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HITLER and CHURCHILL FINANCE

By JOHN MITCHELL

It would seem that *The Times* has become aware that many people have been asking awkward questions about the Nazi methods of financing war since the recent demonstrations of material might by Germany have appeared to accord badly with that odd condition termed "financially bankrupt" which has been so consistently applied to our enemy in the past by the kept press. On October 11 and 12 two long anonymous articles appeared in *The Times* entitled "Fallacies of Nazi Finance," and on October 12 the first leader of *The Times* was devoted to comment on these articles. The leader writer says that "many people have been puzzled to understand" how the Nazi Government has been able to do what it has with a "bankrupt German Treasury."

The first fact which is apparent from these articles is that the Nazi financial system is in no way fundamentally different from that under which we labour in this country. What they have done "has involved also the piling up of an enormous debt," calculated to be about £6,000 million, and to be increasing annually at the rate of £1,200 million. We are told that: "Reich loan is, in fact, taken up continuously without any public appeal" and that "Hitler seems to have discovered the secret of making something out of nothing." The explanation is that "issuing goes on continuously and automatically through the savings, mortgage, and commercial banks, insurance companies and other institutions." In other words the methods adopted by the Germans are the same as they are in this country but without so much hypocrisy and humbug. State-Secretary Reinhardt announces that £450 million has been raised by loan in three months. The published figures reveal that 50 per cent. of Government expenditure is covered by taxation and that after allowing for "loans" there is a gap which is filled by credit in the form of "short-term bills" to the tune of about £1,000 million per annum. These figures correspond very closely with what has been published about the finances of this country.

We also learn that "inflationary effects can hardly occur while the 'price stop' is rigorously enforced by police supervision." That is all we are told about the "price stop." All laws have police sanctions behind them, and whether they are supervised by special officials or the police matters not a jot so long as the law serves a useful purpose for the community. If the "price stop" prevents inflation we should know more about it; it is a useful device, and no doubt one that can be improved upon. It could not be objectionable if prices were "stopped" at a level which

enabled producer and retailer to receive a reasonable remuneration.

The article says: "Credit expansion reached the limits of safety at the end of 1937, when production had become a maximum; every factory was working at capacity and all workers were in employment. Dr. Schacht, then still Reichbank-President, announced, with the consent of Hitler, that credit expansion would stop. But the Führer knew perfectly well that unless the State continued to provide industry with 'infinite markets'—that is, unless rearmament went on—unemployment would reappear and the fallacy of National-Socialism become apparent. In fact the Army chiefs flatly refused to cease issuing short-term bills to finance their purchases. So the Schacht reform was stillborn."

What is meant by "limits of safety" being reached in 1937 is not clear since in spite of these limits being ignored the writer tells us that Germany "does not appear to be immediately threatened by difficulties in finance." The interesting admission here, however, is, if the report is to be believed, that the military dictated the credit policy against the wishes of the banker. Again, it is admitted that industry could only be kept working fully by increasing Government purchasing power through a *continuous* expansion of bank credit. The published figures reveal that in Germany as well as in England even the present below-capacity production of industry can only be maintained if the purchasing power available to absorb its products (i.e. available "markets"), in the form of national income (which is being spent either by the public, or taken in taxation and spent by the Government) is increased by *at least* £1,000 million of credit annually. That is the minimum amount of money which the Governments of Germany and Britain have had to acquire, *as purchasing power*, from banking institutions in a year in order to enable them to increase productive capacity to its present level.

The article says that when Hitler came into power "immense latent productivity awaited exploitation."

"All that industry needed for its revitalization was (1) orders and (2) credit."

Orders and credit revitalized German Industry. How? "Before his advent to power Hitler had clearly realized that, though reparations had stopped, the economic salvation of Germany—by which, first and foremost, he meant the solution of the unemployment problem—depended on his providing German industry with the required unlimited

markets. Given that, unemployment was bound to disappear. But as no sufficiently substantial increase of exports could be effected overnight the obvious course was for the State, as an emergency measure, to provide 'unlimited' orders itself. For this rearmament offered the ideal solution. As regards her Army, Navy, and Air Force Germany had to start from scratch, while there was no visible limit to what she wanted. Soon 60 to 70 per cent. of all orders handled by German industry originated from rearmament."

So, the "economic salvation" of Germany was represented as the solution of the unemployment problem; and that has always been represented by the British Government as the "economic salvation" of Britain. In the case of Germany it has been achieved—and at what a cost to the world!

Churchill is always represented by the "American" and the "free" press of this country as the antithesis of Hitler. Each of them is the "leader" of "his" country and both of them are painted by the daily papers as saviours. These, it will be said, are superficial likenesses. But both have been ardent advocates of rearmament against "a foreign foe." Rearmament provided "unlimited orders" for an industry which was stagnating. Neither Churchill nor Hitler have admitted any primary purpose for industry other than "a solution of the unemployment problem." In the words of *The Times's* leader-writer the Nazis "have set useful examples by their determination that the unemployed must be given useful work and not left to rot in idleness." In a further burst of frankness the same writer says "as the war has gone on, we have taken other hints from the Nazi model." So we have noticed.

Discussing the genesis of Nazi economics both the writer of the special articles and the leader writer say: "Beyond doubt one of the fundamental causes of this war has been the unrelaxing efforts of Germany since 1918 to secure wide enough foreign markets to strengthen her finances at the very time when all her competitors were forced by their own debts to adopt exactly the same course."

Poverty and the fight for foreign markets are the main causes of war. How many times has that warning been uttered in this country! Yet, not once has Churchill directed attention to this cause of war; all he has done has been to endeavour to outbid Hitler in his shouts for rearmament. But whereas Hitler in his infamy recognised that the Jewish Debt system could be bent to serve rearmament, and proceeded to bend it—without destroying the Jewish Debt system, Churchill never attacked the "no money" arguments which always confronted anyone attempting to get anything done before the war. Churchill was worse than Hitler in that respect. Both of them have stood by the debt system.

Churchill does not differ from Hitler in that he is

after a World Government; Churchill has been more frank about it, that is all.

Hitler has no interest in the individual—he must be made to work hard if possible and get the minimum in return. That is Churchill's view also. Writing in 1929 in his book *The World Crisis* about the armament business at the conclusion of the last war he says:—"The tap could be turned off at the source. But the outflow of what was already pouring through the vast system could not be sealed up without throwing five million persons simultaneously into idleness. Could they be left without wages? Could they on the other hand, be paid their inflated wages for doing nothing..."

In 1918 five million people were employed in the armament industry and there were four million men in the fighting services. The labour of nearly all of them in respect to what they were then doing was suddenly no longer required.

