THE JUGGERNAUT

By B. M. PALMER

In Parliament, June 20 (Times Report),

Mr. Pethick Lawrence: The sacrifices we had to make were for the integrity of our country and for the fundamental basis of human civilisation. (Hear, hear).

Sir K. Wood (a few moments later): Sacrifices of money and property must be regarded as trifling compared with the sacrifices of life and limbs which so many of our countrymen had made, and would have to make. (Cheers).

I wonder when, or if, our politicians will ever come to regard this war as what it really is, primarily an engineering problem. The situation is too serious for trifling. When it is absolutely certain that the most splendid normal qualities are useless unless backed up with brains and material resources, as has lately been demonstrated in France, there is reason for the greatest apprehension lest the war in England should seem to be regarded by those responsible for its organisation as only a moral, and not also a scientific problem. And even then we are not consistent.

If we really believed that the "sacrifice of life and limb" were the gravest that could be asked for in this war—as of course, they are—every soldier, sailor and airman would be paid a sufficient income exempt from taxation, his dependants would receive incomes sufficient to live on, and his own pension in respect of total disablement would be considerably higher than thirty-four shillings and sixpence a week. But, of course, we believe nothing of the sort, and the members of the fighting forces are still called upon to "sacrifice" everything, their own property, and the property they might leave to their children, as well as their lives, should this be required of them.

So that even from this false point of view of equality of "sacrifice" the present system is grossly inadequate. But from the engineer's point of view, of getting things done in the best possible way in the shortest time our present system of war finance is a constant hindrance and set back.

Ten years ago we were destroying surplus wheat, coffee and cotton because the financial system would not allow it to be sold to those who needed it. Now efforts to create a scarcity have so brilliantly succeeded that we have to become our own scavengers; yet even our pitiful efforts to sort the refuse in our dustbins are financially hampered. It has been stated by at least one council that the scheme for salvaging household waste in separate bins must send up the rates!

People are indignant about things like this, or about the terrible waste of paper involved by sending eleven income tax demand forms and twenty-two envelopes to one individual where one would suffice, but only a minority see as yet that the whole system of rating and taxation is, short of war, one of the most completely wasteful schemes ever devised. If, in peace time, it meant sabotage of individual lives and abilities that might have been engaged in creative work, now in war it means a waste of man-power, of brains and hands which, if they were not engaged in making little marks on pieces of paper, could be creating something real to help us in the war, in growing food, or making munitions.

Economists say that butter is more important than guns as far as our blockade is concerned, then follow on with the fallacy that taxation is more important than butter.

The fundamental cause of these misconceptions is that the majority of people believe that the whole of the credit of the country is in the possession of the general public, and that this financial credit, consisting of coins, individually owned securities and bank deposits, is exactly paralleled by the real credit of the country, farms, mines, and working factories.

If these statements were even remotely true, there might be some slight justification for taxation in time of war, when it was necessary to use some of our resources as war materials. But the fact is that probably at least ninety per cent. of the financial credit of this country is controlled by financial institutions, while only ten per cent. or less is in the hands of individuals. Out of this tiny fraction of less than ten per cent. which is all that we as citizens are able to control, we are supposed to keep ourselves, and pay for a war costing six millions a day.

What really happens is that the anonymous individuals who control the ninety per cent. of financial credit, advance it in the form of war loans to enable the Government to pay for the war, getting interest on what they lend, while the money that we pay out of our miserable ten per cent. is taken from us in the form of taxation, taken from soldiers and civilians alike, and we never see it again. In addition quite a large proportion of the taxes that we pay goes in interest on the credit lent by these.
same financial institutions. This is a very rough sketch of the system that is idealised as "sacrifice" by politicians and economists. And "sacrifice" is a very good word for it. It is not so long since our government attempted to stop the practice of burning widows to death in India, or the orgies of mass suicide before the Juggernaut cars. Why? Because it was a waste of human life and precious human energy and happiness. Sacrifice always carries with it some idea of propitiation, and the Indians doubtless believed they were propitiating a deity and "doing good." We thought we knew better than they did.

It isn't "sacrifice" that is wanted in England to-day. It is correct action, and the correct solution of problems. When an engineer has solved a problem successfully he does not refer to the result as a sacrifice. The correct solution of our financial problem involves the disappearance of two fallacies:

(a) That the general public is normally in possession of the total credit of the country, and that financial credit is a measure of real credit.
(b) That a country is economically poorer after a war by the amount of its war debt, plus the amount levied in taxation.

The real credit of our country and Empire has not even yet begun to be tapped. It is a fountain waiting to be unsealed, or perhaps it would be more exact to liken it to a growing tree.

If resources are constantly growing, they can only be reflected by a system of expanding credit.*

But every device possible is used to perpetuate the belief that this tiny fraction of credit, the 10 per cent. which is all the individuals of this nation can control, represents the whole monetary resources of the kingdom. No wonder "sacrifices" are supposed to be necessary. No wonder the manager of Cresta Silks Limited has to write to The Times complaining that "enormous waste is now taking place because of the misconceived idea that by not spending money on commodities already in existence there is more power available for the Government's purposes."

Power, I like that word. It is the word of an engineer, and makes it clear that the writer of that letter is approaching the heart of the problem. It is power that is needed now. Think of the whole


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Awake, English Nobility

The following passage was quoted by Sir Frederick Leith Ross in a recent letter to The Times:

**GLOUCESTER:** Is Paris lost? Is Rouen yielded up? If Henry were recalled to life again these news would cause him once more yield the ghost.

