

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### WHOSE SERVICE IS PERFECT FREEDOM

By C. H. DOUGLAS

Some years ago, a leading member of the inner political circle in Moscow was asked what he thought about social credit. He replied: "We know all about that. It is the one theory in the world of which we are afraid."

Perhaps the most pathetic feature of the present world-wide crises is the facility with which large masses of people will accept, under a suitable title, a situation against which they will fight to the death if it is labelled something else. The effect of this is to destroy "a just relationship between the mind and things." For instance, a considerable, though rapidly decreasing, body of what is called the working population of this country is hypnotised into the idea that, in Russia, a highly centralised, tyrannous and corrupt government, because it is labelled "the dictatorship of the Proletariat", is something which would be to the advantage of the under-privileged classes of this country. The Russian Proletariat do about as much dictating to the real Government of Russia as the English Proletariat do to the Bank of England. Yet less corrupt, more "socialistic", although tyrannous and centralised governments in Germany and Italy, because they have been successfully labelled with an entirely fanciful name, Fascism (which means, if it means anything, one thing in one part of the world and another thing in another part of the world), are supposed to be the unique enemy of the "worker" and the only force to be fought in this country. It is difficult to make the general public realise that "Communist v. Fascist" is, in the

main, only the old Party game in a new dress.

Now, it might appear to be almost an insult to the intelligence of the readers of this review to repeat that the characteristics of a centralised government can be deduced from the nature of the centralisation very much more effectively than by the label which is commonly used in referring to it. Without first-hand contact with it, I should be inclined to say that of the Dictatorships that of Italy, with one very important reservation, contains the least number of objectionable characteristics. In fact, if to the organisation of Italy, as I understand it, were added what is understood in social credit as "freedom of association", which would involve complete political and financial decentralisation, that is to say, social credit, Italy would form the basis of a very fairly sound form of organisation, simply because of its trend towards "functionalism." Of all the centralised governments, so far as I understand their organisation, Russia is by far the greatest threat to the individual, whether he is called a proletarian or anything else. To suppose that the most

naturally reactionary and politically inexperienced country in the world can, or wishes to, solve problems exercising Great Britain is merely fantastic. I believe that the state of affairs in Russia has been consciously achieved by truly anti-social and anti-cultural forces, and that an attempt is being made to achieve it all over the world by methods which I think it is vital should be better understood. I should like to state unequivocally that it is my conviction that centralisation is being fostered everywhere, and from the same source and with the same object—world dominion.

The state of affairs in Great Britain during the last hundred years affords perhaps the best example from which to gather the nature of the process I have in mind. This process requires for its successful development a section of the population which is permanently and of set purpose treated unfairly, and in whom a sense of injustice can always be roused and, in fact, justly roused. The next stage is, by such theories as Marxism, to direct the discontent of this under-privileged portion of the population against any section which is somewhat better privileged, and to inculcate steadily the idea that the deprivation of privileges on the part of the more fortunate section of the community will result in the transfer of those privileges to the less fortunate section of the community. In the United States this process is termed "playing both ends against the middle", and is, of course, used as a basis for increasing taxation. While, at the same time, the progress of the

**On Other Pages**

**"WE ARE EUROPEANS"**

**SOFINA**

**BRAVO!**

**NORTHERN IRELAND**

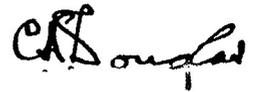
industrial arts is towards greatly increased real wealth, any estimation of the extent to which this is so is naturally far beyond the capacity of the uninstructed individual and is concealed by diverting productive capacity to useless avenues. The taxation process and the financial jugglery which accompanies it, succeeds quite effectively in depriving the privileged portion of the community of their privileges and transfers them to, or, if it be preferred, centralises them in institutions which are controlled from the point at which it is desired to centralise Power. It should be noticed particularly that the result of taxation, for instance, on the breaking up of the great estates of this country has not been to transfer any considerable or desirable portion of those great estates to the

general population; it has been for the most part to transfer them to mortgage companies, concealing first the Banks and ultimately a ring of Financial Gangsters, holding a prior lien on the house and real property in the country and selecting the most desirable portions for themselves.

At this point it is perhaps desirable to digress. As perhaps I may be permitted to point out, the first book on what has since come to be called social credit, *Economic Democracy*, written for the most part in 1917 and published in 1919, was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy. My excuse for this reference is that every effort has been made to obscure this fundamental issue, and to

represent the Social Credit Movement as concerned with "a discredited monetary scheme, which has been tried in Alberta and has failed."

No Social Credit Scheme has been tried in Alberta, and consequently no such scheme has failed. Social Credit Policy in Alberta has so far been devoted to clarifying the issue I am now discussing, and Mr. Aberhart's Administration is achieving an historic success in this policy. No social credit monetary policy can be instituted in the face of centralised Power, which is exactly why the centralisers are now in such a hurry. (*To be continued*).



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## CORRESPONDENCE

From Mr. James B. Galway,  
Belfast.

With reference to the transference of Czech gold to the Bank of International Settlement held in London by the Bank of England, a subject of parliamentary and press discussion, it is to be hoped that the business community of this country will not misjudge the shadow of this matter for its substance.

The kernel of the matter is that the action was taken by the actual—as distinct from the nominal—government, a government which is not national but international. The matter is summed up in Sir John Simon's statement given in answer to Mr. Lloyd George . . . who incidentally was one of the politicians concerned in the establishment of the Bank of International Settlement . . . "But I must warn Mr. Lloyd George that if, as I believe, these protocols involve an absolute assurance to the Bank of International Settlements that their orders shall be obeyed, I don't see how we can fail to obey those orders except by breaking our treaty obligations."

