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FOR POLITICAL AND ECONOMIC REALISM

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FINANCIAL FIFTH COLUMN

By JOHN MITCHELL

The Fifth Column in Great Britain may embrace several columns; but beyond doubt by far the longest and most formidable is composed of those who aid the Nazis by sabotaging the productive effort of the nation through the restriction of credit and the misuse of power exercised in its control.

Social Crediters should put a plain question to every person who expresses apprehension as to the efficacy of our war effort, and to the existence of a Fifth Column; "Why do you tolerate the sabotage of our war effort by banking interests?"

The nation has to withstand the armed might of a very powerful aggressor; not only has it to defeat this aggressor, but it has to reinforce its own morale against that exhaustion which enables revolutionaries and communists to sway the masses. If there are (as indeed there are) many farms, factories or mines which are not producing as much as they might do, there are only two reasons why it is so. Firstly because they or their suppliers of raw materials are short of capital for development purposes, or secondly because they are not assured of being able to dispose of their products at prices which cover their costs. The solution of both these difficulties can be found by adjusting financial policy. Every farm, factory or mine should have adequate access to the financial credit which banks can create; and the community should be constantly in possession of enough money to discharge current prices, which in turn should include a reasonable profit on turnover. With productive resources thus released from financial restriction and prices regulated, maximum supply is assured and inflation is impossible.

There remains only the question of purchasing power being available for what is produced. There are only two purchasers—the Government and the public.

In regard to this, the first requisite is for the Government to abandon complicity in the damnable lie that it can only find money to pay for its supplies from taxation or public savings; and instead to have full and frank resort to the credit which banks create and which should be created as the community's and not the banks' property. There need then be no war debt and the public can be left in possession of adequate purchasing power. If it is left with more purchasing power than there are goods available, the goods can be fairly distributed by rationing.

Events are forcing the pace and the public is becoming, under the stress of events, production-conscious. But our Financial Fifth Column endeavours to evade the issue, even when it also is forced to become production-conscious.

Thus we have the City Editor of *The Evening Standard* writing in that paper on May 10:

"The recent trend of wholesale prices shows the need for an immense increase in home production. Restrictions of every kind on every section of the community should be thrown off immediately in order to ensure the biggest production possible."

"Hours of labour and conditions should be sacrificed in the cause of national production. It is known that one of the causes of our recent troubles has been inadequate production. Nothing then, is so important as giving our men the materials and the people the food."

An awareness of the real nature of the problem is however being demonstrated in various quarters. The feature article in the May issue of a London Co-operative publication which is stated to be distributed to a million people contained a very pungent statement of the truth. Here are some of the points it makes:

"Let me tell you what is wrong with Sir John Simon! He shares the common, but quite wrong, belief that a Government needing money can get it ONLY by taxing its people OR by borrowing from them.

"THERE IS A THIRD WAY IN WHICH A GOVERNMENT CAN GET MONEY, BUT SIR JOHN SIMON IS UNFORTUNATELY IGNORANT OF THAT WAY! And because the British Chancellor of the Exchequer is ignorant of finance, the British people have to bear an endlessly increasing burden of national Debt—they and their children's children unto the umpteenth generation.

"A Government can get money by taxation. That is one way. It can get money by borrowing; that is a second and, as we have seen, a bad way.

"A GOVERNMENT CAN ALSO GET MONEY BY CREATING THE MONEY FOR ITSELF. That is a third way. And that is the way about which Sir John Simon is ignorant . . .

"THE IMPORTANT THING TO UNDERSTAND

ON OTHER PAGES

"The Evil Things" by Norman Webb
Belgium and International Bankers...by E.S.E.
Specifications (1) by T. J.

IS THAT BANKERS THEMSELVES ACTUALLY CREATE OUT OF NOTHING MOST OF THE 'MONEY' THEY LEND.

"If you lend your friend a shilling you part with the shilling which he gets. But a banker lending £1,000 to a business man does not part with the £1,000. He merely makes a book entry, crediting the business man £1,000 and allowing him to write out a cheque transferring £1,000 from his own account to the account of some other business man. No money passes, and in actual practice over many years the bankers have found that for every £1 of real money they have in their tills, they can put up £10 of loans in bank money which circulates only as cheques."

Urging his readers to stand no nonsense from the bankers, the writer continues:

"Money, therefore, is no longer wealth in itself, it is only a system of tickets.

"And bankers jealously reserve to themselves the right to create those tickets. They would also raise a frightful hullabaloo if the Government started to create its own money instead of borrowing (either directly or at second-hand) from bankers.

"BUT A WISE GOVERNMENT, STANDING NO NONSENSE FROM BANKERS, WOULD, ESPECIALLY IN WAR-TIME, CREATE FOR ITSELF, FROM ONE ANNUAL BUDGET TO THE NEXT, WHATEVER MONEY IT DECIDED COULD NOT BE RAISED BY TAXATION.

"Of course, there would have to be certain safeguards" . . .

"The first safeguard would be the strict rationing of all consumable goods" . . .

"IN ORDER TO MAKE RATIONING EFFECTIVE, THERE WOULD HAVE TO BE STRICT GOVERNMENT CONTROL OF ALL RETAIL PRICES; AND THAT WOULD BE THE SECOND SAFEGUARD ADOPTED BY A WISE CHANCELLOR OF THE EXCHEQUER IN HIS WAR BUDGET.

"The third safeguard would consist in rigidly costing all munition production and drastically limiting all munition profits.

"Once these safeguards were applied, it would be perfectly safe for the Government, having levied as much taxation as people might reasonably be expected to stand without diminished enthusiasm for the war, to proceed to create its own money to bridge the gap between spending and taxing. IN THIS WAY, THE EVIL OF INCREASED NATIONAL DEBT WOULD BE AVOIDED.

"Do not heed the bogey of 'inflation'! THERE CAN BE NO INFLATION WHEN RETAIL PRICES ARE UNDER FIRM CONTROL. In fact, inflation means a rise in prices due to increased supplies of money unaccompanied by increasing supplies of goods. What I am advocating is an increased supply of money, true; but only to meet the cost of increased supplies of munitions [sic!] delivered to the Government!

"IS ANYONE, BANKER OR OTHERWISE, GOING TO TELL ME THAT THERE IS ANY LIMIT TO OUR WAR EFFORT, OTHER THAN THE LIMIT INDICATED BY THE NATION'S CAPACITY TO PRODUCE, CARRY AND CONSUME GOODS?

"But,' say people like Mr. Keynes, 'you will be letting

the public accumulate lots of money which they cannot spend for the reason that industry, fully occupied with war production, cannot supply people's private needs!'

"Exactly, and why not?

"When the war is over, and munition production comes to a full stop, I want the people to have plenty of money to spend on the things of peace. Mr. Keynes's own plan professes to achieve exactly the same end; but he does it in such a way as to hide from the public the truth about the creation of money. His plan, too, involves a capital levy which might or might not happen!

"The essence of my scheme, of course, is the firm control of all retail prices—necessary during the war and after the war if the scheme is to work.

"That, of course, is the snag!

