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IMPEACHABLE DOCTRINES

By JOHN MITCHELL

"Our safety now depends on a merciless impeachment of doctrines, if not of men," declared *The Economist* on May 15.

The chairman of *The Economist* is Sir Henry Strakosch, who belongs to the inner ring of international financiers. Banks, insurance companies, and many of the most important businesses in the country pay for their Annual Reports to be published in *The Economist*, so that quite clearly there is a solidarity of interests and policy between these advertisers and the controllers of *The Economist*.

In the circumstances it is interesting to note that it described the doctrine which it wishes to impeach in the following terms:

"But there is another set of ideas, just as false and as enervating, which has not been abandoned, partly because its roots lie deeper in self-interest, partly because the proofs of its failure, though decisive, are not publicly apparent. This is the set of ideas that has been the dominant economic philosophy of the Conservative Party in the past nine years, the set of notions that sees its ideal of an economic system in an orderly organisation of industries, each ruled feudally from above by the business firms already established in it, linked in associations and confederations and, at the top, meeting on terms of sovereign equality such other Estates of the Realm as the Bank of England and the Government. Each British industry, faithful to the prescription, has spent the past decade in delimiting its fief, in organising its baronial courts, in securing and entrenching its holdings and in administering the legal powers of self-government conferred on it by a tolerant State. This is the order of ideas that has transformed the trade association from a body of doubtful legality, a conspiracy in restraint of trade, into a favoured

instrumentality of the State, until membership in such a body has become as necessary to the business man who wishes to be successful as an old school tie has been to the ambitious Conservative politician." . . . "It is emphatically not a set of ideas that can be expected to yield the maximum of production, or to give the country wealth in peace and strength in war."

What are we to think of this remark when all the evidence goes to establish as a fact that the contraction of production in pre-war years, including the 1920 and 1930 slumps, were the direct result of restriction of credits by the banks?

A roundabout admission of this fact is to be found in a statement in the same paper of May 8:

"The third great division of economic policy, after supply and labour, is finance. This is certainly no time for financial orthodoxies; but that does not mean that it is no time for thinking about financial problems. On the contrary, a considerable effort seems to be necessary to secure a general acceptance of the fairly obvious proposition that finance, in wartime, must necessarily be a camp follower and that its main duty is to avoid obstruction."

If this statement means anything at all it is that in peace time the main duty of finance was not to avoid obstruction. The same article contained this statement:

"To think consistently in real terms involves a very considerable mental effort, and one which neither could nor should be made by the Treasury. But the more is the need for overriding decisions of policy."

Social Crediters have lively memories of the abstract terms, so remote from reality, which governed the "Sound Finance" policy which dominated Great Britain in pre-war years and which *The Economist* upheld. How very thoroughly

must the training in orthodox finance be ingrained in Treasury officials and what a revelation on the part of Sir Henry Strakosch and his comrades that they deem it unreasonable to expect Treasury officials to think "consistently in real terms" now that events make the necessity of that course inescapable!

It is not surprising that *The Economist* reaches the conclusion that "the need of the hour is for more organisation and more control."

"A great effort of mind and will is needed to rid ourselves of these disastrous doctrines. What distinguishes a democracy from a dictatorship is the voluntary effort of its citizens. But that does not mean that we leave the paying of taxes or the giving of military service to the voluntary decision of those whom they affect; freedom is combined with efficiency when each man obeys the orders of an authority which he voluntarily accepts. It is time we applied the doctrine of democratic efficiency to our industry and appointed impartial authorities to give orders instead of issue appeals. There will be as little diminution in loyal co-operation and as much increase in effectiveness as when taxes are substituted for conscience money or conscription for volunteering. Only so shall we raise our production of the materials of war with that rapidity which is now our sole salvation."

On Other Pages

"We Are All Shareholders"
by B. M. Palmer

"Notes" by T. J.

"The Policy of a Philosophy"
by C. H. Douglas.

What a cunning mixture of half truths!

Such deception could only be sustained with the aid of mass propaganda. Is it coincidence that the new Minister of "Information", Mr. Duff Cooper, holds these views:

"Great are the powers of propaganda. To what extent we are ourselves the victims of it we cannot tell. It is very seldom that we consciously buy an object because we have read an advertisement recommending it. Yet nobody who is engaged in commerce will question the value of advertisement. This proves that we are buying things all the time, without knowing it, because we have seen them advertised."

"Advertising has become something between an art and a science. Every commercial firm sets aside annually large sums for expenditure on advertisement. A special staff of trained experts is employed for the purpose. High salaries are paid for such work and first-class brains are engaged in it. In democratic countries the State usually lags behind private enterprise. It was private enterprise that created our Empire. The State rather reluctantly accepted it. In the matter of propaganda private enterprise led the way and *it is time that the State followed.*"

Whilst Sir Henry Strakosch, and other financiers (who could not be expected "to think consistently in real terms, involving a considerable mental effort"), were upholding "Sound Finance" in pre-war years, German leaders had been thinking in real terms. The American Commercial Attaché's report from Berlin in December, 1939, stated: "It is estimated that the production of German machine-tool industry in 1938 was eight times the volume of 1933."

EVACUATING THE B.I.S.

The 3,464 inhabitants of Chateau d'Oex, Swiss village 20 miles from Montreux, recently ran out of their green-shuttered chalets to gape at refugees arriving at the station.

No ordinary refugees these, pushing what they could save of their belongings on a barrow, but refugees arriving in luxury trains and met by smart cars.

They were the staff of the £34,000,000 Bank for International Settlements hurriedly evacuated from Basle.

They were Germans, British, French,

The Bank of England had facilitated this German effort by lending Germany many millions of pounds, during the same period.

Re-armament depends upon machine tools, the production of which is highly skilled.

To-day Britain and France are scrambling to place orders and get spot delivery on American machine tools at any price. An article in *The Saturday Evening Post* for May 13 states:

"Last year, more than 50 per cent. of the capacity of American machine-tool plants was exported. This year, if the present trend holds and no Government embargo is clamped down, 75 per cent. of our new machine tools will be shipped out of the country. In payment for these machines we are getting raw gold, which we immediately lock up in a hole in the ground. We are not getting in exchange needed raw materials, agricultural products or useful manufactured goods—nothing that we can use or eat.

"No, our foreign customers are not buying special war machinery that will be so much scrap iron when peace dawns. The shiploads of new American machine tools now going overseas are our latest and most modern high-production types, with special emphasis placed on their convertibility to automobile, airplane, refrigerator and tractor manufacturing when the war is over.