Those who controlled the money supply were willing that money should be lavished on destruction, but not for purposes which suited the individual. Members of the Government, of which Churchill was one, assented to this proposition. Churchill has this to say about what happened as soon as the "cease fire" had sounded:—"But a new set of conditions began to rule from eleven o'clock onwards. The money cost, which had never been considered by us to be a factor capable of limiting the supply of armies, asserted a claim to priority from the moment fighting stopped. Nearly every manifestation of discontent on the part of the munition workers had in the end been met by increases of wages—Let 'em have it and let's get the stuff—and the wage rates now stood at levels never witnessed in England before or since."

Orders and credit can revitalise industry. But the all important point is; for what objective? If credit can be made available to Governments so as to increase their power to purchase, credit can also be made available to consumers over and above what they receive as wages so as to increase *their* power to give orders to industry; and *this* credit must be free of debt. Thus will the sovereignty of the individual be increased, power be decentralised, and the frictions which beget war eliminated, while the individual has peace and real freedom. Industry will serve the choices of individuals.

But Churchill's avowed aim is to weaken the sovereignty of the individual and the nation and centralise power in a World Government. Perhaps that is the reason why he is unwilling to proclaim in definite terms the country's war aims. It is for the people, however, to lay down *their* war aims, not for the Government to impose war aims, whether those aims are kept secret or not.

An Electrical "Try-On"

An instance of how a public utility service endeavours to take advantage of the present situation to impose further burdens on industry has recently been given by the Sheffield Electricity Corporation. The alleged justification for increasing their charges for power by 10 per cent. was the higher price of

coal, the past year's bill for which had risen by £172,000 over the total of four years ago. This looked impressive enough until independent investigations exposed the fact that the increase of 1s. per ton of coal would represent an addition of only 1/150 fraction of a penny per unit. Moreover, there had

been during the year under review, such a huge expansion in the consumption of electricity that there had actually been a decrease in the cost per unit. After these revelations had been made public, it is not surprising that the corporation decided, after all, to postpone the question of raising the price.

EYE ON PARLIAMENT

The following passages are taken from the House of Commons Official Report (Editor, P. Cornelius), known as 'Hansard'. The date and occasion of the words are given above each section, and the speakers' names by the side. The number of columns occupied by the printed report of each section cited is also given. Lack of space imposes a severe limitation on the selection of matter for reproduction.

October 15.

Oral Answers (35½ columns)

FRENCH WARSHIPS.

(PASSAGE OF STRAITS).

Rear-Admiral Beamish asked the Prime Minister whether the formal inquiries into the failure to prevent French warships proceeding to enemy-controlled ports are yet complete; what disciplinary action has been taken, and against whom; whether full discretion to act was given to the officer commanding on the spot to prevent such ships passing the Straits; and whether he can now explain why the First Lord and Cabinet were not consulted before action was ordered or taken against potentially unfriendly ships?

The Prime Minister: As I indicated to the House last week, I do not think it desirable to answer any further questions upon this affair, for which, apart from technical mishaps, His Majesty's Government take full responsibility.

Rear Admiral Beamish: Is my right hon. Friend aware that there is an impression that it was necessary for the officer commanding on the spot to communicate with the home authorities before taking action?

The Prime Minister: There may be a great many impressions, but I think I have said all that can safely be said on the subject at the present time, and, having regard to the difficulties of carrying on the war, I must ask for the support of the House in this.

Mr. Shinwell: Is the right hon. Gentleman aware that there is some disquiet in the public mind because of the apparent contradiction between the statement he made the other day, that the Government were not fully informed on what had happened, and the statement made previously by the Ministry of Information, that permission was given to the French warships to pass through the Straits of Gibraltar? Ought not that matter be cleared up?

The Prime Minister: I do not think that there is any discrepancy at all between the statements. I am familiar with both statements, the first not being quite in the terms which my hon. Friend has mentioned, but the facts stated by

me in my statement to the House are those which are correct.

BANK FOR INTERNATIONAL SETTLEMENTS.

Mr. Stokes asked the Chancellor of the Exchequer whether he will state precisely the reasons for continuing the membership of the Bank for International Settlements and whether the Government has any holding in this institution?

Sir K. Wood: I would refer my hon. Friend to the reply given by my right hon. and gallant Friend the Financial Secretary to the Treasury to the hon. Member for Southampton (*Mr. Craven Ellis*) on 9th October.

Mr. Stokes: Is not the Chancellor of the Exchequer aware that that reply contains no information of any kind whatsoever, and when will he be in a position to give the information?

Sir K. Wood: I cannot accept that.

Mr. Stokes: Then will the right hon. Gentleman read the reply?

Mr. Bellenger asked the Chancellor of the Exchequer whether the transactions are still continuing between the Bank of England and the other members of the Bank for International Settlements, and, if so, what is their nature?

Sir K. Wood: No transactions are, of course, taking place between the Bank of England and central banks of enemy countries, or central banks which are operating in countries occupied by the enemy. With central banks in neutral countries the Bank of England conducts those transactions which are normal as between one central bank and another.

Mr. Bellenger: Does not the Bank of England act as a constituent part of the Bank for International Settlements, and in that capacity is it taking part in any transaction with other members of the Bank for International Settlements?

Sir K. Wood: I think I have already answered that. If the hon. Member requires further information, perhaps he will put a Question on the Paper, and I will give him a reply.

Mr. Bellenger: I asked that Question as a Supplementary Question the other day, and the right hon. Gentleman

asked me to put it on the Paper. I have put it down for to-day, but it has not been answered.

Sir K. Wood: I do not think so, because this question does not deal with that. Perhaps the hon. Member will put a Question down on the subject.

Mr. Bellenger: That is splitting hairs.

LONDON EXPRESS NEWSPAPERS, LIMITED.

Mr. Storey asked the Chancellor of the Exchequer whether he is aware that London Express Newspapers, Limited, having increased their net profits after taxation but before depreciation for the year ended 30th June, 1940, from £247,579 to £359,707, have decreased their ordinary dividends from £81,600 to £61,200 and have capitalised £135,409 of the year's profits towards the cost of a 200 per cent. capital bonus; whether he proposes to take steps to secure to the Exchequer the equivalent of Surtax upon the profits so distributed; and, as the decision to issue such capital bonus was taken after the Government's announcement that the issue of bonus shares during the war would not be allowed except where exceptional grounds exist, what were the grounds existing in this instance?

Sir K. Wood: The issue of bonus shares by the company, to which I understand my hon. Friend is referring, was decided upon with the Treasury consent some weeks before the announcement of the prohibition of such issues made in the Budget Speech on 23rd April last. I do not propose to take action on the lines suggested by my hon. Friend.

BANK OF ENGLAND.

Mr. Woodburn asked the Chancellor of the Exchequer what were the total sums to which the Bank of England became entitled in respect of interest and other services for the financial years of 1938-39 and 1939-40, respectively?