**EXETER:** How were they lost? What treachery was used?

**MESSENGER:** No treachery; but want of men and money.

Amongst the soldiers this is muttered, That here you maintain several factions, And whilst a field should be despatched and fought, You are disputing of your generals: One would have lingering wars at little cost; Another would fly swift, but wanteth wings; A third thinks without expense at all, By guileful fair words peace may be obtained. Awake, Awake, English nobility! Let not sloth dim your honours new begot: Cropped are the flower-de-luces in your arms; Of England's coat one half is cut away.

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STUDY COURSE IN SOCIAL CREDIT

There are two courses in social credit which are open to those who wish to make a study of the subject. The courses are approved by Major C. H. Douglas.

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   Calendar and prospectus are now available (3d.). Further information may be had from—

   **The Assistant Director, Lectures and Studies Section, Social Credit Secretariat, 12, Lord Street, Liverpool, 2.**
DIARY OF EVENTS
(Military events are recorded in italics, political events in ordinary type).

June 18—The Churchill government's offer to France of total union was announced. Troops of the U.S.S.R. occupied the Baltic States. Hitler and Mussolini met to agree on their attitude to the French request for an armistice.

June 19—Sir Kingsley Wood appealed to "public spirited citizens" to lend money to the nation free of interest while the war lasts. Mr. Churchill spoke in the House of Commons of the "inflexible resolve" of the British Empire to fight on, and said that "the military events which have happened during the past fortnight have not come to me with any sense of surprise," and that there were good and reasonable hopes of victory.

June 22—The French plenipotentiaries, General Charles Huntziger for the Army, Vice-Admiral Le Luc, for the Navy, General Bergeret for the Air Force and M. Leon Noel, until recently Ambassador to Poland, signed an armistice with Germany in the same railway coach at the same place that, twenty years ago, the armistice at the end of the Four Years War was signed. The terms provided for the occupation by Germany of all French territory north of a line drawn roughly from Geneva in Switzerland to a point 20 kilometres east of Tours; and from there southward parallel with the Atlantic coast to the Pyrenees. Thus the greater part of French territory, including the whole of the ports of the western coast, will be placed at the disposal of Germany for the prosecution of war against Great Britain. All stocks and materials, the French Fleet and all the other armed forces were to be handed over to Germany.

June 23—Mr. Churchill called on all free Frenchmen to help Great Britain in the Fight. General de Gaulle broadcast an appeal to all men of the French Fighting forces and armament workers to join him in Britain to continue the struggle against the enemy. The Pétain Government at Bordeaux have appointed M. Pierre Laval as Vice-Premier.

June 25—The Italian armistice terms with France, which on June 24 were accepted and signed, were announced. They included possession of the country gained by Italian troops during the fighting (which reaches as far as Menton on the Riviera), the demobilisation and disarmament of the French Fleet, the demilitarisation of some important naval bases and provisions against the use of the French Air Force and Army against Italy in the further course of the war.

A version of the events which preceded the French request for an armistice, and accusations that Great Britain did not give France sufficient help, which had been made by an official of the Bordeaux Government, differed from that given in a statement published in London. A Japanese fleet has been sent to French Indo-China.

June 27—Assurances of loyalty to the Allied cause were received from French Colonies and French communities in British Colonies. General de Gaulle has founded a French volunteer legion in Britain and a centre for armament and scientific research. The Allies' blockade has been extended to the occupied zone of France.

June 28—The Bordeaux Government have dismissed the Governors-General of Indo-China and Madagascar.

Evacuation of children to the Dominions was announced to be an integral part of war plans; about 8,000 a month will probably be sent to homes in Canada, South Africa, Australia and New Zealand. Many middle class parents have fallen in with this scheme enthusiastically.

June 29—The U.S.S.R. has presented an ultimatum to Rumania demanding the cession of the two provinces of Bessarabia and Northern Bukovina. Rumania has agreed to give up this territory, but has mobilised her army and declared that no territorial demands from Bulgaria or Hungary will be granted. Every night since France signed the armistice there have been German air-raids on Britain, and also British raids on Germany. Military activity has also taken place in the Near East.

July 1—Many rumours were about that an invasion of Britain is imminent.

July 2—Russia has completed her occupation of the ceded Rumanian provinces two days ahead of schedule. Parachute troops have been used in the operation. Guernsey and Jersey, which had been demilitarised, were occupied over the week-end by German troops. Lord Catto has been appointed Financial Adviser to the Treasury.

Letter to the Editor
U.S.A. CONQUEST

Deir Sir,

Events point to the fact that the Money Monopoly entrenched in the U.S.A. is extending the "Norman Conquest" while the European Countries are busy reducing each other to exhaustion. Each time Hitler invades a country, the U.S.A. benevolently "steps in" in a fatherly manner and takes care of the invaded countries' Colonial possessions in the interests of those countries.

It is assumed by most individuals that the control of these Colonial possessions will be returned after the war but this is assumption; their return will depend upon the susceptibility of the Governments of these countries to the Money Monopoly's control. The U.S.A. recognises the real wealth contained in Colonies and the dependence upon it by the mother countries. Is it not significant that the U.S.A. is contemplating taking over the British Dominions in the interests of "Who"?

Yours faithfully,
R. J. NORTHIN.

11, Centre Street, Bradford;
June 27, 1940.
NEWS & VIEWS

British Navy messing about here. Its job is to defend Wall Street.

On the best technical information available, Mr. Henry Ford ("Cars, Tractors and Retractions") would require 11,500,000 men with all the special tools and jigs necessary, which would themselves take a year to produce, to produce aeroplanes at the rate he says he could produce them, but won't. He would require more mechanics of the toolmaker class, and more precision machine tools than are at present available in the United States, to make first-grade aero-engines at an equivalent rate, even if his organisation and its mentality is capable of producing that type of engine. But he's most interested in looking at the designs.