"Our financiers rely on uncontrolled retail prices as the weapon wherewith they can keep ordinary folks from enjoying the benefits of an age of plenty. CONTROL OF RETAIL PRICES IS THE ONE THING WHICH THE CITY OF LONDON, THE BANKERS, THE CAPITALISTIC AND CONSERVATIVE INTERESTS GENERALLY, WILL NOT PART WITH TO THE GOVERNMENT IF THEY CAN HELP IT.

"The time to show the public the need for making money the nation's servant, instead of its master, is now, when the national war effort is being hampered by bow-and-arrow finance, which plays into Hitler's hands during the war, and will play into the hands of our own hidden financial dictators after the war."

Great Britain's own production can be greatly expanded; her Merchant Fleet has been increased by the addition of Danish, Norwegian, Dutch and Belgian ships. There is an abundance of surplus commodities which we can import. The City Editor of the *Sunday Express* on May 12 wrote:

"But the problem of surplus commodities piling up all over the world will be accentuated. It may soon be the biggest economic problem facing the Allies.

"Canada now has 370,000,000 bushels of wheat. Millions of bushels of grain are still accumulating in Australia and North and South America. The United States still has a lot of cotton to sell. Cocoa stocks are increasing in West Africa.

"But a large proportion of these goods cannot be sold in their usual markets. The blockade of 150,000,000 consumers is now in force and every extension of Hitler's dominion increases the area blockaded.

"The Allies have done a lot in buying up these goods. They have bought huge stocks of wheat and wool, cotton and copper, cocoa, whale oil and sugar. But there are obvious limits to this policy, and, in any event, changing the ownership does not abolish the surplus."

There is not a journal, organisation, influential or responsible person in Great Britain which should not be continuously confronted with these important facts. Articles, letters and personal interviews can all play their part. No reader of this paper, we hope, will be satisfied with merely reading what we write, but each will use his energy and initiative so that the many who are now ready to appreciate the truth and essential urgency of what we say will not lack the opportunity.

NEWS AND VIEWS

Have you noticed the Scottish akthent in the wild glens of St. John's Wood and Golders Green? Gordons, Leslies, Grants, you know.

There is an organisation which calls itself the "London Scots Self-Government Committee." The *Evening Standard* informs us with evident approval that it wants to use Scottish Deer Forests for arable and pastoral farming.

A deer "forest" is a wild, treeless mountain tract above the 2,000ft. line. Even heather is sparse. Such vegetation as there is grows in boulder-strewn corries, the deep, precipitous, ravines down which tumble in the early summer the melting snows which lie for six months in the year. At the heads of these corries are, frequently, peat bogs seamed by deep water-cut drains. Otherwise there is not three inches of soil on the average deer-forest. Usually, it takes two to three hours' hard climbing by men in perfect condition to reach a "forest" from the nearest (in summer) habitable dwelling. It is about as suitable for farming as the dome of St. Paul's Cathedral, and there is probably more useful arable in the gardens of the pawnbrokers of St. John's Wood than on all the deer-forests in Scotland.

Possibly the *Evening Standard* thinks "arable" means "suitable for Arabs."

Mr. ("Land for the People") Lloyd George rose to fame by an impassioned appeal to protect the farmers mangold-wurzels from the pheasants of the landlord. Pheasants don't eat mangold-wurzels.

Mr. Lloyd George eats pheasants, however, as a reward.

The price of sending a letter from Clapham Junction to Charing Cross, three miles, is forty per cent. more than for sending one from Clapham Junction to New Zealand, thirteen thousand miles. A scientific price system. You live on your exports, you know.

Don't forget that Socialists condemn war. The only Statesman who openly hoped for war was Stalin, of the People's Socialist Paradise. The religion of Germany is National Socialism, and the Socialist Party in Great Britain will, quite properly, fight Germany to the death to prevent an extension of National

Socialism. They will probably have to fight Italy also, which is Guild Socialist, and is determined not to have International Socialism. And then Russia will tell them from Wall Street the kind of Socialism they're to have, or else fight Russia.

They are, however, united in one thing. They all hate and detest Mr. Chamberlain, who isn't a Socialist, didn't want a war, and did his best to prevent one.

The claim of our political system is that the will of the majority of the people shall prevail. In consequence, a Ministry representing incomparably the largest party in the State is replaced overnight by one which represents . . . ?

JEW TO 'BECOME AUSTRALIANS'

A project for the settlement of Jewish refugees in the Kimberley district of north-western Australia has been put forward by Dr. I. Steinberg, secretary of the Freeland League for Jewish Territorial Colonisation, and endorsed by prominent persons in Western Australia and New South Wales, including the Chancellor of the University of Sydney, and the Lord Mayor.

The Government of Western Australia has already given consent to the scheme, and seven million acres of land are available. The refugees, who would be from Central and Eastern Europe, would be taught English and "become Australians." The Freeland League would provide finances during the period of development.

"MEIN KAMPF"

An Australian newspaper published the following telegram:

Rio de Janeiro, March 14.

"A German Jew, Peter Lieberknecht, who is living with Indians in South America, claims to have written *Mein Kampf*."

"A Viennese physician, Dr. Paul Maybach, who has just returned to Sao Paulo (Brazil) after journeying for five years in the Matto Grosso jungle, said that he found Lieberknecht living with Indians near the Paraguayan border.

"Lieberknecht, a former German newspaper correspondent at Geneva, claimed that he wrote *Mein Kampf* while Herr Hitler was imprisoned. He is reported to have shown Dr. Maybach *Mein Kampf* manuscripts and letters from Hitler. He said that Hitler subsequently sent him to a concentration camp, from which he escaped.

"Lieberknecht does not intend to return to civilisation."—A.A.P.

The Indians from whose civilisation Lieberknecht does not intend to return should keep an eye on him, or he may destroy it.

Mr. MONTAGU NORMAN

There are indications in the press of what may be a drive to oust Mr. Montagu Norman from the control of the Bank of England.

"Britain has been conquered twice, in its history: once by William the Norman in 1066 and once by Montagu the Norman in 1931. I take the view that the reign of Montagu the Norman should now ebb peacefully to its close," said Mr. Harold Laski at the Socialist conference at Bournemouth at Whitsun.

In the present circumstances no successor to Mr. Norman would be acceptable simply because he was a successor. It would require a radical alteration in the policy of the Bank of England to prove that the controllers of that institution had decided that they should work for the benefit of the people of England rather than for themselves.

POST-WAR ECONOMICS

(A letter to the Editor of "The Times", May 21):

Sir,—The news to-day makes me more and more certain that we must cease talking of the economic effects of expenditure on war munitions, &c., after the war. Germany and her fellow-conspirators are spending without limit and with total disregard of insolvency, if and when they lose, as they know the world would not allow them to starve.

If we study post-war solvency in preference to immediate urgent requirements we are handicapping ourselves dangerously.

I have the honour to be your obedient servant,

JULIUS L. F. VOGEL.

Conservative Club, St. James's Street, S.W.1. May 18.