Sir K. Wood: The payment to the Bank for the management of the debt, which, of course, is a very large and

detailed operation, is in the region of £1,000,000. I will communicate the exact figure to the hon. Member later. The interest on the original Government debt of £11,000,000 is paid to the Issue Department, the profits of which accrue to the Treasury.

Mr. Woodburn: What other moneys are paid to the Bank of England in the form of interest?

Sir K. Wood: Perhaps my hon. Friend will put that Question down. I have had some difficulty in present circumstances in furnishing a reply to this Question.

PURCHASE TAX

(COMMENCEMENT) ORDER, 1940.
(30 columns).

Mr. David Adams (Consett): I disapprove of this Order primarily on the very broad ground that it is a menace to our national unity. The Government have advised the country that nothing is more urgent than the preservation of unity among all sections of the community. Surely a tax of this character, which attacks the standards of life, particularly of the industrial workers, is bound to tend in that direction, and it seems to me that it is the product of a Chancellor of the Exchequer who is sadly lacking in imagination. Could there have been selected a worse method of raising taxation than this, in which, whether we like it or not, the goods of the community, if the war continues for some period, are bound to be destroyed and will require replacement? It has been very carefully considered in my part of the country—the North East coast. We have been fortunate so far in escaping the “Blitzkrieg,” but it is believed that it may ensue to that district in process of time. If London, where there is supposed to be an overwhelming quantity of goods of all sorts, and the situation has been provided against, is in the difficulties which have been indicated, what must be the situation on the North East coast? There is no question that the operation of the tax will very seriously affect working-class standards of life.

The right hon. Gentleman the Chancellor told us somewhat unctuously that he had made many notable concessions. I should like to know in what direction the working classes have been benefited by those concessions. I am satisfied that the right hon. Gentleman could give no satisfactory answer to that query. When one considers that the total amount raised in the course of 12 months will

maintain the war for a period of 10 days only, one sees how short-sighted is the policy of the tax and how effective are the reasons for asking that its operation should be postponed *sine die*. If we endorse this order, we endorse, in my judgement, the completest refutation of the doctrine of equal sacrifice in the war. It is a tax upon the worker's standard of daily life, whether he is employed or unemployed. It is not a question of what his income is or whether it is assured or not. If he is below the proper standard of life, as we are assured some millions yet are, he must make his contribution to this crushing burden. His standard of domestic comfort, of health and entertainment will fall, and these are, in the case of many millions, admittedly too low already.

Mr. Deputy Speaker: The hon. Member is talking about the tax as if it was not already approved and passed by the House. The only question is whether it is to come into operation on 21st October or some other date.

Mr. Adams: I am putting forward reasons why the operation of the tax should be postponed. Had we been financially *in extremis*, I should agree to the operation of a tax of this character, but, as the Chancellor has decided that many deep wells of wealth should remain untapped, and we not being *in extremis* financially, this is the last form of taxation that ought to be imposed, and I make my personal protest in the name of my constituents, who will suffer grievously through its operation.

WAR AIMS (ON THE ADJOURNMENT) (23½ columns).

Mr. Woodburn (Stirling and Clackmannan, Eastern): I am disturbed about this campaign for a Government statement of war aims, which carries the implication that this country has gone to war for some special positive purpose. The hon. Member for East Birkenhead (Mr. Graham White) brought to our minds the fact that Hitler had gone to war to impose a new order on Europe and the world. As far as I am aware, this country had no such intention in September, 1939. We went to war to resist Hitler in his attempts to impose a new order on Europe—and that was our only purpose. If we are now to impose a new order, that will be an extremely big job. Those who ask that we should announce war aims, seem to suggest that these war aims are to include a new order for the world; that we should take

up the task which Hitler has usurped, by dictating a new world order. I believe that that is beyond our strength and our ability. Those who suggest it should make an announcement of what they propose. Are we, after defeating Hitler, to continue this war in order to force Turkey, Russia, and all those countries which are under semi-dictatorships, to adopt democracy? . . .

Are we to dictate to other countries how they should govern themselves? The party for which I have the honour of speaking makes as its first purpose in this war that other countries should be allowed to decide their own forms of government and live their own lives. Therefore, our first declaration to the world should be that we have no ulterior peace aims or war aims at all; that Britain is out for nothing except to defend the right of countries, our own included, to live their own lives and carry on their own civilisation. We have associated with us other countries which have been brow-beaten and dominated by Hitler. It is true that we must stand with them in the recovery of their liberties, but that is a different thing from the supposition that we have to draw up some precise scheme by which we are to decide how the world shall live. To anyone who wishes to say that, I would suggest that he should start with Ireland. If anybody can tell us how we are to solve all the problems of Ireland, then, I believe, they can solve the problems of the Balkans, of the racial minorities in Europe and the religious problems of the world, which to me are insuperable.

I do not say that we can ever go back to the *status quo*. There are humpty-dumptyies who have been knocked off the wall in this war and will never be put back again. But to suggest that we in this country have the wisdom and the power to draw a blue-print of the new world without consulting the other people who live in it is fantastic. If we are to bring real peace, the German people must play a part in framing that real peace. There is no one who thinks that peace can come without consulting 120,000,000 people, of great ability and culture, or that they can be suppressed and kept under for 40 or 50 years, while we call it peace. That is impossible. [Interruption]. There are 120,000,000 people in Germany and associated with and supporting Germany, and they must be consulted and brought into harmony with the rest of the world. . . .

The greatest peace aim that we can announce to the world is that we have

no motive except to restore the liberties of the world and the rights of people to govern themselves. By the fact that we have no aims, no ulterior motives and seek no British gains and that Britain wants nothing out of the war and is prepared to make sacrifices to bring about that world order, we shall probably make a greater contribution to bring unity into the world than by anything else we could do. . . .

We are entitled to draw up aims for the conduct of our own country, but surely these are not war aims. We can remake our country without war. We want to remodel our own country according to reason and the best wishes of all the people in the country. That is our own business, but we must leave other countries to manage their own affairs. We are concerned only with the relations of the countries, one with another. That is a matter for a new world order, but that world order must include all nations of the world, including those with whom we are at present at war.

Mr. Rhys Davies (Westhoughton): . . . What are the problems that caused this war? Before you can state your peace aims you must find out what caused this war. As a matter of fact, there are people in Great Britain and in France who welcomed Hitler at first because he was going to stamp out Communism on the Continent of Europe; he is now, however, declaring war on the very gentlemen in France and in Great Britain who welcomed him at the time. . . .