FRANCE ON THE RIGHT

The Memorandum of Information on Foreign Affairs (July issue), published by the Imperial Policy Group, concludes from a mass of evidence stretching over a period of years and culminating at the present time, that Marshal Pétain's action in negotiating a separate peace with Germany represented the desires of an overwhelming majority of the French people. It adds: "... it would be quite wrong to suggest that Marshal Pétain embarked upon a policy to which the masses of France objected in principle. They may come to criticise it later." A careful description is given of the intrigues and trend of events which led to this situation, and discussing the internal political repercussions that will follow France's capitulation it adds:

"Between the two extremes [of the Communist movement which was active and widespread and the Fascists, the P.S.F., which grew from the old Croix de Feu] are the innumerable groups and parties, nearly all of which have their full share of responsibility for France's difficulties. Observers have always been greatly divided in their opinions as to which way France would move in such a crisis—would it be towards the Right or the Left? The balance of opinion has been that at the first there would be a grave danger of Communism, but that if the worst moment could be passed, then the tendency would be towards the Right. The instinct of most ex-officers (and there will be thousands of them) will be towards some form of strong right-wing movement, and since there is no single outstanding communist figure who is not well known to have been in German pay, the masses may find it hard to resist the claims of the Right. Moreover, anti-Semitism has been rife of late and during recent weeks has reached great proportions. Hatred of the Freemasons has also been growing and both these tendencies are certainly of the Right. Further, the people remember that it was the Leftists who opposed armaments and who voted against the Maginot Line credits. It was they who quarrelled with Italy and Spain, while putting their faith in a Russia which never fired a shot except against the Finns. . . ."

"On the other hand, the Right Wing in France has always been hopelessly ineffective and divided . . . Tremendous issues will depend upon the course of events. One thing is certain: the old order of parliamentary intrigue, corruption, and place-seeking will certainly be swept away."

SOCIALISM AND FEDERATION

Concluding a talk on Socialism and Federation given at Darlington Hall recently Mrs. Wootton, the economist, said that "even if socialists did not believe in international political federation, they must believe in international industrial action. Europe had an international Trade Union movement but its fortunes followed the same course as those of the international socialist movement. In the U.S.A. trade unions can take continental action because they act under one political authority; they have not to get across sovereign political boundaries. We must recognise the fact that industry must be planned now on at least a continental scale. So the socialist is faced with the choice of continuing to work nationally and think internationally, which ends only in the socialism of the war cabinet, or using political federation as the instrument through which this frustrated internationalism can be released into full creative activity."

But why not just leave internationalism to be frustrated?
FINANCIAL ADVISER TO THE TREASURY

A statement issued by the Treasury on July 1 announced that Lord Catto had accepted an appointment in the Treasury as Financial Adviser, a post newly created, and that the Chancellor of the Exchequer had appointed a Consultative Council of eight members to advise him on special problems arising from war conditions. The members of this council are Mr. S. R. Beale, Mr. Colin F. Campbell, Sir Walter Citrine, Mr. H. D. Henderson, Sir Bertram Hornsby, Mr. J. M. Keynes, Mr. George Riddle and Lord Riverdale. In his letter of invitation to these gentlemen to accept membership of the Consultative Council Sir Kingsley Wood said that "It was his wish to ask the Council from time to time for their help and advice upon the special problems which confront the Treasury as a consequence of war conditions."

Lord Catto was a director of Morgan Grenfell and Company Limited, and of Yule Catto and Company Limited. He is also a director of the Bank of England and in April succeeded Lord Woolton as Director-General of Equipment and Stores at the Ministry of Supply.

Mr. Colin F. Campbell is chairman of the National Provincial Bank Limited, and of the committee of London Clearing Bankers. Mr. H. D. Henderson is Research Fellow in Economics at All Souls, Oxford, and was formerly joint secretary of the Economic Advisory Council. Sir Bertram Hornsby was formerly Governor of the National Bank of Egypt, and is chairman of the Commercial Union Assurance Company Limited. Mr. J. M. Keynes, the Cambridge Economist, has recently been in the public eye by reason of his scheme for financing the war by compulsory saving, or, as he now prefers to call it, deferred pay; a scheme remarkable only for its disregard of the real source of money for financing wars. Mr. George Riddle is chairman of the Finance Committee of the Co-operative Wholesale Society. Lord Riverdale, the chairman and managing director of the steel firm of Arthur Balfour Limited, has sat on many international financial and commercial commissions. He is an important freemason, and in January, 1939, could be described as a friend of Adolf Hitler and an advocate of Anglo-German appeasement. At one time he believed that America was doing everything possible to hinder Britain in regard to international debt payments, but a year or so ago he was in New York suggesting that war debts should be settled by raising a new loan from the United States. He is on the board of the National Provincial Bank.

SIXTH REMOVE

Mr. G. D. Cole, says Peterborough in the Daily Telegraph, has become a Civil Servant.

Mr. Cole's particular job (1) 'I understand will be (2) 'to take charge of the investigators. These are (3) 'to compile statistics in great detail about labour supply in the various localities (4) 'with a view to (5) 'harnessing it (6) 'for winning the war'.

WESTWARD HO!

M. Paul Boncour, former French Prime Minister, was reported on Tuesday to be bound for the U.S.A. in the transatlantic clipper.

THE "PICTURE POST" AND THE CIVIL SERVICE

In The Times of July 2, Picture Post, which boasts regularly on Wednesdays of the extent of its circulation, certainly greater than that of The Times, took a quarter of a page's advertising space (work that out in terms of money). From this platform it exhorted the British Civil Service to Pull Up Its Socks:

"This is no time to pass responsibility. This is the moment for initiative. This is the time to act, and argue afterwards. Better you should risk losing your job than losing your honour and your country. You have the choice of oiling the machine or clogging the works. Is your conscience clear?"