That our own banking authorities are involved in this matter

outside the "jurisdiction" of the Parliament of Great Britain is evident from the statement of Mr. Brendon Bracken when he spoke of the "sealed lips" policy of two directors of the Bank who represented the Bank of England.

This point of authority or power vested with private individuals with international connection would appear to transcend the legal and moral issues involved. Is it not significant that there should be an outcry to protect the interests of Czechs (bankers or peasants?) by the British Parliament when some six months ago only two or three "back bench" voices were raised against saddling upon the British taxpayer the guarantee of a loan of British gold to Czechoslovakia—effected by the same financial authorities to their private profit?

From Dr. Tudor Jones

Will readers who have any information whatsoever concerning the organisation known as P.E.P.—its origin, past and present, personnel, activities, adherents, publications, or publications in which it is mentioned favourably—be so kind as to forward details at once to 133, Thingwall Road, Liverpool, 15?

"I cannot afford to sign my name"

With other householders, I have received to-day a letter from the Ministry of Health and another from the Mayor's Parlour. In the former I am told that the nation is proud of what I have done "of (my) own free will" in the matter of "the reception and care" of schoolchildren who are to be evacuated from the frying-pan of London to the fire of Bedford. And in the other I am thanked on behalf of "the Council" (unspecified) for my "public-spirited offer" to receive and care for them.

I hasten to disclaim this effulgent commendation. I made no "offer" and the behaviour of "the Council" made it quite impossible to do anything of one's "own free will." People came to my house and subtracted the number of its inhabitants from the number of its rooms, and the answer was the number of schoolchildren to be allocated to my "care". And that was that. No question of reason, special circumstances, or "free will" came into the discussion. Even now, the Mayor finishes his letter with a threat that if I am unable to receive the children it may be "necessary" to send me an equal  
(continued at foot of column 1, page 3)

## COMMENTARY

B I S, the initials of the Bank for International Settlements, form the German for 'until'.

Until what?

One swallow doesn't make a summer; and one spate of back-chat in the House of Commons doesn't make a victory over International Finance.

We have been reproached for presenting a picture of the world which is just gloom and foreboding unpierced by a single spark of colour or brightness.

But we *are* the spark!

The so-bright a beam that it maketh darkness blacker.

However, the other kind of light cometh. We hear the Palestine question has now been completely solved, or *quite* solved, as one might say. The Jews aren't Jews and the Arabs aren't Arabs! So that's that.

"The Palestinian immigrant Jews," we read, "are not descended from the ancient Hebrews, but are

(continued from page 2)  
number of "other persons"! Then why pretend that it is anything short of compulsion?

Mind you, I am not complaining. I am quite prepared to believe that some sort of compulsory method was the only one available. What I do object to is the smug hypocrisy of it all. Even as it is I cannot afford to sign my name. An acquaintance who ventured to raise a reasonable objection was addressed by the representative of "the Council" in this manner: "Very well, I shall see that you get half a dozen of the very worst that can be found. Good morning, Mrs. Hitler!" With the best will in the world—I ask you!

MATERFAMILIAS.

the descendants of Poles and Germans converted from paganism in the early Middle Ages by Jewish missionaries."

And the Arabs?

The *so-called* Arabs "are largely descended from the ancient Jews."

And now how nice it would be if some scholar would only reveal to the world that bankers are not really bankers nor taxpayers taxpayers; but that bankers are really the descendants of ancient social creditors converted to usury and pernicious practices by modern economists, and taxpayers are really bankers with every right to monetise their own credit!

"The Labour Party must hitch their peace programme to a real economic star," says Mr. Ernest Bevin.

They sure must!

Mr. Bevin doesn't want "to be fighting for the salvation of the Paris Bourse, the London Stock Exchange, the Amsterdam Exchange and Wall Street."

He sure mustn't!

Sometimes it's best to read only the news. Sometimes only the headlines.

"Evacuation in Emergency" proclaims one in *The Times*; while the next is "Defence of Rural England."

How nice!

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"Newfoundland," we read, "is a country almost wholly dependent on international trade . . . Newfoundland consumes internally practically nothing of her own products."

There was a time when nearly everyone in Brig Cove (which is in Newfoundland) had

several sheep

a pony

ten or twelve hens

a couple of pigs,

a cow with

(in-summer) a calf.

fields.

Now he hasn't.

'Progress' came.

Then debt and the spectre, Default.

Then 'Commission Government' for Britain's oldest colony.

And (one of the Commissioners confesses it) "after five years of Commission Government, Newfoundland is economically poorer than she was before."

He proved to be 'an intractable Commissioner'. So he resigned and has written a book about it. His name is Lodge.

Mr. Lodge's book is called 'Dictatorship in Newfoundland', and it will be reviewed.

*Mrs. Palmer's Page***CITIZENS OF TO-MORROW (II)**

A little over a month ago Douglas explained in a front page article in *The Social Crediter* that the malady which afflicts the world is automatism, or rule of the individual by automata. Abstractions such as the State, Industry, Labour, Capital and so on, are automata. None of these things has a consciousness of its own, but each of them can be manipulated by beings which have consciousness.

Most of us are controlled by marketing boards, state regulations, and other large scale planning organisations. We have no power over any of these things, nor do we know the policy or aim of those few men who sit on these boards and say how they shall be run. It is as if we were in a car being driven to an unknown destination by a chauffeur over whom we have no control.