Mr. Stokes (Ipswich): We have just listened to a very emphatic and sincere speech from the front Bench on this side of the House. I rise to support my hon. Friend, although possibly not in the same terms or with the same eloquence or vehemence. I am convinced that the time is long overdue for the Government to make a positive declaration of what we are fighting for. My profound conviction is, whether it be right or wrong—and one can only say what one does believe—that such a declaration would have a profound effect upon the working people of Germany as well as upon the working people throughout Europe and the British Commonwealth. I was profoundly dissatisfied that the Prime Minister should tell us to-day that he still thought that the time was not ripe.

I should like to know, when the Debate is being wound up, especially as the Minister of Information is to reply, whether our propaganda is not entirely at fault. Who has made Hitler really popular in Germany since the war started? I am not speaking of the right

hon. Gentleman the Minister of Information, because his office has been through various vicissitudes; but, without any doubt, it is our own propaganda that has done so by rallying all the elements sympathetic to us behind Hitler. I know that the House will rise and oppose me when I answer my next question, but who has made our present Prime Minister really popular among the people in this country? Dr. Goebbels, because he keeps on telling our folk and the people of Germany that our Prime Minister is the one man whom the people of Germany should really fear.

I question very much our methods of propaganda, but I have intervened particularly in order to take the Minister of Information to task on a matter over which I had some correspondence with him in the past few weeks. On 19th July this year, Herr Hitler made a speech in German. I think I am right in saying that it was made about 6 o'clock in the evening. At 9 o'clock that night, the British Broadcasting Corporation, through a gentleman with whom I am not personally acquainted but whose name is Mr. Sefton Delmer, broadcast a reply. Mr. Delmer said:

"We throw back the appeal in your teeth"—

that was an appeal to reason. I agree, after reading the appeal, that there was not an awful lot of reason in it. I saw the speech which the right hon. Gentleman was kind enough to send me. It went all over England, but several copies reached me too. Mr. Delmer went on:

"Our reason, our national strength, our feeling of honour and justice and our sense of responsibility to the world demand that we fight on with all our might for the freedom that you wish to destroy."

All right; I am not complaining at all with what Mr. Sefton Delmer said. The point is, is it right, and is this House of Commons going to put up with it, that the British Broadcasting Corporation should apparently answer for the great British Empire a speech made in German at 6 o'clock in the evening, through the voice of a person of no importance employed by the B.B.C.? I think it is entirely wrong. I wrote a letter to the Minister of Information protesting against that course having been followed. He replied:

"I have had enquiries made and Mr. Delmer, while speaking in his own name as a private individual known to certain members of the Nazi Party, expressed comments which were made with the full knowledge of the relevant authorities and in consultation with them."

I was amazed that a speech broadcast

in Germany at 6 o'clock and rebroadcast three hours later in England should not first have had better consideration from responsible people. I wrote to my right hon. Friend, and I told him that I should like to know a little bit more about what he meant by saying:

"with the full knowledge of the relevant authorities and in consultation with them."

He replied that the discussion took place

"With the appropriate officers in the Ministry of Information, and I myself listened to Hitler's speech. People in the Department of Propaganda of the enemy were also listening. None of us had any doubt as to how Hitler's speech could be answered. Neither was there any doubt in the Foreign Office or among the population."

How he knew that by 9 p.m. I do not know. I am protesting not against the answer but against the method of answering. I consider that when a speech of that importance is made, whether one agrees with it or not—and I am bound to say that I found myself in almost complete disagreement with it, but I should have had a much better answer than Mr. Sefton Delmer—it should have better consideration before an answer is given on what is regarded as the national means of communicating with the outside world. I wrote to the Minister again on 11th September and said:

"Am I to understand that the Secretary of State for Foreign Affairs had not himself approved the broadcast, and am I further to understand that the Prime Minister was not consulted before the reply was sent?"

Again to my surprise, the Minister of Information said that it was not a reply to Hitler's speech but a commentary on it, and that what might be regarded as an official reply was given by the Secretary of State for Foreign Affairs three days later. In my opinion, and the opinion of many people outside this House who are much more competent to judge than I am, a speech of that importance should not have any reply sent to it until consideration is given to it by the responsible authority in this country. Surely the responsible authority in this country to make a reply to a speech of that kind is the Prime Minister or the Secretary of State for Foreign Affairs, if possible after consultation with this House. I hope that no other speech of that kind will be answered until full and clear consideration has been given to it by the people responsible to this country.

Let me turn to the point of this Debate, that constructive aims should be stated by His Majesty's Government. I

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NEWS & VIEWS

Nope, Sadie, kaint think our Winston ez *onlucky*. Reckon a man ez kin muss up thet Antwurp rodeo, en thet G'lipoly can fact'ry, and wish thet thar Gold Standard racket again on the gol-durned British way back in 1925, so's ther's too many troubles ter watch us backin' Hitler, and keep th' British Fleet doin' convoy ez the Heinies wuz walkin' into Norway, an' get away with thet thar Dakar circus, an pull down ten thousand of their smackers, *per*, an' not get lynched—no, I don't reckon ez you oughter say ez he wuz *onlucky*, Sadie. Ef them bone-headed British wuz human, yew c'd reckon *they* was a mite onlucky that the only Winston Churchill thet wuz born wasn't the one ez wrote books an' was born somewhere else, but I guess *we* kaint complain.

Member that little skeezicks ez stayed er year er so, over to Vermont, Sadie—feller ez tried thet wisecrack on us 'bout takin' up the *White Man's* burden. Got back home an' said he wuz colour-blind. Earned his livin' by writin' kinder croonin' stuff. Sent in a kinder bill ter the Almighty, claimin' ther wuz nothin due regardin' them nifty little naval bases. Seem to 'member it went somethin like:

"If blood be the price of Admiralty, Lord God, we ha' paid in full." Waal, I reckon ef them boneheads kaint think of any better way to get naval bases, we just gotter trade in a mite more scrap iron.

It is a feature of Jewish technique to ridicule, and so depreciate in others those things on which the Jew himself sets the greatest store. For instance Jewish-inspired Socialism both ridicules and hates genealogical claims to consideration—in others. But the Jew

bases his whole policy of the "Chosen People" on genealogy. That record of Jewish savagery and perfidy, the so-called Old Testament, probably contains more genealogy than any other volume of its size outside the *Almanach de Gotha*. One of the most significant pieces of evidence tending to prove that the real inspiration of Hitler is Jewish, is the steady sacrifice of the older German landed families, who, whatever their faults, and they were very many, did not surrender to money-bribery. What the Jew likes is a pseudo-aristocracy, such as that which in Britain has replaced the genuine aristocracy, either extinct or for the most part submerged in the yeomanry.

Yet the British Socialist, whose primary relaxation is a bob on the 'osses, will spend hours of his leisure on the pedigree of his favourite.

"VERY OBSTINATE"

When the New Zealand Social Security legislation first imposed a tax of 5/- on all women, there were some hundreds who protested and who wrote letters to their M.P's. objecting to this latest imposition upon already sorely taxed incomes. One letter pointed out that the best security is "that peace of mind and health of body which are only assured when all members of the community can enjoy a decent standard of living with the necessary financial means and hence the freedom to choose how they shall order their own lives."