Which leaves one asking "Yes, but why Picture Post?"

SACRIFICE AND INSTITUTIONS

Mr. Hore Belisha said at Devonport recently that "It was imperative in this country that Parliament should be kept virile and vocal and should vigilantly survey the progress of the war at every stage. Parliament and the Press were the recognised organs of public opinion and in a people's war they were essential elements. Almost every reform and stimulus had come at their instigation. A tremendous responsibility rested on both these institutions. The preservation of this country depended on their vitality. They had the power to send a fresh course of energy through all Departments of State. The last few weeks had seen the willing surrender by trade unions of their rights. There must be no less sacrifice of the customs and habits of other entities of the nation to facilitate the general speeding up."

Mr. Hore Belisha is ambiguous. So far as it has been "these institutions" that have instigated "reform and stimulus", they have been acting undemocratically. Only when it has been the people of this country working through "these institutions" and using them as tools to obtain the will of the majority of them has Parliament fulfilled its democratic function.

More "sacrifice" by "institutions" and less by individuals would produce conditions that would bring victory considerably closer.

FINANCING DEFENCE IN THE U.S.A

Addressing the House of Representatives on national defence, Congressman Jerry Voorhis of California called for the outright purchase of the 12 central Federal Reserve Banks by the Government.

"In my humble judgement," he said, "the most fundamental measure of national defence that could be taken would be for us to cut loose from our present insistence that this sovereign nation must pay interest on its own credit."

He stated that the new defence expenditures would bring needless debt. He asked for the passage of H.R. 8209, a bill providing for the purchase of the Federal Reserve system by the Government.

"I think we need to learn what national credit means. I think we need to learn what money and credit actually are in an economy of expanding production, and learn to base that money and credit on production as it expands."

"THE TIMES" AND M. MANDEL

The Times announces that M. Mandel, who was Minister of the Interior in the Reynaud Cabinet, is believed to have arrived at Casablanca.

This is evidently a matter of importance, as it is placed prominently on page four.
**THE SOCIAL CREDITER**

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

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**"The Times" Takes an Ell**

Why does The Times harp on the 'great masses of the people of this country and their friends abroad'? The great masses of the people of this country haven't got any friends abroad, if, as The Times does so studiously, the thousands of Albertans, New Zealanders, Australians, etc., who understand what we are driving at are excepted. They have still plenty of enemies whose perseverance in enmity The Times grows querulous to ensure.

Notwithstanding that 'inexorable events have thrust into the background the discussions about war aims which were so popular in the first months of the war' (vide The Times), the newspaper must go on gnawing its bone of subversive contention right to the edge of the precipice over which it insists neither it nor we can ever fall—or, if we do fall, it is merely to be caught in the lap of American inspiration and American resources.'

Undeterred by the indigestion incidental to the copious meal of 'hard lessons of the war as it goes on' The Times urges ever more plainly that the 'great masses of the people of this country' are fighting the war for Wall Street and Pitt Street, New York, a twin throne of centralised power which, as many Frenchmen seem to have discerned, is merely to be caught in the lap of 'American inspiration and American resources.'

**ATTACK ON AUSTRALIA**

"Apparently the world-planners feel that they are making reasonable progress towards their objective," says the New Times of Melbourne, "and the first propaganda has appeared suggesting that closer co-operation take place between America and Australia. This was, of course, to be expected. We have already sent Mr. Casey to Washington as the first step. Considerable prominence is given in the Melbourne Herald of April 18 to an article by C. Hartley Grattan, the American writer, suggesting an Australian-American axis. He stresses the Japanese 'menace' but completely overlooks the fact that any possible menace, as far as Japan is concerned, would only arise from an economic policy which America dictates. It is a well-known fact that 50 per cent. of materials necessary for the prosecution of the war in China were supplied to Japan by America.

"It is the old, old story of playing both ends against the middle. International Finance in America creates the menace, whether it be in Europe or anywhere else, and then suggests an alternative which means further domination by itself. A Federated Europe is suggested. Something of the sort appears to be the suggestion for the Pacific zone. The best answer to all these schemes is for every Australian to learn the power of individuals working in association."
Apart from the classical saying regarding "the eyes of the fool ..." the best description of the Internationalist was that supplied by Professor Arnold Toynbee, the director of the Government-subsidised Institute of International Affairs, when he said of himself and his fellows at a Conference in Copenhagen in 1931: "We are denying with our lips what we are doing with our hands." The hand-business referred to was, of course, that systematic under-mining, on Professor Toynbee's own allowance, of the feeling of loyalty and national sovereignty in the peoples of Europe and the world generally which has produced such a fine harvest for German strategy these last few weeks.

Now, apart altogether from the questionable value to humanity at large of such intellectual activities, and the equally questionable source of their financial backing, it should have been apparent to Professor Toynbee and those who think like him, that if his description was a true one, it discloses in himself and his friends a very serious pathological condition, known to medical science as "divided personality"—a symptom of acute neurasthenia, leading to complete paralysis of the will and of the faculties of co-ordination.

It is not suggested that all the blame of the recent European debacle is to be laid at Professor Toynbee's door, but the fact must be noted that it is the above mental condition on a national scale in the countries over-run by Germany, which has enabled her to do what she has done. And therefore the practical and all-important question before the British Commonwealth, and Great Britain in particular at this moment, is how far this paralysis which has sapped the national vitality of the European states, and which to Professor Toynbee and his friends appears so desirable, has got a hold on this country.

