a so-called "living space," to all, in fact, that meant violence and brutality. And in so doing her sole aim would be to save peace with honour and independence for all nations.

M. Daladier also said in his speech, that a country which did not work was doomed to slavery and dismemberment. It had been necessary therefore to set the country to work.

It escaped M. Daladier's notice that the *country* is working so hard that with proper organisation it should be possible for the countrymen to have an even shorter week than 40 hours.

Mrs. Palmer talks about**MONEY BOXES**

Margaret is four years old. She has silky auburn curls and an enchanting smile.

She came in to pay for her mother's *Social Crediter*.

"Would you like one of these pennies?" said I.

"No, thank you," said Margaret. "I have money enough as it is."

* * * *

"Immigrants are cheaper than babies," said Dr. J. A. Bowie, addressing a League of Nations Union group conference, at which German refugees were present in Dundee yesterday. Dr. Bowie, who was secretary of the Economic Section British Association, 1928-33, said that Britain's population was certain to shrink drastically in the near future.

"To increase population by getting ready-made workers is much more economical than to increase it by newly-borne babies," he added.

"Think of the enormous

benefits that accrued to this country in the past by accepting the Flemish weavers, the Huguenots and other refugees of the Middle Ages."

—*Belfast News-Letter*, May 1.

When did the change take place? At some time in the past. Dr. Bowie and the audience who solemnly listened to him, were small boys and girls, though I must admit it is rather difficult to imagine. In those far-off days, before he had ever gone to school, it is just possible that Dr. Bowie understood the use of money. It was something that the old lady in the sweet-shop would not refuse in exchange for her lollipops. When you had money you bought something you wanted with it, and there the matter ended. If, like Margaret, you had lots of toys, and sweets didn't appeal to you very much, you couldn't see the point of collecting a lot of pennies. Your wants were satisfied; you had money enough as it was.

Children know that the things they buy are more important than the pennies they save in their money boxes.

But during school days there is a slow change of mental outlook. It is usually completed in the teens, when they study "the mathematics of loans, sinking funds, redemption funds, and the methods of repayment."

By this time everything has been turned upside down. The money box is more important than the sweets and toys. Money has become an end in itself. They now believe that we trade in order to collect money, not to enable everyone to have goods and services.

Poor Dr. Bowie! He has learnt his lesson very well. He believes in a favourable balance of trade, that we must export more than we import. It is frightfully important to collect lots of pennies in that money box. Babies are very dear. We mustn't buy too many new-born babies. Why not buy a nice immigrant or two

instead? They can begin working at once, without the troublesome process of education to go through. They have already learned to look at everything upside-down.

"Whom the gods wish to destroy . . ."

I would dearly love to know whether there was anyone in that audience who laughed, or even smiled, at the solemn absurdities of that address. It would have given me additional hope for the future.

But the "ordinary citizen" shows his common sense by staying away from all meetings of that kind. It is almost impossible to drag him there, and if he does go, he doesn't listen.

When this had occurred to me I felt cheered, and asked myself what the ordinary citizen is most interested in. I think that insofar as he is conscious of his aims, what he most wants is a happy home life. This little piece of reality has not yet been taken away from him in entirety.

When it comes to setting up house together the young husband and wife calculate how much they can buy with the cash in hand, and how much they can get by instalments. To them there is no question but that the home is more important than the money box.

They put their present and future happiness before anything else. They refuse to listen to economic experts. In this one particular, if in no other, they firmly believe that they themselves are the only experts in what they want.

Dr. Bowie tells them that immigrants are cheaper than babies. They don't listen. If they like babies, they'll hope to have one.

Lord Dawson tells them that wherever possible no family should be less than three. This statement is based on the interests of racial survival and strength, according to the *Daily Telegraph* report.

They do not listen to him either. For they believe that the happiness

On Other Pages

**Whose Service is Perfect
Freedom (II)**
by C. H. Douglas

**Mortgage Bank for Canada
The Distortion of News in
the Press:**

(correspondence between
Major Douglas and his M.P.)

The Red Ensign in Eclipse
by H. Winckles

Substance and Shadow
by G. R. Robertson

Cod!

Paying for what you Consume
by J. M.

**News — Rates Campaign
Crisis**

of their home is more important than racial considerations. I have yet to hear of the young couple who decide to have a family simply for patriotic reasons.

Find a happy home, and you will find a practical demonstration of social credit. Provided that every member of the family is happy and contented you will have all the conditions necessary. For you will have a group of people each contributing his share towards making the home the place of rest and happiness that he wants it to be; and at the same time each individual receives what he needs so that he may fulfil himself. The home exists for the sake of the individuals which compose it, but the association can only continue in happiness while its members are loyal to the end in view, and loyal to one another.

All this is understood instinctively by most young lovers. Often they cannot put it into words, but they proceed very effectively to act upon it. It is astonishing how many of them make a success of their homes, when we consider the terrible handicaps that are placed on them by the money system and by state education.

You will find a man whose conscious mind, so far as it is occupied in his daily work, is quite taken up by the absurdities of the money system of to-day. He may be a civil servant, or an expert in insurance; as such he will read the daily papers, and approve of S. W. Alexander's dictum that we need more good bankruptcies; he may even agree that immigrants are better than babies; and, on another day, when he has forgotten what Dr. Bowie said, he may think that large families are "patriotic."

But notice how he runs his home life. When it comes to the question of children, he and his wife consider what will be for their own happiness, without reference to Dr. Bowie, Lord Dawson of Penn, or any other person so totally unconnected with them; and as for bankruptcies however "healthy" they may be (like boils perhaps?) he takes pygmalion good care that he doesn't have one himself if he can help it.

His instinct is still sound.

This is what I mean when I say

that the people understand social credit "in their homes." We've got to get right back to home life and start there by helping people to understand that their instinctive desires towards happiness together are thoroughly sound and right, and that they must act in accordance with them; and that the ridiculous topsy turvy ideas which have infected their reason and which have emanated from a perverted educational system and a money-controlled press, must be replaced by reality, unless we want the world to go up in smoke.

I feel, however, that I must give Lord Dawson his due. He *does* realise that it is for the personal happiness of most women to have children; and if we leave out the part about the interests of the state, a good deal of what he said at Welwyn was quite sensible.

His main suggestion was that there should be state grants in the form of weekly allowances, progressing with each child up to a certain maximum, to help maintenance, and above all, the securing of good feeding. Housing accommodation suitable for young families, with easy access to the outer air and to nurseries and crèches, should be available at a rent within the means of the parents (*Daily Telegraph* report).

All this is very nice, and most mothers would be glad to have it, but, and it is a very big BUT, the necessary money must not be taken out of private money boxes in the form of heavier rates and taxes. It must be newly-created, debt free money, which the Bankers know very well how to provide, without penalising anyone, least of all the homes which Lord Dawson wishes to see both happier and larger.

As soon as we have directed the steam into the right way we shall be able to bring pressure to bear on our members of Parliament to get this done. It is a question of people understanding what they want, and knowing that their instinctive longing for a happy home life is the basic reality besides which the row of overflowing money boxes is a meaningless delusion.