Only one of the women—so far as is known—has had the courage to act upon her convictions and refused to pay the levy for 1939 and 1940 with the result that she has been obliged to appear at the City Police Court. Mrs. Porter is no wilful law breaker however;

she is a good woman, the mother of three sons one of whom has just left with the third echelon "to fight for freedom," and her home is the happy meeting place of many friends. She is fighting this tax on two principles: firstly, that as she has no independent income of her own, she cannot possibly be expected to produce the 5/- tax and secondly, that as a realist she knows New Zealand is rich enough in potential production to provide social security without incurring debt and without imposing taxation. Mrs. Porter's stand should bring home anew to every woman the fact that this system does not recognise her service to the state in her capacity as a mother and housewife. That is why women in particular should strive for the National Dividend. This case must also have forced many people to see the injustice of the Social Security legislation and will no doubt give courage to hundreds of women who object to the tax but who dare not face the ordeal of trial in a public court.

It was clear that the magistrate was non-plussed by Mrs. Porter's attitude. He was concerned with administering the law and saw her as "the accused," her case one of the thousands in which the husband has to pay the wife's obligations. Mrs. Porter however stuck firmly to her insistence on individual responsibility and when reminded that the great majority of women in her position had obediently paid up, replied that she could answer only for her own actions and must be allowed to act on her own convictions. The magistrate sought equally unsuccessfully to make Mr. Porter pay the fee but he as valiantly defended the individual's right to act on his own responsibility. "This is not a case of being unwilling to find the *money*," he said, "it concerns a fundamental democratic principle regarding the supremacy of the individual." In despair the magistrate bent his perplexed gaze upon them and murmured, "You are both being very obstinate!"

M. G. T.

"MILLIONS OF CIPHERS"

What can each individual human being make of himself, of his own life?—this is what will decide what the new age is to be like. Collectivism cannot in itself be the remedy for any distress, if the separate individuals are ciphers—for nought plus nought will never equal anything but nought, however many million ciphers we may add.

—SIGRID UNDSSET.

The Results of "Planning" in Russia (II)

"PLANNED" PRODUCTION

Pravda on January 12, 1935 said, "In Soviet Russia the mechanisation of agriculture has reached such a level that, in this respect, Soviet farming has become the most advanced in the world."

The journal *Planned Economy* contained statistics purporting to show that the number of tractors in Russia increased from 24,500 in 1928 to 450,200 in 1937. In terms of horse-power the increase was from 254,700 in 1928 to 8,302,800 in 1937.

But the significance of these figures is totally changed when other relevant factors are considered. De Basily in his *Russia under Soviet Rule* quotes the Year Book, *Farming Industry in the U.S.S.R.*, and points out that "there were in pre-war Russia, in addition to several million draught oxen, 35,100,000 horses and in 1928 the number was still 33,500,000. After the collectivisation in 1932 the total fell almost suddenly to 15,600,000, which rose slightly the next year to 15,900,000. Thus between 1928 and 1935, inclusive, the number of horses in the U.S.S.R. diminished by 17,600,000 or 52½ per cent. The working capacity of a horse is generally taken in this country to amount to 0.5 h.p. This coefficient would certainly be understating the working capacity of the more powerful Western European horses, but seems to be true for the average strength of the common sovietic horse, especially if allowance is made for the deduction of these animals not used for farm work. This being so, the capacity of horse traction in Russia as a whole declined as follows:

1916	...	...	...	17,500,000 h.p.
1928	...	...	...	16,700,000 h.p.
1935	...	...	...	7,900,000 h.p.

"Since 1928 the reduction in traction capacity is thus h.p. 8,800,000.

"In 1929-1932, 279 million gold roubles' worth of tractors were bought abroad, chiefly in U.S. Large sums were spent in the installation of 3 tractor construction plants ... and of two agricultural 'combine' plants. ... Nevertheless, the Soviet Government by 1935 did not make up for the loss of 8,800,000 h.p. horse traction incurred. The importation and home output of tractors amounted only to 4,462,800 h.p. All progress made in motorised farming still left a net loss of traction power equivalent to 4,337,200 h.p. The U.S.S.R. prides itself in having become the first country in the world as regards 'mechanisation of agriculture,' but when a peasant wants to go to town to sell his produce at the market, or to take his ailing wife to a hospital, he has no means of transport; all the horses belong to the *kolkhoze* [collective farming units] which has not enough of them for the most urgent field work."

"Formerly, the peasants managed their own farms as they thought fit, and paid over to the State in the form of taxes a part of their yield from their labour. Now it was the State which, with the aid of 2,250,000 petty officials, managed the collectivised farms which had absorbed the lands of the peasants, and arbitrarily fixed the share to be

given to the latter. Previously the peasants had tilled their own fields. Now they cultivated collective fields. Formerly, they were independent of everybody in their tiny sphere and attended freely to their own business. Now they were obliged to work in the *kolkhoze*, to be enlisted in brigades commanded by the brigadiers, and to carry out plans laid down by the Government. Before the *kolkhozes* came into existence—in 1928, for example—the Soviet Government by sending soldiers throughout the country-side was not able to take from the peasants more than 576 million poods of grain (over 9,250,000 tons) a year. In 1931, when 13 million peasant households had already been collectivised, the Government in spite of a bad harvest, took 1,400,000,000 poods (over 22,500,000 tons), or two and a half times as much. Now that the peasants are bound hand and foot to the *kolkhozes*, not a single bushel of grain can escape the central authorities."

"... The First Five-Year Plan assumed that the total output of agriculture would rise from 16,600 million roubles in 1928 to 25,800 million roubles in 1933. Actually it only reached the figure of 14,000 million roubles, or 2,600 million roubles behind the 1928 figure, and far below the provisions of the Five-Year Plan. According to the official Soviet statement, the years 1933 and 1934 yielded record crops. As a matter of fact, the gross production of agriculture was considerably below the 1928 level, owing to the destruction of livestock due to compulsory collectivisation."