Is the will to continue as a national organism—that particular form of grouping which the Internationalists tell us is the prime cause of all our wars and woes—strong enough to brace us to a united effort in our own defence, and to bring together the nation's still "divided personality"? In short, are our lips and our hands going to cease from contradicting one another and get on with the job?

The truth is that the people of Britain believe, and are deliberately led to believe that they are mobilized in their own defence, at their own specific desire, and by the persons they would have in charge. Whereas, in fact, the prime objective of our mobilization is still the preservation intact of the International Money System, as exemplified in Sir Kingsley Wood's war finance. Only in a very secondary sense, and strictly on the above conditions are we permitted to do anything for our own preservation.

The situation is in fact excruciating, but no more real, or unreal, than the mental agonies of doubt and contradiction that paralyse, and often obliterate the unfortunate neurasthenics; because nationalism and internationalism are not just two different objectives, they are opposed objectives, and therefore to insist on the primary and vital importance of the international aspect (that is, the orthodox Money System) is to defeat the national effort towards Defence. Professor Toynbee and his friends cannot have it both ways.

Now it may be urged that this sort of diagnosis gets us nowhere because the average man does not recognise that the issue is thus confused; that since this same fact is hidden from him it is not so very important. That is the belief of those who manipulate public opinion, either by means of the international press or the vocal chords of public men. But it is not sound reasoning, because while facts, alas, can be all too easily hidden, you cannot hide their effects; and the scientific fact in the present instance is that individuals cannot co-operate voluntarily on a false or confused issue.

Put it this way. Suppose you were asked to mobilize this easy-going, freedom-loving British Commonwealth in armed defence of a declared programme consisting of Higher Taxes, and Fewer Holidays, and more Chain Stores, and louder Jazz Music, and more Marketing Boards, and Bigger Business generally, with a few good-sounding words like Liberty thrown in as make-weight, could you do it?

The answer is—No; because no reasonable human being wants such a programme. And when you hear the heated Head of a Government Control Department at one end cursing the other departments with which he is supposed to co-operate, and at the other end of the line a voluntary A.R.P. warden complaining that he isn't trusted to expend five and sixpence on his own authority, it is not a case of individual incompetence or badness, or of national decadence, but simply the result of the fact (hidden from themselves) that they are engaged in an attempt to organize their countrymen in defence of something nobody wants. They are being forced by circumstances to do with their hands something that they are taught to deny with their lips, the only difference between them and Professor Toynbee that they don't enjoy it.

Finland, Denmark, Norway, Holland, Belgium, France—they all went down because the individuals composing the State were asked to fight for an abstraction. Internationalism, alias Orthodox Finance, that had already punched almost all the tangible realities of their existence—plenty and liberty and individuality and security—which are the only things worth scrapping about.

Man won't and can't fight for abstract ideas. The Crusades were just gigantic picnics, more or less deliberately organised "to keep the children quiet," with the Holy Sepulchre as a rendezvous. We will fight to defend our hearths and homes, or for the purpose of obtaining breathing space, physical and spiritual, but not for New World Orders or the like. That is just a psychological fact, as events must and will prove.

This is the turning-point of the war, and before very long we are going to see whether or not Great Britain is still a democracy. Our country—Will Shakespeare's "precious jewel set in a silver sea"—is actually threatened with invasion, and while the Minister of Information has a whole roomful of really clever boys swatting up all the heroic verse relative to previous threats of the kind with which to stir up our sluggish blood at listening-in time, he and the other members of His Majesty's Government will ultimately have to take into their calculations the fact that what helped the men of Elizabeth's day to fight really effectively was to a very large extent that they did know what they were fighting for; and it was no abstraction, such as might be as easily defended in Canada, or settled with the advice and help of Senator Pittman in the United States of America. It was just England—
the fields and homesteads and towns and the way of life; the things about, and over which men really can co-operate and which form the only real basis for freedom. There was very little neurasthenia about in Merrie England!

These islands are going to be attacked by something very concentrated and very purposeful. Whatever physical defeat might, or might not mean, only a superior sense of purpose can ward it off. And that purpose can only be achieved if under the pressure of crisis, Parliament and people discover and determine to shake off their allegiance to International Finance, and thus unite Britain’s still “divided personality.”

Experience has proved that very often in the case of neurasthenic patients a sock on the jaw works wonders.

### THE RUSSIAN ARMY

The following extracts are taken from an article in the Saturday Evening Post of June 1 by W. G. Krivitski, the former General and Intelligence Officer of the Russian Army who escaped the “purge” in 1937 by taking refuge in Paris:

“After the treaty of Versailles, the officers of the dissolved Imperial German army began attempting to rebuild Germany’s military might. They turned to the one important European power equally hostile to the Versailles system. The Bolsheviks always regarded the new states in Central Europe—the Baltic Republics, Poland, Czechoslovakia and expanded Rumania—as a ring of Anglo-French vassals, ready at any time to be turned against either Russia or Germany.

“When the Red Army was advancing on Warsaw in the summer of 1920, Lenin, anticipating a revolution in Germany, believed that he could win the officers of the old Reichswehr under the slogan of “War Against Versailles.” General Hans von Seeckt, commander in chief of the new “republican” Reichswehr, entered into secret negotiations with Kopp, the Soviet Ambassador, and conferred with Shipik, our secret military attaché, who later worked for me in the Intelligence Department. General von Seeckt also believed that the Reichswehr and the Red army could unite.”

On that occasion, however, Russia was driven back.

“During the following year, a number of officers of the German army were sent to Moscow on false passports by Von Seeckt. His chief representative was Major Oskar von Niedermayer. Under the terms of the peace treaty, Germany was not permitted to maintain military missions abroad and Von Niedermayer was officially listed as having retired from the army in January, 1922. Actually he was the secret military attaché in Russia, and chief liaison man between the two armies for many years after his retirement. He was to become so closely bound by ties of friendship to the officers’ corps of the Red army that we used to say ‘Von Niedermayer will soon enter one of our army political schools.’