"The editor of one of the most widely quoted American trade journals feels so strongly over the mass migration of American machine tools to foreign countries that he is attacking the practice in his editorials and stumping the country, warning tool builders of the commercial competition which will begin the moment peace comes and the com-

batants set about recapturing world trade."

The Banking Fraternity crippled the production power of British Industry by the enforcement of the restrictive policy of "Sound Finance" on the country. Now that maximum production is an urgent necessity for the effective defence of the country the Banking Fraternity is set upon exploiting the occasion to eliminate the sovereignty of British Industry so that it can no longer meet upon terms of "sovereign equality such other Estates of the Realm as the Bank of England and the Government." It intends to do this by subjecting British Industry to "impartial authorities" on the excuse that it has failed to do its job in the past. "Impartial Authorities" is a polite expression for what is termed in Nazi Germany "Reich Commissioners" and in Soviet Russia "Commissars". Are we to assume that after this the remaining "Estates of the Realm"—the British Government and the Bank of England—will share the spoils, or will the Inland Revenue Authorities gain the right to assess the profits of the Bank of England, and if so on what terms?

The doctrine for which Sir Henry Strakosch stands is that all institutions should be subordinated to one Supreme Institution, and that all individuals should be subservient to their institutions. But this is the doctrine which more than any other should be impeached. Institutions must be made to serve individuals; and this implies that the control of policy must be decentralised. When this happens American machine tool builders will not need to worry about commercial competition from this country after the war. The British people will consume the products created with the aid of the convertible machine tools which Americans are now manufacturing for them.

Belgians, Swiss, and others instructed to carry on as if there was no war and as if each had no country of his own.

A few days later expectant villagers gaped still more. The bank's annual meeting was to be held that morning. Would Mr. Montagu Collet Norman arrive arm in arm with his co-director, Dr. Walther Funk, of Berlin? Sight-seers were disappointed.

No Mr. Norman. No Dr. Funk. No belligerent directors at all. They were detained at offices in London, Paris, Rome, and Berlin.

They have agreed that for the

duration the Bank shall continue its work, helping the transfer of funds for postal services, for the Red Cross, and for ordinary commerce, and that the permanent staff shall carry on these functions without reference to the directors.

And there is a gentleman's agreement that the unknown amount of gold held on deposit for central banks of the world, including the Bank of England, shall be left untouched for the duration. But presumably the directors can alter this agreement, and the majority of the directors are enemies.

—Bernard Harris in *"The Sunday Express,"* June 16, 1940.

DIARY OF EVENTS

(Military events are recorded in ordinary type, political ones in italics.)

MAY 27—King Leopold of the Belgians instructed his soldiers to lay down their arms. The Belgian government dissociated themselves from this action. The situation of the Allied armies in Flanders was very serious. They began retreating to the sea.

MAY 29—*Sir Samuel Hoare left London on his mission as Special Ambassador to Spain.*

MAY 30—It was announced that allied forces had captured Narvik.
In Great Britain a curfew was imposed on all aliens of every nationality.

JUNE 1—The evacuation of British and French troops from Dunkirk proceeded steadily, a huge fleet of vessels—war-ships, trawlers, pleasure-steamers, life-boats, fire-boats—took part in it. The town was fortified and held while the troops embarked. *Proposals for evacuating small numbers of children to Canada and Australia are being considered. The Italian Government abruptly broke off the negotiations for a contraband agreement with Great Britain, although the Italian spokesmen were quite satisfied with the agreements reached.*

JUNE 2—*Nearly 50,000 schoolchildren were removed from East Coast towns to places safe from air attack. The Minister of Information banned the export of 15 newspapers.*

JUNE 4—German bombers raided Paris.

JUNE 5—Small bodies of highly mobile and strongly armed troops, to be called "Ironsides," were being organised for home defence by General Ironside. A Corps of Local Defence Volunteers has been formed, to watch for parachute troops, inform the military, and perform other duties. Mr. Churchill said in the House of Commons that over 335,000 troops had been evacuated from Dunkirk. It had only been expected that one-tenth of that number would be saved. *"We shall go on to the end," he said, "we shall never surrender. And even if . . . this island or a large part of it were subjugated or starved, then our Empire beyond the seas . . . would carry on the struggle until in God's good time the New World with all its power and might steps forth to the rescue and liberation of the Old."*

JUNE 6—*Seven new Privy Councillors were appointed including Sir Robert Vansittart, Sir Walter Citrine and the chief Labour and Liberal Whips. The German offensive was resumed on the Lower Somme.*

JUNE 7—*M. Reynaud made changes in his Cabinet, taking over the Ministry of Foreign Affairs from M. Daladier who was excluded from the Cabinet. General de Gaulle, a young military theorist, became the Under-Secretary for War. The London Chamber of Commerce called for quicker decisions on the part of Government departments.*

JUNE 8—Widespread air raids over this country were carried out by the enemy.

Sir Samuel Hoare presented his letter of credence as British Ambassador to Spain to General Franco in Madrid.

JUNE 10—The German Offensive on the western front spread and increased in strength. There were more air-raids over Britain.

The regulation restricting the movement of labour from essential industries came into force.

JUNE 11—Italy declared war on the Allies.

JUNE 12—The German offensive increased in strength, but the enemy have not yet crossed the Seine. The Mediterranean Sea has been mined.

JUNE 14—Spain announced that she was adopting an attitude of non-belligerency in the war. The German troops crossed the Seine at several points.

JUNE 15—The Allies withdrew from Paris, not defending it, and the Germans entered.

M. Reynaud appealed to Mr. Roosevelt for help. Mr. Roosevelt answered that America would do all she could to send armaments and materials, but this had 'no military implications.'

JUNE 16—*Three meetings of the French Cabinet held to consider Mr. Roosevelt's reply in relation to the very serious military situation resulted in Marshal Pétain succeeding M. Reynaud as Premier, with General Weygand as his Minister of National Defence.*

Authoritative circles in England issued a statement that the British would continue to fight until victory was achieved, whatever the cost. Hostilities against Italy have taken the form of air raids on Italy, Abyssinia and Libya. Italy has retaliated by bombing Malta and Egyptian frontier posts.

Marshal Pétain announced that he had asked Herr Hitler "to seek with him the means for putting an end to hostilities." It was announced from Berlin that Hitler and Mussolini were to meet to discuss terms of peace, and that Germany had invited Spain to take part in the peace negotiations.

JUNE 17—It was announced that troops of the U.S.S.R. have occupied Lithuania.