B. M. PALMER.

Correspondence

His Majesty's Political Conscripts

The Editor,
Sir,

Members of the House of Commons can be classified as Conscripts and Time-servers. The former being in opposition are sometimes styled H.M. Opposition, and the latter being Cabinet yes-men — H.M. Government. The common characteristics (amongst many others) of voting in the lobbies as ordered by the whips is enforced by a fine of £600 per annum if disobedient.

The member for Ealing advocates (under threat of penalty) that all electors should be conscripted into voting for *party politics*, although at the last four bye-elections more than sixty per cent. registered their disapproval by abstention.

Assuming that Sir Frank Sanderson really attaches some importance to voting as we know it at present, it is suggested that he should first pilot a bill through Parliament for the payment of electors.

All would then be in a position financially to meet this new liability rather than being conscripted into voting for labels which mean worse than nothing.

Yours faithfully,

AUSTIN O. COOPER.

Hatfield Heath.

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THE DISTORTION OF NEWS IN THE PRESS

The publication of this series of letters is authorised by Major Douglas and Sir Reginald Dorman-Smith.

The Right Hon. Sir Reginald
Dorman-Smith, M.P., (Petersfield
Division),
House of Commons,
London, S.W. 1.

2nd May, 1939.

Dear Sir,

I shall be obliged if you will bring to the notice of any Minister concerned and if necessary raise in the House of Commons the mischievous presentation of Herr Hitler's speech on Friday, the 19th April, by inter alia, the *Daily Telegraph* on its front page.

That a large majority (which includes myself) of people in this country would take strong exception to many of Herr Hitler's views is irrelevant. To paraphrase his speech of 20,000 words by four captions in large headline type, reading "Hitler Ends Pact with Poland", "Warsaw Rejection of Danzig Proposals", "Naval Agreement with Britain Cancelled", "Mr. Roosevelt's Peace Appeal Subjected to Ridicule", while suppressing or minimising many reasonable passages such as the expressions of admiration for the British Empire and the wish for good relations between it and Germany, is to misrepresent and misdescribe an important and possibly historic document to a not inconsiderable public unused to the close examination of political speeches.

I would emphasise that the complaint which is made is not that the *Daily Telegraph* should have and express views on Herr Hitler and Germany. It is that, at so serious a juncture, it should put forward its views under the guise of news.

I shall be obliged if I may be informed as to the nature and result of the action taken.

Yours faithfully,

C. H. DOUGLAS.

Ministry of Agriculture,
and Fisheries,

10, Whitehall Place,
S.W. 1.

8th May, 1939.

Dear Major Douglas,

Thank you for your letter of

2nd May. I was very much interested to have your views about press reports of Herr Hitler's speech, but I feel bound to point out that you are raising a complex and difficult issue. On that issue I think I cannot do better than to refer you to the speech delivered on 2nd May to the Newspaper Society by Sir Samuel Hoare, which expresses the Government's views.

Yours faithfully,

R. H. DORMAN-SMITH.

Sir Samuel Hoare's Speech

In his speech to the Newspaper Society on May 2nd, Sir Samuel Hoare said that as the residuary legatee of Government functions, the Home Secretary had a special interest in Press questions. He was the Minister responsible for the police side of the Official Secrets Act. An Official Secrets Act was essential, to deal with Budget secrets, contracts, &c., apart from defence secrets, but proprietors, editors, and working journalists had been anxious lest it should be used for suppressing the liberty of the Press and destroying the traditions of British journalism. He had realized the depth of these anxieties, and in a few weeks he would be moving the second reading of the Bill in the House of Commons that would (1) maintain the need for safeguarding the State against the disclosure of secrets, and (2) restrict the use of the special powers of interrogation to espionage cases. The Bill should be a permanent safeguard to the Press, and a permanent safeguard that would not endanger the security of the State. The Bill, in fact, expressed his own attitude as Home Secretary towards the Press.

He had recently been asked questions about censorship in the House of Commons. Censorship was very tempting, but he was against it. It made unreliable papers, and it made discredited papers. There was the example of the *British Gazette*: not even Mr. Churchill could make it readable.

"I have had my share of Press criticism" (Sir Samuel Hoare went on to say), "and, being human, I believe that some of it has been very misinformed. But be that as it may, I would rather have the criticism of a free Press than the adulation of a kept Press. If I were a dictator, the Press flatterers would drive me mad. So far then as peace-time is concerned, I am strongly opposed to censorship.

Censorship in Wartime

"What then of the censorship in war-time? The Government of the day will decide, but I will give you my views as they are now. In war-time there must, or course, be a censorship. But even in war-time I should like to see the censorship worked upon lines that are in har-

mony with our general conception of the place that the Press should occupy in our national life, as a platform and a safety valve for purification and an independent bulwark of the public morale.

"The Press will have much more influence for good if it is not suspected by the public of being nothing more than the propaganda agent of a particular Government or a particular Minister. Of course, it must be prevented from publishing news that would help the enemy. Its representatives will wish themselves to publish nothing of this kind, and they will welcome a control that prevents them falling into error. But I take the view that the best way to avoid those errors will be to take the leaders into our confidence and to appeal to their sense of patriotic responsibility to do nothing to embarrass the national effort. This is the British way to deal with a great problem.

Dictatorial Press Bureaux

"We prefer cooperation to dictation. We believe that a censorship that works as closely as possible with the leaders of the Press is not only less objectionable than some dictatorial Press Bureau out of touch with the life of the country, but that it is more effective. For it will work more quickly and, while the final word will, of course, be in war-time with the Government, it will help to retain the public confidence in undoctored news. I should, therefore, think it a mistake to set up the kind of Press Bureau that was set up in 1914, that is to say a separate and remote department of control. It is much wiser to adopt the later lessons of the War and to keep the censorship as a part of a war-time Ministry of Information in the closest possible touch not only with the Press, but also with the wireless, the films, and the other instruments of publicity.

"These observations show my general attitude towards Press questions. They are founded upon the principle that I always attempt to apply, of cooperation rather than dictation. I tried it at the India Office with India. I am determined to maintain it at the Home Office in the many fields in which the Home Secretary is brought into contact with his fellow citizens. It is a principle that has been trodden under foot in more than one great country of the world. Let us show here that not only is it morally sound but that it is also practically more efficient than any system of dictatorship monopoly or jack-booted suppression.

The Right Hon. Sir Reginald
Dorman-Smith,
Ministry of Agriculture
and Fisheries,

10th May, 1939.

Dear Sir Reginald Dorman-Smith,

Thank you for your letter of the 8th May. Before dealing further with this matter, may I say

that I recognise that your time must be fully occupied in matters connected with Agriculture and that you have my sympathy in regard to the fact that I happen to have a house and a vote in your constituency and am therefore obliged to trouble you as a Member for the district.