“Early in 1922 the Reichswehr, the Junkers aircraft concern and the Soviet Government concluded a secret agreement authorizing Junkers to build a factory in Fili, a village near Moscow. This was to be financed partly by the Reichswehr, partly by the Soviet Government. In an agreement signed in Berlin on March 15, 1922, the Reichswehr was called the ‘Special Group’, the Junkers concern was designated ‘N.N.’, the Soviet government ‘R.R.’ and the airplanes were dubbed ‘boxes’. The planes were to be for the German army, which was not permitted to maintain an air force, and for the Red army.

“In 1924, I was operating in Breslau, Germany, the centre of Reichswehr Intelligence for Poland. On instructions from Moscow, my aide established contact with the chief of the Reichswehr Intelligence. Thereafter our two organizations regularly exchanged information obtained by our agents in Poland . . . This type of co-operation was part of the day-to-day life of the Reichswehr and the Red army.

“To supplement courses at the Red army academies, the General Staff annually sent groups of twenty to thirty officers of upper rank to study in Germany. A number of my colleagues were still in German military institutions nearly two years after Hitler came to power. The first crisis between the Red army and the Reichswehr came in 1926. Whatever lingering hopes we had of a Communist revolution in Germany were now dead. Our influence in Germany was negligible, but Germany’s influence over Soviet Russia was mounting steadily. Opinion in the Politbureau was seriously divided. Some Soviet leaders were beginning to believe that Germany, once in the saddle, would never become the subordinate partner. It was at this time that Radek repeated to me a significant remark made by Trotsky, ‘Our foreign policy is formulated in the Wilhelmstrasse.’

“Although Hitler’s avowed hatred of Soviet Russia was known to everyone, the Reichswehr did not change its course when he became Chancellor . . .

“At first I could not fathom Stalin’s attitude. But it was at this time in the spring of 1937, that the foundations of his partnership with Hitler were established. Stalin was careful to put no obstacles in the path of its realization. A new chapter was beginning—for the first time Russo-German collaboration was to go far beyond the ties between the Reichswehr and the Red army.

“Shortly after my return to the Hague, on May 27th, 1937, came the first moves to wipe out the high command of the Red army, destroy more than half of the commanders of the rank of colonel and higher, and liquidate in all approximately 35,000 officers.

“When the OGPU, with the aid of the Gestapo, had finished its work, all the outstanding talent in the General Staff was destroyed. All that the military academies had achieved in twenty years was wiped out. The prospect that the Red army might have developed into a fighting force strong enough to assume a position independent of German influence was set back for many years.”

### INVINCIBLE BRITAIN

By JOHN MITCHELL

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THE SPANISH SCENE (1)

By D. M. MITCHELL

We cannot compromise with Truth. All too readily does any manifestation of error, whether it is consciously manifested or not, appear to be encouraged and propagated by some hidden power. Many people fall into the trap of supposing that where two forces are opposed, one or other must be right; few have the perspicacity, disinterestedness and detachment to see that both opponents may be wrong, that one may be much more evil than the other, and that one or other may be consciously doing wrong.

It is as well to bear these facts in mind when attempting to appraise the present battle of ideologies in Europe. It is apparent from recent events that the menace which the Nationalist uprising opposed in Spain, was either not perceived or was deliberately allowed to materialise in France.

General Franco received financial support from questionable sources. There is much to suggest that he is an honest man and a brilliant soldier, but if he is ignorant of fundamental truths concerning social and economic organization, he can still be an unconscious if strictly limited tool for the cunning manipulation of evil powers. In their book The Spanish Arena, William Foss and Cecil Gerahy provide some interesting information concerning these evil powers against which Franco took up arms to defend his country. The following extracts are a clear commentary on the international array of weapons and agents that were used against him and which have since so disastrously undermined the strength of France:

"To-day Spain’s tragedy has become linked with international complications, and the name of Franco, in too many countries, especially in England, stands quite erroneously, for a hated or feared ‘Dictator,’ an enemy of freedom and the antithesis of personal liberty. The ‘civil war’ in Spain has been skilfully insinuated throughout the world as the revolt of a military clique against the free will of their fellow countrymen.

"This is in no way true. There have been forces concerned in concealing the facts. There is ample evidence of this." This book amply demonstrates these last statements.

"We are witnessing to-day, perhaps for the first time in history, the growth of a doctrine, spread by an organization whose intention is to destroy, with violence, the existing order in every country, not by open attack from without, but by social disorder from within, with a view to imposing its will upon the nations of the world."

The civil war in Spain was no ordinary civil war. "Its cause was not some national evil or political difference resulting in a violent protest." It involved that part of the population seduced by this new and alien doctrine, and those who defended the traditional rights of their country. The results of party politics was disastrous there; the nation was robbed consistently by unscrupulous politicians of whatsoever property had to be attacked; laws which protected private ownership had therefore to be nullified. "It is not a question of what words they used, but the ultimate effect of what they did. That is the test. And each time that test is applied the real objects of this ‘Republican’ Group became clearer and clearer." ["Bolshevism," said Lenin, is a manual of action."

The verbal promises made in the new constitution of the Republic had been even more high-sounding than in France in 1789; but as the writers point out, in 1931, few people, except those who were part of the conspiracy, could see the key to the puzzle. "It may seem a strange statement to make — that anyone could gain by purposely ruining the Army, by creating distress, by ruining industry, and by lowering the standard of living of the whole population, but all the evidence to that effect exists, and the reasons for it are not really far to seek."

