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FOR POLITICAL AND ECONOMIC REALISM

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THE BRITISH COMMONWEALTH OF NATIONS

By NORMAN WEBB

Noting the rapidly increasing cosmopolitanism of London and all our cities, one is tempted to ask the question: Is there really such a thing as the British race? Nevertheless there is, and the proof and affirmation of that statement are to be found in the fact of the British Commonwealth of Nations.

What holds it together, because it is held together, to-day if anything rather more closely than ever before? Even our Internationalist Colonial Secretary, Mr. Anthony Eden, must admit that, when in his official capacity he welcomes voluntary contingents to His Majesty's Forces from the Antipodes and half across the globe.

True, its several parts are pretty tightly tied up to the City of London by indebtedness; but that unhappy fact, from the point of view we are seeking to explore, is disruptive and disuniting rather than binding. It is highly creditable, and most unusual for friends to hold together when one of them owes the other money, yet here in the British Commonwealth is an outstanding example—a matter for both pride and gratitude.

It does not, however, really explain this phenomenon to say that the ties are racial. It would be nearer the mark to say that what holds the British Commonwealth of Nations together is a common philosophic bond—a common way of regarding life. Men at work on the Canadian prairies and farmers in Australia and New Zealand would no doubt laugh at the idea either that they have a philosophy, or embody one, but of course they do, if they feel themselves to be British. Without a common philosophy of life to talk of race is just so much bunk and nonsense.

The truth is our race embodies a tremendous philosophy—no less than a belief in individual liberty of action—of

which it would be the greatest mistake possible to imagine that it was too vague and too general to constitute a real working philosophy. On the contrary, the man who commits himself to that philosophy of life opens up a whole train of consequences and responsibilities. He not only sets himself up against all unreasonable usurpation of authority, but takes it upon himself to say what degree of authority is reasonable.

Like the British Constitution, which exists only in the actions and assumptions of the British peoples, the British philosophy cannot be put down on paper. In practice it consists, more perhaps than anything else, in a belief in the individual, in his common-sense, his decency, his reasonableness when not driven to extremity. It is, in fact, a philosophy of moderation in all things, and of reaction against excess of every kind, and I do believe, a disposition to let the other man go his own way since we want to go ours. To carry the matter deeper, it is really an assertion of the principle laid down nineteen hundred years ago in the words: "The Sabbath was made for man, not man for the Sabbath."

Now what is it that is being attacked in the world to-day? It is exactly these principles of individual liberty for which the British Commonwealth stands. And therefore the attack, if it is realistic, as it has all the appearance of being, is an attack on the British Commonwealth. That is a fact that must be faced by all who appreciate personal liberty, no matter to what race or nation they belong; and particularly one to be faced by Internationalists of British extraction.

Who then are the enemies of British nationality and the Commonwealth of Nations? Whoever they are, they must be the Internationalists, the World

Staters. Germany is their tool and so we face her to-day; and Italy also, so we may have to face her to-morrow. But if we still think that either Hitler or Mussolini really fits the role of Internationalist foe—of World Enemies No. 1 or 2—we can not have probed the situation very deeply. In the first place they are merely individuals—inordinately vain men, with a primary passion for power, and a secondary, if sincere, desire for the welfare of their own nationals at anybody's expense. But neither of them is a fit or possible antagonist for a philosophy such as the British race embodies, with the whole weight of Christian principle and teaching behind it. The idea is ridiculous! To hold it is utterly to undervalue what we as a race represent, and to underestimate the terrific issues involved.

By no possible stretch of imagination can Hitler be classed as an internationalist; the whole count against him is that he is not one. Germany without doubt is, military speaking, our immediate and dangerous foe, but to assign to her more weight than that of one among many factors in the present convulsion is to misinterpret the situation altogether.

What then are those other, and

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superior factors? Who are the real enemies of the British Commonwealth of Nations? Perhaps it is too early usefully to identify them. We need to know not only who they are, but where they are. But in the meantime let us make no mistake as to their aim: it is to deprive Great Britain and the whole British Commonwealth of all sovereign power by means of the World State: the separation and dispersal and enslavement of all liberty-loving peoples.

