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FOR POLITICAL AND ECONOMIC REALISM

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The Shortage Policy

The following letter has been despatched by the Bromley and District Housewives' League to Mr. Harold Macmillan, M.P.; at the time of going to press no reply has been received, but the Editor of *The Social Crediter* will be advised of the content of such reply as and when received:—

To the Rt. Hon. Harold Macmillan, Esq., M.P.,
House of Commons, S.W.1.

Dear Mr. Macmillan,

The reply forwarded by you from Dr. Edith Summerskill to the Bromley and District Housewives' League was read at the last meeting of over seventy members, and full opportunity given for questions and discussion. Would you be good enough to put the following points before the Minister?

(1) We require an acknowledgment on behalf of Sir Ben Smith that he has been notified that 1,500 people signed the following protest:—

"We, the undersigned, call on Sir Ben Smith to fulfil the promise he made to us on the 8th February, 1946, to provide FORTY EGGS on each ration book before the end of May."

We hold the signatures ready, for inspection by an accredited person.

(2) While entirely agreeing with Sir Ben's statement in the House that "these tremendous figures are misleading" we would point out that the Government's White Paper states that 5½ pounds of feeding stuffs are required to produce one pound of eggs, whereas Dr. Edith Summerskill in her letter gives the amount needed as eight times their own weight.

(3) The *Hansard* report of the food debate in the House on 4th April has been carefully read, in the light of our dissatisfaction with the butter ration. Sir Ben Smith said: "Every time I get 10,000 tons of butter from Denmark it is part of my allocation from the Combined Food Board, and the only addition I get is what comes in addition to the common pool as a whole." Does this mean that the government has handed over the control of our food to a body not responsible to the Crown?

(4) At the close of the same debate Sir Ben stated that he had not enough dollar exchange to hire American refrigerator ships, adding: "I need them, for with their help I could lift the whole of the exportable surplus of the Argentine, of Australia and of New Zealand, and could collect the 40,000 tons of apples I have bought."

Meanwhile, the *Sunday Express* of 5th May, 1946, publishes a letter from Mr. Christopher Hollis, M.P., stating that the British ship the "Coptic" with refrigeration space for about 6,000 tons of meat, has been taken off her normal

Australasian-run, sent empty to New York, loaded with luxury food for Guam, turned back on her tracks halfway, sent to Pearl Harbour, and finally ordered to take the major portion of her cargo back to Norfolk, Virginia, where it was unloaded. The *Coptic* is a 10,000 ton ship, and must have consumed at least 12,000 tons of coal or its equivalent in the months of this futile voyage. It is stated that this is by no means an isolated instance.

UNDER WHOSE ORDERS WAS THE *COPTIC* SAILING, and what explanation has the Ministry to give of this gross waste and negligence?

After deciding that the points at issue should be referred to the Ministry, the meeting passed the following unanimous resolution:

"If we are not given a satisfactory answer to our questions, we shall say that the 'world food shortage' is being deliberately engineered in order to retain rationing and coupons."

Since the meeting was held a news item in *The Times* of May 17th, reports that a considerable quantity of vegetables have been destroyed in Holland. I quote from it as follows:—

"However, for the time being at least, and probably until the end of the summer, this destruction has now been made unnecessary, except so far as tomatoes and cucumbers are concerned, both of which are considered by the British authorities to be luxury goods, for the import of which into Germany no reasonable justification can be found."

Would the Minister please state whether this report is correct, and if so, what justification exists for the destruction of tomatoes and cucumbers, both of which would be very welcome in this country, even if considered unsuitable for the Germans, many of whom, we are given to understand, are in danger of starvation?

If we are to put the Minister's reply before our members at their next meeting, we should require an answer not later than the date of Monday, June 9th. This gives the Ministry a full fortnight, and no doubt you will see that our questions are forwarded immediately.

We wish to thank you for the trouble you have taken in putting our first letter before Sir Ben Smith. I need scarcely add that we shall give the matter all the publicity which lies in our power.

Yours faithfully,

(Mrs.) B. M. PALMER,

Chairman.

Bromley and District Housewives' League.

35, Birchwood Avenue, Sidcup, Kent.

PARLIAMENT

House of Commons, May 28, 1946.

Tax Collection (Private Firms)

Mr. Jennings asked the Chancellor of the Exchequer whether he will give an estimate of the amount of saving to the State as a result of industries, firms and companies undertaking the work involved in the collection of P.A.Y.E., entertainment tax and purchase tax; and has he any plan for compensating these people for the expense so involved.