At the moment it seems that we are being driven straight towards war. The problem is to gain control of the driver, and through him of the automaton, or car, which has no consciousness of itself.

That this problem is quite unrecognised by most of those in charge of the training of the citizens of to-morrow is proved by such a statement as the following. It appears in the foreword to the syllabus of a scheme for instruction in a senior boys' school in a working-class neighbourhood.

"The principal object of the teaching is to make the pupil a live, interested citizen, understanding something of his position as a member of a civilized community, conscious of his privileges but equally aware of his obligations."

This is an extremely interesting statement as coming from a man who would doubtless describe himself as a believer in democracy.

It means, if it means anything, that "citizenship" is the most important of our functions, and that the relation in which we stand to the state is that of either privilege or obligation. Surely such a

statement would describe exactly a Fascist or Communist totalitarian state. To revert to the terms of our metaphor, it means that to be a passenger in the car is the highest good man can hope for; moreover he enters it either as a privilege kindly granted by the driver, or because he is compelled to do so. He has no *right* of entry, or of choice of destination; that is decided by others. He is a citizen or passenger, and that fact should be enough for him. There is no need for him to decide where he is going.

That is the choice before us. Are we to control our institutions or are our institutions to control us? Until this question is answered all talk of democracy must be vain.

We will suppose that we desire a democracy, that is, we wish to control our institutions. This can only be done when each individual is conscious of his aims. It is because so many of us are not sure of what we want, or think we ought to want something different from what we *do* want, that we find it impossible to get control of the automata that are driving us towards war. We know that we don't want war, but can't realise that we *do* want the freedom and security of the individual.

It is, of course, impossible to have education in the true meaning

of citizenship until there are a sufficient number among the adults of the population who realise what it means. But it may be possible to indicate the lines along which education for democracy might begin.

From the beginning everything should be done to help the child to become conscious of his own aims in everyday school life. To this end he should be encouraged to think for himself and work out his own problems rather than adopt second-hand opinions and ready-made solutions. One small example can be given here. It is quite wrong to answer a child's "Why?" with "Because I say so!" unless we wish to prepare him to give unreasoning obedience to authority.

The problem at the second stage is to help him to work in harmony with his classmates towards some common end that they have decided upon together. Games of all sorts are splendid for this, but I think it should be possible to extend this "working in association" to most classroom subjects. The teacher should be thought of as an expert ready to help in the solution of difficulties, rather than as a lecturer, dictator and policewoman, as she too often is at present.

Self-government in such a school there must be. It is obvious that such an educational policy is impossible with classes of thirty or forty who have to be *instructed* by one over-worked teacher in order that they may pass an examination at a certain date, and win a scholarship to pay their fees for "higher education."

It would not be necessary to make local government "interesting" to children who had been educated in practical social credit. For democracy would be as natural to them as breathing. They would have learnt in their daily lives the principles of association.

Every association must be judged by its result. If these results are negative or unsatisfactory, the association is a failure. To continue to run a debating society,

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a chess or tennis club when the members only attend from a sense of duty is absurd. The club must be organized in such a way that the members get the results they desire from the meetings, in pleasure and satisfaction. Members of the club should be able to bring pressure to bear on their elected officials so that the club is well run. The passengers in the car should see that the chauffeur takes them where they want to go.

Children can learn these lessons in daily school life, while dealing with school problems. With such a preparation it would be easy for them to grasp the principles of local government.

You will have gathered from the examples I gave you last week that there is a marked tendency to regard the system of government as an end in itself.

"The local government organisation takes its place alongside the railway system and the water supply."

"I was bewildered by the magnificence of the council chamber."

"The children dramatise what they have seen."

No one seems to have explained to the children that the only sensible reason for having a local council is to enable the citizens to have the borough run as they want it to be run; the citizens should control their own borough, which is their own institution, and makes part of their own environment. Sensible adults refuse to be thrilled by the details of sewage disposal, and the making of gas and electricity while rates are going up and social services are being cut down. To teach such technical subjects to the children under the pretence that you are teaching them the essentials of local government is criminally absurd. It takes a man a life-time to become an expert electrical engineer. How then is it possible for the "ordinary citizen" to learn enough to criticise the methods adopted by the many experts employed in a large borough?

But he can criticise the *results*. He knows whether the drains are healthy, if the streets are well-lighted and well-kept, whether the

local hospital is efficient from the patients' point of view, and whether he has a good school within walking distance. These are some of the results he wants, together, of course, with low rates. There can be no true democracy until citizens learn to press their local councillors for what they want by using their votes in the right way, and by threatening to turn out any council which will not obey their electorate.

Thus we shall learn to control our own institution. The automation of local government will no longer attempt to control us, and the first step towards true democracy will be taken.

The authors of the Spens Report are doubtless well-meaning and sincere, but they have been carried away by the idea that efficiency is an end in itself, and are ready to believe that to become an efficient citizen is more important than self-development. Thus they are the unconscious instruments of those above them who desire a totalitarian state of some sort. The educational policy comes filtering down from the top, originating with those who control the money system. It emerges as "service to the state", "self-sacrifice to national ideals", "devotion to vocation" and so on. All these phrases shine with a sort of holy fire. If you believe that the state and the money system are more important than the individual you will agree with them. But in the Spens Report there is no idea of democracy.

B. M. PALMER.

### LIGHT FRUIT PUDDING

(4 or 5 persons)

- 4 ozs. flour.
- 4 ozs. bread crumbs.
- 4 ozs. butter.
- 2 ozs. Sun-maid raisins.
- 2 ozs. chopped figs.
- 1 egg.
- 1 level teaspoonful mixed spice.
- 1 tablespoonful sugar.