"WE HAVE GLIMPSED A PORTION OF REALITY"

By B. M. PALMER

It is possible to have a good deal of sympathy with the American who told Major Douglas that he could not go into politics because he had to draw the line somewhere. It is an attitude which, on the surface, may appear admirable. Nearly all of us have acted in a similar way at some time in our lives.

But that line cannot be drawn. We may think we have drawn it, but it has no more existence, as far as we are concerned, than the equator has for the schoolboy. Sooner or later we all have to "go into politics." We are forced in.

If you doubt the truth of this, think over the events of the past few weeks or days, and the possible events to come.

We cannot delegate our responsibility. We may attempt to do so, by "leaving it all to George," but the consequences of George's actions will be borne by us, not by him.

We know now that the fundamental fact that has to be learned concerning Social Credit is the real meaning of politics. A man may be quite convinced that the money system should be adapted to serve the needs of the time, that the nation should control its own credit, and that money is only a medium of exchange. But knowledge of these facts will be of little use to him unless he grasps to the full his own responsibility, the relation in which he stands, on one side to his fellow citizens, on the other to his representatives.

I believe it will not be very long before people begin to ask how it is that things have come to such a pass, and will not be satisfied with the simple reply "German aggression." In 1914 they believed they were fighting "German aggression," as of course they were; but by 1918 they knew there was more to it than that, or most of them did. There was a moment, but it passed, to be followed by disillusionment on the part of some of those who thought, while League of Nations propaganda ensnared the great majority.

The full force of the horror of the situation has not yet come home to the people. Ambulance trains are not yet arriving daily at Charing Cross. They soon will be. The blind, the maimed for life are not yet to be seen in their

invalid chairs. People do not wear black as they did in 1916, when widows' weeds were still seen in the streets.

"Oh, why has it happened *all over* again?"

To the agony of this question which has not yet been asked there is only one reply, cruel but true. It happened because we tried to delegate our responsibility. And it *will go on happening* over and over again until every one of us realises that we must "go in for politics," in a very real sense. By the natural process that cause must lead to effect, we shall be compelled to look after our own affairs, or they will destroy us.

Whatever it is you may want to do, "you cannot achieve the millenium any more than anything else which has been achieved, except by taking action along lines which will achieve it," said Douglas in 1937.

If you do not want a major war every twenty years, you must see to it that you control those who control the army.

"Absentee management of his right to bear arms in his own defence has taken the right from him [the citizen], and landed him in the greatest war of all time."

These profound yet simple statements hold the answer to that agonised question. That the time will come when we shall have to reply there is no manner of doubt. It is our responsibility to be ready.

Most of you will see at once that the answer must be followed up by some form of democratic action as yet unforeseen. You have already tested and disciplined yourselves in this field. There are men and women in this country who thoroughly understand the practice of democracy, and who have the character which has been strengthened by this type of action. Never let it be said that anything which has been done in the past to make democracy a reality has been wasted.

"It is only by getting this knowledge, the knowledge which is gained by discipline, and thus only by accepting this discipline, that you will become strong

enough to carry out a successful objective on a large scale."

'A successful objective on a large scale.' Those few words spoken without any show of emotion, how they stirred the blood—how they stir it still, for those words belong to the future, a future that must come.

We shall not all live to see it, but what is mere length of life without the sure knowledge that freedom is a real thing—the conviction that personal sovereignty is inherent in our nature.

And if it is inherent, it must become manifest. The time may be near or far, but in the certainty of its approach lies our serenity.

Now more than ever before it is of the utmost importance that every one of us who has seen a part of the truth should be steadfast and serene in holding to it. The truth is reality.

"Social Credit is the policy of a philosophy. It is something based on what you profoundly believe—what at any rate I profoundly believe, and hope you will—to be a portion of reality. It is probably a very small portion, but we have glimpsed a portion of reality, and that conception of reality is a philosophy and the action that we take based upon that conception is a policy, and that policy is Social Credit." (From *The Policy of a Philosophy*, June, 1937.)

The dawn is breaking amid the darkest clouds. But no power can stay the dawn.

From Alberta

A reply has now been received to the congratulatory letter sent to Alberta from London Social Crediters on April 5. Mr. L. D. Byrne writes as follows:

"Many, many thanks for your kind letter of April 5, and for the encouragement and good wishes it brought us. I have conveyed your message to Mr. Aberhart and his colleagues, and they have asked me to express to you their deep appreciation.

"You over-estimate my modest contribution to the progress being made over here. All the same I am grateful for your generous thoughts and I hope we shall justify them."

Sir WILLIAM FIRTH AND EBBW VALE

The Telegraph takes the fact that Sir William Firth sent a telegram of congratulation to his successor in the Chairmanship of the Richard Thomas Company as an indication that the demand for an enquiry into Sir William's dismissal will be dropped.

Since 1938 the Richard Thomas Company, the steel combine that Sir William Firth created and in which he held an executive position, has been under the direct control of the Bank of England, which lent six million pounds to complete the great plant at Ebbw Vale, and on the board of the controlling committee were representatives of steel interests which had been rivals of Sir William Firth for years. This board recently dismissed Sir William.

In a telegram to the secretary of the Bessemer branch of the Steel Trades Confederation Sir William said:

"I conceive it to be not only in the interests of the workmen and shareholders, but in the interests of the nation that a public inquiry is held.

"I am in a position to prove conclusively that incredibly incorrect things have been done.

"I do not wish for the inquiry for personal reasons, but on the ground of public, commercial and financial morality.

"If the Labour people of the country insist, an inquiry can hardly be avoided. I promise that no threats of lawsuits will deflect me from my determination to clean the slate in the interests of future generations in industry."

The Ebbw Vale Urban Council, at a special meeting recently, unanimously decided "to associate itself with any movement initiated by the trade union organisations to inquire into the administration of the Richard Thomas Company Limited, and in particular to inquire into the circumstances giving rise to the removal of Sir William Firth from an executive position in the company."

It is reported that certain sections of the huge plant, which in the present circumstances must be of national importance, were only working part time, and that the steel which had been imported to the Vale to keep the plant working to capacity was now going elsewhere.

THE "FOOD STAMP PLAN" IN THE U.S.A.

In May, 1939, the United States Federal Government put into operation in Rochester, New York, what is known as the "Food Stamp Plan," a device for distributing at least part of the "surplus" crops of America to those who need more food but who cannot afford to pay for it.

The Economist describes the mechanism thus:

"Under the Stamp Plan families receiving some form of public assistance may buy, with the funds supplied by public agencies, from \$1 to \$1.50 worth of orange stamps in a week for each member. These stamps can be used to purchase any kind of food at any grocery store and represent the average food purchase made by families on relief without the Plan. Then, for each dollar's worth of orange stamps bought, the family receives, free, an additional 50 cents of blue stamps. The blue stamps can also be used to buy food, but only food of which the Secretary of Agriculture decides there is a surplus. The list of surplus foods is inclined to vary with the season. First on it, when the Plan was put into effect last May, were butter, eggs, wheat and whole-wheat flour, corn meals, prunes, oranges and grape-fruit, and dry beans. In July, oranges and grape-fruit were temporarily dropped, and fresh peaches and pears were added, together with rice and various vegetables; other changes were made in October and December . . . The apparent complication of orange and blue stamps is necessary to ensure that the consumption of surplus commodities is *additional* and not merely substituted for previous food consumption . . .

