

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### The Great Betrayal

By C. H. DOUGLAS

(V)

"The intellectuals of the *goyim* will puff themselves up with their knowledges, and without any logical verification of them, will put into effect all the information available from science, which our *agentur* specialists have cunningly pieced together for the purpose of educating their minds in the direction we want. Do not suppose for a moment that these statements are empty words: think carefully of the successes we arranged for Darwinism, Marxism, Nietzscheism. To us Jews, at any rate, it should be plain to see what a disintegrating importance these directives have had upon the minds of the *goyim*."

"The intensification of armaments, the increase of police forces—are all essential for the completion of the aforementioned plans. What we have to get at is that there should be in all the States of the world, besides ourselves, only the masses of the proletariat, a few millionaires devoted to our interests, police, and soldiers."—*Protocols of the Learned Elders of Zion*, II. ii and iii, VII. i.

If there is one claim made by Socialists more confidently than that their *credo* is that of the "common good," it is that they are the torch-bearers of progress, and the champions of "science" against reaction—a word used to dispose comprehensively of any views not held by the London School of Economics. It is significant, therefore, that what is perhaps the most operative principle in the workings of natural forces on this planet—entropy—is never mentioned by them, and is perhaps a conception which their minds dare not entertain, in view of its implications.

The rigid definition of entropy is "the quantity of heat in a closed system, divided by its *absolute* temperature" and this implies that it is a numerical expression which increases as energy loses availability, because, energy is only available for useful work where there is a fall of potential (a waterfall is the most obvious example). Consequently, if we are to introduce the analogy of physics into Socialism (and there is no intrinsic *social* science worthy of the name) we derive two ideas from entropy: (1) that, of the total amount of energy (initiative) in the world, it is only that which is above the average, is not standardised, which can be expected to produce results. (2) To the extent that Socialism tends to produce social equality, it increases social entropy. It is in fact the technique of social death.

So far as I am aware, there is no instance of an individual who has accomplished anything which is not routine, while retaining abiding belief in equality as a social principle. There are numbers of instances (Karl Marx or Mordecai is one) of schemers and revolutionaries who have used "equality" as a catchword with which to demoralise their enemies; but practically all of them, including Marx, have

left on record their contempt for their dupes.

There is therefore an analogy if nothing more, between the principle of entropy in thermo-dynamics and the social forces (for want of a better term) tending to reduce humanity to a dead level in which nothing can be done—there is no difference of potential. If that state is attained, it would not be fanciful to characterise it as one in which social entropy was a maximum.

It is desirable to recognise that we are familiar with a certain type of repetition-analogy in what we call physical forces. The octave in musical sounds repeats from the lowest audible bass to the highest audible treble, and there is an octave in the light scale, the spectrum. While we have no proof, of the rigid nature which can be measured by instruments, as in the case of temperature-entropy, that a social dead-level exhibits the same kind of relation to a highly diversified civilisation that a stagnant pond does to Niagara Falls, there is much to suggest that it may be so.

Fortunately, the Socialist habit of giving to words a meaning which does not correspond to anything realisable, while it has a disruptive effect of serious importance, ensures its own exposure. "Equality" in action always raises the question of hierarchy in function. No one in possession of average intelligence supposes that one man could be at once a cricketer equal to Bradman, an engineer equal to Brunel, a mathematical physicist of the order of Eddington, and a General such as Lord Wavell. This being obvious, on what function do you equate him? And when you have decided on the inequality of his functional excellence, how do you deal with the inescapable hierarchy of function? Does anyone suppose that, on the one hand, only one man could build the Tower Bridge, or on the other, every engineer would be equally successful?

As Mr. Christopher Hollis, M.P., remarks in another connection, "Simply to say that we must get rid of privilege is to mistake a phrase for a solution" (a common socialist procedure). "Few of the valuable achievements of life are the achievements of a single generation; if this principle were advanced as a principle of biology rather than of politics, it would be hailed as a progressive principle. But whether biological or political, whether progressive or reactionary, it is at any rate, a true principle."

If we realise that the outstanding necessity of our times and our culture is to minimise social entropy, to raise available individual potential (and not merely economic potential); and at the same time we observe that immensely influential agencies have financed propaganda and organisation on every plane of society directly and skilfully designed to produce the degradation (in the exact sense of the word) to which the British people are being subjected, only one conclusion is possible in regard to that situation. Every person involved is at the best a dupe of a national enemy; or otherwise is a traitor, and should be dealt with according to his merits.

(To be continued)

## PARLIAMENT

House of Commons: May 11, 1948.