I am afraid I cannot accept the remarks of Sir Samuel Hoare as in any way dealing with the question which I felt obliged to raise, and which I feel to be so important that I must pursue the matter further.

To say that we have a free Press in this country is a statement of the same nature as that the Ritz Hotel is open to anybody. So far as the Metropolitan Press, in particular, is concerned, I believe it to be obvious to any impartial observer that that Press, ably aided by the British Broadcasting Corporation, has striven systematically since September to precipitate a European war, and whatever may be said for a good deal of the German propaganda which, it must be remembered, is received by hundreds of thousands of people in this country by short wave wireless, I believe that in this particular its statements are correct.

It may be reasonably asked, why should anyone wish to provoke a war of such appalling dimensions as that with which, it is stated, we are threatened? I believe the answer to be quite simple: the control of the news and control of financial credit are concentric.

While, as I stated in my previous letter, there are many of Herr Hitler's views to which I should take strong exception, although I should myself suspect that those views proceed in the main from the great industrial interests in Germany, I am confident that his attack upon the monopoly of credit and his crude, but nevertheless probably effective, steps to eliminate the use of Germany as a catspaw of international financial interests, constitute the chief reason for this urgent desire to use this country, or any country, or all countries, to reinstate the international banker.

I do not think that the population of this country is particularly interested in what Sir Samuel Hoare would do with the Press when there is a war, but I feel confident that it

is seriously interested in what he is going to do with the Press to prevent a war.

I fully appreciate your suggestion that I am raising a complex and difficult issue, but I do not believe it is so complex or difficult that it cannot be dealt with.

As a member of the public, I feel that it would be improper to relieve experts of the task of taking such steps as may be necessary to provide this country with a free Press, but in view of the transcendent importance of the matter I trust you will forgive me if I ask you to raise this matter with the Home Office and obtain from them a reply which I can circulate.

Yours faithfully,
C. H. DOUGLAS.

*Ministry of Agriculture,
and Fisheries,*
22nd May, 1939.

Dear Major Douglas,

Thank you for your further letter of 10th May, about the freedom of the Press.

I think if you will re-read Sir Samuel Hoare's Speech (which was fully reported in *The Times*) you will find that it dealt very thoroughly with the question of Press censorship in peace time. Incidentally, the question has been raised more than once in Parliament recently, and you may like to refer to the answers given by the Prime Minister to questions in the House on 6th March last, copies of which I am enclosing for your convenience, and also, if you have not already done so, to the report of the Debate in the House on 7th December.

Yours very truly,
R. H. DORMAN-SMITH.

Enclosure:

**Extract from Parliamentary
Debates, Mon., 6th March, 1939.
International Situation
(Press Statements)**

Mr. J. P. Morris asked the Prime Minister whether he is aware that certain organs of the Press during the past few years have continuously published alarming statements regarding the international situation, which in many cases were grossly exaggerated, and in others false; that such publications have caused great damage to many sections of our people;

and will he consider introducing legislation to impose penalties upon the publication of demonstrably false news which results in causing anxiety and loss to the business community, the Stock Exchange, and the general public?

The Prime Minister: I am aware that sensational and inaccurate statements on the international situation have not infrequently been published by certain sections of the Press. My Noble Friend, the Secretary of State for Foreign Affairs and I myself have, on a number of occasions, emphasised the importance of restraint on the part of the Press in dealing with foreign affairs, a view, I am happy to say, which is fully shared by the more responsible journalists and newspapers in this country and by the bodies representative of their interests. I trust that their influence may be sufficient to keep the undesirable practice referred to in check.

Mr. Morris: Is my right hon. Friend aware that on Friday last in the lunch edition of the *Evening Standard* there appeared a report that Italy had called up 1,000,000 men including those rejected as being too small, that subsequently such report was proved to be false but pending its denial widespread consternation was caused to our people, and there was great loss to the business community, and is he aware that such reports are not conducive to the successful conclusion of his peace policy?

Miss Wilkinson: May we have an assurance from the Prime Minister that, whatever may be the effect on the nerves of the Stock Exchange, there shall be no censorship of the Press in this country?

Mr. Garro Jones: Is the right hon. Gentleman aware that if he introduces legislation which effectively prevents the publication of false news and view it will be most disastrous for the prospects of the Government at the next General Election?

Mr. G. Strauss: Is the Prime Minister aware that, in point of fact, a large number of newspapers supporting His Majesty's Government habitually gloss over the serious international situation with a false, misleading and dangerous optimism?

Mr. Lawson: Is there not a good deal of resentment at the publication of some of the news with regard to other countries which is true, and will the right hon. Gentleman when he introduces legislation bear this point in mind?

The Prime Minister: I have no intention of introducing legislation.

*The Right Hon. Sir Reginald
Dorman-Smith,
Ministry of Agriculture
and Fisheries,*

23rd May, 1939.

Dear Sir Reginald Dorman-Smith,

Thank you for your letter of May 22nd, with its attachment. In regard to the letter. I am interested in the affiliations of the Members
(continued on page 15)

THE SOCIAL CREDITER

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

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Saturday, June 10th, 1939.

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Liverpool, 2.

CRISIS

The Ministry of Supply—this week's horse laugh (whinny, Winnie)!

The Ministry of Supply is similar to the organisation formed in Washington during the late war with Mr. Bernard Baruch at its head. In a post-war enquiry before the Senate, Mr. Baruch said, "Yes, I suppose I had more power than anyone else during the war."

* * * *

The same newspapers which have been pressing a Ministry of Supply on Mr. Chamberlain have also been pressing for the appointment of a close friend of Mr. Bernard Baruch as Minister of Supply.

* * * *

If you note the newspapers and politicians who have pressed for the Ministry of Supply you will have a clear indication of the channels through which the scheme for world-domination is being pressed.

* * * *

There must be something wrong in the United States. Mr. Roosevelt is said to have refused to have General Hugh Johnson, who is Mr. Baruch's nominee, as the American equivalent of Minister of Supply.

TRENDS

We seem to be slipping quickly down the slope. Sir John Anderson's Defence Bill in March with its extraordinary accretions of arbitrary Ministerial and Departmental power, threatening the liberties of both individuals and

corporate bodies, is followed a few weeks later by a Bill to empower the new Minister of Supply. Judging from Press reports, this new Bill is a far more serious attack on liberty than even Sir John's effort.

The new minister will have the authority, under the harsh penalties of fine and imprisonment of directors, managers, secretaries or responsible executives, to compel the production by manufacturers of any article required; to compel the operation, cessation, or extension of works; to cancel any existing contracts and to compel new ones; to fix prices; to sequester businesses and so on. In fact, he will have the authority of a Dictator. Whether he will have the power depends on whether the spirit of democracy still lives in England. Are the industrialists of to-day—the "big men" of yesterday—supine, and cowardly to the point of supineness?

Another tyrannical step is in the direction of retrospective taxation as contemplated in the Finance Bill. So glaringly does this violate departmental principles of English law that the *Daily Telegraph* of May 26 had a leader on the subject in which it rightly condemns the action.