"The Government's part in the operation of the Plan is, therefore, to see that the food stamps are available to eligible families, to determine what commodities are in surplus and to redeem stamps with which they are purchased. (The food bought with the orange stamps is, of course, paid for out of the ordinary relief funds; the blue stamps are redeemed in part from an earmarked proportion of the gross annual Customs receipts and in part from an appropriation made by Congress.) In the rest of the mechanism the Government does not interfere. The ordinary private channels of the food trades are exclusively relied upon to procure the foods from the producers and distribute

them through the retailers; and the latter cash the stamps they receive either with their banks or with their wholesalers, who in turn cash them with the contributing public agencies, or with the Federal Surplus Commodities Corporation itself."

Part of the mechanism for the just price is here being put into operation, although the essential point of financing it out of debt-free money is omitted, in the same way that the dole embodies part of the mechanism of the national dividend—but is mainly paid for out of taxation.

The "Plan" is apparently very popular in the United States; the Senate recently voted by 79 to 0 in favour of an appropriation of \$85 millions for its operation in the coming year. Since last May the scheme had been extended to 35 other cities by March 1, and will cover about 100 by July.

Its scope is also being increased to include cotton goods in about 40 of the areas where the Stamp Plan is already in operation. One dollar's worth of free Surplus Stamps will be issued for every dollar's worth of cotton actually bought, and the necessary stamps (green for the normal purchase, brown for the free goods) may be had every three months. Families of two people may thus have a book of stamps amounting to \$4—\$6 for which they will pay \$2—\$3. Families of over five people may have one of \$8—\$12 for which they will pay \$4—\$6. These stamps will be exchanged for cotton and new cotton goods for household use made from cotton grown in the United States. The Cotton Stamp Plan will be financed from funds (taxation) specially reserved by Congress for increasing domestic consumption of cotton.

The Economist recommends study of this scheme as a "technique by which the policy of reducing food consumption in general could be combined with increased consumption for those who are already ill-nourished." But it is a technique of subsidising the consumer which, like the subsidising of essential foods to keep the prices down, could with simple but important modifications be part of a realistic system of distribution of goods and services, such a system as is vital at home if we are going to win the war.

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NO EXCEPTIONS

"Incredible mistakes" was the phrase used by M. Reynaud to describe the causes of the unfavourable military situation in Northern France at the beginning of the week. In the same speech, he referred in the strongest terms to treachery and sabotage, features which, however strange the forms they have come to assume in our present world, have always engendered more fear than any open display of force. The enemy within, who comes within by stealth, has been held almost to excuse defeat, since men do not recognise adversaries who are beneath contempt.

Among us it has become habitual to penetrate below the surface of sentiments like these. The doctrine of the 'good fight' that is without avail rings false. If there exists anything rightly called 'moral', then victories won within its sphere are truly 'moral victories'. Side by side with these (or, rather, far aside from these, and below them) are those 'moral victories' which may be described as the Devil's consolation prizes: cosettings of the cloven hoof. Civilisation is contending with the Kiss of Judas.

At times there seems to be a sense abroad, moving even statesmen to some sort of honour rooted in dishonour and the B.B.C. to a kind of ersatz decorum, that we are not fighting this war to gain anything so illusory as a moral victory. Is it too late? That depends, it seems, chiefly upon whether or not objective demonstration concerning the nature and extent of the enemy within can issue in effective action without distracting attention from other urgent matters. Many Dutch, many Belgians, many French now know and understand who and, to some extent, what the fifth column is. Does England? Mr. Norman Angell doesn't; but there are many things Mr. Norman Angell doesn't understand. It does not follow that

what Mr. Norman Angell doesn't understand no British administrator understands. We hope more than one understands, and that their understanding may be effective in action.

Mr. Angell is confronted with the spectacle of a flood of refugees, among whom "the enemy has almost certainly managed to slip some of his agents in preparation for an application of the Quisling and parachute devices." He adds to the number of Dutch and Belgian refugees some Italians, 50,000 Communists, a like number of Fascists, Hitler-fans, and advocates of a bargain with him, and "no inconsiderable number of Irish and Indian malcontents."

In advocating the formation of a 'foreign legion of anti-Nazis', he points out the inconveniences incidental to the internment of a quarter of a million people. (Some refugees—or their allies—seem to have been hoping for transshipment in a luxury liner to a place where fear lest they might share any of our native dangers would not add to our preoccupations by so much as the loss of a night's sleep! We are a simple people.) But then, Mr. Angell goes on to assert that the Jews who have been spared the dangers of fighting for 'Germany' are animated by a deadly hatred of Hitler. Is that so? They first attracted attention in Germany, presumably, because they were friends of Stalin. Surely they can no longer hate Stalin's friend, Hitler? Allowing that "by indiscriminate and prolonged internment . . . we may by blunting, if not destroying, an instrument which at the appropriate moment might be of the utmost military and political value", is it not appropriate to question to whom their value may be greatest? Mr. Angell calls them "naturally our allies". But that is an assumption. He raises (but does not solve) the question of our Quislings. As we see them there are at

least two categories of these, the really dangerous few whose death-bed repentance for a life of studious falsification of the nation's balance sheet is not even now to be anticipated and a larger corps of misguided victims. Why not square the victims, many of whom, incredibly stupid as they are, inept and simple as befits a victim, are honest in an irrelevant and useless sense, and call the tyrant's bluff?

M. Reynaud suggested that there is no longer a place for vested interests. There should be no exception made in favour of the *controlling* vested interest.

POSTSCRIPT

Wednesday night.

Accounts of Mr. Attlee's Bill suggest that the Police State is now an accomplished fact, and that the object of the War has been secured. If so, we are at that turning point of Human History which for twenty years Major Douglas has predicted. No attempt need be made here to give expression to its meaning. For every one of us that is personal, however important for the world correct assessment of our individual responsibility may be. Even this opinion is personal, limited by knowledge and understanding. An air of unreality invests the scene. It must dissipate itself, or be dissipated, before effective vision is restored. Then we may play our part. Always there walks with us that which no trickster can outwit. But impatience is the mother of folly.

Lord Beaverbrook

Says Lord Castlerosse: Max Aitken [Lord Beaverbrook] . . . was going through life very fast, was the son of a Scottish Presbyterian Minister . . . He floated the Canada Cement Corporation, thereby unifying all the divergent cement companies in the Dominion, but he left out one company controlled by Sandford Flemming . . . Some seventeen or eighteen years afterwards Aitken gave the world his answer. The ordinary shares, which were given away as water, were sold for about \$250 a share . . . Max Aitken's existence at one time circled round Bonar Law. He even learned to play bridge because Bonar Law enjoyed the game . . . Bonar Law was not interested in finance and he imagined that Aitken was only interested in finance . . . The only time that there was ever a really serious divergence of opinion between Bonar Law and Beaverbrook was when Mr. Baldwin betrayed this country over the American debt settlement. Beaverbrook, realising that the position was impossible, implored Bonar Law to disown Mr. Baldwin's indiscretion. Bonar Law might have done so, but Mr. Reginald McKenna persuaded him the other way.