### SUPPLY (Oil Supplies)

Mr. R. S. Hudson (Southport): . . . I will deal first with the record of the Ministry regarding fuel oil and, in particular, the conversion from coal to oil. Their record in this respect is typical. It is a history of panic, followed by order, counter order and disorder. The Committee will remember that in August, 1946, industrialists were asked to convert from coal firing to oil firing. As an inducement a rebate of 1d. per gallon on fuel oil was offered. This rebate was confirmed in the Finance Bill, 1947. The pressure by the Government on industrialists increased during 1946 and 1947 and was accentuated during the panic which arose out of what we always regarded as the unnecessary fuel crisis of 1947. The conversion involved the firms concerned in heavy capital outlay which was bound to increase costs of production. It also involved considerable quantities of steel and considerable engineering manpower, both of which we have been told on numerous occasions are short and constitute bottlenecks. The Government were warned by practical persons of experience of the difficulties ahead. They were told that there was a shortage of tankage and oil storage in the country and that other similar shortages were bound to cause difficulties and result in delay.

It is quite clear—and it should have been clear at the time—that a policy of this kind was justified only if it was certain that adequate supplies of oil would be available for running those oil firing installations after conversion had taken place. The pressure to convert continued until the middle of 1947, but difficulties in the supply of oil began to multiply and industries failed entirely to get any adequate guidance from the Government. They could get no assurance that, if they converted, supplies of fuel would be made available. No definite guidance was given to industries, even in the speech of the Minister shortly before Christmas 1947; yet, as the Committee will remember, by that time the basic ration had already been abolished for several weeks on the plea of the shortage of dollars. Apparently what was done by the Government was to order a survey, but we have had no indication, of course, of the instructions given to the Government officials who conducted that survey. What is quite clear is that in more than one case the impression was given to the industrial concern that the difficulties in the supply of oil were likely to prove only temporary.

No clear lead has even yet been given by the Government, and the situation today is that some firms have installed conversion machinery and have no fuel, others have installed commercial machinery and can get fuel, some are still going ahead with conversions and others are now reconverting back to coal with the approval of the Ministry. No one has any idea what the Government's policy is on this matter, and it is quite clear that uncertainty of this nature is bound to do industrial harm and hamper our efforts to increase the export trade. . . .

. . . At the risk of introducing some old controversies, I should now like to say a word or two about the basic petrol ration. We on this side have never believed that the abolition of the basic ration was necessary. We believe that the decision was taken in a panic, and we believe that as a result of what has happened since the Government now realise they made a serious mistake. We regret, that while trying somewhat to relieve that mistake by the institution of a stan-

dard ration, they have accompanied it with a scheme which inflicts gross injustices on holders of E and S coupons. The abolition of the basic ration was justified by the Government at the time on the grounds that we were short of dollars.

We all agree that dollar expenditure in the circumstances in which we find ourselves, has to be reduced as far as possible, but, having said that, it still remains true that within the global figure of dollar expenditure we have to decide how many dollars should be allocated to this, that and the other import, and in deciding what is the amount of dollars to be allocated to any particular import we have to balance the advantages and the disadvantages, both to the individual and to the national economy as a whole. We believe that if such factors are taken into account as loss of tourist trade, damage to the hotel industry, the inflationary effect of the loss of revenue, the expense involved in setting up the machinery for supplementary rationing, the inconvenience to the public and the unfair discrimination which has resulted as between the one user and the other, the balance lies rather towards disadvantage than to advantage.

The Government have made a great deal of play about the black market and the influence of the black market on the consumption of petrol in this country. I believe, in view of such figures as have been published, that that argument is nothing more nor less than a smoke-screen. Because taking the figures of the Russell Vick Report, if I interpret them aright, the result is as follows: it was estimated that when the basic ration was in existence about 160,000 tons of petrol a year went into the black market, and it is now estimated that in spite of the abolition of basic petrol there is still a leakage in the order of 100,000 tons.

That would appear to mean that people who had basic petrol were using something of the order of 60,000 tons of petrol from the black market. The total basic ration was 800,000 tons. I suggest that 60,000 in relation to 800,000 tons was not such a figure as to justify the abolition of the basic ration and the inconvenience to which the community has consequently been put. What the Government ought to have done, if they believed that the black market was really serious, was to introduce measures such as we have been discussing during the past week; not now and not last January, but 18 months ago. Then they would have secured, if the figures are correct, a considerable reduction of dollar expenditure.

Our complaint is that the administration of the issue of supplementary coupons is rigid and unimaginative. . . .

. . . I will turn now to the new scheme announced by the right hon. Gentleman in April. As we understand the matter, owners of E and S coupons will have no ration in future for their unfettered use, or rather the amount will be deducted from the total of their E and S coupons. The right hon. Gentleman is in a dilemma. He either assumes that the holders of E and S coupons have been breaking the law up to now and have been using their petrol for their own purposes, in which case his action encourages them, *ex post facto*; or else he assumes that they have not been breaking the law and have used their petrol coupons for proper purposes, in which case he is inflicting grave injustice upon them by reducing their E and S coupons. No wonder they are angry.