The U.S.S.R. presented the Lithuanian Government with an ultimatum that she must find a government "able and willing" to carry out the pact between Russia and Lithuania. A military alliance with Latvia, Esthonia and Finland is alleged, and also mistreatment of Soviet soldiers. Lithuania gave way, and a new government is being formed.

JUNE 18—*It was announced that Great Britain had offered to France a complete and indissoluble union of the two nations—citizenship, parliaments and armed forces—into one Franco-British nation. Troops of the U.S.S.R. occupied Latvia and Esthonia after presenting ultimata similar to that given to Lithuania.*

WE ARE ALL SHAREHOLDERS

By B. M. PALMER

Whatever may have been the purpose of the secret sittings of Parliament, recent letters to the press on this subject have revealed widespread ignorance concerning the difference between dictatorship and democracy. Even now we do not know what we are fighting for, except in a very negative sense. Hitler and Mussolini have got to be stopped, but what then? We must discover without delay, where we have gone wrong. This is vital to our own existence, just as vital as victory in the field.

Mr. R. G. Mills writing in *The Times* on June 10 says:—

" . . . It is almost certain that the main finding which would emerge from a judicially and thereby impartially conducted inquiry into the situation, which it would appear is to be the subject of the secret sitting, is that difficulty would be experienced in fixing any definite blame on individuals, but that is the system which is at fault. That system is democracy, and accordingly the blame in the abstract is comparative—namely, the measure of success with which a democracy can in the initial stages conduct war as efficiently as a totalitarian régime. The former automatically entails the right of expression of reasonable free opinion and of criticism, deliberation, consideration, and the delay consequent upon the exercise of these privileges, resulting usually in the Englishman's *vade mecum*—namely, compromise. The latter—namely, the totalitarian régime—ensures immediate unity of direction, power to govern by decree, and the utmost acceleration in the mobilization of a country's economic and military resources which are so vital to the prosecution of a world war

R. G. MILLS.

6, *Aubrey Walk, Campden Hill, W.8,*
June 7, 1940."

This extraordinary confusion between policy and technique* could never arise in the conduct of any successful business. A business man understands, both theoretically and practically, that the policy of his business is the concern of the shareholders while the technique of

production is a matter for specialists. Yet he can look at the enormous concern of Great Britain unlimited, and say, "Yes, failure is the result of the system, not of individuals."

It is not the system that is at fault, but our failure to distinguish between policy and technique.

Now, we are all shareholders in Great Britain unlimited, though in practice we have sold our birthright for a mess of pottage. In theory every man or woman has a vote which can be used to indicate the policy or results desired from our association. But for many years a true balance sheet of our assets has not been shewn us. In 1920 and the years following we were kept in ignorance of the fact that inventions and discoveries had increased enormously, and with them our power to produce goods and services. There was plenty. Those of us who knew the real assets of the firm, as distinct from the declared assets, also knew that the shareholders would have demanded a dividend with no uncertain voice, could they have grasped the true state of affairs. But they did not demand a dividend—they accepted instead a deflationary money policy prepared for them by Mr. Montagu Norman and the Bank of England. Soon 23 per cent. of the workers were on the dole. This policy resulted in sabotage of production† and the means of production, and the forcing of our goods on foreigners by means of relentless trade competition. And war, at last.

It is difficult to discuss the policy of our democracy when for hundreds of years we have had so little voice in it. We are adamant concerning the fact that democracy means "a right to our own opinion," and "freedom of speech," but of what use is this freedom if it extends only to freedom to criticise, and brings us no solid results as shareholders?

Freedom of speech is of little avail if the people cannot choose between the broad outlines of policy—for many years the first if not the only question on the agenda, shall plenty be distributed or destroyed, has been jettisoned, and politicians have led us to believe that democracy involves some measure of

comprehension of the technique of administration. This is just about as reasonable as to put the shareholders in charge of the electrical plant. To discuss, for instance, as Mr. Mills does, "the measure of success with which a democracy can conduct war" is nonsense. Just as the shareholders cannot run the electrical plant, so democracy cannot conduct war. It can, however, appoint individuals to be responsible for the conduct of the war, one for the army, another for the navy, one for home defence, and so on; and when that has been done, each of those individuals should be at the same time both free and responsible.

Free from interference, and responsible for results. This is the only way to conduct a successful war. To what extent our war is being conducted on these lines must be left to your individual judgment. As a shareholder, you have a perfect right to protest, if in your opinion the principles of association are not being adhered to, although of course you must not set yourself up as a naval or military expert, or even as a financier. But you have a right—a duty, to criticise results.

The principles of democracy cannot be applied to function. Mr. Mills, if he is a business man, would not ask the office boy to take a seat in the board room. Administration must be under the control of a functionary aristocratic hierarchy.

"To crystallize the matter into a paragraph; in respect of any undertaking, centralization is the way to do it, but is neither the correct method of deciding what is to be done, nor the question of who is to do it."

—C. H. Douglas.

Mr. Mills says democracy "automatically entails the right of expression of reasonable free opinion and of criticism, deliberation, consideration, and the delay consequent upon the exercise of these privileges, resulting usually in the Englishman's *vade mecum*—namely compromise."

What a mad hatter's tea party! "It was the best butter, you know."

Mr. Mills has given a very good picture of inefficient bureaucrats shirking responsibility and masquerading under the name of democracy. Mr. Pobattle's

* For a complete account of the respective function of policy and technique the reader should refer to the opening chapters of *Economic Democracy*, by C. H. Douglas.

† The burning of wheat in Canada and slaughter of lambs in New Zealand, and destruction of cotton spindles in Lancashire to give only a few examples.

description of this as a ramp tied up with red tape is very near the mark. Pushed to its logical extreme, it results in such absurdities as the appointment of committees to captain ships, during the Red rebellion in Spain; or commissioning thirty people to write one poem, an idea tried out in Moscow.

Such success as the Germans have hitherto enjoyed in the conduct of the war has been due to the fact that they have clearly understood, while we have not, that the pyramidal form of control is the ideal organisation for the attainment of one material end. This is true, not only of war-making but of any national undertaking, in the nature, say, of bridge-building or road-making, the technical details of which must be the responsibility of an expert.

The failure which in the end must overwhelm every dictator, including the Germans, will come upon them because they attempt to use the pyramidal form of control for deciding the conditions under which whole peoples shall live their lives.

To allow one group to choose the policy of a whole nation is so manifestly against the interests of every individual, that in the end it must fail, even if the failure be followed by confusion and chaos.

The situation is such that our very lives depend on finding the correct means of distinguishing between policy and technique. The attempt will have to be made even at the cost of failures, until at last we discover the way.

Democracy is like truth. It needs no justification. It is for us to accept it, if we wish to be saved.