A third step is one by Mr. Walter Elliot, the Minister of Health, who, according to the *Daily Express*, wrote to the Cement Makers' Federation saying that the impressive dividends of the four leading companies indicate that the price of cement is too high. The gross impertinence of this is a small matter compared with the implications.

J. S. OAK.

Heavy Losses on National Insurance

Canberra.—A Select Parliamentary Committee will be appointed by the Menzies Government to pilot National Insurance to its end.

The National Insurance organisation has so far cost £115,660.

Payments to approved societies up to March 31 amounted to £44,800, while administrative costs totalled £70,860.

The Government is hopeful that further expense will be saved by a voluntary cessation of activities of approved societies by the end of June, pending the completion of inquiries into a new scheme.

Approved societies which have been asked to suspend operations total 150.

They have been informed by the Minister for Social Services, Sir Frederick Stewart, that after June 30, no further advances will be made to them by the Commonwealth Government until revised legislation has been passed.

—*Daily News, Sydney, May 11th, 1939.*

Czech Gold

Bank of England? Well, yes. But what's in a name? The little affair of the transfer of Czech gold has lightened the public darkness quite a lot. It is reported that Dr. Beyen, the President of the Bank of International Settlements, in an interview with a reporter from "Agence Economique Financiers" expressed his regrets that the matter had become a political one. No wonder. The Paris paper says "It would be better to liquidate this institution—the B.I.S.—than that it should be in a position to carry out transactions which it would certainly be more difficult for the Reichsbank to achieve without it.

We agree, but why only the B.I.S.?

THE RED ENSIGN IN ECLIPSE

By H. WINCKLES

Hundreds of British merchant ships, amounting to many thousand tons have been laid up and left to rust; they have been sold abroad, prematurely scrapped and otherwise driven off the seas. This, we are told, is due to foreign competition, which up to a point is true, but it is only the same old story of competing for a scarcity of trade which is artificially produced. It is the system and the controllers of it which are responsible for the wreck of British shipping.

Even within the very limited vision of the controllers and supporters of this system, the shipping trade is necessary to the well-being of this country. It constitutes a part of what is called invisible exports—though why the term I have never been able to fathom.

From the realistic point of view shipping is also vital to the welfare of this country; it is obvious that its insular position would lead to a greater degree of maritime activity than in countries differently placed. Then there is the matter of war. In the present stage of productivity; we are still dependent on many things that have to be imported, though doubtless the degree of our dependence could be very much reduced if scientific development were not frustrated as it is. In war time trade routes must be maintained and merchant fleets kept at full strength; much more important this than building battleships. Instead they are allowed to rot and rust, laid up in creeks and estuaries where the tax-gatherer extracts the minimum fine for the privilege of sheltering ships. I often wonder, by the way, how many vessels have been lost, how many sailors drowned, through the fear of incurring the expense of running into port in a storm. But there is thought to be some cosmic law whereby the building of a harbour involves some process of "going without" on the part of ships and the general public to pay for it in terms of figures.

The years have now accustomed us to the sight of these fine ships rotting or going to the breakers'

yards. It is a sight to break a sailor's heart, especially when it is breaking too with the urge to be off and away himself, for the lure of the sea is not mere sentimentality, but a very real thing for those who are made that way. And still more real a thing it is when the wolf is at the door. And there are wolves at many other doors where the things those ships could be carrying are in desperate request, not only here in our special areas, but over the whole wide world. The limits of demand for ships and sailors is a long way off indeed, without considering the passenger trade, and the value of travel we hear about, which is the source of the only true internationalism. This is frustrated too, though the physical difficulties have gone, not only by the lack of the means but by all sorts of restrictions and petty annoyances unheard of in the middle ages.

All sections of the shipping world as well as the general public are suffering as a result of this decline. Shipowners, shareholders, sailors, and the same old needless conflict between them still prevails. The former perhaps might be eliminated. There are not many shipowners now in the old accepted sense; it is assumed that financial institutions have largely taken their place. They have no interest in ships except as a means of making money—in the double sense this time! Perhaps that is why they are so ugly—the ships I mean—iron tanks, built by the mile and cut off in lengths, as sailors say. One recalls the days of the clipper ships when their owners took such a pride in them, gave banquets to celebrate the winning of a race and distributed largesse. Masters of ships made fortunes then, and going a little farther back there was a time when even sailors did. At least they lived a freer life. They went to sea, then stayed ashore till their money was all spent. Now they only go to sea, with scarcely time to see their homes and families between successive voyages. Shareholders have not yet ceased to exist, though they are becoming more and more identified

with the controlling owners. People are not very anxious now to invest their money in ships, even if they had it. They remember the crashes of recent years, Cunard, White Star, R.M.S.P., Lamport and Holt, and Elder Dempster. Nearly all the principle lines have crashed and the shareholders now are beginning to know where their money went.

Lord Kylsant was not the only man who was alleged to have overstepped the limits to which "sound finance" can go and who played the part of a scapegoat. Directors of companies like town councillors will have to be made responsible for the money committed to their charge, and shareholders, like ratepayers, will have to make their voices heard.

As for the sailors, it is hard to speak in measured terms of the sufferings of merchant seamen during the post-war years. Many thousand lives were lost in feeding the country during the war. The financial policy followed later involved those that were left in the general collapse. Only those who moved in shipping circles saw the distress that followed, war-worn veterans out of a job year in year out: a shipmaster sleeping in Blackwall Tunnel, without the price of a bed; a naval commander, "axed" from his ship, dropping lower down the scale, master of a dirty coaster, then no job at all; the sailors taking to the roads, others, perhaps, a little wiser, beachcoming in more congenial climes, to be hounded about by foreign police. They ought to have saved their money of course; they ought to have drunk less beer. The pushing puritan, to borrow a term, is always ready with an excuse.

The young men drifted away from the sea, the men we may urgently want again. For the older ones there was no escape. They foregather in their poverty-stricken clubs and institutions, those institutions they will have to control, who have no more vision than to collect small sums of money

(continued on page 15, foot of column 1)

SUBSTANCE AND SHADOW

By G. R. ROBERTSON

Aesop's fable of the dog which snatched at the meat reflected in a stream, and thereby lost the meat in its own mouth, very aptly describes men's attitude to money. They keep their eyes on the shadow, grab at it, and lose the substance, life and the means of life.

"To think in terms of goods, real wealth, makes much of the vast literature of usury meaningless." (*Norman Angell*).

Plato's famous metaphor applies more forcibly in this realm than in any other: men are, as it were, sitting in a cave with their backs to the light and see only the shadows in front of them; even when a few rise and face the light, even then they only see images,—the real things are hidden away in heaven.

The South African Government makes vast profits out of gold mines, which it piles up as balances in the City of London, and takes all the recognised means—(Tariffs, Quotas, etc.) to prevent goods entering the country; then it comes to London for a loan of £5 millions and is offered £50 millions.