The same thing applies to members of public bodies like rural district and county councils, hospital committees and so on. They all find that because they have been patriotic in the past by licensing their cars and using them on public

business with their E and S coupons, they are to be deprived of the amount of petrol for their own unfettered use which their neighbours are to get. . . .

. . . It is often asked, in this connection, why, when we produce so much oil from sterling sources, we have to go to dollar sources; why do we have to buy American or dollar oil when production from companies under British control is far greater than our annual consumption in this country? The Lord Chancellor gave some figures the other day. He said that petrol production from British controlled companies amounted to 8 million tons a year. He gave the consumption for the United Kingdom as being 3,800,000 tons, that of the sterling area 5,600,000 tons, and foreign trade consumption as 2,900,000 tons, making a consumption of 12,300,000 tons, as against a production of 8 million tons, and he said that we had to provide the balance from dollar sources.

Those figures are very impressive. We should like to know this afternoon, as I am sure the British public would like to know, whether they are justified. Is the present scale of supplies which we make available to sterling countries and others outside the sterling area justified today? Is it right that so much petrol should go to other countries at our expense, when in England the basic ration has been abolished to the ordinary everyday motorist. Take the item of 2,900,000 tons for foreign trade. I understand that it is made up as follows: for hard currency countries, 1,600,000, to soft currency countries, such as France, 450,000 tons; and to semi-hard countries—perhaps the Minister or Under-Secretary, in replying, will be able to explain what this rather nice phrase “semi-hard currency countries” means—850,000 tons.

The fact remains that there are very few countries, so far as I can discover, to which petrol is going at our expense, where restrictions are anything like severe as they are here. In Australia the basic ration is from six to 14 gallons a month, in Eire from eight to 12 gallons. In Denmark, one of the countries concerned, I believe that no rationing system exists, nor is there a rationing system in Belgium and Luxembourg. One certainly does not exist in Egypt and Ceylon. It is quite true that it is desirable in our present circumstances to export as much as we possibly can, and to reduce the dollar expenditure to the maximum possible extent. But we in this Committee are entitled to question the desirability of continuing, at a time when British motorists are so drastically restricted, to provide supplies of petrol to countries who pay for them very largely merely by running down their sterling balances. I query very much indeed whether the Government have adequately investigated this problem, and have done all that they can to see that if we are to provide petrol at our expense, the consumers in the country to which the petrol is provided should be subjected to something like the same restrictions as those to which we are subject in this country.

I turn to the Middle East. Can we have any estimate from the Government—I presume that they have made one—of the effect of the recent troubles in Palestine or Haifa, for example? I understand that the Haifa refinery was turning out something of the order of 4 million tons a year—a quantity equal to five times the basic ration in England—and that it is being closed down. What is to happen to that refinery, and to the new pipe line? We shall also be glad to know, and I think we are entitled to the information, what is the forecast by the Government of the effect of E.R.P. and the Marshall Plan? Are the American Government to continue to provide us in this country with petrol and oil products

in order to enable us to continue to export those products to other countries? . . .

*The Parliamentary Secretary to the Ministry of Fuel and Power (Mr. Roberts):* . . . The right hon. Gentleman very properly said that there had been an enormous increase in the consumption of oil throughout the world. It has indeed been a phenomenal increase, because by 1938 the world consumption of oil had increased to 12 times the quantity consumed in 1900, and up to that time production had kept pace with that rapidly increasing demand year by year. That is, of course, until the Second World War. Then we had enormous damage done to the oil fields in Burma and in the East Indies and damage to the refineries; and it must be remembered that in that area alone, before it was overrun by the enemy, some 10 million tons of oil was produced. The refineries in Europe and elsewhere also suffered some heavy damage but, despite all that, the production in 1946 was 390 million tons as against a figure of 278 million tons in 1938, and from 1946 to 1947, a good part of which was covered by the administration of my right hon. Friend, to whom the right hon. Gentleman attributed great failure, despite his “bungling” of the situation, oil production had risen from 390 million tons to over 420 million tons—that is world supplies. But, despite that enormous increase in production, the demand is still greater than our supplies admit of fulfilment. . . .

Why has there been that outstanding increase in the world demand for oil during and since the war? Mainly because, prior to the war, large areas of the world suffered from under-development due very largely to the poverty from which these areas suffered. . . The increased mechanisation throughout the world and development in the less developed areas has created a huge increase, apart from the rapidly rising United States consumption. The increase in consumption in the United States between 1938 and 1946 was nearly 100 million tons, and that accounts for the greater part of the increase in world consumption. United States production has not kept pace with the domestic demand, so that, instead of being an exporter of oil—in 1938 she exported 18 million tons, this year for the first time she has become a net importer. . . .