Mr. Dalton: P.A.Y.E. has increased the revenue, but has not reduced the total cost to the State of collecting it. As to Entertainment and Purchase Tax, I cannot give any firm estimate. I cannot adopt the suggestion in the last part of the Question.

Mr. Jennings: Is the right hon. Gentleman not aware that the clerical work involved in the collection of these taxes by taxpayers is a great hardship on them, and that they are put to a good deal of expense in collecting them?

Mr. Dalton: In this case, I follow faithfully in the footsteps of my two predecessors.

Iron and Steel Industry

The Chancellor of the Exchequer (Mr. Dalton): . . . Before concluding, I would pay a tribute to the right hon. Gentleman the Member for the City of London (Sir A. Duncan) who is to follow me. The right hon. Gentleman is a great Socialist executive—I am not joking at all. When the history of these past years is written, the work that he did as chairman of the Central Electricity Board will be very emphatically underlined. It was a great new venture. He ran a risk in becoming chairman and taking charge of it. He conducted it with great energy and skill. He planned and created with his advisers the electric grid; he also brought about a number of improvements in the generating stations which the grid links. Without this fine piece of practical Socialism—which is what the grid is—it is doubtful whether we could have carried on the war as we did. Without this assurance of inter-communication between generating stations which from time to time were hit by enemy action, it is doubtful whether we could have carried on as we did. It is quite certain also, that we could not, without it, have faced the future with any confidence in the field of electrical development. I hope and believe that in history this Socialist grid will be associated with the right hon. Gentleman's name. I hope we shall call it "The Duncan Socialist Grid"—why not?

From the Central Electricity Board the right hon. Gentleman went on to the Iron and Steel Federation, indeed, he was in some measure the founder of it. Then, doubling the parts with great skill, he went on to the Board of Trade and to the Ministry of Supply in the war, and there again he made a very conspicuous contribution at the Ministry of Supply, in particular towards organising the production of munitions. He did that, and we are all very grateful to him for it. But what was it that had to be done to lead up to that? What he did at the Iron and Steel Federation in the years before the war. He found a jumble of more or less efficient, more or less competitive units. He welded them together into a single, regulated, monopolistic combination. That is what he did. He took them half way along the road to Socialism. He led the industry, by great organising gifts,

great initiative, great energy and great imagination, into a situation in which nationalisation became inevitable by a Government with the courage of their convictions and clarity in their minds. I ventured to quote once before, and the House must allow me to quote again, Karl Marx. One of the things Karl Marx said was:

"Capitalist combination is the sure pathway to Socialism."

And so it has proved. We intend to continue the work which the right hon. Gentleman so well began. . . .

May 29, 1946.

Palestine (Terrorist Incidents)

Mr. C. S. Taylor asked the Secretary of State for the Colonies how many cases in the last six months of terrorism in Palestine have resulted in the murder of British troops or police; how many terrorists have been brought to trial; and what punishments were inflicted in each case.

Mr. George Hall: There have been six incidents of terrorism during the past six months resulting in the murder of British troops or police. The total number killed was 16 British soldiers, including five Africans and five British police.

As regards the second and third parts of the question, 10 persons have been brought to trial. Two were acquitted and eight were sentenced to the following terms of imprisonment: 1 to 12 years, 2 to 7 years, 1 to 5 years, 1 to 4 years, 1 to 3 years, 1 to 6 months, one case was a technical offence only. A further 71 persons are awaiting trial in connection with these terrorist incidents.

May 30, 1946.

Defence Regulations (Contraventions)

Sir W. Smithers asked the Secretary of State for the Home Department the total number of prosecutions from August, 1945, to the latest available date for civilian offences committed in contravention of Orders in Council and regulations which were in existence during the period covered but were not in existence in 1938; the total number of convictions; the total number of persons imprisoned; and the total amount of fines and other monetary penalties imposed for such offences.

Mr. Ede: The figures available to my Department relate only to offences against the Defence (General) Regulations and Orders made thereunder, and do not show the number of prosecutions or the total amount of fines. During the period August, 1945, to March, 1946, inclusive, the number of persons found guilty of such offences was 17,110 of whom 14,585 were fined, and 662 sentenced to imprisonment.