"THE EVIL THINGS"

By NORMAN WEBB

The personal problem for each individual is, to what extent are his hands tied? To put it positively, to what extent is he free always to speak and act in the manner he knows to be best in the long run? The limits to his freedom in this direction are set only by his courage, which in its turn is bounded by the extent of his understanding. It is useless therefore to blame any man for seeing no further than he does, or to expect him to display courage for which he lacks the essential constituents.

Mr. Chamberlain has been "bumped off" with almost as little fuss or comment as attended the political liquidation of the late (at one remove) Secretary of War, Mr. Hore-Belisha. Both of them are victims, in their very different ways, of the great, silent, invisible war that is always being waged, with varying degrees of intensity, below the surface and appearance of things. It is noticeable that what is mis-termed the national Press has on this occasion hailed the change joyfully.

The individuals who stand out in human history are those who have contrived to rid their minds of personality and human bias, and to clear their material decks of impediments in any shape, and especially that of excessive dependence on the existing money system, so that they have been able openly to challenge this hidden enemy and do battle with him.

It is unfair, and in any case useless, to blame Mr. Chamberlain for not having accepted this challenge. The issue is not properly understood as yet by a sufficient body of people—possibly not even by Mr. Chamberlain himself. One has simply to record that although he has shown himself in these last three years as a statesman, he is not an historical figure. Nevertheless, he has done well, and his—let us hope, temporary—defeat is certainly one up for the enemies of the Commonwealth.

We must not forget, however, that in as far as he was not strong enough to resist the shock, Mr. Chamberlain shows himself to be really a part of this insensate, fratricidal battle within the enemy's own ranks—to be specific, in this case, the Midland Bank group, with its national and for the most part British affiliations, as opposed to the Bank of

England and New York Jewry. But however much the bias of Social Crediters, being British on philosophical grounds, appears to run parallel with that of this faction in its opposition to Wall Street, we do well to remember that this battle is essentially *not* ours, though it may assist us. Indeed the present incident is possibly no more than the outward evidence of a little fracas within a camp of thieves, with, let us hope, those proverbial benefits which are said to accrue from such events!

On several occasions since the outbreak of war, and again notably in his valedictory broadcast, Mr. Chamberlain referred, and with more than oratorical emphasis and meaning, to "the Evil Things" with which Britain must contend; but as on former occasions, he seemed almost to pull himself up short and then direct his reference personally to Hitler in a violent but perfunctory ending.

It is quite impossible that Mr. Chamberlain, with his years and experience, believes that the cause and solution of this world's problems reside in one man. He knows better than that. It may be, however, that his instinct, which in most things to date has been fairly sound, warns him that the time is not yet ripe for a challenge to "the Evil Things" nearer home than the Maginot Line, since we have allowed circumstances to manoeuvre us into a position where Hitler and Germany stand between us and them. For the immediate and popular purpose Mr. Chamberlain may be locating them correctly.

But it is obvious to Social Crediters, who know of this dark under-world warfare, that failing a sudden, and most unlikely conversion of society to common-sense reality where money is concerned, things *must* get worse before they can get better. It is because the hard core of resistance to financial fact has not yet been broken down, that war must go on, as it has gone on this last twenty years. The will to screw up things even more tightly—the will contrary to Nature—still persists, and it must be broken, if not one way then another, until Man's silly sophistication is kicked about and humbled sufficiently to allow him to accept obvious facts about wealth and unemployment; until

for instance, his really damnable Press can refer to a National Dividend of £5 a month for life without a snigger of superiority.

What remains then, for all those who have faith in the ultimate reign of common-sense to do in this time of crisis, is to demonstrate the long view for which they stand. That is morale, whether conscious or unconscious—the condition that is above and beyond the ups and downs of political and military campaigns; the state of mind that cannot be rattled by events. Not over-optimistic, because it understands the patient, slowness of nature; not pessimistic, for the same reason. Not readily angered, because not easily defeated.

It would not be untrue to say that the above fairly describes Mr. Chamberlain in his three years of office. There is no doubt that he has played the Allies' game—a game of waiting—as well as it could be played. If actual war could, in the nature of things, have been avoided, he would have succeeded in avoiding it. If its logical, rational ruthlessness could have been spread and developed sooner on both sides, he has helped to delay it. Perhaps even more to be appreciated, he has presented the world with a picture of the sober, balanced British statesman—the same picture that reduced Napoleon to weak and abusive generalities about a nation of shopkeepers, which in itself is a valuable example at this juncture, when the National Press is doing all it can to bring down the morale of the nation to a Stock-Market level of spiritual boom and slump, and grab and sacrifice.

Westminster should be ashamed of itself not to have yet recognised the approved City technique of worked-up panic for what it is—simply political market-rigging. The spectacle of common cowardice and disloyalty presented by Parliament is uninspiring, to put it mildly. Nevertheless, Mr. Chamberlain is still where he may be able to make his influence felt, and it is even possible, with more effectiveness. But he is no longer Premier, and the European stage is being set to meet an extension of ruthlessness under a much less British, more personal and more temperamental leadership.

SPECIFICATIONS (1)

By T. J.

Advice, which was Douglas's advice, was embodied in an article last week in the following terms:

We have to convince people that we ourselves are clear and convinced; that we are not convinced hastily or insecurely concerning the nature of the problem which confronts the people of the world.

A brief definition of the nature of this problem followed upon these words. It deserves elaboration.

(1) Some things which the individual member of society wants (that man who is now the subject of what politicians and others are calling 'national unity') are done. Other things he wants done are not done. Some things he does not want are done. Is it beyond the power of most individuals to lump all these things together under the comprehensive label of things-done-and-doable, POLICY? If so, it should not be difficult to gain recognition for the fact that the Executive, whether consciously or not, is always pursuing a policy: it is always tending to 'get things done'. It cannot do otherwise without ceasing altogether to be an executive. Behave as an executive (i.e., *do something*) and a result ensues. This result may be quite different from the result anyone expects, and very far from the result anyone desires; but it is the result of what is done. Policy and the executive have proved themselves to be inseparable.

(2) The power of doing is resident in the executive. Anyone who does anything becomes, *ipse facto*, an executive. and in doing so becomes, by necessity, the instrument of a policy, the gainer of a result. Again, it may not be the result he wants or the result anyone wants. There is no *natural* connection between being an executive and getting results anyone wants. The *natural* connection is between being an executive and getting results. This relationship cannot be disturbed.

(3) Policy requires an executive in order that it should be realised. The mere formulation of policy, the mere desiring of specifiable results, does not gain them. Even if they are unformulated, unwished for and unwanted, results do not come but as the constant and inevitable outcome of 'getting things done', of the executive, of *action*.

(4) From the point of view of human interest, policies (results) assume widely different complexions. In other words, human interest distinguishes between policies; or, human interest leads in a direction, not a 'given' direction; but in a direction changeable only in step with a change in human interest.