In the British Commonwealth oil production is infinitesimal. Out of the world production of 420 million tons in 1947 only 6 million tons came from the British Commonwealth. We have, therefore, had to build up, through British interests, large oil production in foreign countries. By 1938 this production was 39 million tons . . . production . . . increased from 39 million tons in 1938 to 52 million tons in 1947—an increase that, considering all the difficulties, can be regarded as remarkable.

The world demand for oil can only be satisfied provided that the British companies, refineries and tankers can be expanded rapidly. Now that the United States import oil, the Eastern hemisphere in the future will have to rely largely, if not wholly, on the vast oil resources of the Middle East where British companies have played a prominent part in development. It would be quite wrong to suggest that there has been no real planning of requirements. The British companies are fully aware of the need to expand production and have embarked on major schemes . . . Although at first sight the aggregate production of motor spirit available to British companies from their various producing fields in foreign lands is apparently nearly twice the United Kingdom consumption, there are a number of reasons why this leads

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### From Week to Week

Readers of this review recognise, we believe, that the conception of Social Credit as a philosophy antecedent to a suitable policy, from the nature of which proceeds effective and highly diversified tactics; and the simpler idea that it is a promising platform for a political Party of the familiar description, with the consequent *immediate* need for vote-catching, involve a different and sometimes differing, literature and press. At bottom, the necessity for an organ of high critical standard, is not dissimilar, but in the second case it is not so immediately obvious. Without it, politics assumes the formlessness of the so-called Conservative Party. The first conception is inescapable in a long-term policy; the second is one tactic (whether sound or otherwise) which at best is as unstable as the popular vote.

It has been the conscious intention of *The Social Crediter* and its affiliate, *The Australian Social Crediter* to supply, to the best of their ability, and having regard to the many limitations involved, the need for a journal concerned primarily with the first conception. *The Canadian Social Crediter*, which is not an affiliate, is now, in spite of its somewhat misleading title, primarily an organ of Albertan Party politics. There is quite a reasonable explanation as to why it had to be so, but it ought to be understood, more especially because of the increasing evidences of technical incompetence.

Mr. Aberhart, to whom nearly all the credit for the achievements of the Albertan Social Credit Party Legislature can be ascribed, was a born Party Politician, in the best sense in which that term can be used. It was only necessary to hear one of his radio talks (which were, by far, the preponderant contributor to his electoral victory in 1935) to realise that in the circumstances then existing, he could not possibly lose an election.

And he was adroit, honest, ambitious—and parochial. But when first elected, his technical ideas were not merely unsound; they were altogether at variance with the underlying principles which he, honestly, imagined that he was elected to implement. Within two years, he was on the verge of political defeat, but was saved by the competency of the two representatives of the parent Social Credit Movement, one of whom, Mr. L. D. Byrne, has been forced to resign by Mr. Aberhart's successor, Mr. Ernest Manning. Amongst the high qualities of Mr. Aberhart was his appreciation of the selfless devotion of Mr. Byrne; and he learnt from him.

On its Editorial page, the issue of *The Canadian Social Crediter* for April 22 states that its policy is decided by the National Council of the Canadian Social Credit Association, and proceeds:

"Consequently it is with some dismay we learn that in an article published in the *Canadian Jewish Chronicle* on

January 9, 1948, it is stated: 'Leaders of the Social Credit Party have finally announced a ban on the publication of anti-Semitic articles in the organisation's official organ, following conferences with Joseph H. Fine, Chairman of the Public Relations Committee of the Canadian Jewish Congress . . .'

"The Social Credit Association of Canada is not anti-Semitic and we wish to inform our readers that we know nothing of the above-alleged meeting.

"This paper will not carry 'anti-Semitic' articles, not because of any conference with the Canadian Jewish Congress but because this is the policy of the Social Credit Association of Canada.

"Yet in spite of this *The Social Crediter* of Liverpool, England, with which the newly formed Douglas Social Credit Council is affiliated published in its issue of March 27, an article giving the *Jewish Chronicle* credit for making the Social Credit movement anti-Semitic."

It will be noticed (a) that *The Canadian Social Crediter* identifies the *Canadian Jewish Chronicle* with *The Jewish Chronicle* (London), (b) states that we gave, on March 27, credit to *The Jewish Chronicle* for making the Social Credit Movement "anti-Semitic" (*sic*), whatever it means by that. (c) While adopting as a policy an attitude claimed both by *The Canadian Jewish Chronicle* and *The Jewish Chronicle* as a victory, denies knowledge "with some dismay" of the direction of its own policy by the Canadian Jewish Congress, claimed by the first of these.

The Hon. W. A. Fallow, Minister of Public Works in Alberta, whose outspoken attack on the broadcasting agencies, the motion picture industry, and "the Planners who were directing them" was reported in our issue of March 27, has been seized with serious illness, described as a stroke, and has since died in hospital in Edmonton.