And as for the 'Englishman's *vade mecum*, compromise,' it is of the devil and means that the individual loses every time. But of that more must be written later.

June 14.

SECRET SOCIETIES IN CANADA

Mr. Norman Jacques, New Democracy member of the Canadian House of Commons, on May 24 asked the Minister of Justice the following questions:

- (1) Whether, in view of the contradiction involved between the right of free speech and free assembly which are an accepted constituent of British Institutions, and the existence of secret Societies which, in these circumstances, suggest

that their activities are subversive, the Prime Minister will consider the advisability of making such Societies and the membership in them, illegal.

- (2) Whether a return might be made to the House of the names and members of the Government who are members of Secret Societies, and also of the Presidents and General Managers of Banks who are similarly affiliated.

Mr. Ernest Lapointe, Minister for Justice, replied:

- (1) This question relates to a matter of policy and it is not customary to make a statement in reply to same.
- (2) Answered by No. 1.

BANK OF ENGLAND

Mr. Glenvil Hall asked the Chancellor of the Exchequer what steps he proposes to take to ensure that the Bank of England shall in future publish a balance sheet similar in form to that obligatory on the joint stock banks, now that he has made it clear that this bank will be subject to the 100 per cent. Excess Profits Tax?

The Financial Secretary to the Treasury (Captain Crookshank): My right hon. Friend sees no reason for taking any steps on the lines suggested in the question. The statutory form of the balance sheet published weekly by the Bank of England is essentially similar to that of the half-yearly balance sheets which the joint stock banks are required to publish.

Mr. Stokes: Is not the right hon. and gallant Gentleman aware that the Bank of England are entitled to assess their own profits and are not subject to the Inland Revenue authorities, as private individuals and joint stock companies are?

Captain Crookshank: That is an entirely different question, which, incidentally, the hon. Gentleman has on the Paper for to-morrow.

Mr. Stokes: Will you answer it to-morrow?

Mr. Glenvil Hall: If, as the right hon. and gallant Gentleman states, the Bank of England does publish a balance sheet comparable to that of the joint stock banks—which many doubt—why should the Treasury refuse to make them publish it in the way that other banks have to do, yearly or half-yearly?

Captain Crookshank: They are doing it weekly; and the facts are as stated in my reply.

—"Hansard," June 12, 1940.

On the next day Mr. Stokes asked the Chancellor of the Exchequer whether he is aware that the Bank of England assesses its own profits for Income Tax; and whether he will take such steps as may be necessary to have them assessed by an independent authority?

Sir Kingsley Wood: I would refer the hon. Member to Section 68 of the Income Tax Act, 1918. Though the assessments are made by the Commissioners named in Section 68, the actual computation of liability is subject to examination and check by the officers of the Board of Inland Revenue.

Mr. Glenvil Hall: How can they make an assessment if they do not issue a balance sheet?

Sir K. Wood: That is another matter.

Letter to the Editor VIRTUE AND ACTION

Sir,

I feel that to really *understand* things (glimpse reality) is to be wise and creative; to know *about* things is to be merely intellectual and non-creative. Evidence of the effect of the latter without something deeper is shown in the present condition of the world.

Aldous Huxley in his latest and very remarkable book *After Many a Summer* expresses it through the wise Mr. Propter as follows:

"The fact that people have a lot of virtues doesn't prove anything about the goodness of their actions. You can have all the virtues—that's to say all except the two that really matter, understanding, and compassion—you can have all the others I say and be a thoroughly bad man. Indeed you can't be really bad unless you *do* have most of the virtues. Look at Milton's Satan for example, brave, strong, generous, loyal, prudent, temperate, self-sacrificing. And let's give the dictators the credit that's due to them; some of them are nearly as virtuous as Satan, not quite I admit, but nearly. That's why they can achieve so much evil . . ."

Yours faithfully,

F. C. LUXTON.

June, 1940.

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NOTES

(1) The equivalent of the overthrow of the Chamberlain Ministry (and policy) occurs in France.

(2) Belgium caves in.

(3) The effects of financial restriction plus sabotage plus treachery become apparent in France and England.

(4) The French administration recalls Weygand. Nevertheless, the French are beaten back beyond Paris.

(5) Reynaud proposes to transfer the seat of government to a French colony, or elsewhere. Mr. Churchill "if necessary for years, if necessary alone" points to the Empire behind this Island.

(6) Weygand (in whose hands is all the force available) refuses Reynaud's proposal at the first of a series of critical cabinet meetings. His name is not mentioned again until Reynaud resigns and Pétain is Prime Minister, with Weygand as Defence Minister. Reynaud is nearly hit by a bomb and later flees to America. The phrase "have laid down their arms" is falsely given out to represent a "cessation of hostilities." The phrase "the French" ceases to be explicit. The suggestion is propagandised that Reynaud's policy was to fight on. The facts seem to show that it was Weygand's policy (or Pétain's) to fight on after extracting a declaration of policy from Hitler. "Authoritative" information from Berlin instantly discloses this to be literally impossible of acceptance. This may have been clearly foreseen by Weygand or by Pétain or by both.

(7) Reiterations of Churchill's determination to support the French with every ounce of strength available, and hints that the French Navy will be at our disposal jostle one another, possibly due to lack of control of statements once launched upon the public.

(8) Absence of air activity is attributed to "the weather." Reconnoitring British planes "saw no enemy

planes."

(9) The *Daily Mirror* announced that Churchill had sent a "Note" to France. To whom the note was sent was not stated. The name of the newspaper and the word "Note" are all that might be significant here.

(10) The British Broadcasting Corporation at seven the next morning announces, as an accomplished fact, the complete absorption of France in England: the two governments are to be one government; the two chambers, one chamber; the two forces, one force; the two peoples one people—a sacred and "indissoluble" union—Federal Union. The *Daily Herald* soft-pedals the news. It is "an offer" to France. Which France? The France of Reynaud or the France of Pétain and Weygand? The France of Reynaud is presumably scuttling across the Atlantic to the home of its fathers (and of 'Federal Union'). The very name of England has disappeared (with the sacred name of France!). Without so much as a word to Parliament or even a king's signature, it is 'Franco-British Union'. The 'news' is repeated by the B.B.C. an hour later. Only after five hours does this 'semi-official' organisation discover that the "offer" to France was not accepted. By whom?—the *de facto* administration still fighting in France, or the administration escaping to America?

(11) Previous knowledge disclosed of the "offer" to "France" in America. Reynaud will be able to expostulate in person to Roosevelt.