*Method*—Mix spice into flour, rub in fat, then add fruit, bread crumbs and egg, mix with a little cold water, put into greased basin, or roll in grease proof paper and steam  $2\frac{1}{2}$  to 3 hours.

From Mrs. E. Milburn, 9, Beechwood Avenue, Newcastle-on-Tyne, 3.

### The 'Steam Roller'

The heaviest propagandist pressure has been thrown into the attempt to manoeuvre the British Government into a military alliance with Russia. It has not been entirely uncountered. One agency on the other side states that of the 46,000 officers of the Red Army at the beginning of 1937, only 4,500 belonged to the Old Imperial Army, 25,000 came from the Soviet schools, and 16,000 had practically no education at all. A large proportion of the officers were illiterate when they entered the Military Schools and the majority had only primary education. The last report of Marshal Touchachevsky to the Congress of Soviets showed that only 15 per cent. of the Colonels and about half the Senior Officers had passed through Military Academies. And this was before the purge!

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12, Lord Street,  
Liverpool, 2.

## Cap and Gown to the Rescue

Dr. R. W. Chapman, on behalf of the Clarendon Press, Oxford, has announced in a letter to *The Times* that the delegates of the Oxford University Press have decided to "enlist the co-operation of scholars in the fields of history, economics and international law in preparing a series of pamphlets on various aspects of the present international situation."

They will, it is hoped, begin to appear at the end of the month and will aim at giving facts "which the ordinary citizen needs to know."

Another hope expressed by Dr. Chapman is that such pamphlets "coming from an academic source" may have special weight. The accounts they are to embody are to be "short, accurate and *independent*." Independent of what?

Apparently in contradiction to this policy, steps have been taken in one English University to *prevent* the distribution of propaganda from its departments.

The effect of such a prohibition impartially and strictly applied is so favourable to those voices most rigidly and systematically suppressed in our "free speech" society as almost to deserve special encouragement. The fear is that such encouragement will be necessary.

What a strange delusion it is that what confers acceptability is not the individual upon the institution, but the institution upon the individual!

The 'intellectual freedom of the universities' having regard to the

picked-over quality of their personnel has become illusory during the past century and is now mere window-dressing. Hitherto it seems to have been thought to be sufficiently imposing window-dressing to be worth retaining.

It is doubtful whether any considerable movement to assert true intellectual freedom could now arise within the universities. Moral courage is there at a lower ebb than probably anywhere else in the community. There are, of course, propagandist circulars with the label of Intellectual Liberty: going the rounds; but the sort of 'freedom' with which these are concerned is the freedom of folk who were incompetent to create liberty a long way away to come nearer. Those who have been so eager to make presents of 'intellectual freedom' to such as these may now well be asked 'how much have you got?'

### Books to Read

By C. H. Douglas:—

Social Credit ..... 3/6

The Monopoly of Credit . 3/6

The Economic Crisis.  
Southampton Chamber  
of Commerce Report ... 6d.

The Bankers of London  
by Percy Arnold ..... 4/6

This book does not deal with the subject of social credit but contains valuable data for those wishing to understand the location of power in the modern world.

### Mr. NASH'S POINT OF VIEW

The following passage from the *Sunday Times* of May 28 is an interesting comment on the aura of unorthodoxy which has always enveloped Mr. Nash in his position as Minister of Finance to the New Zealand Government. By a profession of unorthodoxy and an unimpeachably orthodox practice much can be accomplished.

The last paragraph quoted is a demonstration of the use of pressure by the creators of financial credit on the creators of the real credit which gives financial credit its value. And the only way politicians could withstand such pressure would be with the aid of a greater pressure on them from their electors for the results of government that they desire and which they know are possible:—

New Zealand's Minister of Finance, Mr. W. Nash, who is due to arrive on Wednesday by the Queen Mary, is going to Britain in very different circumstances from those of his visit three years ago.

Then, with the flush of political victory still upon him, he expounded his unshakable faith in his economic theories. Now, with a thinner purse and less idealistic outlook, his aim is to persuade British investors to have sufficient faith in the Dominion's financial stability to renew a £17,000,000 loan falling due at the end of the year, and at the same time to defend a policy which has led to New Zealand restricting imports from Britain, her best customer.

Investors can at least have this assurance that the financial difficulties in which the Dominion has found itself this year have brought Mr. Nash to earth with a start. He has turned with ever-increasing speed to the standpoint of financial orthodoxy in a manner which would have seemed incredible a few years ago. His schemes for cutting New Zealand free from the London money market and supplying the Dominion's financial requirements from internal sources are also things of the past.

In recent weeks Mr. Nash has been paying unstinted tribute to the part Britain's financial aid has played in building New Zealand. Not only does he hope to renew the loans falling due in London, but he has also hinted at the possibility of further overseas borrowing for the purchase of capital equipment for public works, for raw materials and plant for the expansion of industry, and for defence.

Mr. Nash hopes to renew the £17,000,000 loan at the same rate as the conversion he effected in 1935—3 per cent. at £98 10s., or £3 2s. 8d. per cent.

While the loan conversion is to Mr. Nash the most important aspect of his mission, an essential preliminary from the British point of view will be a satisfactory explanation of the drastic import restrictions New Zealand has recently imposed.

## “WE ARE EUROPEANS”

By the way, if you have never been drunk, please don't read on.