The general results of the First Five-Year Plan are summarised by De Basily as follows:

"... The Plan forecast an increase of from 15 to 20 per cent. in the purchasing power of the rouble. In reality its value appreciably decreased. Vide *The Five-Year Plan* of 1928, vol. I, p. 104;—the Plan proposed to 'liquidate the shortage of commodities within five years, it being understood that signs of improvement in the market for industrial articles will already be seen during the last three years of the Five-Year Plan.' Instead of this, towards the close of the Plan period, there was an incredible shortage of commodities in the market and the population lived under material conditions which were much more serious than in 1928. The Plan promised an increase of 69 per cent. in real wages 'to double the average distribution of a whole series of the most important articles of large consumption.' Instead, a rigorous system of cards was applied; foodstuffs and other merchandise were sparingly rationed; and queues of four hours to secure a piece of badly baked rye bread could be seen everywhere. The Plan was to have decreased by 19 per cent., if not by 22 per cent., retail prices for industrial articles, and those of agricultural products by 2 per cent., instead of which there was an enormous rise in all commodity prices. The Plan was based on the assumption that the cost of industrialisation would be covered chiefly by industrial profits. It was assumed that during the five years there would be a drop in building-cost price by 41 per cent. and of industrial costings by 35 per cent., as the result of better management of industries, their reconstruction and rationalisation, the introduction of new machinery,

and an increase in the output of labour, due to the conscientious efforts of a personnel whose real wages should increase from year to year. From the reduction of industrial wholesale prices alone a profit of 12,000 million roubles was expected, which would cover largely the greater part of funds expended. All these hopes, however, remained unfulfilled. The cost of production did not decrease; where it did not increase, it remained stationary. There was a steady drop in real wages, taxes on consumption became exorbitant, and the requisitioning of agricultural produce alone enabled industrialisation expenditure to be met. The 1928 Plan at no period and in no text stipulated for total and simultaneous collectivisation. It foresaw that by the end of the five-year period, 85.6 per cent. of the peasant farms would still remain un-collectivised, and that they would only become associated in various forms of co-operation, as had been Lenin's thesis. The Plan did not contain a word as to the annihilation of the 'better-off peasants and of the obligatory collectivisation of the 'medium' peasants, for it had always been understood that this would be brought about by means of various 'measures of encouragement' and that it would above all be the poorer farms which would be absorbed into *kolkhozes*. Instead of all this, Stalin in 1929 launched his Communist armies on the countryside to 'destroy the kulaks' and switch the average peasants on to the 'rails of Socialism.' Why this change of attitude?"

"Production figures show that in 1937 light industry was still producing an insignificant quantity of articles of large consumption, about half a pair of shoes, a little over a half-metre of woollen goods and less than two metres of linen, per head of the population."

"Production in 1913, therefore, was per head larger than in 1935 and only for linen goods slightly below that of 1936. As we have already pointed out, however, the figures concerning the pre-war output of articles of consumption, cannot be compared with the Soviet figures. The latter include the whole of the industrial production of the country, which has been entirely monopolised by the State; whereas before the War the greater part of the output of small private industry and handicraft workers as well as the domestic industries, escaped all statistical record. Besides, pre-war Russia used to import a certain quantity of foreign woollen and other textiles."

"... Even if the State industries have developed they still have been unable to make up for the loss caused by the complete annihilation of private production, urban and rural, especially in connection with such necessities as textiles, sugar, meat, groats, vegetables, etc. Prior to 1929, the small artisans and the craftsmen manufactured many household articles. The district of Pavlovo (in the province of Nizhni-Novgorod), for example, was renowned for its manufacture of axes, knives, forks, spoons, scissors, razors, saucepans, padlocks, lamp-burners, etc., with which it supplied the markets of Russia. Under the First Five-Year Plan these artisans were forcibly nationalised and compelled to produce spare parts for tractors and other machines instead of knives and forks. The result has been that the markets have been deprived of household articles and utensils of every-day use."

"The journal *For Industrialisation* asserted in this

connection that 'whoever has visited the Donetz Basin knows that the shortage of knives, forks and plates in that district constitutes a serious and often insoluble problem.' Even in Moscow these articles are scarce. *Pravda* stated (June 18, 1932) that in the Frounze canteen—much as in others for that matter—the workers eat their meals at present without knives or forks."

Possibly the most remarkable feature of Soviet economy is the concentration upon the production of articles for consumption. The output of the means of production increased from 14,737 million roubles in 1930 to 29,900 roubles in 1934. On August 14, 1937 *Pravda* published figures which revealed that whereas in 1913 the output of means of production was 40.7 per cent of the total and production of articles for consumption 59.30 per cent. (a figure which is certainly an underestimate since there is good reason to suppose that a large part of articles for consumption escaped all statistical computation before 1913) in 1937 57 per cent. of total production was in respect of means of production and only 43 per cent. articles for consumption.

The light industry of Russia has been subordinated as a subsidiary to the heavy industry. In regard to this the review *Soviet Trade* says:—"In 1930 41.4 per cent. of all manufactured articles of large consumption were earmarked for the 'off the market fund,' and diverted to the needs of production without coming into the consumers' reach. In 1931 this fund absorbed 43.69 per cent of the total output. After 1928 not only was the volume of consumers' commodities diminished—in 1932 for instance, the output of sugar was only 828,000 tons, instead of 1,288,000 in 1928, or a decrease of 36 per cent.—but 43 per cent. of this reduced total was actually withdrawn from consumption, to the exclusive benefit of production."

These extraordinary facts accord with two conclusions which have been reached and long propounded about the socialist administration of Russia; firstly that the international Jewish financial interests, represented by Kuhn,

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Loeb and Company, who are known to have financed the revolutionaries who seized Russia, have been enabled to exploit Russia industrially to their own advantage; and secondly, that the masses of Russia have been not only deprived of what measure of freedom and property they possessed prior to the Revolution but have been prevented from enjoying the benefits which could reasonably be expected to accrue to them from the industrialisation of Russia, and have thereby been kept enslaved to the tyrants who rule Russia.

As an indication of the manner in which the industrialisation of Russia was carried out, showing that the primary motives behind it were not use value, we can quote the journal of heavy industry *For Industrialisation* of April 4, 1932. In reference to a new zinc plant at Kinstantinovka the report reads: "At the moment the plant was declared open, only 45 per cent. of the construction work had been completed, and the various operating departments were in such varied degrees of readiness that it was absolutely impossible to forecast when the plant as a whole would be able to start, even at a reduced capacity." Nevertheless, the triumphal inauguration of the new plant was not delayed. The deplorable consequences soon became manifest. "Barely a year after the opening the plant was in a worn-out state that only dozens of years of regular work could have brought about. Many repairs had already been effected, but these still leave the essential parts of the plant half demolished. . ."

The same journal reported on January 18, 1931, an American engineer, named Wolf, of the agricultural machinery plant in Rostov as saying: "You have intentionally spread your plant over 650 acres; instead of normal distances between workshops the men have to go along veritable broadways. You have wasted uselessly enormous quantities of glass, cement, timber, and iron. With the materials you have used for a single house we should build four in America. I would undertake to build your plant, by tender, for a fee amounting to 25 per cent. of the savings to be made were the construction properly conducted. That 25 per cent. would bring me so much money I should not know what to do with it."