### Where Canned Meat Goes

The Canadian Department of Agriculture, in its Live Stock Market Review for April 29, gives the following details of canned meat export operations, 1948:—

#### Clearances January 1—April 17

	lbs.
U.N.R.R.A. & Canadian Jewish Congress	3,565,496
Greece	2,030,672
Yugoslavia	611,100
Czechoslovakia	15,012
Poland	405,324
Finland	85,320
Germany	42,696
Roumania	18,000
Austria	300,024
Italy	22,032
Hungary	35,316
Grand Total	3,565,496

### "Hampstead Parliament"

According to the *Evening Standard* for May 10, the 49-year-old "Hampstead Parliament," which from 150 to 200 persons attended in 1946, has declined to an average of 35.



## Christian Principles and British Civilisation

(An Australian Broadcast by Eric D. Butler at Easter)

At this time of the year the thoughts of many of us are more consciously focussed upon our Christian Faith. But surely it is now obvious to all professing Christians that our Christian civilisation cannot survive much longer unless there is a greater recognition of the fact that all our policies must be based upon the Christian philosophy. Most of the policies being imposed upon us today are evil; they are the product of a false and anti-Christian philosophy.

The fundamental Christian philosophy was clearly outlined by Christ when He said that the Sabbath was made for man and not man for the Sabbath.

In other words, individuals are greater than institutions. All institutions and organisations should merely exist to serve the individual and not to enslave him.

Christ also said that the Kingdom of God is within each individual. The Christian philosophy conceives of all power originating from within the individual. The anti-Christian philosophy conceives of all power originating outside the individual, who is regarded simply as suitable for planning by those who wield this power.

The whole emphasis of Christianity is upon the importance of the individual.

The most important effect of Christianity was to elevate the individual above the domination of the group. It was the Christian philosophy which gave rise to the idea of Constitutional safeguards which would guarantee the individual rights which no Government or any other group could take away from him.

The Mediæval Church fought the deadly idea that the State should have the power to encroach upon every aspect of the individual's activities. It took its stand on the principle that the individual should only render unto Cæsar—*i.e.*, the Government—those things which were within the province of Cæsar to control. How different is the position today, when so many Church leaders are failing to resist the increasing pressure to force the individual back to that collectivism from which Christianity liberated him.

While mouthing abstract phrases about Christianity we also have so-called political leaders actively engaged in furthering collectivist policies which further destroy the fabric of our Christian civilisation. The challenge of Soviet Russia is not merely a challenge on the material plane; it is a challenge to the whole Christian idea. The controllers of Soviet Russia understand the fundamental issue clearly. Unless we understand this issue as clearly as our enemies, we most certainly will not survive. Once we grasp this point, we can see what a dangerous role our local collectivists have played.

We have many political leaders who are now drawing attention to the menace of Soviet Russia without having the Christian humility to admit that they themselves have helped further this menace. Two classical examples in Great Britain are Mr. Attlee and Sir Stafford Cripps.

After years of advocating the destruction of national sovereignty and the introduction of collectivist ideas *à la* Soviet Russia, Mr. Attlee now tries to unite the British people against the Soviet.

We can best assess Sir Stafford Cripps's rôle of corruption by the following statement reported in the Communist *Daily Worker* (England) of April 3, 1936: "I am prepared to risk

working with the Communist Party and supporting their affiliation to the Labour Party. The great thing is to get the government of workers in this country to work in conjunction with the Government of Russia. That means a united front with the Communist Party."

Here in Australia we have had such men as Dr. Evatt assuring us that the controllers of Soviet Russia only require security and have no designs on the sovereignty of other people.

The whole Socialist idea is in direct conflict with the Christian idea; like Communism, Nazism and Fascism, it places the individual at the mercy of the group.

Professor Laski, who has attacked the Christian idea as outlined in the New Testament, knew what he was talking about when he said after seeing Stalin in 1946 that Socialism and Communism are merely two different roads to the same objective.

We cannot defeat the collectivist menace unless we first defeat it internally in our own country. This is just what we are not doing at present. The application of Socialism internally is a "softening up" process prior to the imposition of complete collectivism from without. And Socialism has only been possible as the result of suitable psychological developments directly connected with wars, depressions, revolutions and other upheavals.

It has been the fundamental Christian idea which has given our civilisation stability. The destruction of the Christian idea has naturally led to increasing instability.

Values and standards are no longer clear and definite, but are becoming increasingly blurred. As instability grows the cry of "all power to the State" gets louder.

Propaganda seeks to convince the individual that he is merely a pawn in the grip of blind forces over which he can have no control. It is cleverly suggested that the British Empire and the European Age are passing. The effect of this suggestive propaganda is to paralyse the individual's initiative. It does more; it creates fear. And fear results in the destruction of judgment. Fear can only be eliminated by the restoration of that Christian Faith upon which our British way of life was so successfully built.