At the Second World Congress of the Communist
International in Moscow in 1920, Lenin had declared that the "second successful Proletarian Revolution" would take place in Spain, brought about by an "armed Proletariat."†

"Spain was essential to the Communists in their scheme of World Revolution. If Spain became a Red Republic, the real attack on the Western Powers had begun."

"Britain is essentially a bourgeois country, the perfect soil for the weed of Marxian Socialism, though this may sound paradoxical. 'The middle classes,' said Lenin contemptuously, 'can be left to destroy themselves.' Communism is still, to many Britons, a 'political theory.' That is how Lenin wanted his victims to think. But Bolshevism is not just a theory. Lenin was frank; he never hid his purpose. 'Bolshevism is a manual of action.' . . . He repeated this over and over again."

Foss and Gerahy here refer to the words of Mr. Winston Churchill who wrote at the time of the Spanish Nationalist revolt and eight years before his leadership of a government in which the key positions are occupied by Socialists: "Communism is not only a creed. It is a plan of campaign. A Communist is not only the holder of certain opinions, he is the pledged adept of a well-thought-out means of enforcing them. The anatomy of discontent and revolution has been studied in every phrase and aspect, and a veritable drill book prepared in a scientific spirit for subverting all existing institutions. At first the time-honoured principles of Liberalism and Democracy are invoked to shelter the infant organism. Free speech, the right of public meeting, every form of lawful political agitation and constitutional right are paraded and asserted. Alliance is sought with every popular movement towards the Left."

"The creation of a mild Liberal or Socialist regime in some period of convulsion is the first milestone. But no sooner has this been created than it is to be overthrown."

Franco Against Marxism

The writers of this book regret that the facts and circumstances of the Spanish civil war have, "for some reason, been concealed from the British public." There was no secret in Spain, and General Franco's revolt challenged and stemmed the tide of organized Marxism. In Marxist organisation and for the recruitment of its leaders, 'secret societies are formed, or utilized, and others of a special popular nature are used for the great army of assistants. It is strange how in this boasted 'advanced' civilisation of to-day nearly everyone is flattered in belonging to a secret society. Thus is the Communist 'cell' born. When Largo Caballero, under the specious pretence of the Defence of the Republic, illegally replaced existing mayors by 'comrades', he made the boast that he had created 'tens of thousands of Communists' cells throughout Spain.'

"Outside Britain the corruption of Freemasonry has long been accomplished. The Grand Orient Lodge, the servant of the Soviet and of certain powerful Jewish groups determined on world domination (but by no means unopposed by powerful groups of their co-religionists), is the executive headquarters for disseminating revolutionary orders, with a very complete obedience to those orders by unwitting disciples all over Europe. Two of its chief centres in Europe to-day [1938] are Paris and Prague, which largely explains the political orientation of France and Czechoslovakia in the Spanish Civil War. Spain was made ready for the first stage in the Soviet Revolution, the establishment of the Republic, by the 'capture' of the Army Generals by Freemasonry. . . ."

"Both in 1929, for the abolition of the Dictatorship of Primo de Rivera, and in 1931, for the abolition of the Monarchy, the Masons gave their orders and the Generals obeyed."

Jean Dauray in L'Oeuvre Latine, January, 1937, wrote that of the eleven signatories of the Provisional Republican Government, seven were members of the Spanish lodges.

The Drift to Communism

It is an accepted Soviet doctrine that when some particularly important move against the people is undertaken, it must be done under cover and in the name of liberty and democracy. For this purpose, it becomes all the more clear that propaganda must be "inverted", must also make use of every available means of deceiving men—if necessary by terror-tactics. It was Lenin who said of the Communist Legal Code that it must "base terrorism firmly on fundamental principles."

In The Secret Powers Behind Revolution, Vicomte de Poncins writes: "The secret power directing the attack [of the French Revolution] knew that certain ideas, lofty and beautiful in appearance, could prove a terrible weapon of destruction. It had, moreover, at its service the real genius of the formula. Provided that the telling phrase, full of high-sounding words and fine promises, was spoken to the masses, that is the principal thing. The opposite of what has been stated can be done afterwards; that is of no importance. Such are three words of Masonic origin, Liberty, Equality and Fraternity."

The Soviet-inspired agitators found Spain easy game; the trouble started as far back as 1869, when, following a visit of Marx's son-in-law Lafargue, as E. M. Godden records in Conflict in Spain, "the International Workers of the Madrid Section issued a Marxist manifesto. Violence and strikes broke out under the direction of the secret society known as the 'Black Hand'. In 1893, in 1896 and from 1890 to 1902, many parts of Spain were involved in serious disturbance of anarchist origin, and as our authorities point out 'the secret international organization which had this highly developed membership in Spain, was the one which played so large a part in bringing about the Russian Revolution of 1917.'"

The Communist International, No. XIII, reveals the Trojan Horse method in the following phrase, "The Communist Party enters parliamentary institutions not for the purpose of organization work, but in order to blow up the whole bourgeois machinery and the parliament itself from within."

Subversive activities under Primo de Rivera were driven underground, but the Communist Party were by no means asleep, and—as they have done in England—they established a publishing house in Madrid for the issue of "the fundamental and necessary Marxian and Leninist literature and thus bring greater clarity and class-consciousness to the ranks of the Spanish workers", as Godden puts it.

There is no doubt that General Franco realized the intentions of the opposing forces, and that he was determined

† Report of the Fourth Congress of the Communist International; Moscow, 1922, English edition, p. 75.
to have none of them; whether he now knows their real nature is not so clear. To us it is evident that he can and did achieve his object in the face of all the literature and propaganda an international machine could haul down over a long period of time.