My girl friend is Dutch and this is a story of how we two made a friend in a pub and from this event comes to me this thought which now pervades my consciousness—“we are Europeans.”

A disciple since 1930, I have read every line of Douglas and especially those of the last six months. That explains myself; my girl friend looks Dutch, is Dutch, she sometimes seems to me to be of a previous generation: her roots deep in the past, her hopes in God and in Europe. Our new friend is the “raison d'être” of this story so I leave him to unfold himself. The scene is laid in a pub in a country district of Ireland.

Driving home about 11 p.m., we decided to call for one drink. Peacefully enjoying this, we hear, outside, a voice speaking French, not a Frenchman. The voice enters the room and seats itself. My lady whispers “he is drunk”: I reply aloud, “Bestimmt.” The voice slowly approaches, looks us over and then in slow and gentle tones pours German over us.

We reply in German, add a little French; the voice finally triumphs with some Italian. The voice now becomes Hugo and we Kato and Alan. The house-boy is kept busy. Hugo and I have both been to the same villages on the Rhine,—Hugo knows the Schwartzwald, I the Tirol. Hugo passionately loves Germany, he includes Austria. Kato says she is Viennese—Hugo replies “Küsse die Hande.”

Hugo is North of Ireland and he began his confession by telling us that he had fought for Ireland's liberty. Now, he sees that L is drawn with two horizontal strokes violating it. Here Kato and I exchange our first glance of approval and I ring the bell.

We again talk Europe. Hugo's geographical affection centres in Germany and ramifies from it. Now, joking between us is over: we are

all earnest. So, Kato tells Hugo that she is really Dutch. He, gallantly, but, I hope, nonetheless sincerely, enlarges the sphere of his affections to include the countries on the North Sea. At my suggestion, we adopt the Scandinavian lands, Hugo gives Italy her place in the sun and finally confesses to a love for England.

Hugo enlarges on his strange love, his love of England. I confess to a mongrel breeding, half Irish, a quarter each Scots and English. I cannot resist the boast that my English pedigree name is Windsor. We then all agree ardently about Edward. The bell is again pressed gently but firmly. Hugo joyfully agrees to change to Dutch beer. Kato has another Dutch gin and Italian Vermouth. Kato says that she has never told me that she is an ardent Royalist. That is all right, I'll lend you McNair Wilson's book. Hugo toasts “Juliana und ihres Kind.” Kato is thrilled. I am ashamed, I had never thought of that tribute.

Hugo finally states that he has no love for the United States of America. My Dutch girl and I exchange another look of comprehension: we take Hugo to our hearts forever.

Hugo having repeatedly asked me how did I come to love Germany, I talk—Australia, a few short, very happy months working in the Bush. Home again in Ireland. After that, several holidays on the Continent, the first of these in farmhouses in the Tirol. I said that I have lived in a farmhouse in the Tirol. “Das ist genug” I love Germany or what you like to call it. I'm going to call it Europe, in future.

All very beery and all very foolish. Each of us filled with a drunken reverence. And now I can work in my Goethe. “I have reverence for three things, reverence for that which is above me, reverence for that which is beneath me, and reverence for that which is like unto me.” I always except pretentiousness and vulgarity—that which is not real.

Have you ever read “Otto Babendieck.”? Hugo's insistence on “die Nord See” brings it to my mind. Redolent with Tradition, Schleswig-Holstein, Europe.

The tradition of Europe is before Money Power began, is before Puritanism.

My reverence for all things makes me slow to condemn, my love for those new countries I know, for Australia and that grand individualism that inspires every Australian. (In the Bush I received my first revelations). But when Roosevelt throws his slime on *our* troubled waters I want to cry out. What, I do not know: perhaps to shout the title I have given to this story of a little drinking party.

Europe! I am going to think of myself as a European and then as an Irishman. All reverence to the new countries, all reverence to the antiquity, to the civilisation of Asia, to the past, to all things.

But to Europe I am proud to belong, a citizen of a little island in the North Sea—Hugo's description (the last time I heard it was in the Australian Bush). Ireland, North and South, England, we are Europeans. From “die Nord See” to the Mediteranean, from Biscay to Danzig, we are Europeans: Pray God we realise it in time.

At about 2-15 a.m., three drunken people left a pub in a country district of Ireland and, thank God, all got safely home to their beds.

ALAN.

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**THE UNITED RATEPAYERS' ADVISORY ASSOCIATION**

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

**JUST A THIN WALL OF MEN****REPRESENT THE RATEPAYERS OR GET OUT**

A spate of comment has been let loose in the Press during the last week on the subject of the low poll in recent bye-elections. At the same time members of a certain Local Authority submitted themselves to their electors for re-election as Councillors. The members of this Local Authority had previously been subjected to a demand for lower rates and had done nothing about it, and opposing them in seven of the nine wards were new candidates standing for something specific which the ratepayers wanted—lower rates. The result is an object lesson for all councillors throughout the country and provides a completely sufficient comment on the alleged apathy of the electorate. Eighty-five per cent. of the local electorate went to the polls and returned all seven of the lower rates candidates.

It is an ironic fact, but nevertheless one which can be easily verified by observation, that truth is frequently to be found by the inversion of the existing order of things. Councillors in various parts of the country who have been reminded of their functional responsibility in regard to the ratepayers' demand have had the effrontery to describe that action as "impudent." They should be promptly and curtly told that their own inaction in not representing their electors is itself the grossest impudence.