We must first reach back into the past and once again understand and fiercely uphold those fundamental principles which resulted in the high water mark of modern civilisation during the late 19th century.

There were, of course, defects in the social structure last century, but with the maintenance of stability there is little doubt that these defects would have gradually been eliminated. However, the anti-Christian forces responsible for the first World War, the Russian Revolution, the Great Depression, and the second World War destroyed stability.

Private incomes and private decentralised property rights have been increasingly attacked.

Small-scale decentralised economic activities in which workmen can take a pride in quality workmanship have been progressively eliminated in favour of Monopolies and International Cartels, in which workers engage in soulless mass production.

The family tradition is weakened and the individual becomes more and more a cog in a vast industrial machine, the policy of which he cannot control.

The growing emphasis is upon material needs to the exclusion of all other considerations. The individual is

offered material security of a kind in exchange for his soul. And never let us forget that every political party has helped this programme along.

Now, as never before, we must loudly proclaim the great truths which Lord Acton never ceased to proclaim:

"That man does not live by bread alone; that the State was made for man, not man for the State; that every citizen counts; that minorities should have their place in the sun; that liberty is not a mere political contrivance, but a spiritual principle; that ordered liberty is the highest prize of civilised society; that men and women, like flowers, need light and air to have their chance and produce their best; that since all power tends to corrupt, the only way to prevent its abuse is to cut it up into little bits." (G. P. Gooch).

During this Easter period it is well that we should meditate upon these matters. But we must be prepared to acknowledge the fact that the resurrection of our civilisation can only take place if we are prepared to repent of those evil policies which led to the present terrible chaos.

### "Taking Petrol Samples"

*The Manchester Guardian* has given publicity to the following:—

Sir,—During the war I was connected in a professional capacity with the taking of samples of petrol from private cars and pumps at garages to detect illegal users of War Department petrol.

Mr. Gaitskell's scheme cannot differ greatly from the methods then used, and it may interest your readers, and perhaps allay their fears of a miscarriage of justice, to know how the samples were taken and what happened to them. This was the procedure:

The car was stopped by the police and with the consent of the owner (under the new Act this will be unnecessary) a small sample of petrol was extracted from the tank by a pump and tested with a chemical, which in the public interest had better remain unidentified. If the reaction showed that the petrol was uncontaminated the police apologised and the motorist went his way.

If the test showed that the chemical indicator in W.D. petrol was present, three samples were taken in separate bottles. Each was sealed with wax and labelled in the presence of the driver or owner of the car, who was cautioned in the usual manner. One sample was handed to the motorist and two retained by the police, who sent one to a public analyst.

When the case was heard the analyst gave evidence of the proportion of W.D. petrol to civilian petrol which he had found in the sample. Where this proportion was small and no other evidence was offered the magistrates usually declined to convict.

Under the new scheme motorists will presumably have the same safeguards. It is not likely that magistrates will accept the evidence of the police about an analytical test.

There is a fear that the innocent motorist may be convicted of a petrol offence because, in reversal of the British custom, he must prove himself to be innocent. It may bring comfort to the fearful to know that the same rule applied to people charged during the war with the unlawful possession of W.D. petrol. Under section 156 of the Army Act the person accused of unlawfully acquiring W.D. property has

to prove his innocence. There was no public outcry then, nor can I recollect any case of apparent injustice. True, the penalty was only £20 and/or six month's imprisonment and treble the value of the property in question. The knowledge that his petrol may be sampled will probably do more to deter the black marketeer than the number of successful prosecutions. The sealing process, the washing of the pump after each extraction, the taking of statements and corroborative evidence of anything the suspect driver may be foolish enough to say will require at least two policemen.

How many police forces can spare enough men on enough roads at the same time to make the scheme effective when nearly every force is below strength?

Policemen are not likely to enjoy this duty. I can recall cases during the war when a sampling team have spent a week testing petrol without finding a positive reaction. It is tedious to be continually apologising to aggrieved citizens for having troubled them unnecessarily.

To be effective, the chemical indicator must be potent enough to give a reaction when heavily diluted. This is the weakness of the scheme. The indicator may find its way in minute quantities into pumps, tankers, and the tanks of private cars over wide areas. If it does, and it did during the war, the tests become useless and the scheme falls down.

All motorists want to help to defeat the black market. But it is questionable whether this scheme, which has been tried and failed, will do anything but cause extra work for the already overworked police and delays and inconvenience to the already harassed motorist.—Yours, &c.,

INVESTIGATOR

London, S.W., May 13.