Sir W. Smithers: Does not the right hon. Gentleman realise that the continuance of these Regulations is stifling national recovery, and will he in the Cabinet try to get them removed as soon as possible?

Mr. Ede: No, Sir. I cannot admit the first part of the supplementary question. I would point out that the number of prosecutions in 1944 was 143,000, compared with 17,000 during the period in which I have been in office.

National Insurance Bill

Sir Waldron Smithers (Orpington): . . . I do ask the Government to tell the people of this country the truth about the difficult situation in which we are placed and how, in

many cases, it is not possible to increase expenditure at this critical time. What is the good of a benefit of £100 a week if the money is worthless and if there is nothing to buy? That is a situation to which we are rapidly approaching. [An HON. MEMBER: "Nonsense."]

This Bill is introduced by the Socialist Government as a result of the promises they made at the General Election. It was part of the policy of mass bribery. They made promises and raised hopes which I for one do not believe are capable of fulfilment. The soap box has triumphed—[An HON. MEMBER: "Let us have a clean up."]—and soap box policies have yet to be realised.

Mr. Deputy-Speaker: I cannot find anything in the Bill about soap boxes.

Sir W. Smithers: This country will be faced with a major disaster if we have a repetition of the 1931 crisis. I would do anything to help anyone, but I believe that these proposals are brought forward at a most dangerous moment in the history of our country.

Taxation Yield

Mr. Bossom asked the Chancellor of the Exchequer if he will state the total amount of direct and the total amount of indirect taxation he estimates he will collect from his 1946 Budget.

Mr. Dalton: £1,736 millions of direct taxation and £1,182 millions of indirect.

June 3, 1946.

Government Departments (Paper Consumption)

Brigadier Mackeson asked the Financial Secretary to the Treasury how much paper was used by all Government Departments in London and the United Kingdom during, respectively, the first quarters of 1936 and 1946.

Mr. Glenvil Hall: Five thousand, eight hundred tons and 21,600 tons respectively. These figures include paper used for printing, forms and books. Of the increase of approximately 16,000 tons more than 14,000 tons were issues to the Fighting Service Departments and departments not in existence in 1936.

June 5, 1946.

Foreign Affairs

Mr. Churchill (Woodford): . . . Let us discard cant and humbug. I believe it is a fact, to put it mildly, that there is as much freedom in Spain under General Franco's reactionary regime—and actually a good deal more security and happiness for ordinary folk—as there is in Poland at the present time.

We are now confronted with a proposal that all nations of U.N.O. should break off relations with Spain. Before I examine that project in detail, there are some general propositions now in vogue which deserve scrutiny. Let me state them in terms of precision: "All oppression from the Left is progress. All resistance from the Right is reactionary. All forward steps are good, and all backward steps are bad. When you are getting into a horrible quagmire, the only remedy is to plunge in deeper and deeper." These rules, it seems to me, from time to time require a review by the intelligentsia. They require review in the light of experience and of the circumstances we see around us. . . .

. . . I made the utmost exertions, as Minister of Defence, to prevent Italy from being robbed of her fleet, and I was supported by my colleagues in the War Cabinet in the loan to Russia of 13 British warships to prevent the immediate distribution of the Italian fleet, which was fighting with us, between the three great Powers. We have not been told what happens to these 13 vessels now that the Italian fleet is to be divided up among the three great Powers. It might be a graceful gesture to Russia to convert the loan into a gift. We certainly wish to welcome Russia and her navy and her merchant commerce freely to the oceans; we recognise the importance to Russia of access to warm water ports, and I should like to hear from the Government what their intentions are about these 13 vessels. . . .

I have been struck in my visits to Belgium in November and to Holland recently, with the enormous recovery made by those countries since the war, and the vigour with which all parties there are unitedly plunging into the whole process of national recovery. The close relations which are growing up between those two countries, the association of the Catholic Church with extremely advanced liberal and social policies, the general aversion from Communism, all these are evident. But what impressed me even more, was the deep affection of these countries for Great Britain. . . .

. . . In the Communist sect it is a matter of religion to sacrifice one's native land for the sake of the Communist Utopia. People who, in ordinary life, would behave in a quite honourable manner, if they are infected with this disease of the mind will not hesitate a moment to betray their country or its secrets. . . .