The new, true and natural order which of a certainty is coming will be a reversal of that which at present obtains. The councillors will come at the bidding of the ratepayers, and the bankers will do the bidding of the Council. There is nothing discourteous in this and there is no need to be discourteous about it. It is the assertion of what is RIGHT. It is important that ratepayers and their campaigner intermediaries should on all occasions in their relations with

councillors assert this RIGHTNESS.

Betwixt the ratepayers and the technicians who have their hands on the levers of institutional machinery stand a thin wall of men, put there by the votes of ratepayers. The alternatives before these men are to obey the ratepayers or to obstruct them. The issue is clear: Is that thin wall of men to be allowed flagrantly to misuse the power given to them by frustrating those who give it to them; or will they represent these ratepayers?

The choice is simple and the issues which hang upon it quite tremendous; so tremendous that these people must be told at once "REPRESENT RATEPAYERS OR GET OUT." That so few should be allowed to impede the will of so many is unthinkable. The immense gravity and the extreme urgency of this issue must be brought home to councillors without delay. Every reader of these pages has a part to play in that work.

The full weight and meaning of this issue must be brought home to councillors and that requires more than a few uncertain and isolated approaches to them. It requires continuous and unremitting hammering. The drive and ingenuity of confident, determined and resourceful campaigners is necessary for this. And above all it is essential to EXPOSE recalcitrant councillors to the ratepayers for the dangerous enemies that they

are; and not just once, but ceaselessly. This should be a labour of love for all who are seized with the urgency of the situation and who believe that RIGHT shall prevail. The means of doing it offers scope right now for constructive creative thought and action based on an objective study of the facts, for everyone who has a mind to save this country from the civil strife or war which certain interests are known to be planning.

Those who argue that incursions into the private monopoly of money are matters fit only for the attention of Parliament should be told promptly that the services of banking institutions in any town in the matter of credit should be subject to the instructions of the Local Authority, constitutionally vested with its authority from the sovereign local electorate. Until these institutions have been instructed by the Local Authority and have refused to comply with these instructions a demand on Parliament to exercise the sanctions of State in inducing their obedience is obviously premature.

Who can doubt that the consolidated unity of electors and their Local Authorities clearly demonstrated behind a specific demand in a dozen major cities in this realm will unite the electorate of the whole country in their support and shatter the obedience of Members of Parliament to their present Financial Masters. The result is certain. But the time is known to be perilously short. Who is there can increase their effort?

J. M.

**New Leaflet**

Copies of the leaflet enclosed with the last issue of the paper, entitled "The Councillors of this Town Can Prevent War" can be obtained from U.R.A.A., at 11/- per 1,000; 2/- per 100. Special prices to Quota Associations.

**Taxation is a negative dividend. It is not true that the poor pay no taxes: the richest are rich because the poor pay most of the taxes.**

# SOFINA

A British bank director once remarked, in conversation with a member of the Social Credit Secretariat:—"only yesterday I was able to prevent the issue of a loan which I knew would have been used for the manufacture of munitions for Spain." The Social Crediter replied:—"Then you shouldn't have been. That is exactly what we are objecting to. You deem your intervention to have been for 'good' ends; but who are you to determine what is 'good', and, in any case, if you made a mistake in your judgement, it would be exactly the same. You are able to impose your judgement upon the world."

A telegram from The Times correspondent in Paris, dated May 25, said there was no reason to believe that the bankers on whose behalf M. Van Zeeland was acting in Paris had changed their minds on the question of the guarantees they would require from the Spanish Government before issuing a loan (said to be for £20 million). "They still require . . . adequate proof of their peaceful intentions towards the Western Powers; they therefore want assurances on the matter of foreign volunteers, the anti-Comintern Pact, and the Spanish fortifications near Gibraltar." In the first sentence of his message, the correspondent went out of his way to mention that M. Van Zeeland was a director of the Hispano-American Electricity Company "(a subsidiary of the Sofina Company)."

This association and the circumstances in which it was made public enable us to give an account of the remarkable undertaking known as SOFINA without involving ourselves in any suggestion that the policy of anyone concerned is other than the quintessence of 'goodness'. It does not detract from the merits of the directors of this great concern to suggest that the Spanish People may not be the only People whose fate may be influenced by them.

When, as reported in *The Social Crediter*, M. Van Zeeland's connexion with the attempts to raise money for the rehabilitation of Spain was first mentioned, Mendelssohn and Company of Amsterdam were said to be concerned. Mendelssohn's were one of 62 financial houses which subscribed the capital of the remarkable concern known, for short, as SOFINA.

## Disciplined Capitalism

The last paragraph of a page advertisement which appeared in *The Times* on April 30, 1934, was headed 'disciplined capitalism' a phrase which may, in part, summarise the general policy of the Company.

The operations of the "firm"

are highly profitable. Founded on October 19th, 1928, it earned 172.8 per cent. profit before December 31, 1929, and distributed 140 per cent to its shareholders. The effort did not exhaust it, for in the following year it earned 144 per cent. and, modestly putting away 4 per cent. to reserves, paid out 140 per cent. Since then the yield on the ordinary shares has been as follows:—

		earned per cent.		paid per cent.
1931	...	101	...	100
1932	...	80.7	...	80
1933	...	80.5	...	80
1934	...	80.3	...	80
1935	...	95.2	...	95
1936	...	88.1	...	88
1937	...	88.1	...	88

capital was reduced from 200 million francs to 120 million. The Company is registered in Belgium, and the Electric and Railway Finance Corporation, Ltd., of 10, Mayfair Place, London, W.1., are its London agents. This company is a private company.