(12) Announced that Britain would take over arms from U.S.A. ordered by France.

(13) What Churchill said to someone in France seems to have been disclosed—"Federal Union." But what did Pétain and Weygand say to Churchill? An evening paper says it was a

telephone message to Churchill: "Don't come"—just two simple little words like that! Whatever it was may be said again. That will depend upon whether a country stricken by treason, treachery and the invader but *free and clean*, can show freedom and cleanliness to be weapons of high military value.

(14) Complaint is made by "A Correspondent with the B.E.F." in the English newspapers that the new French Government did not consult Roosevelt.
T. J.

Money Rates

Mr. Craven Ellis asked the Chancellor of the Exchequer in the House of Commons on June 10 whether, in view of the necessity to finance the present war with the utmost economy and of the beneficial results to His Majesty's Treasury of the previous reductions of bank rate, he will take immediate action for the reduction of bank rate from 2 per cent. to 1 per cent.; and for the comparative reduction of rates of interest on Treasury bills and other forms of Government borrowing?

Sir Kingsley Wood said: "It would clearly not be proper for me to forecast the future course of bank rate. While I am in agreement with my hon. Friend as to the importance of the considerations to which he refers they are not the only relevant considerations."

Mr. Craven-Ellis said, "Is my right hon. Friend aware that in 1936 and 1937 the bank rate was 2 per cent., and the Treasury Bill rate 10s. per cent.? What is the justification for the Treasury bill rate now being over £1 per cent. which is 100 per cent. increase? My right hon. Friend has the control of money rates, why does he not exercise it?"

"Perhaps my hon. Friend will put another question down," replied Sir Kingsley Wood, "and I will endeavour to answer it."

"The Fig Tree"

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THE POLICY OF A PHILOSOPHY

By C. H. DOUGLAS

A speech to a conference of Social Crediters in London, on June 26, 1937.

First of all, may I express my great pleasure in being able to talk, not to a general audience, but to a company of friends. That is a special pleasure which I have not very frequently, consciously, given myself, because there is not very much sense in talking to the converted, and it is a harder and more difficult job sometimes to talk to a slightly sceptical audience. But this is a pleasant occasion, and I am very grateful for the opportunity.

I don't know that anything that I am going to say to you is of any transcendent importance. It is very largely a question of emphasising things which, in one way or another, you know probably fairly well at the present time, but which, like so many other things connected with this subject in which we are all interested, have certain very subtle emphases. I have come to the conclusion, and others in the Social Credit movement, so-called, have come to the conclusion with me I think, about these very slight differences of understanding—the very slight differences of emphasis one may place upon certain things which are quite familiar in one form, but which if you put a slightly different emphasis on them, appear in a different light—that it is, indeed, in this different emphasis that the most important thing which we have to contribute may be said to reside; and to begin with, I am going to define two words which will be used a good deal in what I have to say, and a good deal in what you all have to do, and the first of them is "policy".

We have had a certain amount of correspondence in regard to the use of this word "policy", and it is not a bad thing, I think, to go back to the etymological roots of a word; it may not lead to anything, but sometimes it does. Policy is allied to "police" and has, I think, much the same meaning. The just, original meaning was that it was Civil Government applied to a recognised objective. There is a meaning of objective, a strong essence of objective, in the word "policy". It is not merely administration. It is actually, if you like, governmental action, but it is action taken towards a recognised and conscious objective, and it is in that sense that we use the word "policy"; it is a little more, but it comprehends and comprises the word objective. That is the first word.

What Is Religion?

The second word that I am going to define, for my own purpose if you like, is the word "religion."

Now the word "religion," again going back to its etymological derivations, derives from a word meaning to bind back; it is related to the word ligament, and so forth, and sometimes it is defined as meaning to bind. Well, it obviously would have a slightly unpleasant flavour if you define it as being to bind, but I think that the agreed definition, its original meaning, was to bind back. In the sense that I am going to use it, and I think I will be using it correctly, the word religion has to do with a conception of reality. It is the binding back either of action, or of policy—particularly of policy in the sense that I was using

the word policy—to reality. In so far as it means to bind back, to bring into close relation again, and in that sense I am going to use it, religion is any sort of doctrine which is based on an attempt to relate action to some conception of reality. It does not necessarily mean, for instance, that your conception of reality is a correct one, but it does mean that you are postulating that there is something which we refer to as real, and you are basing your policy upon that reality.

Not very long ago, a very competent member of the Social Credit Movement, in whose opinion I place great faith, said he thought the morale of the Secretariat and, on the whole, the Movement which was closely associated with it, was extraordinarily good, but that he thought the morale of the Social Credit Movement as a whole was bad, and he wanted ultimately to consider that state of affairs, from what it arose, and what could be done about it. Well now, first as to the facts. A little later, I shall come to one more definition of what we mean by Social Credit—but, first, as to the facts.

In a great many people's minds, Social Credit is a scheme of monetary reform, and the explanation of why any scheme of monetary reform at the present time is having rather heavy going, of course, is because we are all suffering under a wave of so-called "prosperity" and obviously, if your conception of Social Credit is that it is merely a scheme of monetary reform you will follow the curve of monetary reform. When things are bad monetary reform is always on the upgrade, and on the downgrade, at any rate temporarily, when things are a little bit better, and although I think we should all agree, those of us who really know anything about what is the position of this country, that there is a great deal more hot air than prosperity at the present time, the fact is indubitable that through rearmament, and things of that kind, there is more money being distributed and people are better off. I think it is very patchy, but at the same time, there is such a state of affairs; so that in the narrow sense of a scheme of monetary reform, it is perfectly easy to see why, just at the moment, we should not be especially progressive or making the headway perhaps, that people think we ought to make. But, in my opinion, it is a very superficial definition of Social Credit that it is merely a scheme of monetary reform; and this is where the definitions I insisted on come in to some extent.

Social Credit is the policy of a philosophy. It is something based on what you profoundly believe—what at any rate, I profoundly believe, and hope you will—to be a portion of reality. It is probably a very small portion, but we have glimpsed a portion of reality, and that conception of reality is a philosophy, and the action that we take based upon that conception is a policy, and that policy is Social Credit. It is in fact a policy based upon a philosophy, which is, incidentally, why, in many cases, it is no use arguing with many people about the technics of Social Credit, because they don't agree with your philosophy; often they don't even understand it, and, therefore, what you say in regard to policy and technics sounds like a loud noise to them, chiefly without any sense; and the best thing to do in

the circumstances is, of course, to agree to differ.