Above all, we should not again let the years slip by while we are pushed and slide down the slippery slope. We still have a breathing space. Let us not waste it, as we did last time. The last great war could have been prevented with the utmost ease by prudent, firm and righteous action, five, four or even three years before it occurred. [Interruption.] No right to lay flattering unction to their souls resides upon the benches opposite in this matter. [An HON. MEMBER: "Or behind you."] I am dealing with this great matter which belongs to history, and from which no British party can draw particular credit. Other countries were concerned in that period, and I have no doubt whatever in saying that even up to 1936 it was possible, if we had utilised the full powers of the League of Nations—[Interruption.]—I travelled all round the country on that campaign, which amounted to what is now called "ganging up" the League of Nations against Hitler, but did not succeed. . . .

June 6, 1946.

British Fascists (Subsidies from Mussolini)

Lieut.-Colonel Sharp asked the Secretary of State for the Home Department whether he will make a statement on the evidence found in documents captured from the enemy that a foreign government was subsidising the British Union of Fascists.

Mr. Ede: Yes, Sir. Letters from Count Grandi, the Italian Ambassador in London, to Mussolini, have been found among the latter's papers. The relevant portion of one such letter dated 30th January, 1934, is as follows:

"Mosley has asked me to express his gratitude to you for
(continued on page 6)

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Saturday, June 22, 1946.

From Week to Week

Professor Bogolomets, of the Workers' Paradise, has discovered a serum which will make us all live to be one hundred and fifty years young. But, unfortunately, at sixty-five his health is so poor that he cannot travel to somewhere where life is worth living.

• • •

It is not necessary to hold strong views on the respective merits of republicanism or monarchy to realise the fantastic absurdity of changing the Italian Constitution on the basis of a majority registered under the conditions of the recent referendum. Of all the subjects affecting large-scale organisation, that of the nature and results of hereditary office is one of the most subtle and complex. Most of the "arguments" adduced against it are not arguments but prejudices—(a majority easily traceable to the vicious nonsense of the French Revolution and Commune) and one of its fundamentals, that it is a body of oral tradition and behaviour, is generally overlooked. Yet it is becoming plainer every day that the mind of contemporary man is not equal to the tasks of statesmanship, and is becoming less, rather than more so. There has to be established again that body of effective but unwritten law which kingship (not mon-archy *per se*) in alliance with a Church, provided.

Within that framework of long experience and organic wisdom, genuine progress is possible. The other alternative is seven monkeys jumping on seven typewriters in the sure and certain knowledge that, in infinity, they will write all of Shakespeare's plays.

• • •

This Administration is reminiscent of nothing so much as the theological examinee who was invited to list separately the major and minor prophets, and replied "Far be it from me to criticise the respective merits of these great ones. Let us rather enumerate the Kings of Israel." Asked to build houses, they repeal the Trades Disputes Act; to restore pre-war freedom, they nationalise coal; to avoid inflation they double the cost of every Government "service" and force a black market by refusing to release consumers' goods.

There are two explanations, not mutually exclusive; they are controlled by rogues; and, for the rest, they are like the examinee—they don't know the answer. Nevertheless, *keep them in and give them hell*. The other lot are just like them, even if less repulsive in person.

When Mr. Churchill, somewhat superfluously, explained that he had a well-trained conscience, he meant, in his somewhat elliptical vocabulary, that politics is a dirty game, and he likes it. The important point to be derived from

this is that the more politics, the more dirt.

We have never had so much politics as at present, or so much dirt, and to the childlike mind, the remedy, for those who do not like dirt, is obvious. We want a great deal less politics.

It is fairly clear from a study of history that we shall never lack a plentiful supply of well-trained consciences, but there does not appear to be any fundamental reason why politics should not be made a great deal less attractive to the possessors of them. For instance, a steady and continuous stream of unpleasant post-cards to Members of Parliament who have just doubled their own salaries, asking what benefits the general population (not some picked clique which shares the loot) has received from their activities, might do for a beginning. You, Clarence, now own the coal, and are going to own the collieries.

Why not ask why your coal costs four times as much, you can't get it, and it is of bad quality? Ask if you can sell your share of the property, as it doesn't seem to pay.

And will your rent be four times as much when "the State" owns your still unbuilt house? But perhaps you have sold it, and the cheque has gone wrong in the post, or you find to your surprise that it is drawn on your own account, as Professor Laski sniggered when he said he wasn't worried about compensation.

• • •

Mr. Herbert Morrison, at the Labour Party Conference, said the State had its eye on I.C.I. These fellows will have their little joke. What he really means is that I.C.I. is getting ready to take over "the State."