Beginning with the Hispano-American Electricity Company (Chade), Barcelona, SOFINA is interested in power and light companies in Brussels, Paris, Berlin, Venice, Naples, Breslau, London, Lisbon, Malmedy, La Plata, Istanbul, Liege, Charleroi and in Algiers, Mexico, Kentucky, Texas, Wisconsin, Oklahoma, Illinois and the Middle West of America.

In the *Receuil Financier* for 1938 the Vicomte Van de Vyvere is given as President, and among the names of directors figure the following: the Right Hon. Reginald McKenna, Sir E. Wyldbore-Smith, Sir Hugh Jamieson Elles and Mr. B. D. F. Docker. Sir George Grahame's name appears as that of a director resident in Paris.

An advertisement in *The Times* for February 5th, 1929, gave the subscribers of the capital of the concern as reformed. British names in the list were the Midland Bank; the Electric and Railway Finance Corporation; Baring Bros. and Co.; Lazard Bros., and Co.; N. M. Rothschild and Sons; The

London Official Prices of Ordinary Shares have been as follows:

Year	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Highest	211	104½	—	100	79	62½	58	70	56½	55½
Lowest	190	103½	—	99	78	62½	58	66	56½	55½

What does SOFINA do? It 'controls' a large number of undertakings, chiefly electrical, in different parts of the world, runs research laboratories, acts as an industrial agent, buys, sells and arranges contracts, manages other companies. As a corporate undertaking it 'knows a lot' and makes use of what it knows. One might think so extensive a range of active

usefulness would require vast capital. Apparently not. The Company began on a capital of 200,000,000 Belgian francs (147 to the £), of which only 120,000,000 was issued, divided into 40,000 Preference shares of Fr. 500, (held by the Companies of the "Sofina Group") and 200,000 Ordinary shares of Fr. 500.

In April, 1935, the authorised

British Shareholders Trust, Ltd.; F. D. Docker and E. R. Peacock. American names were: Electric Bond and Share Co., New York; Kuhn Loeb and Company, New York; International Acceptance Bank, Inc., New York; International General Electric Co., New York; Bankers' Trust Company, New York; Dillon Read and Company,

New York; Guaranty Company of New York; and Lee, Higginson and Company, New York. There were nine banking institutions with German addresses, chiefly Berlin, but including M. M. Warburg and Company of Hamburg. The Banco Commerciale Italiana of Milan was the sole Italian subscriber.

A balance sheet published in English for 1937 gave:—

<i>Liabilities</i>	<i>Assets, holdings and participations</i>
Capital ... .. 120 mill. (premium on 1939 issue)	Public Funds ... .. 1,358 mill.
Special unavailable account 1,508 mill.	Cash in Hand ... .. 860 mill.
Special account for adjustment of cash in hand ... 170 mill.	Associated Companies 109 mill.
Profit — 113½ million. (Sums in Fr. Belgian).	

SOFINA has been mentioned in English political circles. Could there be such a thing as an 'other side'?

T. J.

**"I Question"**

"I have read with considerable surprise in your issue of May 20, Mr. Schwelm's long letter (supported by your leading article 'Settlement in British Guiana') . . . Perhaps from 39 years' close association with tropical development in Malaya, in India, and in Africa, experience derived from visits to many other tropical areas such as Sumatra, Java, the Philippine Islands, Panama, and British Guiana, some knowledge of tropical medicine, and a deep interest in tropical agriculture, I may be permitted to question both Mr. Schwelm's authority and the correctness of some of his statements . . . Indeed, it seems to me that the Jewish race may well find in British Guiana and some other parts of tropical South America a national home richer and more fertile than Palestine; and that in the Western Hemisphere they may achieve a standard of health and prosperity and a degree of freedom which has not been theirs for the last 2,000 years, perhaps since the days of their captivity.

"It would be deplorable, therefore, if statements like those of Mr. Schwelm's were to pass unchallenged and if consideration of

the scheme of settlement in British Guiana were thereby abandoned."

—From a letter to *The Times* by Sir Malcolm Watson.

**FOR SALE**

**Private Hotel at Ventnor**

A supporter wishes to dispose of a substantial Private Hotel at Ventnor.

The house stands in its own grounds, overlooking the park, is close to Ventnor West Station and within easy distance of the shopping centre and sea front. Electric light. Gas. Town water. Main drainage. Recently redecorated. **Freehold £2,350.**

OR—a half section of the house may be had to let unfurnished at £60 a year exclusive, or furnished for holiday parties from 2 to 4 guineas per week according to season.

OR—the same half-section can be let in two flats, furnished or unfurnished.

The owner has kindly offered full Agency terms to social credit funds in the event of a sale being effected through the movement. Full details may be had from—W. Wilson, 34, Newcombe Park, Mill Hill, London, N.W.7.

**Money and Ideals**

" . . . A big windfall would not pauperize a man. It is these little dribbles distributed among too many, that do the harm. Money's educational. It's far more educational than the things it buys." There was a protest. "In a sense," added Margaret, but the protest continued. "Well, isn't the most civilized thing going the man who has learnt to wear his income properly?" . . .

"Exactly what your Mr. Basts won't do."

"Give them a chance. Give them money. Don't dole them out poetry books and railway-tickets like babies. Give them the wherewithal to buy these things. When your Socialism comes it may be different, and we may think in terms of commodities instead of cash. Till it comes give people cash, for it is the warp of civilisation, whatever the woof may be. The imagination ought to play upon money and realize it vividly, for it's the second most important thing in the world. It is so slurred over and hushed up, there is so little clear thinking—oh, political economy, of course, but so few of us think clearly about our own private incomes, and admit that independent thoughts are in nine cases out of ten the result of independent means. Money: give Mr. Bast money, and don't bother about his ideals. He'll pick up those for himself.