Our M.P.'s pass legislation in a hurry to prevent Czech money in our banks going to its owners, when Czecho-Slovakia becomes part of Germany, and then they wax very indignant when they find that it goes in spite of them. Or has it gone? Nobody knows; it was only gold; nobody had ever seen it!

The world produces real goods in abundance, and Governments take all means (Taxes, Tariffs, Quotas, Conferences, etc.) to prevent these goods from reaching citizens: why? Because the shadows are more important than the substances. So long as men think of the shadows, Governments make fools and slaves of them.

The fantastic tricks of to-day whereby certain clever people dazzle the multitude with shadows are only different from those of other days by reason of their size and their enormity. The lady missionary who collected dog's teeth, and by means of them paid for the erection of a Mission

Hospital no doubt did it "for their good." Those who create the means of payment out of nothing and lend it out at interest, continually claim to be great "benefactors" of their victims.

In the course of its weird and wonderful history, money has taken many forms and shapes,—tea, tobacco, furs, cotton, pins, matches, even beer! Beer was so used in a mining district of Yorkshire. A Government Commission sent to investigate, reported: "It was very popular, and highly liquid, it was issued to excess, and was very difficult to store!"

There is no need really for money to be anything other than paper documents or figures in books. It should merely be "Accounts for services rendered." Unfortunately, it has hitherto been difficult to supervise the book-keepers and see that they kept correct accounts. Individuals have been fairly honest, but Institutions (i.e., Governments or Banking Businesses) have found it a very profitable process to write down (or up) their own account for services NOT rendered. This practice is naturally very profitable, so long as they get away with it,—profitable for the Institutions, but exceedingly burdensome for the public. It is this unfair practice that keeps people trudging into the big cities to do little sums in arithmetic, while all the time the fresh air and the wide country keep calling them to a nobler and healthier manner of living.

In the Island of Yap there is a form of Currency which looks like a skit on our Gold Standard. There, money is a kind of stone brought from a neighbouring island. It is large and unwieldy and lies about the doors. The titles to it may change hands, and the stones remain where they are. One very wealthy family's "Bullion" lies at the bottom of the sea, where it serves the purpose of Currency equally well. The (German) Government wanted the natives to build roads, which the natives refused to do, till one official had a brain wave, went round and put

the Government stamp on the stones, to the great distress of the natives; it was removed when the natives did their quota of forced labour on the roads.

Sometimes people came very near discovering vital truths concerning money. In Quebec under French Government the "Bullion" to pay the soldiers was generally slow of coming. The soldiers were very popular with the local people, who were quite able and willing to supply them with the means of living (substance), but what when there was no bullion? Could they not get on without the shadow? An ingenious commander invented a form of money by stamping playing cards with certain values and paying the soldiers with them. The soldiers took these to the local shop-keepers who gladly accepted them in payment for the goods. They used them also to pay one another; in fact they became a very convenient form of currency, and it did not seem to matter very much whether the "Bullion" ever came to redeem them!

But our modern manipulators of shadows still pretend to be going to redeem their promises in gold *some day* (their promise had been to pay *on demand*). And gold is with great toil and sacrifice of (native) life dug up in South Africa and elsewhere, and transported with appropriate insurance rates from one bank cellar to another, until finally most of it seems to find a resting place at Fort St. Knox in Kentucky. "Some day, thousands of years hence, antiquarians will discover a vein of yellow metal in the Rocky Mountains, and they will imagine all sorts of explanations as to how and why it came there. I'll bet my gold cuff links they will never imagine anything half so fantastic as the truth." (Quoted from memory of an article in the *News Chronicle* written by him who is now Editor of *The Economist*). All their debts, mortgages, insurances, etc., are supposed somehow to refer to this vein of yellow metal—the reflection of a shadow—and not
(continued on page 15)

COD!

"Dictatorship in Newfoundland," by T. Lodge, 273 pages (London, Cassell & Co., Ltd., 7/6).

A very wise man once said: 'Never slap a man's face. Wait. You may find the provocation passes or that it increases. If unfortunately it does, then hit him full in the jaw and lay him out.'

Mr. Lodge may never have heard this excellent advice; or it may be that, having heard it, he is not fully capable of profiting by it, in which case we should (personally) have been very happy indeed to come to his aid.

The treatment which is being meted out to Newfoundland will certainly not be stopped by slapping the face of the Colonial Office. Like the treatment which is being meted out to Alberta, Saskatchewan, Manitoba, New Zealand, France, Germany, and the Isle of Wight—why complete a list which comprises the habitable (and the uninhabitable) globe?—the treatment of Newfoundland is a case for a knock-out.

These considerations are so elementary and the neglect of them so unwise, as almost to invite suspicion that the tone of lofty superiority which Mr. Lodge adopts towards the Lords Commissioners of His Majesty's Treasury, Their (*sic*) minds, Their limitations and "Their acquiescence in financial measures . . . theoretically indefensible," may be disingenuous.

The great world hardly knows that the oldest British Colony has been summarily stripped of its democratic rights as a self-governing Dominion. Why doesn't it? Because it hasn't been told.

"At the end of 1933 two Governments of His Majesty, theoretically equal in status, agreed together that one should surrender to the other not merely independent Dominion status but the whole of the political freedom of its people . . . It was the negation of political liberty and the repudiation of all those principles of democracy on which British statesmen affirm—and believe, at any rate when they are making after-dinner speeches—that the Empire has been built up

and will always rest."

It is now 1939. The "experiment" in dictatorship which began behind a smoke-screen of ribaldry (one British newspaper printed eleven columns of the rubbish spoken during the session of the House of Commons which 'passed' the necessary Act *without mentioning what the debate was about!*) has lasted more than five years. "After five years of Commission Government, Newfoundland is economically poorer than she was before its advent. Notwithstanding all the optimistic utterances of the Secretary of State the Commission has failed to make any definite progress towards rehabilitation."

Mr. Lodge goes on to say that "both the failure and the *fundamental* reasons for the failure have been known for three years."

What are they?

- (1) The Commissioners could not agree (p. 3).
- (2) The people won't agree with the Commissioners (p. 3).
- (3) Inflexibility of the constitution (p. 9).
- (4) Attacks of captious critics (p. 10).
- (5) Parliament had created a 'constitutional monstrosity' (p. 12).
- (6) Economic incompatibilities (p. 16).
- (7) Transformation of the basis of the economic life of the island by an economic world-revolution (p. 23).
- (8) The infallibility of the Dominions Office whenever it acted under the influence of 'influential opposition' to the Commissioners (p. 75).
- (9) The inability of the Navy, which "was jolly well going to see that the cod fishery continued to be the economic mainstay" to perform this impossibility (p. 77).
- (10) Shirking
 - (a) responsibility by Dominions Office (many pages).
 - (b) question "how a mass of processes which can only give a tolerable living to the

primary producers if supplemented by aid from taxes can nevertheless result in a surplus out of which loans can be repaid" (p. 91).

- (11) Commission was being asked "to work a miracle" (p. 93).