### Car Exports to Lisbon

*The Scotsman* has published the following further letter in the correspondence arising from Mr. F. A. R. McNab's original letter:—

"Dear Sir,

"The correspondence on the subject of British car exports to Lisbon and elsewhere has roused a good deal of interest and, therefore, I venture to take up one of two points that have been mentioned.

"The Commercial Counsellor from Lisbon, who is on leave, happened to come and see me yesterday. This is what he said.

"Lisbon is a trans-shipment port and the charges from this country to the Portuguese Colonies are some 25% less if cars are delivered via Lisbon. Accordingly, it is very likely that the cars standing at the docks are awaiting trans-shipment to Portuguese Colonies in Africa, and no-one in Lisbon would have the slightest interest in them. Owing to shipping delays, many goods unfortunately have to wait at Lisbon a considerable time.

"The Commercial Counsellor also tells me that his impression of traffic in Lisbon is very different from that of Mr. McNab. For instance, he says that over half the taxi force in Lisbon is British and except in a few parts of the town surrounding hotels patronised by Americans, he would say that the traffic is very evenly divided between British and American.

"With regard to the point made by Mr. Stewart about the East African port, this may well refer to Beira. Such is

the congestion of transport at that port that there is a number of cars as well as other goods waiting to be cleared to go long distances up country. These vehicles may look superficially dirty but it is doubtful if they are coming to much harm and there is certainly no dumping.

"Even if the port in question is not Beira, similar conditions obtain in other East African ports owing to the great strain that there is on the inland transport to carry goods and vehicles many hundreds of miles up country.

"On the subject of price, the industry hopes, of course, to be able to reduce prices as the volume of production increases when more raw materials are made available to it.

"The fact remains that a Portuguese, with 60,000 escudos in his pocket, can afford to buy one of nine British makes but not a single American one. Similar conditions apply in other countries, and although I admit the force of much that Mr. McPherson says, the fact remains that taken on an average, in the majority of the countries in the world, our cars are actually cheaper than those of America.

"Yours faithfully,

"R. GRESHAM COOKE,

"Director: Society of Motor Manufacturers and Traders Ltd.

"May 6, 1948."

### Price of Newsprint

The price of English-made newsprint was £10 10s. a ton before the war.

"Many people," says the *Evening Standard*, "are asking the explanation for the new increase of £2 in the price of newsprint to the newspapers—from £43 to £45 a ton.

"The reason is that the larger proportion of supplies are coming from English mills. Price of English-made newsprint is £48 7s. 6d. a ton. Canadian newsprint, which is shipped in, costs £33 a ton. The average price charged to newspapers has, therefore, had to go up. If there is a further cut in the amount allowed in from Canada, then there will be a further increase in the price of newsprint."

PARLIAMENT—continued from page 3.

to a wrong conclusion. In the first place the cost of oil production of the British companies cannot be assessed purely in terms of sterling. British companies have to disburse convertible foreign exchange for royalties and expenses. For example, in Venezuela, a company's royalty and local expenses are settled in local currency, and those are convertible to United States dollars. Specialist equipment for the development of their own oil fields and the construction of their refineries, also entails some outlay in dollars, with the result

that there is a substantial element of dollars or other hard currencies in the cost of producing their oil.

On the other hand, the supplies brought into the sterling area by American companies do not always ultimately entail dollar expenditure, because American companies are substantial buyers from British companies and this, of course, again saves dollars. For example, it is much more economical to all concerned that so-called British oil should be sold in, say, the Persian Gulf to American companies for disposal in the Indian Ocean area, and that British companies should buy oil from American companies in the Western Hemisphere to supply the United Kingdom. I need not enlarge on that; one is aware of the long hauls that are entailed, and the geographical situation makes it convenient. . . .

. . . Additionally to that, the shortage of tankers has added substantially to the cost of oil and, for that reason alone, it is not possible to plan in terms of allocating British oil solely according to British consumption needs. . . At the time that the coal-oil conversion programme was launched, the situation in this country was grave. We had a surplus of fuel oil, there was a grave shortage of coal, therefore it was the commonsense thing to encourage it. [*Laughter.*] Hon. Gentlemen may laugh, but I say it was commonsense to encourage conversion from coal to oil.

. . . The United States of America also went in for fuel-oil conversion. They also have come up against the same problem, that their demand has outstripped their supply. They, too, have had to call a halt in their fuel-oil conversion programme. . . .

*Mr. Edelman* (Coventry, West): . . . I would recall to the Committee that during the war President Roosevelt, becoming apprehensive of the shortage of oil which was already appearing, sent a geological party under Dr. De Golyer to the Middle East to prospect and examine the opportunities for developing those as yet undeveloped areas. It was a matter of vital concern to the United States, because although between 1938 and 1946 her actual production of oil was to rise from 160 million tons to 234 million tons, her ultimate net export was only 2¼ million tons owing to the rise in internal consumption. Dr. De Golyer reported, after investigating conditions in the Middle East, that the centre of gravity of world oil production was shifting from the Caribbean area to the Middle East-Persian Gulf area. That is of the greatest importance to our security and our economy because we must increasingly rely on receiving our oil supplies from the Middle East instead of from the traditional sources. At one time Venezuela used to export oil—the bulk of its production—something like 54 million tons to Europe. Today it exports approximately half that amount to the United States.