Cavaliers and Roundheads

About the middle of the 17th Century we had a Civil War in this country between the Stuarts who were the protagonists of a theory of the Divine Right of Kings, and the Roundheads—the Whigs and the Puritans. It is a very unfortunate thing that very often the best causes have the worst protagonists, for there could probably not have been worse protagonists of what in one particular sense was a very sound thesis, than the Stuarts. I am not going to suggest that there is any reality about the Divine Right of Kings, because whatever there may have been in ante-diluvian ages, no one would be foolish enough to suggest that now. But the point I want to make is this: It was a perfectly logical proposition to have a civil war about the Divine Right of Kings, and the State Church—the particular sort of church—and even to have an idea that the King could impress a religion upon the country, and at the same time have a particular policy.

If there is one thing which seems to me beyond dispute, it is that you cannot have a policy (here I use the word again in the way in which I have defined it), the policy of a country, policy of a race, or of a nation, without having a philosophy behind it. You cannot have a bridge without a model and drawing behind it, or without having had a desire to have a bridge. You might as well say the Sydney bridge just grew although nobody had ever said they wanted a bridge. I am absolutely convinced myself that there must be somewhere behind the policy a philosophy, or you cannot have a policy. Now, if you remember, the religious aspect of the Civil War was freedom of conscience, so-called; in other words, you were to be allowed, and you very rapidly did have, under the Protectorate, 57 religions, all different, and the only reason that you did not have 570 religions was that people could not think quickly enough. I am not saying that any one of them was either right or wrong; I am not interested. The rather subtle point I am trying to make is this—that the philosophies in the mind of the people in the country became completely chaotic, and that left the way open to the dominance of a philosophy which was not any one of them. I am not suggesting that the philosophy before the rise of the Protectorate was a right philosophy. What I am saying is that the attempt of the Stuarts was to have a unified principle behind their policy, and that it was completely offset under the plea of freedom of conscience, out of which there could not possibly come a coherent policy, nor did there.

The Perils of Abstractionism

The rise of the Protectorate, as, of course, we know, was financed by Manasseh ben Israel; and the first Act of the Protectorate was to readmit the Jews into England, possibly a good and sound thing, but it had the undoubted effect of elevating Whiggism, which with one very short interval, that of the Restoration, has been dominant in this country ever since; and Whiggism is abstractionism. I am not here as a protagonist of Christianity (in fact I am eventually going to talk about "Local Objectives," and I am getting there, though you may not think so!), but Whiggism is abstractionism, and this country, which is allegedly a Christian country, is probably the greatest exponent of abstractionism as a national policy in the world to-day. The whole of our protestations as to the way in which we govern our actions allege it to be Christian—as I say, I am not here

as a protagonist of Christianity, I am looking at this from a very different point of view—but our actions in this country—our penal system, our industrial system, our methods of dealing with criminals and our methods of dealing with business—actually have no relationship whatever to Christianity or anything which could be remotely related to it at all.

Our policy, so far as it can be defined, and the policy of this country, by common consent of all other countries, is the most difficult to disentangle, is related philosophically to the adulation of money. Money is an abstraction. Money is a thing of no value whatever. Money is nothing but an accounting system. Money is nothing worthy of any attention at all, but we base the whole of our actions, the whole of our policy, on the pursuit of money; and the consequence, of course, is that we become the prey of mere abstractions like the necessity for providing employment. That is where Whiggism is so successful in that it puts forward in a moral form something which it is extraordinarily difficult to disentangle from its slyness, something which, in fact, it is not really aiming at all. What is being aimed at so far as you can put it in a few words, is a pyramidal slavery system by which people are kept in their places, and it is done by elevating things into rewards, and giving them values which don't exist. For instance, take the Honours system in this country. Anybody of common sense knows that these "Honours" often are bought with a cheque. Well, there is nothing honourable about buying honour with a cheque. That is abstractionism—pure Whiggism—giving to a thing qualities which it does not possess.

You may remember, of course, that after a short interim while the Stuarts came back again, and there was the orgy of the Restoration when James II finally disappeared, William and Mary came to the throne as nominees of the Whigs. Well their first action, practically, to which you can attach any importance at all was the foundation of the Bank of England in 1694, and from that time, of course, we have been happier and happier every year! And that is where we are at the present time.

The Indispensable Sanction

Now just as I said to you at Buxton that you had to have a mechanism by which you could bring the desires of people to impinge upon the organisation through which things are done—and the organisation through which things are allegedly done, or could be done, in this country, is the Parliamentary system—just so you have to recognise (and this is nothing fresh to the people I have been inflicting my ideas more closely on for the past few years) that you have to build up in some way or other something which will prevent a state of affairs coming into existence such that, when you have, by the efforts of a few devoted people, shall we say, got together all the signatures which are necessary to place pressure upon the House of Commons to make them do what you want, you can be frustrated by a change in the rules. The danger which I have always foreseen, and which under certain circumstances would be inevitable, and even mathematically certain, would be for them to say: "All right! you have got to the position where you can get what you want, so now we'll abolish the Parliamentary system."

Behind any mechanism, you always have to have a sanction. It is the sanction which is the important thing. If you have the sanction, the mechanism can always be devised. You have, in the Electoral Campaign, the

mechanism which will deal with the Parliamentary system, but you have no sanction to prevent the Parliamentary system being abolished, and a dictatorship, say, set up. We should be lacking in judgement if we were to go forward without doing certain things along parallel lines, and this does not in the slightest degree detract from my inflexible opinion that we have got to push the Electoral Campaign right through, but we have to make sure that when we have won the game under the rules of the game as they are at present, the rules are not changed.

In one of those dreadful books which are always being quoted against me—*Credit Power and Democracy* or some other—I think I said that the essential nature of Social Credit state was a democracy of consumers accrediting, and being served by an aristocracy of producers. Now that is the materialistic aspect of certain relationships to which we think we have claims in reality, and I don't want you to take my word for it, but to consider it for yourselves whether, in fact, in the world that is working to-day, there is anything working successfully which does not really work along these lines. Nobody knows of a successful democratic producing concern. There is no such thing—or at least, I have never heard of it. It certainly does not exist in the Co-operative Movement, or in the Labour Movement. On the other hand, we have working to-day, to a certain extent, with powerful reservations, a democracy of consumers. The democracy of consumers is not properly financed, but it is a fact that no producing concern can go on producing against the inflexible dislike of all its consumers; to put it plainly, it cannot sell its goods, so it goes out of business.