To go no further, the Dominions Office might reply to Mr. Lodge by saying that these suggestions do not present a very clear picture of the *fundamental* reasons for the Commission's failure, the impossibility of complying with a demand for a miracle alone excepted, and that the nature of the miracle is unspecified. And they would be right! In regard to 'fundamental reason' No. 10 (b), Mr. Lodge, by the bye, does not tell us the answer!

By the time we reach page 192, Mr. Lodge has discovered that the problem of Newfoundland is more moral than material. "It is a function of the character of the people."

Of course! The people won't do what they ought to do. To adjust themselves thoroughly to the conditions created for them they ought even to reverse their ancestry and become the descendants of Lowland Scots "instead of West countrymen and Irishmen of charm."

If only that were done, we presume they would have no difficulty in abandoning their staple industry, agriculturalise themselves, and accept a dictatorship composed of civil servants who seem to know no more economics than the Colonial Office and have far less appreciation of the awakening forces which are opposing the powers inherent in the monopoly of costlessly created debt from one end of the world to the other.

Despite an annoying amount of repetition, the book contains a great deal of useful information. The chief information withheld is information on the point: Why, with generations of scientific advancement to assist them, is it now harder for men to live in Newfoundland than ever before?

NATIONAL DEFENCE

Most people have heard of the Enclosures Acts. They were in vogue for a hundred years or more, and they changed the face of England. Yeomen, the backbone of the nation—whom we commemorate only in song—were driven by these Acts from the land, their inheritance, into the towns; from honourable independence to direful poverty; from pride in the noblest of creative work—agriculture—to the degradation of sweated labour; from the glory of the sun bathed and wind swept countryside to the miserable squalor of crowded hovels in the damp, dark foulness of the slum.

By these Acts the broad foundation of England's culture was attacked and shaken near to destruction. Mercifully it survives, however, in the kindness and courtesy of the simple folk—the craftsman and the labourer.

There is no doubt that the results of the enclosures acts were deliberately brought about. The development of the Financial and Industrial systems synchronised, with hellishly inhuman results for most people. It would be hard to believe that men could be so utterly callous and cruel, so completely indifferent to the ruin and misery caused by their actions—were it not for the very complete evidence that exists on this subject.

The policy behind the Enclosures Acts is still operating. Even the method is being used again to-day.

The procedure was, by a special act of Parliament, to divide all the common land in a manor among the freeholders, pro rata to their holdings, whether they wanted it or not. It was made a condition that the distributed lots should be enclosed by hedges and ditches, walls, or the like. It was of no account that the large majority of freeholders depended for their living upon the use of the common land in common, and did not want it to be either enclosed or privately owned. They had to have it, as it was the majority will by *acreage* that counted.

The loss of common rights hit the small men hard, and the cost of

compulsory hedging and ditching finished them off. By the thousand they had to sell their freeholds to meet the drain. The buyers were, of course, the few large landowners who had started the ball rolling in the first place by getting the Act passed by Parliament; and they bought for an old song.

In those days, the large landowners ruled both in Parliament and out.

The ostensible object of these crimes was to improve agriculture, and thereby the safety of the country, but the real object was land grabbing and the provision of cheap and abundant labour in the mills and mines which were owned by the same people.

Power to-day is in other hands—the Banks, and landowners and factory proprietors have long since been scheduled for destruction. Many have already gone, Parliament is still manipulated in the name of democracy, and the cause of National Security. Again the method is, by special act of Parliament, to make people, and corporate bodies, spend large sums of money which most of them haven't got. Again the Producer will be driven deeper into debt as he borrows to fulfil his statutory obligation; or he will go out of business.

The latest menace is found in the Civil Defence Bill by which, among many things, manufacturers are compelled to protect their employees and factories, by providing shelters, by arranging special lighting, and by preventing "glare" during production. All of which provisions appear, on the surface, to be desirable from the workman's point of view; but not so if the firm is thereby too much handicapped. Think what this means in the case of blast furnaces, coke ovens, steel works and so on. Vast sums of money will be required, which, since few firms have any loose cash, can only result in increased debt to the banks, and, in numerous cases, to ultimate liquidation.

Thus the old policy of control and destruction develops.

J. S. OAK.

You Must Have Money in Your Jeans

(To the tune of "I've Got a Pocketful of Dreams")

Some folk will try to tell you
(Strange though it be to say)
That they can live on plates of
dreams

In a most luxurious way;
But dreams ne'er filled a stomach
Nor nourished flesh and blood.
To live you must have energy
Provided by good food.

Chorus—

Yes Sir! Yes Siree!
For to live right happily
You must have the money in
your jeans.
You can eat your fill—
Freely choose you what you will—
When you have the money
in your jeans.
All the shops are full of good
things
That we need for life and health
Money merely is the tickets
With which to buy that wealth.
Yes Sir! Yes Siree!!
For to live right happily
You must have the money in
your jeans.

Imagination salad may feed a
dreamy mind
And satisfy an appetite of visionary
kind
But bread and meat and milk and
such
Our bodies need, it seems,
So away with foolish notions
Of living well on dreams.

ERNEST J. ATTER.

Carmel, California; Dec. 1938.

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THE UNITED RATEPAYERS' ADVISORY ASSOCIATION

Sentinel House, Southampton Row, London, W.C.1.

Newcastle Rates Campaign

In Newcastle nearly forty-five thousand ratepayers have signed a demand for lower rates and assessments with no decrease in social services.

Several indirect attempts having been made by a certain municipal party in Newcastle to get the Lower Rates Association to send a deputation to see them, and failed, the party wrote officially to request that a deputation attend one of their meetings, when fifteen minutes (!) would be set apart for them to explain their case and have it discussed.

This is the letter they received in reply:—

25th May, 1939.

Dear Sir,

Further to my postcard acknowledgement of your letter of the 19th May, it would appear that the desire of those councillors who are members of your Party to hear the case for a Lower Rates Demand, is not very serious if they are only prepared to grant, in all, 15 minutes for hearing and for discussion. This time limit is, of course, out of the question. If you care to arrange a meeting of councillors in Newcastle, expressly for the purpose of having the FACTS in regard to this demand made clear, we shall be perfectly willing to accede to this request. The matter cannot be adequately dealt with, however, under 1½ hours.

It must be made plain, however, that in taking this course, we do so only as a matter of convenience in saving both our own time and that of councillors. This procedure does not in any way affect the fundamental principle underlying all truly democratic action, to which we intend rigidly to adhere, namely, that each councillor is individually responsible to his electors and to no one else. Councillors have no right to accept instructions from any third party, since each councillor is elected specifically to represent the persons

who elected him. We cannot, therefore, send a deputation, but should be ready to provide a *speaker* to attend any meeting of councillors that you may arrange for this purpose.

Under no consideration will we deal with a party in forwarding this demand. It concerns the individual councillors representing those Wards from which the demand emanates. The evidence in our possession is conclusive that all Wards are in agreement on this specific result, lower rates and assessments with no decrease in social services. However, if councillors, as a body, wish to hear the facts of this demand, the opportunity to do so is now available.