We may assume from the following paragraph that Foss and Gerahy in their survey of a revolution’s conduct, see the necessity if there is to be any solution of financial and international tangles, of a system of de-centralised control over policy.

“One is almost tempted to think that, in order to obtain upright democratic government, it may be necessary to establish a system where a democratic popular vote may determine principles, but the execution and application might have to be entrusted entirely to a species of non-political permanent Civil Service, very highly paid, with stringent regulations governing its contacts and its public and private relationships, even with a death penalty for breach of duty. Dictatorships have their obvious perils, but they have one advantage—nearly, that where they misgovern, the responsibility is known; but under the so-called democratic governments the responsibility can seldom be traced specifically. Democratic misdeeds are ascribed to unfortunate coalitions, or the issue is confused in some other manner. New coalitions are then formed, and the stage is set for a repetition of the same farce.”

**AGAINST THE SECOND ENEMY**

Many of us who move entirely outside Social Credit circles must be very discouraged from time to time and have constantly to spur ourselves to the limited action which lies within our scope.

This is the kind of thing we are up against: “The love that asks no question: the love that stands the test, That lays upon the altar the dearest and the best,” etc.

But “Doing one’s duty and not asking questions . . . can be fatal.”

As Mr. Norman Webb pointed out in The Social Crediter of June 8, we would rather do anything than think, and now that we are all united in one solid effort and all seeped in a beautifully sterilised syrup in an emerald isle mould, how restful it is to let our National Government do all our thinking for us while we work on with a desperate mechanical intensity, only allowing ourselves the luxury of criticising, say, the French. “All behind you, Mr. Churchill!”—it’s a lovely safe feeling. Even if we die there, we shall have been standing well and firmly behind the government, with our faces towards the enemy.

“This is the time to sink one’s individuality!” That is unfortunately only too easy to do. It is so difficult not by silence to acquiesce with the still general conception that our only enemy is the Nazi regime, especially as any mention of the possibility of the existence of other hostile forces seems to suggest to the listener that we underestimate the German menace. The heavy judgement which descends on us from those who misunderstand is very hard to bear. If, however, we persevere in our efforts, we should be able to disperse the misunderstanding and make it clear that so far are we from underestimating the strength of our visible enemy, that we are increasingly concerned that all our resources should be free to deal with him. Our awareness of the presence and activity of another great enemy, the financial institution in the rear, is what denies us the right to be silent until we have made our fellow-countrymen aware of him too. “Fellow-countrymen” is much too wide a term, it sounds well and means almost nothing; the only people to whom we can convey anything are our old friends to whom we write letters, and those with whom we associate day by day.

How is this enemy active?

Small examples are often the best to give, as the larger ones are just incredible.

Last week, for example, the Listener of June 20 reported a discussion between Colin F. Campbell, Chairman of the National Provincial Bank and President of the British Bankers’ Association, and Donald Tyerman; on “The Banks and the War.” In the course of the discussion Mr. Tyerman said, “Now another thing that worries my correspondents is about Government loans. One after another says: why can’t the Government create credit (as they put it) for themselves instead of letting the banks create it and then paying them interest on it?” He proceeded to give his usual reply which is, in effect, that Banks should not and do not as a rule create credit, for “that would be inflation and very damaging, sending up prices and so on”, and Mr. Campbell endorsed his remarks without actually answering the question at all, thereby implying that creation of credit does not take place.

Why? We know that this is definitely misleading, and a careful reading of the discussion cannot but persuade one that it is deliberately so. It should be followed (for the doubting) by a careful reading of the pamphlet The Power of Money which is a compilation of statements made by financial experts and statesmen.

There are certainly times at which we must be silent but also the occasion does and must arise for us to point out the questionable nature of this activity in the rear.

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ANNOUNCEMENTS AND MEETINGS

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BELFAST D.S.C. Group: Monthly Group Meeting on First Tuesday in each month, in the Lombard Cafe, Lombard Street, at 8 p.m. Open to the public. Correspondence to the Hon. Sec., 17, Cregagh Rd, Belfast.

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

BLACKBURN Social Credit Association: Weekly meetings every Tuesday evening at 7-30 p.m. at the Friends Meeting House, King Street, Blackburn. All enquiries to 168, Shear Brow, Blackburn.

BRADFORD United Democrats: Enquiries to R. J. Northin, 11, Centre Street, Bradford.

CARDIFF Social Credit Association: Enquiries to Hon. Sec. at 73, Romilly Crescent, Cardiff.

DERBY and District—THE SOCIAL CREDITER will be obtainable outside the Central Bus Station on Saturday mornings from 7-15 a.m. to 8-45 a.m., until further notice. It is also obtainable from Morely’s, Newsagents and Tobacconists, Market Hall.

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.

LONDON LIAISON GROUP: Next meeting on Friday, July 12, at 7 p.m. at 4 Mecklenburgh Street, London, W.C. 1. Enquiries to B. M. Palmer, 35, Birchwood Avenue, Sidcup, Kent.

NEWCASTLE and GATESHEAD Social Credit Association are compiling a register of Social Crediters on the Tyneside. Register now and keep informed of local activities. What are YOU doing? Let us know, we shall be glad of suggestions. Write W. Dunsmore, Hon. Secretary, 27, Lawton Street, Newcastle-on-Tyne.

PORTSMOUTH D.S.C. Group: Enquiries to 115, Essex Road, Milton; 16, St. Ursula Grove, Southsea; or 50 Ripley Grove, Copnor.

SOUTHAMPTON Group: Secretary C. Daish, 19, Merridale Road, Bitterne, Southampton.

WOLVERHAMPTON: Will all social crediters, old and new, keep in contact by writing E. EVANS, 7, Oxborn Avenue, Bradmore, Wolverhampton.

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