The Power to make Decisions

Examine that statement for yourselves. Does it appear to be, and is it, in fact, in the nature of things that all producers must be hierarchical, that you must have a grade of precedence in all people employed in producing, so that you can always get a decision, so that there is always the possibility of a decision? Anybody who has any experience of very large undertakings will probably know as well as I do, and I have some experience of large undertakings, that the whole problem of making these undertakings successful is to devise a method by which you get quick decisions. That is where the big undertakings in this country, such as the railways, are unquestionably failing at the present time. The distance between where things happen and the man who has the power to say, "Do this about it," is too big.

There is too great a length of time before decisions come through; that is the great problem, and in order to solve it you have got to have hierarchy combined with the power to make decisions quickly. Now it goes without saying that if you are going to devote a very considerable proportion of the lifetime of people to the economic process, as we do at the present time, though I hope we shall not continue to do so, you must have agreement on policy. We have all been over this before and know, therefore, that it is in the region of policy that democracy has its proper function, not in that of method, or, as you might say, production. Now we are getting a little nearer to the Social Credit Movement and our various objectives.

Whilst what I have been saying has received, at large, a certain amount of lip service, when it actually comes to doing something about the Social Credit Movement—and you must remember that actually doing something about Social Credit falls quite naturally into the relationship of producer

and consumer, just exactly as everything else does, because when you have got to do something everybody cannot take executive positions—you have got to have this fundamental relationship which is one of the primary conceptions of the policy of Social Credit. That you must have policy democratic and execution hierarchical is one of our fundamental conceptions in Social Credit; yet when we actually come to the point in which we are doing things, quite a large proportion of the Social Credit Movement falls into the misconception of producer and consumer exemplified by an American baseball crowd. "A good time is had by all," telling people second by second exactly what those on the field are doing and should do, and how much better those sitting in the stalls could do it than those who are playing. I don't complain, because, as a matter of fact, I have nothing to complain of—far from it; but I am simply pointing out that in my opinion, to get a thoroughly sound morale right through the whole of the Social Credit Movement, this conception—which is one of the first and most elementary conceptions of how things can possibly be done, how it is in the nature of reality of things to be done—has to be grasped first of all. If anybody can show me a single exception, in industry or even in games, in which that conception does not stand, then I shall be very pleased to reconsider my views, if I consider what they see a just example. I don't know of any example myself.

Now we are getting still nearer to what we call Local Objectives. The object of the Local Objective idea is at least threefold, but if I had to place emphasis on one aspect of it more than others, it is that it is a discipline, or an exercise. You will remember when I seemed a long way from the subject of Local Objectives that I said you could not have a policy without a philosophy. You could not have a country which was pursuing a consistent policy unless somewhere at the back of it there was a consistent philosophy. Now the first part of this policy based upon a philosophy that I should like to see driven home is the reality of this relationship between the people who are doing things and the people who are empowering them to do them, and I myself cannot see any better way than trying if it works. It is a well-known proposition, amongst engineers in particular, that when you are trying something, which is in some of its aspects novel, you want to try it on the smallest scale you can to begin with; make a model of it and see how that works. First make a drawing, then a plan, and if it does not work well on the model, alter the model, until it does work, and in doing that, you will not only find out that you can do certain things, but you will get into the minds of the people who do things in that way the absolute certainty that they will always succeed if they proceed along these lines.

The Right Use of Tools

The Local Objective proposal, then, is in no sense something to replace the Electoral Campaign. It is something which has, as I say, several aspects. In the first place, it gets something useful done. You pick out a local objective which wants achievement, and then you definitely train yourselves to achieve that objective in a particular way by the tools which on a small scale are those which could achieve the results you desire from the Electoral Campaign; and when you have got a sufficient number of people to believe in the only way that belief is useful, that is to say, belief founded on successful experiment and knowledge—they will not tolerate a change in the rules of the game on

the larger scale of the Electoral Campaign to which ultimately you will have to address yourselves. It is only by getting this knowledge, the knowledge which is gained by discipline, and thus only by accepting this discipline, that you will become strong enough to carry out a successful objective on a large scale—only by a knowledge which first of all imposes upon yourself the grasp of the fact that you must succeed if you will first of all be democratic about your objective, let us say, to have a lamp post moved from one side of the road to the other, and get people together to say: "We will have this done, and will resolve ourselves into a firm body and give orders for getting that lamp post moved from the left to the right," and thereafter leave the technician to do the job in his own way. You will succeed, I am absolutely convinced, and having succeeded, you will say: "This is the goods—if we can do it in this little thing, we can do it in a bigger thing, and when we do it in a bigger thing, we will not have the rules of the game changed."

Only Right Action Matters

That really is all I have of great importance to say to you. There is nothing new about it. What I feel is that we have got to the stage in which we must get out of a great many people's minds the idea that Social Credit is an unlimited license for what the Americans call a "free for all," that in some extraordinary sort of way, by uttering the word "Social Credit" or saying "I am a Social Crediter" or saying "finance is rotten" and so forth, you can achieve the millennium. You cannot achieve the millennium any more than anything else which has been achieved except by taking action along lines which will achieve it. All that you can say about Social Credit, either in its monetary aspects, or in these aspects I am discussing to-night, is that we see—and I profoundly believe that we do see—just a little bit of the way in which the universe does in fact act. We see, through the adulation, what the nature of money is, and knowing the nature of money, we know what we can make it do, and what we cannot. Our power is largely in this fact that we know a little, or believe we know a little—and the sort of belief

which made people fight for religious conviction in the Civil War is an important thing. The important thing then was not that the religious conviction was right but that they believed in it. The trouble now is that people don't know where they are going, nor how to get there.

We have something we want to achieve so we have to get into our minds a conception of the mechanism of the universe in order to use it; whereas, of course, the average man in the street, including the average politician, the average statesman, and the average person, does not even know where he is going, much less how to get there. That is one of the chief explanations of the chaos now, and it leaves the way clear to those who have a conception of the world they want. So long as they have a clear-cut conception, together with the use of the organisation which alone can achieve success, and which is actually working in the world, they will continue to be the force which imposes present policy on the world. That is why the system stays, that is why it achieves the results it does in the relationship between the democracy of policy, and the aristocracy of the producer. That is why our present financial and monetary system holds together. If the consumers struck, if it were possible for every consumer in this country to buy nothing for nine months, the whole economic system, of course, would collapse, and you could make any new one that you wanted. It is the relationship which keeps it together, and you have got to recognise that relationship.

Our new philosophy will change the run of the universe at once. It will enable you to have a new conception. So if you can do that, and in my opinion you can do it systematically, you will, in an incredibly short time, become the most formidable force that the world holds, because you will have, in my opinion the sounder philosophy, and you would have, in that philosophy, a better policy.