Yours very truly,

C. R. PRESTON.

Red Herring

Birmingham City Council will be asked next Tuesday to pass a resolution endorsing the action of the Council of the Association of Municipal Corporations in making representations to the Government urging the appointment of a Royal Commission or a Departmental Committee to consider the question of local taxation in all its aspects.

The Association of Municipal Corporations has already requested the Government to institute an inquiry into the whole aspect of local taxation and the City Council will be asked to endorse that action with a request that copies of the resolution be forwarded to the Prime Minister, Minister of Health, and local M.P.'s.

From Birmingham Evening Despatch, June 1, 1939.

Keep up the pressure!

Warning Europe

Those who have helped financially and otherwise with the distribution of the "Warn Europe" memorandum, will no doubt be pleased to learn that a quite exceptional enthusiasm and interest has been displayed towards it by a large variety of people. It is known to have been received well by many important people, whose names for obvious reasons cannot be mentioned.

A good many thousand have been distributed in Great Britain, most of which were carefully placed with influential people. Orders for quantities were received from over a hundred different towns in England, not counting London and other big cities whence most of the orders have come.

Good contacts with influential people have been made in Germany, France, Italy, U.S.A., Holland, Denmark, Sweden, Norway, Canada, Australia and Rhodesia. The memorandum itself, articles relevant to it or extracts from it have been published in papers in Holland, France, Italy and Eire.

Here are extracts from two letters, not unrepresentative of a large number received:—

"Your article in *The Social Crediter* under heading "Warning Europe." I should like to have you send me 500 copies, for mailing to members of the House of Commons and to leaders of industry."

—from Canada.

"We are thrilled with the article "Warning Europe." Senator Darcey read the whole of this to a full Senate and explained it carefully, taking forty minutes! It will appear in full in *Hansard*."

—from New South Wales.

The NEW ERA

Australia's Social Credit Weekly
24 Pages, Illustrated. 12 months, 12s.

The New Era, Radio House,
296 Pitt Street, Sydney, Australia.

PAYING FOR WHAT YOU CONSUME

Question: Re Resolution passed by Cobh U.D.C., 8th line: "Allowing for repayment of the capital at a rate to be agreed by the Council." I am not clear about the implication of this part of the Resolution.

As the creation of financial credit is admittedly nearly costless why should the ratepayers have to pay rates to pay off the capital credit?

Answer: The answer to this question is that capital should be repaid on principle and in theory, but that in practice it is and will be found that a Local Authority's assets are continually increasing in real value.

It is a fundamental principle

of realistic accounting that finance should reflect reality. Hence it will be that the capital credit of a Local Authority would only be repaid (or retired) out of ratepayers' income if there was a depreciation of aggregate real values in any year.

To clarify this, let us assume that the financial value of a Local Authority's assets was recorded as £1,000,000 and that these assets depreciated at a general rate of 10 per cent. per annum. At the end of any year, therefore, in which this occurred, 10 per cent. of the capital credit would be due for repayment. But assume that

£100,000 worth of new assets had been created in the same year, then you find that the two items cancel each other out, and taking the assets of the Authority as a whole, there should be no repayment of the principal by the ratepayers. The expenditure of the Nation's money income should be an exact reflection of its consumption of real wealth. A capital asset, therefore, which depreciates at a given rate over, say 100 years, should only be consumed in terms of money income at the rate of its real consumption.

J. M.

Petition Madness

Surrey Federation of Ratepayers' Associations is to consider a plan for a mass meeting at the Albert Hall to protest against the increase in London railway fares.

Mr. Harold Heath, president of the Federation, said yesterday:

"Our people feel very strongly about this. Railway propaganda to live in the country has persuaded many of them to move on to the new outlying estates, and their budgets are calculated to such a nicety that they can never hope to meet increased travelling expenses without robbing themselves of some of the necessities of life in other directions."

The executive of the Federation of Tenants' and Residents' Associations yesterday decided to collect a million signatures to a monster petition that will be delivered to the Minister of Transport personally.

From Daily Telegraph and Morning Post, May 31, 1939.

Why petition a man who is your servant? Instruct him.

Why elect men to represent you, if when you want them to represent you, you go over their heads to a man whom you can control only by controlling your representatives?

Why?

H. G. Wells Prophecies

For there had been no foresight of these things... The world in these days was not really governed at all, in the sense in which government came to be understood in subsequent years. Government was a treaty not a design; it was forensic, conservative, disputatious, unseeing, unthinking, uncreative; throughout the world, except where the vestiges of absolutism still sheltered the court favourite and the trusted servant, it was in the hands of the predominant caste of lawyers, who had an enormous advantage in being the only trained caste. Their professional education and every circumstance in the manipulation of the fantastically naive electoral methods by which they clambered to power, conspired to keep them contemptuous of facts, conscientiously unimaginative, alert to claim and seize advantages and suspicious of every generosity. Government was an obstructive business of energetic factions, progress went on outside of and in spite of public activities, and legislation was the last crippling recognition of needs so clamorous and imperative and facts so aggressively established as to invade even the dingy seclusion of the judges and threaten the very

existence of the otherwise inattentive political machine.

The world was so little governed that with the very coming of plenty, in the full tide of an incalculable abundance, when everything necessary to satisfy human needs and everything necessary to realise such will and purpose as existed then in human hearts was already at hand, one has still to tell of hardship, famine, anger, confusion, conflict, and incoherent suffering. There was no scheme for the distribution of this vast new wealth that had come at last within the reach of men; there was no clear conception that any such distribution was possible... Under this tremendous dawn of power and freedom, under a sky ablaze with promise, in the very presence of science standing like some bountiful goddess over all the squat darkneses of human life, holding patiently in her strong arms, until men chose to take them, security, plenty, the solution of riddles, the key of the bravest adventures, in her very presence, and with the earnest of her gifts in court, the world was to witness such things as the squalid spectacle of the Dass-Tata patent litigation.

—"The World Set Free," H. G. Wells, written in 1913.

(continued from page 7)

who appear concerned to retain the "freedom of the Press" in its present form.

While I feel that the matter is so important that it cannot be left at this point, I do not propose to trouble you further until it can be taken up from a somewhat different angle, but I should like to take this opportunity of expressing my appreciation of your courteous reply, as well as to assure you of my wish not in any way to cause embarrassment either to Mr. Chamberlain or to those who are working with him at this juncture. I think, however, that it would be helpful from this point of view if I were to cause publication, in various quarters, of this correspondence, including this letter. Perhaps you will be kind enough to let me know if you agree.

Yours very truly,
C. H. DOUGLAS.

*Ministry of Agriculture,
and Fisheries,*
25th May, 1939.

Dear Major Douglas,

Thank you for your letter of 23rd May. I have, of course, no objection whatever to your publishing our correspondence.

Yours sincerely,
R. H. DORMAN-SMITH.

(continued from page 10)

to the goods and services whereby men live. And so precious are the accounts of figures in books that duplicates are being made of them and kept in separate places, so that if one set of records is destroyed by air-raid, the other will survive. It is so much more important to preserve these records than human lives!