De Basily quotes the case of a huge State farm in Northern Caucasus called the "Giant." He says: "Its size was so great that the distance to be covered by the workers to reach their place of work caused costly loss of time. In many cases they could barely arrive there before having to hurry back before nightfall. In the end this giant farm was split up into a number of separate agricultural undertakings. . ."

The French industrialist, M. Ernest Mercier in his book *U.S.S.R. Reflexions* writes of the tendency: "which, without any practical or philosophical necessity, aims solely at the colossal, super-American dimensions, with the idea of inspiring in the public the proud feeling of belonging to the nation which is, socially and technically, the most advanced in the world."

"PLANNED" CULTURE

Propaganda of the most pervasive and all embracing kind has of course been necessary to maintain the people of Russia under this tyranny. Sir Walter Citrine, the General Secretary of the Trade Union Council who visited the U.S.S.R. in 1935 has written: "Propaganda is every-

where and there is no escape from it and no challenge to it. There is never any source from which the worker can learn the other side. He only hears one side. That is the dreadful thing about it." The methods adopted by the Soviet Government he thus describes: "Get hold of the children in the creche. Follow them through the school. Then get them into the Pioneers and young Komsomols. Keep at them with incessant propaganda. Propaganda! Propaganda!—from morning to night. On the wireless, films, pictures, posters, textbooks, follow them everywhere."

"All intellectual life in the U.S.S.R.," says de Basily, is subordinated to the single aim of fashioning the collective mentality of the people. This task has primarily fallen upon literature."

Such is socialism *in practice*.

J. M.

HUGE RUSSIAN ARMS OUTLAY

The *Diario de Noticias* Zurich correspondent is quoted by the *Daily Telegraph* (October 18, 1940) for details of Russia's outlay on arms.

The Supreme Soviet Council, it is stated, at its last meeting in Moscow, decided upon an extraordinary credit for national defence of no less than 57,000 millions of roubles. At the pre-war average rate of 25 roubles to the pound this works out to £2,280 millions. This sum represents 31.7 per cent of the entire budget.

Russia's expenditure on armaments has grown rapidly since 1934: on the following scale:

Roubles (in millions).		Roubles (in millions).	
1934	5,000	1938	14,000
1935	8,000	1939	40,000
1936	14,000	1940	57,000
1937	22,000		

The population of Russia was estimated at the close of the Polish campaign at 183,000,000 inhabitants, not including territory annexed since then, such as Lettonia, Estonia, Lithuania, and Bessarabia. It is calculated that every Russian citizen, women and children included, pays 85 kopeks a day, or 25 roubles a month, towards national defence.

Every able-bodied Russian pays from 20 to 22 per cent. of his wages for armaments. If he does not particularly notice this, it is because he pays by indirect taxation.

NOTE: If the amount spent on armaments is £2,280 millions, as reported and this is, as also reported, 20 per cent. of the national income, the national income of Russia is £11,400 millions. This is roughly double the *present* British national income. The population of Russia is four times as large as the population of Britain. Therefore the Russian income per head is 50 per cent of the British.

Another interesting fact which can be deduced from the figures published is that if the amount spent on armaments is 31.7 per cent. of the entire Budget, the total Budget is roughly £7,200 millions or 63 per cent. of the national income. So that the average Russian income is 50 per cent. of the average British income, and 63 per cent. of this is taken in taxation or savings, unless a large part of the Russian expenditure is credit created for the purpose, (and, of course, it is).

NIGHTMARES

By B. M. PALMER

A week or two ago a *Daily Express* reporter wrote:

Mr. Robert Boothby, Lord Woolton's Parliamentary Secretary, is trying to find a better word for municipal restaurants.

He announced in Bradford yesterday a campaign to persuade fathers, mothers, and children how good it is to take one meal a day in company.

He wants local authorities to plan meals in schools for children, in factories for husbands, in municipal restaurants for wives.

It was incredible, he said, how much money could be saved by cooking a thousand meals in one kitchen instead of in a thousand kitchens.

All quite true, of course. It is good to take meals in company, and you *can* save an incredible amount of money by making a thousand dinners in one kitchen instead of in a thousand kitchens.

Why, then, is Mr. Robert Boothby put to all this trouble? How is it "the British Public" doesn't fall over itself in rushing to the Municipal restaurants? It shouldn't be necessary to have to "run a campaign."

Probably because its members are quite satisfied with the company in which they usually dine, don't like "restaurant" meals, and are supremely indifferent to the saving of money in the sense in which Mr. Robert Boothby would like to save it. How selfish! How ignorant! Why don't they listen to the excellent advice about a happier, healthier life so freely poured out to them by press and radio?

*"He thought he saw a coach and four
That stood beside his bed,*

*He looked again, and found it was
A bear without a head.*

*'Poor thing,' he said, 'poor silly thing,
It's waiting to be fed!'*"

This, I feel, is a fairly accurate representation of the sort of dream, or emanation from their unconscious desires, that Lord Woolton and Mr. Robert Boothby enjoy during the black-out. To them, "the British Public" is some great, brainless, clumsy animal, and their job is to poke, push and drive it in the

direction in which they want it to go. A little torture may be tried sometimes, provided the bear does not realise who is using the goad. It is a ticklish job, dealing with the creature. You have to be agile, and know how to spring aside at the right moment. But what an exciting life it is! and of course, quite profitable too. The bear doesn't reap any benefit from the box office.

I see Lord Woolton as a circus master, standing in the middle of the ring. He cracks his whip, and the lions, apparently docile, march around the circle.

"Now, ladies and gentlemen, I must ask you to do with less butter, but in compensation, the meat ration will be increased to the value of 2/2." Crack goes the whip. What an air, what a showman's voice, how smart his theatrical costume, how the limelight gleams on his buttons and patent leather boots!

The art of training performing animals, particularly bears or lions, consists in a judicious manipulation of the food supply, a system of rewards and punishments.

Now I am not so foolish as to imagine that the after-effects of air-raids do not make the mobile canteen and "feeding" centres absolutely necessary. Of course the homeless must be fed and cared for until they can make their own arrangements to suit themselves; though why on earth it should be necessary to emphasise the fact that people are "grateful" for their basic rights as citizens is beyond me to understand; nor why it should be thought noble for a lot of misguided philanthropists to do this heavy work "voluntarily." If the civilians are in the front line, they have a right to their food supply, and their A.S.C. and R.A.M.C. without constant sobstuff concerning nobility and sacrifice. Most of us are ready to go on with the vile business to a victorious conclusion, but we are tired to death of the heroic attitudes imputed to us by interested onlookers.

Let Lord Woolton, then, concern himself with his proper business of securing the nation's food supply during the war, and the aerial bombardment of our towns; but more and more people

are beginning to see that he has something up his sleeve beyond the efficient fulfilment of his office.

"Aha! the silly thing is waiting to be fed! That's just the opportunity we were wanting!"