The Press Boycott

Experience in the campaign to secure the right to contract out of the State Medical and Insurance Services, if established, shows that the press boycott of news subjects unfavourable to the Planners can be broken by carefully directed and persistent action. The principle appears to be that of "admit" (freely or at least to the extent necessary) "what is already known." The "sanction" is public knowledge backed by evidence of strong public feeling. The public is not on the defensive against the press; the press is on the offensive against the public as well as on the defensive. Newspapers of large circulation which have given publicity to Dr. Dobbs's campaign are the *Daily Sketch*, the *Evening Standard* and the *Daily Dispatch*. Only the *Daily Sketch* put its readers in communication with the organisers of the campaign. In addition to *The Social Crediter*, four periodicals in this country printed the Petition in full. The active response from these scarcely amounted, in the aggregate, to a tenth of that traceable to *The Social Crediter*.

Bromley Housewives' League

The Bromley and District Housewives' League of which mention is made on Page 1 of this issue is a body in association with the British Housewives' League founded in 1945 by Miss Irene Lovelock of Selhurst Vicarage, London, S.E. 25.

Maltese Cross

Mr. F. C. R. Douglas who has been appointed Governor of Malta, has, since 1910, been a member of 'The United Committee for the Taxation of Land Values Ltd.'

The Debt Question in the Channel Islands

Mr. Chuter Ede, the Home Secretary, was reported in the *Jersey Weekly Post* of April 6, 1946, as saying "H.M. Government . . . had . . . offered the States of Jersey a capital sum of £4,200,000 and the States of Guernsey a capital sum of £3,300,000 to be used for the purpose of liquidating part of the indebtedness of the Islands."

He then went on to say, "The balance of the expenditure required for the purpose of reconstruction would be borrowed by the States."

What is this debt the Islands are alleged to have incurred?

The following are extracts from a statement prepared by Mr. R. B. Gaudin in 1943:—

Although the war is over, the legacy of war includes many curious features, one of the most unpleasant of which is the debt question. The Channel Islanders, having suffered directly all the losses and ills of enemy occupation are expected to pay again for this in having an alleged additional debt of the order of some £11,000,000 to £12,000,000 slung round their necks.

This question is of vital importance to the future welfare of the Islands, and it is the duty of every Islander, and particularly those who are responsible for their administration, to understand the full significance of its meaning and resultant consequences if those who would benefit, if this debt is imposed on the Islands, are not called upon to prove the reality and not merely the legality of their claim.

Proposals for the rehabilitation of the Islands seldom offered any physical difficulty, except perhaps during the limited period after the freeing of the Islands from German occupation—when there was a shortage of goods. The real problem is nearly always a question of where the finance or money is to come from so that they can be carried out. To put it another way, finance which should be the routing and tally system for the community is used frequently as an occult system of government contrary to the policy desired by the community.

The power of finance for good or evil is immense. It is, therefore, imperative, if we are to have anything but a sham democracy in the Islands in the future, that financial policy shall be in accordance with the policy desired by the people.

By tradition the Islands have retained not only a large amount of political freedom, but also financial freedom greatly in excess of that enjoyed by many communities with immeasurably greater economic resources. It must be realised, however, that "eternal vigilance is the price of freedom." It must never be overlooked that the power of finance is largely supra-national, and a sure way of frustrating the natural aspirations of a community so that they shall not be able to do as they would with their own is by the imposition of Debt. The only safeguard for communities such as those in the Channel Islands is to avoid being manoeuvred into the position of debtor.

While it is imperative to bear in mind the foregoing warning, it is well to remember that the Islands have, in fact, been able to issue a portion of their own currency, for instance, by the issue of parish notes in Jersey, and the

Guernsey notes issued by the States of that Island, so there is always a precedent which may prove of considerable benefit. The issue of notes during the occupation should not be overlooked.

The Islands, collectively, have been fortunate economically, for not only have they been able to produce much of their own food, but basic raw materials, such as vraic for manure, and very high class stone for building and road making are available locally. In certain products the Islands have exportable surpluses, such as tomatoes, grapes, potatoes, cattle, stone and so on. Other sources of income were those claims to external wealth, considerable in the aggregate, in the form of financial credits received by pensioners and others who settled in the Islands, and from tourists. With the proceeds from these the Islands have been able to buy machinery, groceries, coal and, in fact, all those necessities they cannot or, at any rate, did not make. The fact is then that in one way or another the residents as a whole have been economically independent and, compared with English standards, enjoyed good living.