From all these fantastic tricks it is good to turn back and smell the good fresh country air which was breathed by the Man of Nazareth. Once He and His disciples found themselves in a desert place with five thousand folk who apparently had nothing to eat. He proposed to feed them. Coarse barley rolls, a kind of pickled fish, and dates were not un plentiful even then and in that country. But the disciples—like most moderns—asked "Where was the money to come from?" 200 shillings—"They don't eat DENARII," said He, "What have you got?" A little boy, who apparently had been listening to the talk about giving and sharing brought out his little poke with rolls and fish; Jesus took it, solemnly acknowledging that all food comes from God. Then the disciples put their hands in their pockets and found that they also had some sandwiches, and so did the multitude: *there was enough for everybody.*

(continued from page 9)

and look for jobs that do not exist. They haunt the docks and harbours and watch the Dutchmen effect a conquest by peaceful penetration Van Tromp could not achieve by war. Some vagaries in the financial position have placed them in a position to capture even the coasting trade. Or is there some deliberate design to weaken our maritime strength? The trade in general goes to the country which pays the heaviest subsidies. The principle has come to stay and will have to be extended, but while it is taken out of taxation we shall only keep shifting the problem round from one trade to another as any child could see. Primarily of course the solution of the problem is a question of increasing the

volume of trade by internal purchasing power.

Failure to take really remedial measures places those responsible open to the charge of ignorance, in which case they are incompetent to deal with the country's affairs, or brings them under suspicion of complicity with a deliberate conspiracy aimed at its downfall. The responsibility for policy, however, lies with those whose interests are in the shipping trade. Their ability and determination in the mastering of technical difficulties, in organisation; their courage afloat in the war against the elements, and on occasion against the "King's enemies" will make them formidable opponents of their real enemies once they have them located; and this is rapidly taking place.

Parisian Protest

A conflict threatens between the City of Paris and the French Government over the new conditions for the distribution of gas masks to Parisians.

The municipality is inundated with protests from citizens who say they are now told that they must obtain their gas masks at a charge of 12s. each before June 10, failing which they render themselves liable to fines.

Last year the City of Paris undertook to pay the State part of the cost of the gas masks, on condition that they were distributed free of charge.

The protesting citizens say that apart from the compulsion imposed upon them, they will be paying twice over, once through the rates and again out of their own pockets.

Smuts and Baruch

Sir Henry Strakosch recently presented to the South African House of Assembly, a portrait of General Smuts painted by Sir William Orpen.

The presentation was made on behalf of Mr. Bernard M. Baruch, of New York, the economist who advised the American Peace Commission.

No Mendelssohn Loan

It is reported that the Mendelssohn (Dutch-group), the most important in the banking syndicate which had planned to raise a loan for General Franco's government and which was to send M. Van Zeeland as "ambassador," has withdrawn from the undertaking.

Conscripts

Registrations of men of 20 years of age for conscription purposes totalled 219,964 men; 3,775 were conscientious objectors.

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ANNOUNCEMENTS AND MEETINGS

Will advertisers please note that the latest time for accepting copy for this column is 12 noon Monday for Saturday's issue.

BELFAST D.S.C. Group. Headquarters: 72, Ann Street, Belfast. Monthly Group Meetings on First Tuesday in each month.

BIRMINGHAM and District. Social Crediters will find friends over tea and light refreshments at Prince's Cafe, Temple Street, on Friday evenings, from 6 p.m., in the King's Room.

BLACKBURN Social Credit Study Group. Enquiries to Hon. Sec., 47, Whalley New Road, Blackburn.

BRADFORD United Democrats. All enquiries welcome; also helpers wanted. Apply R. J. Northin, 7, Centre Street, Bradford.

DERBY and District—THE SOCIAL CREDITER will be obtainable outside the Central Bus Station on Saturday mornings from 7-15 a.m. to 8-45 a.m., until further notice. It is also obtainable from Paynter's and Sons, Market Hall, and from Morley's, Newsagent and Tobacconist, Market Hall.

LIVERPOOL Social Credit Association: Enquiries to Hon. Secretary, Green Gates, Hillside Drive, Woolton.

LONDONERS! Please note that THE SOCIAL CREDITER can be obtained from Captain T. H. Story, Room 437, Sentinel House, Southampton Row, London, W.C.1.

NEWCASTLE D.S.C. Group. Literature, The Social Crediter, or any other information required will be supplied by the Hon. Secretary, Social Credit Group, 10, Warrington Road, Newcastle, 3.

PORTSMOUTH D.S.C. Group. Weekly meetings every Thursday at 8 p.m., 16, Ursula Grove, Elm Grove, Southsea.

SOUTHAMPTON Group. Monthly Meetings: In future the Monthly Meeting of the Association will be held at the ADYAR HALL, Carlton Crescent, Southampton, 7-45 p.m., every first Monday in the month, commencing with Monday, 3rd July.

SUTTON COLDFIELD Lower Rates Association. A complete canvass of every house is being undertaken. Any assistance welcomed. Campaign Manager: Whitworth Taylor, Glenwood, Little Sutton Lane, Sutton Coldfield.

TYNESIDE Social Credit Society invite co-operation to establish a local centre for Social Credit action in all its aspects. Apply W. L. Page, 74-6, High West Street, Gateshead.

WALLASEY Social Credit Association. Enquiries welcomed by Hon. Sec., 2, Empress Road, Wallasey.

Miscellaneous Notices.

Rate 1s. a line. Support our Advertisers.

DERBY & DISTRICT Lower Rates Demand Association: Fortnightly meetings suspended until October.

The NORTH DURHAM Ratepayers' Advisory Association would welcome support, physical or financial from sympathisers in Gateshead and District to carry on their campaign for Lower Rates and no Decrease in Social Services. Campaign Manager, N.D.R.A.A., 74-76 High West Street, Gateshead.

UNITED RATEPAYERS' ADVISORY ASSOCIATION. District Agent for Newcastle-on-Tyne area, W. A. Barratt, 10, Warrington Road, Fawdon, Newcastle-on-Tyne, 3, will be pleased to assist anyone on new Lower Rates Associations.

UNITED Ratepayers' Advisory Association. District Agent for S. Wales and Monmouthshire, Mr. P. Langmaid, 199, Heathwood Road, Cardiff.

EXPANSION FUND

To the Treasurer, Social Credit Expansion Fund, c/o The Social Credit Secretariat, 12, Lord Street, Liverpool, 2.

I enclose the sum of £ : : as a donation towards the Social Credit Expansion Fund, to be expended by the Administrators at the Sole Discretion of Major C. H. Douglas.

Name Address

TO THE DIRECTOR OF REVENUE, THE SOCIAL CREDIT SECRETARIAT, 12, LORD STREET, LIVERPOOL, 2.

I wish to support Social Credit Policy as defined in the terms of association of and pursued by The Social Credit Secretariat under the Chairmanship of Major C. H. Douglas.

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