(5) It is in line with human interest that the policy inherent in the executive should be also in line with human interest. If we designate all other policies as policies antagonistic to human interest an executive which implements so much as one of them is antagonistic to human interest, and it must disappear before human interest can be pursued.

(6) About this necessity of the disappearance of the antagonistic executive there is much confusion of thought. Much of this confusion arises from failure to see the double-sidedness of all executives. The result of driving a nail into the floor is replaced by a totally different result if you drive a nail into the wall, though nail, hammer, floor and wall are still in evidence. To drive a nail into a wall instead of into a floor it is not necessary to employ a different hammer, any more than it is to equip your house with a different floor. It is inescapably necessary that policy and execution should be amalgamated in a different result. What is 'converted' in the illustration is the *use* of the hammer, not the hammer.

The world dubs this line of argument 'difficult'. So it is, because everything elementary is difficult. Sagacity arises from the deft and instantaneous apprehension of what is elementary as a thing is being done. The thing done is then seen to be right, and the means chosen the correct means for doing what was wanted.

Whatever motives may have brought different individuals under the influence of Douglas, the ruling motive has far less to do with the specifications of that policy which is in the line of human interest than with the establishment of a correct relationship between that policy and the policy-executive complex. We don't particularly want to know what men want. We want to know how they can get it. We want to know how the line of human interest may be pursued.

It is redundant to say we want to know how it may be pursued correctly. That is the only way it can be pursued. Human intercourse in society can only rest on correct foundations, sufficient foundations, right foundations. Provide incorrect foundations, or insufficient or wrong or no foundations at all, and it will not rest upon them. Inevitably, it will disappear.

Common-sense suggests that the correct relationship between policies in line with human interest and the executive, while it may exist here and there, is not the rule. The instability of society and the hideous discomforts which accompany it are the result. But this common-sense is apparently by no means universal. Is it 'common' sense? A distinguished biologist who is now a member of Parliament once said that science was merely 'organised common-sense'. If so parliamentary circles seem to be very well fortified against science. Probably they are no more strongly fortified than other circles. On the conscious plane, there seem to be two kinds of sense current in the community. One kind sees the sense and meaning of a 'specification'. The other just doesn't. A specification is a doer's instrument. The non-doers have no conception of the nature of a specification. A specification specifies. It deals in ruling (or over-ruling) features which have all 'got to be' satisfied. If it is desired to stand a thin, long object up on its end what *must* be? A flat end. The flat end is a specification. The non-doer, seemingly, thinks that what is necessary, before all things, is to try hard to stand the object upright. This is *not* a 'specification'.

In these terrible times, amidst the maximum of distracting events we have to make such simple matters clear. "We have to convince people that we ourselves are clear and convinced . . . concerning the nature of the problem which confronts the people of the world." That will never be done on the plane of logic and consciousness except in rare but doubtless valuable isolated instances. It can be done only on the plane of sagacity; the plane on which the deft and instantaneous apprehension of what is elementary—elemental?—rises inevitable to certain execution. For that execution, that executive, surely mankind waits.

COVENTRY ANSWERS "UNIONISM"

Members of the Coventry Tax-Bonds Association recently attended a meeting on the subject of "Towards World Order" which was addressed by Mr. G. Harris of Bromsgrove.

"But for the paucity of any concrete argument on which to hang his claims," comments a correspondent, "the address would have been water-tight, and Federal Union bomb-proof.

"The arguments put forward were somewhat impaired by a sentence in a pamphlet distributed before the address which stated that Federal Unionists held their views as to the New World Order because they believed that 'Whereas individuals can be reasonable and self-sacrificing, States cannot!' (My exclamation mark)."

The speaker was asked the following question:

"Is America to be taken as an example of Federal Union, bearing in mind her ten millions of 'unemployed', her internal and national debts—possibly the greatest per head of population in the world—and her non-existent, though much vaunted 'free' trade between States (as explained by Raymond Gram Swing in his American Commentary on Saturday, May 4)? Further, given a Federated Europe, with the economic and financial systems unchanged, how is it proposed to obtain sufficient credit to keep such a constitution healthy (i.e., free of overwhelming taxation, misery and internal strife) as the same industrial and social ills will be manifest as appear in each community which goes to form the Federation?"

Mr. Harris suggested pooling all currencies, and printing the same picture on all coinage. Upon being recalled to reality he smoothed his hair with his hand, advanced to the front of the platform and to an audience of some hundred and twenty people confided that he had not studied the economic question deeply enough to be able to give an answer to the question, and that he did not offer Federal Union as a "panacea for all ills" but in his opinion it seemed "a step in the right direction."

After the questions leaflets "Protect the Homes of our Fighting Men" were distributed.

WAR FINANCE AND THE WAR

"The British Empire, fortunately, is in a stronger economic position than any

other group of nations. It has the material wealth, as well as the power to handle transport and use it. That enormous material wealth depends for its war service and distribution upon the technical use of financial credit . . .

"People are determined that orthodox finance shall not stand in the way of vigorous prosecution of the war. We have the power, we have the material power and we certainly have the financial power.

"It is important that the nation shall use its own credit in the interests of the British Empire and the maintenance of civilisation. Every day makes it clearer that Hitler is out to smash the British Empire, and although the Empire has mobilised men and materials it has yet to mobilise its own financial credit.

"To expect debt and taxation to provide finance for the war is a confession of failure to utilise the fullest resources of the country and the Empire."

—G. Lysaght Finigan in "Spotlight on World Affairs," May, 1940.

CABINET AND ZIONISM

From the "Jewish Standard" of May 17:

"It has taken a war and a military disaster to produce governmental changes long overdue. From the Jewish point of view the changes may prove far-reaching. We now have a new

Colonial Minister, replacing Mr. Malcolm MacDonald who . . . departs to the tune of a sigh of relief from Jews the world over.

"The new Colonial Minister, Lord Lloyd, comes to office with a reputation of opposition to Zionism . . . Lord Lloyd stated his attitude to Zionism as recently as October, 1938, in an article in the *Sunday Chronicle*, in which he proposed as a solution the definite assurance to Arabs of an Arab majority and, as compensation to the Jews, the opening of Transjordan to Jewish immigration . . .

"On the other hand, all the new Labour Cabinet Ministers have time and again supported the Zionist point of view.

"Sir Archibald Sinclair, the Minister for Air and the Leader of the Opposition Liberals, has for long opposed the Government's anti-Zionist policy.

"The most potent reinforcement for Zionism in the Cabinet is without doubt Mr. Duff Cooper, the new Minister for Information. His attitude for Zionism is most positive, and he must be regarded as approaching more closely than any other statesman to the larger political Zionism.

"Mr. Winston Churchill, the Prime Minister, voted against the Palestine White Paper of May, 1939, and even abstained from voting on the Land Regulations in March, although he was a member of the Government."

STUDY COURSE IN SOCIAL CREDIT

There are two courses in social credit which are open to those who wish to make a study of the subject. The courses are approved by Major C. H. Douglas.

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Either by correspondence (twenty postal communications for which the fee is £1/0/0 plus postage 2/6 at home, or 3/6 abroad).

Or by lecture (twenty lecture periods for which the fee is £1/10/0). Centres of instruction have been widely established and will be increased wherever there is a demand.