Real credit is the ability to deliver goods and services when, and where required. Financial credit is the ability to deliver money as, when and where required. Real and financial credit are complementary. In our complex civilisation one form cannot function properly without the other, even though one is an actuality and the other a pure abstraction. The proper issue and withdrawal of financial credit is of paramount importance to human happiness, and it is to an overwhelming degree the failure of the controllers of finance to do this which has led to many of the disasters which now beset us.

It is clear that the "loan" made by bank staffs remaining in the Islands during the occupation are a fiction and, for instance, the statement in *The Times* on June 30, 1943, "that advances to the equivalent of several millions of pounds sterling have been made by them [*i.e.*, the remaining nuclei of the English bank branches] to the local States" is an entirely mistaken conception. All that happened was that the English banks left "the skeleton of a currency organisation" [to quote *The Times* again] which perhaps made it appear that such loans had been made, whereas, in fact, they are only the agents for monetising the real credit of the Islands. Having done so to the extent they did, it is ridiculous now to suggest that the English banks must now benefit to the tune of several millions from the amount of so called advances made under enemy rule.

These are the round figures relating to Jersey. Guernsey figures are doubtless similar, and any discussion about the position in Jersey would likewise be applicable to Guernsey.

(i) Treasury Bonds issued by the States of Jersey to the banks between 1940 and 1945 to cover deficits due to lack of Income over those years amounted to £2,500,000.

The subscription to these Bonds could come only from two sources: (a) "hard money" savings, and (b) the "Banking Nuclei" who created the money out of nothing. Any "hard money" savings would be genuine savings in the sense that the holders suspended their claim on wealth, and the States must honour these when genuinely held by individuals or Companies who did not first create money. No such "hard money" savings were in fact lent to the States during the occupation.

As you will gather from this essay, the "Bank Money"

is a different proposition. Here money has been created on behalf of the States and the money is *ab initio* the property of the States. The Banking Nuclei were just the local agents of the States creating the money. What should they be paid? Surely no interest as such, because in point of fact the credits are the property of the States.

(ii) Levy, being the money actually confiscated by the Germans, £1,800,000.

How the Islands can "owe" what has been taken from them wants some very special explaining. *Owe to whom? The Germans have consumed the goods and used the labour. The Islands have already provided these. Is it not absurd that the Islanders may now be considered indebted to the "Big Five" for the financial equivalent of these?

(iii) "Reichmark Notes in the Island which have been converted into Sterling are, therefore, actually valueless." £1,500,000.

Reichsmark Notes and Sterling Notes are *worth intrinsically* only pieces of paper. All that happened was that by decree it was decided to withdraw the Reichsmark Notes and replace them by Sterling Notes, and that after a certain date Reichsmarks would not be legal tender. The cost has been the cost of printing and distributing PAPER! Though repugnant, it would have been very easy, though less convenient, to continue using German Notes at their decree value and gradually replace them by say, Channel Island Notes.

(iv) Overdraft at Bank, £230,000.

This is just the sum of the book entry credits, presumably costing a very small fraction of the claim.

(v) War Damage estimated at £1,450,000.

This is a genuine claim by owners of property and must be met—subject of course to verification of the amounts.

With regard to the Treasury Bonds issued it has been ascertained that they were issued entirely to the local branches of the English Banks, which incidentally were at that time, from the United Kingdom standpoint, technically "enemy organisations." None of the Bonds, it is stated, are held by private individuals.

Item (ii) would be more aptly described as "German Levy payments advanced" to the States by the Banking "Nuclei."

Item (v) appears too low as reparation claims are of the order of £14,000,000 for the Channel Islands.

Nevertheless the Islands may be genuinely in debt. The question is whether during the period when the alleged debts accumulated, there were rendered to the Islands from external sources which now claim repayment more goods and services than received from the Islands. If this is the case, then it is clear that some, if not all of it, should be repaid. But by whom, and to whom? In fact, it may be argued that any alleged external debt that may have occurred is not a debt owing by the Islands, but *to* the Islands, by the belligerents.

All individuals—apart from a small minority—who have suffered from the insane devastation and misery of war are the victims rather than the conscious promoters of the crime. The Islanders can hardly claim exceptional treatment. What we want to avoid, however, is non-existent debts being considered as realities.