— E. M. Forster, in "*Howards End*."

**Buying a Car?**

**ERNEST SUTTON**

Can supply you with new or used cars for cash or credit.

**AUSTIN MORRIS FORD SINGER FIAT OPEL**

**The finest and largest stock of immaculate used Rover cars.**

We do a large used car business and often have real bargains at very low prices. Everyone knows the lucky motorist who "picked it up" for £20.

It was probably at Ernest Sutton's

**ERNEST SUTTON LTD.  
24, BRUTON PLACE, W.1.**

Phone Mayfair 4748.

## BRAVO! NORTHERN IRELAND

Inspired by Mrs. Palmer's article of May 6, our friends in Northern Ireland have completed a magnificent gesture of encouragement the story of which is told in the documents and paragraphs below. "I want to mention," says Mr. Norman Webb, "that the first impulse was given by J. B. Galway, and that most of the work in connection with it has been done by him."

The following letter from Mr. Norman Webb has already resulted in the receipt of contributions amounting to over £100:—

### "The Sinews of War"

Dear Social Crediter,

We stand at a point in history towards which events have been rapidly and directly moving over a number of years. Most of those who compose society are unconscious of this movement. But there are certain groups and persons (there always are) who are exploiting the situation, and seek to precipitate events for their own ends.

Consciously opposed to them there is only one association of individuals, and they are in what we call the Social Credit Movement. It is a tremendous responsibility.

The urgency is such that Major Douglas is persuaded that personal contact with those in influential positions is necessary to make the truth known. And I am sure that he personally is ready to take any opportunity that presents itself.

Behind Major Douglas is the Social Credit Secretariat in Liverpool. Behind the Secretariat is what? whom?

It would be of inestimable value to Douglas to know that the Social Crediters of Northern Ireland were literally behind him at this time. It is moral support that is wanted beyond anything else. For the moment the brunt of the battle must of necessity be with the Secretariat and Major Douglas. There is left to us one unmistakable way of giving immediate and tangible proof of our moral support, and that is by financial support which happens to be badly needed. If, by any chance, you have not read Mrs. Palmer's excellent article in the May 6th issue of *The*

*Social Crediter* and Dr. Tudor Jones's editorial, you are strongly recommended to do so.

What is suggested is a crisis-levy above and beyond all regular contributions. Our aim should be a minimum of £100 (more, if possible). In the few personal contacts already made £34 has been promised by eight persons. Any and every size of contribution is wanted, because each one is a token of individual support.

This is not an appeal. You must be the judge of your own responsibility. Response to this should appear as an investment of money that in a short time may be swallowed up in war inflation if our present efforts are not effective. But above everything else, it is a demonstration of confidence in the one man to-day who, if well backed up, may have it in his power consciously to turn events (history) against those who are twisting them to their own ends,—turn them to the benefit of the whole human race, not forgetting ourselves.

Mr. Galway tells us, for the encouragement of other areas, that individual donations have been sent in advance of any public effort, and that the response is therefore even greater than appears. His estimate of the individuals who have helped us so nobly is 80—90. In the next column we publish extracts from some of the letters received in response to Mr. Webb's letter. They show the spirit which has moved their writers.

One social creditor and an exceedingly generous donor to the Expansion Fund, suggests that a special effort should be made during June to collect £1,000 for the Expansion Fund.

Northern Ireland has set us a challenge.

### EXTRACTS

"I am sending you £2 out of my holiday money, and I gladly do so. I am sorry it is not more. I hope you attain your objective and more."

"The Crisis Levy idea is an excellent one. I enclose cheque for £3 for the cause. It is the very best I can do at the moment."

"I have pleasure in enclosing 10/- as a contribution and am only sorry it is such a small one."

"I enclose a small contribution from myself." (£3 is perhaps small having in mind the social credit objective, but handsome as a voluntary sur-tax).

"Enclosed please find 10/- my contribution towards the Area Crisis Levy. I am sorry it is small, but every little helps. Hoping you get a good response."

"Please find enclosed 10/- toward your social credit appeal. Wishing you unprecedented success."

"I sent my subscription £2 to U.R.A.A., and £3 to Lord Street direct (before receipt of circular). I hope you will attain at least £100. I am sure you will. The responsibility is one which no social creditor can fail to accept. After all there are *always* things we can go without . . . if we want social credit . . . the Reality."

## The NEW ERA

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

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

**ANNOUNCEMENTS AND MEETINGS**

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

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

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

**BLACKBURN Social Credit Study Group** meets each Tuesday at 8 p.m., in the Y.M.C.A., Limbrick. All welcome. Enquiries to Hon. Sec., 47, Whalley New Road, Blackburn.

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

**DERBY and District—THE SOCIAL CREDITER** will be obtainable outside the Central Bus Station on Saturday mornings from 7-15 a.m. to 8-45 a.m., until further notice.

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

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

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

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

**SOUTHAMPTON Group.** Headquarters 8, CRANBURY PLACE, SOUTHAMPTON. Members please call to see the new and more advantageously situated premises.

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

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

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

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

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

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

**EXPANSION FUND**

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

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

Name .....

Address .....

.....

**Miscellaneous Notices.**

Rate 1s. a line. Support our Advertisers.

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

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

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

I will, until further notice, contribute

£ : : , { per week  
per month  
per year

towards the funds of the Social Credit Secretariat.

Name.....

Address.....

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