While in the United States that shortage is intensifying itself, in the Soviet Union, where industry and agriculture has become increasingly mechanised during the past few years, there is something approaching an oil famine. Whereas in 1939 production reached something like 30 million tons, as a result of the German incursion into the Caucasus it had fallen by 1946 to a figure approaching only 20 million tons. . . .

*Mr. Pryde* (Midlothian and Peebles, Southern): The position of fuel oil must cause everyone a great deal of anxiety. If we look to the West we find this country is at the mercy of the dollar, and if we look to the East we find we are at the mercy of the Arabian sheiks. In wartime we are a splendid

By

C. H. DOUGLAS:

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traget for an enemy. It would be quite easy to criticise and say that hon. Members opposite are responsible for that position, but I doubt if it is possible at the moment for any individual in this country, no matter how well equipped, to come forward and give us a quick way out of our difficulties.

However, we can always look to the future. Forty years ago there was a very prosperous industry in the Northland. Then came the cartels, and it disappeared. The district I have in mind is the Lothian district of Scotland. I want this Government to do something for themselves. It is only by doing something for themselves that they can justify themselves in the eyes of the people. Previous Governments have always failed. During the war the Germans showed what could be done in regard to low temperature carbonisation of coal. In the county of Midlothian where, 700 years ago, the first charter was granted for the mining of coal, there are 40 high grade seams of coal crying out to be exploited. On the West bank of the River Esk there are 20 seams, on the East bank of the South Isle there are 14 seams, while between there are six seams, all of the highest quality coal. On the East bank of the Esk, 40 years ago, coal was produced on which the City of London depended. It came from the Parret seam which commanded a price of £2 10s. a ton. It was taken to Leith and shipped to London by cargo boats.

In West Lothian, and in the Western portion of Midlothian, there are high grade seams of the very finest oil shale. It might be said that that part of the country is very vulnerable in case of war if refineries were set up, but I suggest that invulnerable refineries might be built into the Pentlands. The Germans showed what could be done in that way during the war and one of great difficulties was to demolish some of the German reinforced concrete establishments. Oil from such refineries would not be so vulnerable as that brought across the sea. In Midlothian there are the Drumgray and Torbane Hill seams from which the highest octane spirit can be made. I suggest to the Ministry that they should take the risk and spend money on such a project. They would get the men if inducements are held out to them. Labour can always be got for industries in which the highest price is paid. I suggest that we do that now. If we do it now in a few years' time we will be almost independent of foreign supplies. I do not say that we shall be entirely independent of foreign supplies, but to a great extent we shall be independent if we concentrate on low temperature carbonisation of coal. We have the quality in the Lothians, and we have the men to get it. We certainly require the houses for the labour which we have at our disposal in Scotland.

I ask the Minister to take his courage into both hands and foster this industry in Scotland which held out so much promise 40 years ago, and which in the County of Midlothian is typified by a few broken down houses where miners live. We have the potentialities in our country and I hope the Minister will take his courage into both hands and concentrate on this, because God helps those who help themselves.

*Mr. Scollan (Renfrew, Western):* . . . The petroleum which is being used in industry today could easily be supplanted with coal. I am not surprised at all at the increased amount of oil being used in America because oil is on her doorstep. On the other hand, the industrial prosperity of this country has been built on coal, because coal is on our doorstep. Most people forget that coal is the only natural asset we have. On coal and coal alone was our industrial prosperity built up, and therefore it should be used instead of oil wherever possible. We had a small shale-oil plant in Scotland. It was shut down by the Standard Oil Company

as a result of internal penetration by American capital. It was not shut down as a result of nationalisation by the Labour Government. It was closed down by the Standard Oil Company because it produced oil so much cheaper. That shale-oil plant could be brought into operation today.

We cannot measure a national asset in terms of its competitive prices with other countries. It is the biggest mistake any Government can make to say that we can buy cheaper abroad and should not therefore use what we have at home. What we have to do is to put all we can produce at home into the market, and to equate the prices to make our national assets—a paying proposition. We know what happened about Lend Lease and how it was cut off before we had time to get our breath. We then had to beg and borrow a loan. We do not want to be put in that position today. Our potential asset lies in the low carbonisation of coal, and we should clean the coal to make it as attractive a fuel as we can. We should use it to increase our production at home, and if the Minister does that he will go a long way towards meeting this competition from abroad.

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