We have to examine how far the figures relate to supplying needs for the maintenance of the civil population, and how far they relate to supplying necessities to the German

occupying forces, and for carrying out their various military engineering projects.

When these have been subtracted from any alleged external debt, is there a balance still remaining, and if so, to whom is it due and what real wealth have the so-called creditors given up to entitle them to future interest and capital payments? Who is going to benefit in future, first from the annual interest payments, and secondly, from the eventual receipt of financial capital repayments?

The internal debt owed to the public is another matter. "Hard money" which has been lent to the States of the Islands by the inhabitants is a genuine debt, whereas Bonds held by the Banks have all been acquired by them through the issue of bank money.

To the extent that the Islands owe France a sum of money, such sum is a financial reflection of goods provided and services rendered during the occupation in excess of the corresponding goods and services supplied to France.

If the Islands now export produce or render services direct to the inhabitants of France in excess of imports, the mechanics of the settlement should not produce difficulties. In general terms it is only by voiding overseas more wealth than received from overseas that this category of external debt can be repaid.

From the foregoing I think it is abundantly clear that the States of the Islands should seek the best advice obtainable, so that they can deal with the situation in the manner most likely to prevent the Islands having an enormous debt attached to them.

PARLIAMENT

(Continued from page 3)

sending him the considerable sum which I arranged to hand over to him today . . . He also spoke with gratitude of the simple generosity with which you accepted as a future commitment his requests for material aid. . . ."

The relevant portion of a further letter dated 1st March, 1935, is as follows:

"At the moment you are spending a great deal of money in England. At any rate until a few days ago, you were giving Mosley about 3,500,000 lire a year in monthly instalments of about 300,000 lire. All this money, believe me, Duce, even on the best supposition simply goes down the drain. At the present time we should concentrate our efforts in a different direction. With a tenth of what you give Mosley, that is, with a monthly allowance to the Embassy of 35,000 lire, I feel that I could produce a result ten times better."

Lieut.-Colonel Sharp: Using the 1935 rates of exchange, can my right hon. Friend say what that payment represents in terms of British money?

Mr. Ede: On the 1st March, 1935, the rate of exchange was 56⁹/₁₆ to 57 lire to the pound. At this rate 3,500,000 lire is equal to £60,403.

Mr. H. Hynd: May I ask what action the Home Secretary proposes to take in view of this very startling exposure?

Mr. Ede: Unfortunately, it was not illegal for Sir Oswald Mosley to receive this sum of money. I can only hope that this will be an instructive foreword to the book he proposes to publish.

Mr. Warbey: Would my right hon. Friend say, humorous as this subject appears to be to some hon. Members, that there is evidence here of traitorous activities?

Mr. Wilson Harris: Does the right hon. Gentleman know of any other sums of money being paid by other foreign

governments to any other parties in this country?

Mr. Ede: No, Sir. If I come across anything like that—and I am not compelled to disclose the source of my information in certain cases—I will certainly acquaint the House.

Mr. Gallacher: In view of the statement the Home Secretary has made, will not he follow it up by publishing the names in the book found in Captain Ramsay's flat?

Mr. Ede: I do not think there is very much connection between these two. I have no evidence that Captain Ramsay received money from outside this country.

Mr. Skeffington-Lodge: Can the right hon. Gentleman explain why official cognisance was not taken of this transaction at the time?

Mr. Ede: No, Sir. I was not responsible at the time.

June 7, 1946.

U.N.R.R.A.

Mr. Marples (Wallasey): . . . When I went to Italy, I found that there was certain unrationed goods. It may be within the recollection of the House that I put down a Question on 1st May, asking the Secretary of State for Foreign Affairs, in view of the appeal of U.N.R.R.A. for heavier importations of wheat into Italy, if he had any information as to what foods were rationed in that country. The reply was, "Yes, Sir," and various details were given, including the fact that the ration of edible fats per month was six ounces. I had, however, purchased butter and cheese in unlimited quantities in Italy at reasonable prices, and not on the black market. The Minister of State promised to look into the matter again. I then received a letter from the Under-Secretary for Foreign Affairs which, perhaps, I may quote. He said:

"Meat, cheese and butter are not at present rationed in Italy, and can, as you state, be easily bought in the shops. Meat costs about 450 lire, cheese 400 lire and butter 700 lire per kilo. These prices, of course, are beyond the reach of the poorer consumers."