The examination fee for Associate Membership of the Secretariat is 10/6.

- (2) COURSE B—This is the advanced course and no fee is charged, but a fee of 10/6 will be charged on entry for the examination. Successful candidates will receive the Diploma of Fellowship of the Secretariat. Calendar and prospectus are now available (3d.)

Further information may be had from—

THE ASSISTANT DIRECTOR,

LECTURES AND STUDIES SECTION,

SOCIAL CREDIT SECRETARIAT,

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Belgium and the International Bankers

Belgium is a much freed land: she is also a much conquered one, and not the least of the tyrannies—Spanish, Austrian, French, German—to which she has been subjected is that of the financier. Ever since the marrano Jews expelled from Spain settled in the Low Countries her cities have been the focus of financial activities which culminate to-day in immense, internationalist institutions of the type of SOFINA.

Belgium is probably more highly industrialised than any other part of the continent except Saxony: she has great metallurgical, glass and textile industries and her coal mines, in the province (not the Grand-Duchy) of Luxembourg, where the forts of Liège and Namur have been stubbornly defying the German invasion, produced in 1938, 29½ million metric tons of coal. Her iron and steel works in the same region, which turn out annually four million tons of crude steel, depend on ore supplies from France and Algeria as well as from the Grand-Duchy of Luxembourg. Belgium also refines imported copper and zinc, and from uranium ore mined in the Congo she produces radium.

POST-WAR RECONSTRUCTION

When after the last war the Belgians came to add up the losses they had suffered it was found that about 100,000 houses and 1,200 public buildings had been destroyed; 1,250 miles of permanent way, tunnels and bridges, had been wrecked; industrial works had been destroyed or stripped of machinery; and about 250,000 acres of agricultural land in the war zone had been converted into shell-marked and marshy desert. There was practically no raw material in the country and half the cattle had been requisitioned. In addition, half the roads and canals of the country had to be repaired.

The population of 7,399,000 was less than it had been in 1910 (although before the war the average increase was 50,000 a year), and of these over 2¼ millions were receiving public assistance.

On this basis the Belgians set about re-building their country—and in six years they had practically succeeded. By the end of 1919 all the railways, canals and roads were again in use; by 1924 every acre of the devastated area was again under the plough, and agricultural produce had reached pre-war level; by

1926 all the houses and almost all the public buildings had been rebuilt or repaired.

It was estimated that between 1911 and 1926, in spite of the war, the increase in aggregate motive power in the country was probably 65 per cent., and certainly the iron and steel trades were in a better position, as the equipment that had been destroyed had to be replaced by new and better kinds. In 1926 Belgium was producing 36 per cent. more pig iron and crude steel than in 1913.

The larger industries were said to have been "Belgianised" through the liquidation of foreign, and especially of German, interests, but in this process the National Bank of Belgium acquired a considerable interest in them, and as a result of its influence there was a tendency towards concentration and combination both vertical and horizontal.

Agriculture, industry and trade were therefore practically reconstructed by 1924.

The Belgian man-in-the-street pointed out, however, that he was paying more than nine and a half times the amount of taxation he paid before the war, a much greater increase than in France or Italy.

In 1919 it had been understood that expenses incurred in reconstructing Belgium should be obtained from Germany by way of reparations, as also should her war-debts to Britain, France and the United States. Credits were obtained from Britain and the United States to begin the programme of construction, but when the United States refused to ratify Woodrow Wilson's promise as regards her war-debts, and by the Dawes Plan Germany's payments in reparations were cut down heavily, Belgium's Budget did not balance. Balanced Budgets were the fashion in those days. The banker, Franqui, made a trip to America in 1920 to try to obtain an extension of a credit of \$50 millions, without effect. By 1924, when the real assets of the country in the shape of roads, factories, houses, industry, agriculture and trade had grown by the work of Belgian men to pre-war levels, the financial situation became severe.

Having paid for the resurrection of their country with their skill and labour and energy in rebuilding it, the Belgians

were now to find that that was not sufficient; they had to pay the bankers with money (produced by more skill and labour and energy) for the privilege of rebuilding it.

M. JANNSEN'S PLAN

M. Poullot's government was elected in 1925 for the purpose of regaining financial stability for the country. M. Janssen, the finance minister, decided to stabilise the franc, and as a preliminary the funding of the foreign debt was undertaken, and completed by August (United States debt) and December, 1925 (British debt.) His Plan had two main purposes: firstly a return to the Gold Standard, which had been suspended in August, 1914, and secondly the re-imburement of the National Bank for its advances to the Treasury. Both, it will be seen, were impeccably orthodox, although in those days stabilisation was less respectable than it is now. The means he proposed to use were to obtain a foreign loan of \$150 millions, to revalue the gold stock of the bank at the new level of the franc, and out of the proceeds to carry out the amortisation of part of the State's debt to the bank; and to vote 600 millions francs more taxes to ensure budgetary equilibrium in 1926.

In October, 1925, M. Janssen headed a delegation (which included M. Paul van Zeeland, then secretary of the National Bank) which conferred with bankers in London, Amsterdam and Basle. He declared after these conferences that an agreement in principle had been reached. Of this agreement a Report to the United States Department of Commerce, dated October 10, 1925, said:

"From a conversation held with several Brussels bankers we understand that, while Belgian negotiators for stabilisation credits or loans in London or Amsterdam regard their voyage as successful, they learned emphatically that in the last analysis everything depends upon America. The larger part of the necessary funds must come from New York, that is, at least \$100 millions."

The delegation had intended to go to the United States, but as a further report to the United States Department of Commerce on October 19, stated:

"The trip to the United States is

rendered unnecessary by the fact that the Belgian finance minister and his colleagues were able to confer with Mr. Morgan and members of his firm in London."

The report went on to say that a central bank credit had been arranged for Belgium, as the American financiers did not think that the time was quite ripe for a United States loan. It was understood by M. Janssen that this credit would be followed by a long-term loan in a short time. A further report to the Department of Commerce, dated November 3, leaves no doubt that that credit was an actuality:

"Interviews with bankers during the week brought out the fact that the National Bank of Belgium is making liberal use of a revolving credit established in its name by fiscal agents of the government for the purpose of sustaining franc exchange. This credit is believed to amount to \$25 millions and, apparently, the National City Bank, as well as Morgan and Company, and the Guaranty Trust Company are interested . . .

"Before international bankers would open the . . . credit for the National Bank, M. Janssen and his cabinet associates had to sign a promise to present and support a balanced 1926 budget. It is also significant that the revolving credit was opened in the name of the National Bank and not in that of the government."

When discussions with regard to the loan were resumed in London in March, 1926, they fell through.

Apparently the 980 per cent. increase in taxation was not sufficient guarantee of good faith for the international bankers. There was panic in Brussels. The franc fell to 230.

M. E. Cammaerts comments on this:

"It has been pointed out again and again by British experts that this sudden depreciation was not justified by the financial situation of the country . . . It came at a time when the foreign debt had been funded and when substantial economies had been realised in the cost of administration."