(Important points dealt with by Major Douglas in answering questions at this conference will be published in the next issue of "The Social Crediter.")

THE PÉTAIN MINISTRY

The Government which assumed power in France on June 16 has been described by a French Consulate as "of the extreme Right."

Marshal Pétain, who at the request of the President of the French Republic became Prime Minister, is a man for whom the French people have the highest respect. He is a professional soldier, best known to us for the defence of Verdun in the last war. He was Minister of War in the Doumergue Cabinet of 1934, and since 1939 has been ambassador to Spain.

Of General Weygand, who becomes Minister for National Defence, something has been said in previous numbers of *The Social Crediter*. He has been a French officer since 1888, and in his association with Foch in the war of 1914-18 he showed genius.

It is impossible to doubt the integrity or the true loyalty to France of

these men or their decision in throwing their full power behind their purpose, once it is clear.

In the Pétain Ministry there are three more members of the armed forces, including Admiral Darlan, Chief of the French Fleet.

M. Camille Chautemps, who became Vice-Premier and Minister of State, has previously held office both as Prime Minister (1930, 1933-34, 1937) and in other capacities under different premiers, including M. Herriot and M. Léon Blum.

M. Paul Baudouin, the Minister for Foreign Affairs, is the general director of the Bank of Indo-China. He recently (before Italy entered the war) paid a visit to Rome to make an arrangement with Italy about the financial control of the Djibouti-Addis Ababa Railway, which Italians have been boycotting in the hope

of forcing the hand of French shareholders. The Minister for the Interior, M. Charles Pomaret, is a forty-three year old politician, a lawyer, who was Under Secretary of State for Technical Education in the Laval Cabinet of 1931-32, and in 1938 Minister of Public Works. He has written a book on the American Conquest of Europe.

The new Minister of Public Works, M. Louis Frossard, who is a journalist as well as being a politician, has been Minister of Labour under Laval and Sarraut, and was Minister of State in charge of Propaganda in the Blum Cabinet in March, 1938. He was a communist, but changed his views after a visit to Moscow. M. Février, Minister of Labour, held that post under Chautemps in 1937-38. The Minister for Ex-servicemen and Families is M. Jean Ybarnégaray who was leader in the Chamber of Deputies of Colonel de la Roque's party, Parti Social Français, a 'fascist' group.

There Will Be No Compulsory Evacuation

In a debate on evacuation in the House of Commons on June 13, Mr. Malcolm Macdonald said that after most careful consideration the Government had decided that they could not adopt a policy of compulsory evacuation. (Cheers). It was true that people who left the evacuation areas and were billeted in the reception areas were much safer, but the Government could not give any guarantee that they would be absolutely safe against bombing or machine-gunning by the enemy. And if the Government were to compel evacuation, especially of children, and some of the evacuees were afterwards unfortunately killed the Government would have assumed responsibility which they ought not to take unless compelled to do so by military necessity. (Cheers).

But there was another and more weighty reason for not adopting the policy of compulsion, a reason which was absolutely decisive. It would be quite impossible to take out of the congested towns and cities the whole or anything like the whole of their population. Such places were centres of vital activity and industrial production and the great majority of the men and women in those centres must stay where they were. Compulsory evacuation of schoolchildren meant compulsory separation in these times of danger of parents from their offspring, which he did not think was possible.

He did not doubt that generally speaking it was true that the public would obey any law which the Government made in war-time. But there were exceptions to that rule and one of them he thought was the compulsory evacuation of schoolchildren which touched something which was exceedingly tender and sacred. (Cheers). They had to face the facts that there were large numbers of parents in the evacuation areas of this country who, rightly or wrongly, would not be separated from their children during this time of emergency, anxiety, and danger. Evidence to that effect had come to him from every region in the country. It was strong, emphatic, and decisive.

"If one discusses this question in contact with reality at all," Mr. Macdonald continued, "one has to accept the fact that there are scores of thousands of parents in the evacuation areas who, if

the order for compulsory evacuation went out, would not obey the law."

In such circumstances the Government have two alternatives. They might close their eyes to the fact that the law was being broken. He thought that such a course would be not only dangerous but a fatal precedent to create in war-time. (Hear, hear.) It would undermine the respect for the law which was particularly necessary in war-time. (Cheers).

The second alternative was that if the Government ordered compulsory evacuation, and a large number of parents did not obey that order, the Government would have to impose penalties on them. He could think of no penalty which would be effective other than imprisonment, at any rate for a short time. He did not think that could be done.

Mr. Macdonald went on: "Even if it were practicable, even if there were room in our prisons and detention camps for these tens and, perhaps, scores of thousands of parents whom we should have to put under lock and key, I do not believe it would be right to do it. In war-time there have to be relations of mutual respect and confidence between the great body of private citizens and the Government. I believe that that relationship would be destroyed by this proposal. To-day we have harmony between the people and the Government. An attempt to put this proposal into effect would turn that harmony into discord. I believe it would threaten most seriously that national unity which, above all things, is important if we are to get through the trials that lie ahead of us and emerge from them successfully."

They must abide by the voluntary principle if this policy were to be carried out with the good will of the people in the evacuation and reception areas, but the Government must do everything they could, short of resort to compulsion, to make the issue perfectly clear to the parents in the evacuation areas. Then the Government must leave on the parents responsibility whether they kept their children in the evacuation areas or sent them to the reception areas, where safety, though not absolute, was greater. . . .

In the debate which followed,

Miss Cazalet (Islington, E. U.) said that the policy of evacuation by persuasion had failed, and it was the absolute duty of the Government to arrange for compulsory evacuation of all children of school age now rather than wait for the panic rush. The sacred rights of the nation were even more important than the sacred rights of parents. Mr. Ammon (Camberwell, N., Lab.) also maintained that the whole evacuation policy had been a failure. Registration officers had brought back extraordinary reports of what might be called the obstinacy of the parents about any suggestion of compulsion. Some had said that even when the bombs fell they were not prepared to be separated from their children. They said, "We are all going to die together." There was a slogan in some parts of London, "Once billeted, twice shy." If evacuation was made compulsory some parents had said that they would resist it even, if necessary, by physical force rather than be separated from their children.

Colonel Wedgwood (Newcastle-under-Lyme, Lab.) said we could not play our part properly in this war unless we enabled our men to fight with their sword arm free, and without women and children clinging to their skirts and dragging at their heartstrings. The help America could give was not only aeroplanes and tanks, nor even fighting men, but a refuge for useless mouths. He believed the United States would jump at the chance of saving the race.

INVINCIBLE BRITAIN

By JOHN MITCHELL

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

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