Then he went on to give an explanation of why they could not be rationed. My point was that if cheese could be rationed in this country, it should be rationed in Italy, and that aroused my interest in U.N.R.R.A. to see if I could find out why it was not rationed in Italy.

. . . So far as dairy produce is concerned U.N.R.R.A. shipped to Italy 18,000 tons during December, 1945. How can that be reconciled with the fact that certain dairy produce is being sold unrationed in the Italian shops—and I can assure the Under-Secretary that the ordinary working class and peasant class are buying them? . . .

. . . Also the question of the Combined Food Board is a very vital one, because its operations are shrouded in secrecy. The Leader of the House came back recently from America and was not able to give us complete information because he said it would have been contrary to the Combined Food Boards to disclose it. He was quite right if that was the policy, but the Board is wrong to have such a policy. . . .

Major Bruce (Portsmouth, North): . . . There have been rumblings from time to time from the Far East, which, as far as I am concerned, have recently crystallised in a letter I have received from a correspondent in China, who is a representative of a reputable firm. He says:

"China is for the moment virtually under American control and this state of affairs is not improved by the operations of U.N.R.R.A. and its Chinese counterpart, C.N.R.R.A. These two organisations

are now under heavy criticism on charges of corruption, and are, in effect, no more than highly organised selling agents for American goods, particularly those luxury articles which, for some unknown reason, form such a large part of U.N.R.R.A. shipments."

Sir Stanley Reed (Aylesbury): . . . We are, I believe, the second largest contributors to the funds of U.N.R.R.A., and our contribution is made by great sacrifice on the part of this nation—a sacrifice in consumer goods which are urgently required for this country itself, including a large amount of rolling stock, and a sacrifice by the additional strain on our dollar exchange for food stuffs and other commodities which are supplied and paid for in dollars. Yet we are told that Yugo-slavia cannot be represented at the Victory Parade tomorrow because Great Britain is unfriendly to Yugoslavia. Is there any truth in the statement, which is made on very good authority, that once our contributions are landed in Yugoslavia all indications of the source and origin of those contributions completely disappear and the people who receive those very substantial benefits, have no idea whatever of whence they come, and by whom they are paid for. . . .

Mr. Walkden (Doncaster): . . . Government Departments are marking papers "secret" which are not secret at all. This is of paramount importance, and I am going to confess something which I think should be confessed. I have never read such stuff and nonsense as I have read in recent weeks headed "secret," while associated with the Ministry of Food. I make no apologies for saying that. Ordinary information which Dutch friends have given me, and which I have had delivered to me this afternoon in the Lobby of the House, has been published in European countries, yet it is published as secret information in Government Departments. Why should that be so? Why should we not be told precisely what is available in different European countries? If it should be that there are 35,000 or 40,000 cattle on the hoof surplus in Denmark and U.N.R.R.A. ought to have them, why has not U.N.R.R.A. the money, or why have not the cattle been moved?

. . . We stopped produce coming from Holland on 31st May, but no one has ever told us why that produce is not going to U.N.R.R.A. and to liberated countries. No one has ever told us that it is going there. There are other issues concerning the Balkan States. The Balkan countries have certain surplus products. The hon. Member for Wallasey raised the question of surpluses in Italy. I saw the information weeks ago marked "secret," and a fortnight ago I read it in information circulated from Italy, so there was no secret in it. Why is it that Members of Parliament cannot have this information? . . .

A final point that I do not understand is concerned with the Island of Malta, the George Cross Island. Some few weeks ago they had thousands of tons of surplus potatoes. Personally, I tried to find out how it was that they were supposed to have exported potatoes to the United Kingdom. I did not believe that they had and I found out that they had not, but those potatoes have gone somewhere. They have not come here. They have not come with the approval of the Minister of Agriculture. The fact is that they have gone somewhere. Three thousand tons of potatoes left Malta for commercial reasons and for somebody's advantage; but between now and September we shall have to send possibly a similar amount of flour from stocks, we cannot afford to replace potatoes that have been sent to give somebody commercial advantage. . . .

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Name, address, and approximate number of members of Association

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We desire to follow the advice of the Social Credit Secretariat.†

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to subscribe to *The Social Crediter* regularly in the proportion of at least one copy for every five members.

We agree not to discuss with others, without authorisation, the details of special advice received from the Secretariat.

Date..... Deputy's Signature.....

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HEWLETT EDWARDS,
Director of Organisation and Overseas Relations.

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Victory

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