The effect on the life of the ordinary Belgian of the refusal of this loan was enormous: and it must be remembered that this was mostly in respect of physical work which had already been accomplished. The necessity of balancing two sets of figures (and

failure to do it is nowadays condoned by the most orthodox) imposed terrific new taxes on the individual, put him under virtual dictatorship for six months, exposed him to intolerable regulation and restriction and deprived the state of the running of the railways.

M. Janssen, and the cabinet of which he was a part, resigned in May, and five days later a coalition ministry was formed under M. Emile Franqui, for the specific purpose of "averting financial ruin."

M. FRANQUI'S SCHEME

M. Franqui was a business man who declared bluffly that he only took office to accomplish monetary reform, not to take part in politics. He even declined to take part in parliamentary discussions. He was a banker, vice-governor of the Societé General de Belgique, and renowned for his exploits in the Congo and in China (where he had succeeded and for a short time worked with Herbert Hoover when Belgian interest bought out British ones for which Hoover was working). He introduced severe measures of economy. He suspended public works; dismissed all temporary government officials and decided that no new ones were to be recruited for three years; suppressed some public services and cut down severely expenditure on national defence. Extra taxes amounting to 1,500 millions of francs a year were imposed—more than twice the amount proposed by M. Janssen.

The franc was still falling in July, although more slowly: Belgium's taskmasters were still unsatisfied.

The next step was to introduce a law by which for the period of six months Franqui was enabled to rule by decree. Almost from that moment the franc improved.

By the end of 1926 the State railways had been "industrialised" and a forced conversion of Treasury Bonds into preference shares of the new company had been carried through, and external short-term foreign loans had either been extended or paid off.

So when, at the beginning of October, Franqui and the new governor of the National Bank again approached the international bankers they had no difficulty in getting rediscount credit at the central banks for \$35 millions and in following it up a fortnight later with a long-term foreign loan. A syndicate of bankers including J. P. Morgan and Company, Baring Brothers, and the

Westminster Bank, Hope and Company of Holland, L'Union Bancaire Suisse and the Stockholm Enskilda Bank offered \$100 millions for 30 years at 7 per cent. The United States took over 50 millions of this and England 7¼ millions.

On this loan stabilisation was accomplished and the Belga brought into the fold of the Gold Standard.

But the taskmasters had not yet finished with Belgium. The Belgian merchant, like the Norwegian, preferred the small bank of his native town to any branch of a highly centralised concern. Of Belgian banks before the war the authors of *Foreign Banking Systems* say:

"In Belgium . . . few banks spread beyond the city of their head office; in fact, the Societé General de Belgique alone had grouped about it a chain of dependent banks or banks that it supported . . . the individualistic spirit of Belgian manufacturers and merchants was better adapted to the existence of numerous local banks of moderate importance."

After the war horizontal concentration increased, but was limited owing to the lack of restriction in setting up banks. A group of producers or merchants if too far 'controlled' would create a bank on co-operative lines for their own benefit.

In 1935 Belgian commercial and banking systems again threatened to collapse and M. Paul van Zeeland formed a cabinet to carry out more monetary and financial reform. The franc was again devalued, and among the changes made in the banking system was the establishment of an autonomous Banking Commission with wide supervisory powers over banks, minimum capital requirements for setting up banks and restrictions on activities of bank directors.

In 1914 the Banque de Bruxelles was confined to Brussels; between 1914 and 1925 it had acquired 21 banks. In 1937 it had 258. A centralised system had been established.

E. S. E.

References:

Belgium by Emile Cammaerts (in *Economic Problems in Europe To-day*).

Foreign Banking Systems by Willis and Beckhart.

The Monetary Experience of Belgium 1914-1936 by H. L. Shepherd.

Letters and Journal by Brand Whitlock. *Europa* . . .

ANNOUNCEMENTS AND MEETINGS

Books to Read

By C. H. Douglas:—

- Economic Democracy
(*edition exhausted*)
- Social Credit 3/6
- Credit Power and Democracy ... 3/6
- The Monopoly of Credit 3/6
- Warning Democracy
(*edition exhausted*)
- The Tragedy of Human Effort ... 6d.
- The Use of Money 6d.
- Approach to Reality 3d.
- Money and the Price System ... 3d.
- Nature of Democracy 2d.
- Social Credit Principles 1d.
- Tyranny ½d.

By L. D. Byrne:—

- Alternative to Disaster 4d.
- The Nature of Social Credit 4d.
- Debt and Taxation 2d.

ALSO

- The Douglas Manual 5/-
- The Economic Crisis:
Southampton Chamber of
Commerce Report 6d.
- The Bankers of London
by Percy Arnold 4/6
- Economics for Everybody
by Elles Dee 3d.

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BLACKBURN Social Credit Association: Weekly meetings every Tuesday evening at 7-30 p.m. at the Friends Meeting House, King Street, Blackburn. All enquiries to 168, Shear Brow, Blackburn.

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CARDIFF Social Credit Association: Enquiries to Hon. Sec. at 73, Romilly Crescent, Cardiff.

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 Morley's, Newsagents and Tobacconists, Market Hall.

LIVERPOOL Social Credit Association: Weekly meetings of social crediters and enquirers will continue, but at varying addresses. Get in touch with the Hon. Secretary, at "Greengates", Hillside Drive, Woolton, Liverpool.

LONDON Social Crediters: Lunch-time rendezvous. Social crediters will meet friends at The Cocoa Tree Tea Rooms, 21, Palace Street, Westminster (5 minutes Victoria) on Wednesdays from 1-30 to 3 p.m. Basement dining room.

LONDON LIAISON GROUP. Next meeting at No. 4 Mecklenburgh Street, W.C.1. on Friday, June 7, at 6 p.m. prompt. Subject "The Way to Win the War" Chapter IV., in "Tax-Bonds or Bondage." Please bring your queries to this meeting. It will be question and answer night. Tea 3d. Nearest stations, Russell Square or King's Cross. Enquiries to B. M. Palmer, 35, Birchwood Avenue, Sidcup, Kent.

NEWCASTLE and GATESHEAD Social Credit Association are compiling a register of Social Crediters on the Tyneside. Register now and keep informed of local activities. What are YOU doing? Let us know, we shall be glad of suggestions. Write W. Dunsmore, Hon. Secretary, 27, Lawton Street, Newcastle-on-Tyne.

PORTSMOUTH D.S.C. Group: Enquiries to 115, Essex Road, Milton; 16, St. Ursula Grove, Southsea; or 50 Ripley Grove, Copnor.

SOUTHAMPTON Group: Secretary C. Daish, 19, Merridale Road, Bitterne, Southampton.

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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

(Cheques and Postal Orders should be crossed and made payable to the SOCIAL CREDIT EXPANSION FUND.)

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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 Advisory Chairmanship of Major C. H. Douglas.

I will, until further notice, contribute

£ : : , { per month,
per quarter,
per year,

towards the funds of the Social Credit Secretariat.

Signature.....

I herewith enclose the sum of £ : : , as a donation towards the above mentioned funds.

Signature.....

(Cheques and Postal Orders should be crossed and made payable to the SOCIAL CREDIT SECRETARIAT.)