If there were no ulterior motive, campaigns for municipal feeding would not need to be run in order to popularise the idea. It would be entirely unnecessary to find euphonious names for them. When the emergency arose the people would be glad of the canteens. When they were able to settle down to normal life once more the canteens could be dispensed with, unless the people had come to appreciate them so much that they were ready to keep them as a permanent feature of daily life. But this would be another matter altogether, and Lord Woolton is evidently rather doubtful about the outcome. This isn't what is wanted. He thinks it would be good for us to have our meals planned by competent authorities, and not left to the free initiative of family life, which develops individual tastes and idiosyncracies.

We know that there is someone, some iniquitous force, that is desirous of killing individual initiative and regimenting national life on a pre-conceived mass plan, just as there is evidence of political intention behind the campaign that began with the publication of *Guilty Men* and narrowed down to a personal attack on Mr. Chamberlain. Every *custom* that develops individual initiative and every *man* that displays it must as far as possible be eliminated.

Why not try to get the people out of their homes, into masses in the restaurants, and then, after feeding them on food which is perhaps a little nicer than they can afford to buy for themselves, why not use the opportunity for a little mass hypnotism via the radio?

Did you hear that whip crack again? Are the lions just as docile, or do their eyes show a gleam of light?

We shall have to wait a little while yet; but when the war is over I think it unlikely that the men of Dunkirk, or the men and women of London, will be particularly tame.

October 16, 1940.

The Conduct of Mr. Boothby

The following motion, "Conduct of a member," was moved by the Prime Minister in the House of Commons on October 17:—

"That a Select Committee be appointed to investigate the conduct and activities of Mr. Boothby in connection with the payment out of assets in this country of claims against the Government of, and institutions in, the Republic of Czecho-Slovakia; to report generally on these matters, and, in particular, to consider and report whether the conduct of the hon. member was contrary to the usage or derogatory to the dignity of the House or inconsistent with the standard which Parliament is entitled to expect from its members."

Mr. Churchill said it would be remembered that after the occupation of Prague certain Czech assets were blocked in this country, and there arose the question of payment from those assets to those who had claims against the Czech Government or institutions in that country.

"The hon. member for East Aberdeen," continued Mr. Churchill, "took a very active part in interviewing Ministers in this matter, pressing for

legislation, and he spoke in the House on the bill which was subsequently introduced. He became chairman of an informal committee of Czech claimants, and it pressed for payment of claims.

"Evidence has recently been placed before the Government which indicates that Mr. Boothby had a financial interest in one large claim. This appeared to be inconsistent with the statements he had made to a former Chancellor of the Exchequer and, together with other evidence, it seems to raise the question as to whether his action had been in accordance with the usages of Parliament or the standards which we have been entitled to expect from its members.

"When I communicated this apprehension to Mr. Boothby it became clear there was a conflict between the evidence in possession of the Government and the facts as he described them, and therefore the matter requires to be investigated by a committee of this House."

Mr. Churchill said that he had considered whether the matter should be referred to a Committee of Privileges, but after obtaining guidance as to

precedents he had come to the conclusion that the case appeared to raise other matters than privilege, and had decided that it was better it should go to a Select Committee. Mr. Boothby had concurred in the course proposed, and would assist the Committee in every way.

Mr. Churchill added that he did not think it fitting at this stage to call for Mr. Boothby's resignation from the office which he held with distinction in the Government, as that might appear in the eyes of the public to prejudice him, but Mr. Boothby had asked to be suspended from his duties meanwhile, and he (Mr. Churchill) was prepared to make the necessary arrangements.

Mr. Bellenger (Bassetlaw, Labour) asked if the Prime Minister could say what arrangements he had made for carrying on the work that Mr. Boothby had been doing so energetically and vigorously.

Mr. Churchill replied that he thought he might be given a little latitude in the matter.

The motion was agreed to.

(continued from page 5)

have been accused recently, after a speech in this House, of not putting forward constructive proposals. Let me say that I have put forward constructive proposals, since 1st October last year, until I am tired of doing so, and that nobody in the Government takes a bit of notice. I dare say that one day—perhaps not while I am alive—people will find it possible to agree with what I put forward. In order that there shall be no doubt, let me now say that I want to tell the German people, and all the peoples of Europe, that we do not seek to reconstruct Europe as it existed prior to 3rd September last year. I am not prepared, on any account whatever, to support the tariff-ridden Europe which we knew before the war. If we are to have peace, tariffs must go; and as soon as we, as one of the leading nations, make it clear that that is a policy that we support, the better it will be. Most of us are not prepared to support the international moneylenders' racket. I hope that that is the matter that we shall discuss to-morrow. I want

to see the complete abolition of the present monetary system ultimately based on gold; and the sooner we make our currency system relate itself to the productive capacity of the countries concerned, the better for everybody. I would like to see it made clear that the British Empire, with its enormous land areas and resources, is prepared to do something for the security of Europe. All of our immense areas of land and our natural resources are, for some man-made reason, now under the undisputed control of the monopolists. Make it clear to all people, whatever their creed, however much they may be our enemies, that these restrictions will be swept aside, that we will do our utmost to bring economic security to all the peoples of Europe; and in that way assure that, in so far as in us lies, peace shall be brought to all the peoples on this earth.

The Minister of Information (Mr. Duff Cooper): . . . As the hon. Member for East Stirling (Mr. Woodburn) said, we did not start this war in order to introduce any new improvements in the

world. We struggled against this war. We did not wish to be led into this war. We saw that there was much in the world that needed improvement, but we did not see any problem that needed improving so badly or any improvement in any way that we would like to introduce that would justify the desperate policy of entering into an international war. We stand for a certain way of living. We think that that way of living, that form of comfort, has in this land at least given to our people for a long period the greatest blessing and political institutions; it has given them order, liberty and progress. Perhaps order has occasionally been disturbed, but less than in any other country. Perhaps the liberty has been limited, but it has been more extended probably than anywhere else in the world. Perhaps the progress has been too slow, but it has at any rate been set and always in the right direction. . . .

I admit quite frankly the desirability of issuing a statement as soon as possible, but "as soon as possible" does not mean haste. . . .

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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

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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 1d.

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.
- The Power of Money
by J. B. Galway 3d.
- The Purpose of Politics
by H. E. 3d.
- Invincible Britain
by John Mitchell 2d. each,
1/6 doz.

and

- Tax-Bonds of Bondage and the
Answer to Federal Union
by John Mitchell... 1/- (Postage 2½.)

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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.....

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LECTURES AND STUDIES

The correspondence course is being distributed on the same terms and conditions which held previously.

The syllabus (3d. post free) may be had on application to:

Mrs. B. M. Palmer,
35, Birchwood Avenue,
Sidcup, Kent.

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