It is a significant fact that the pattern of Federation advocated for the post-war world is the United States of America, never the British Commonwealth of Nations. If our Press and the B.B.C., and most of our statesmen are to be taken as representative of public opinion, the latter has never been considered even as a possible starter in the race. Nevertheless there is a good

deal to be said for it as a working model—a good Christian example—where community of outlook and aim has succeeded in binding together so many millions of human beings separated by oceans and continents, and notwithstanding that each group possesses the full dignity of its own sovereign rights, and the right of secession.

Why should we be so slow and tongue-tied about it—except that it is our national habit? The World-Staters have no inhibitions, they are clamorous and insistent, and to give them their due, they are sufficiently clear and specific as to their objective—even if the means they employ towards it are devious and underground.

At least let us see the issue as it stands. On the one side the British race, representing inarticulately, but

practically, the liberty of the individual to control his own life—"the Sabbath for man"; the elementary Christian right. While on the other side is the contrary, opposed doctrine—"man for the Sabbath"—the doctrine for his opposition to which Jesus of Nazareth was killed; the doctrine of centralized control and servitude.

With the end of this war, Federal Union in some form will be the issue. No matter how it is disguised—as an economic federation of Europe to begin with, or possibly only the continuance of the Economic Bloc between Britain and France—we must never forget that the policy behind it is the policy of the above-mentioned doctrine of centralization, and *that it is put forward in direct opposition to the policy already embodied in the British Commonwealth of Nations.*

JOIN UP OR LOSE THE DOLE

Unemployed in the Isle of Man must join the Forces, get jobs on the mainland, or live on what money their relatives can spare them.

After Monday, the Manx Government will not give the dole to any one of military age who is medically fit and has not volunteered for service.

Men between the ages of 41 and 65 and those who have volunteered for military service and are waiting to be called up will be granted maintenance allowances. But if a job at a reasonable wage is offered they must accept it.

S.O.F.I.N.A.

"In anxious times like these, when war is focusing attention on graver subjects, the topic we have chosen [to examine]—Economic Propaganda—may seem of negligible importance and perhaps even inopportune. International

trade is obstructed on every side; on a number of internal markets, private consumption is restricted to bare necessities; it may well be asked whether in these conditions economic propaganda can serve any purpose other than to preach abstinence.

"We believe it can. We see in it a means of promoting a more efficient economic system for the days when peace has been restored, and of helping to establish that peace on a more solid foundation; and we are convinced that, now as ever, it can give valuable guidance to producers and consumers, and contribute towards harmony between supply and demand. Hence we feel that an examination of its methods and uses is timely."

—From the Report of the Directors of *Société Financière de Transports et d'Enterprises Industrielles, S.A.*, April 25, 1940.

FINANCES OF MONTREAL

The Bank of Montreal, the Royal Bank, and the Banque Provinciale have refused to advance further credits to meet maturities of \$4 millions due on May 1, and \$2,750,000 due on June 1. The banks have also deferred their answer to a request for a renewal of the joint bank loan of \$3 millions due on May 15.

It will be remembered that about a year ago these banks threatened to withhold financial services to the City of Montreal unless it submitted to control of its expenditures.

The City Council of Montreal is

elected by the electorate of the City with a mandate to carry out certain policies which have been entrusted to that body by authority of the superior government of the province acting for the people of Quebec Province. This assumption by the banks of the authority to limit and to restrict the mandate of the people of Montreal is a direct violation of democratic principles.

CHEAP?

Mr. Samuel Harden Church, the president of the Carnegie Institute, with about 50 other residents of Pittsburg, has made an offer to pay \$1 million (£250,000) in cash to any person or persons who during May "will deliver Adolf Hitler alive, un wounded and unhurt, into the custody of the League of Nations for trial before a High Court of Justice for his crimes against the peace and dignity of the world."

The offer was made in a letter to the *New York Times*.

"The Fig Tree"

Back numbers of *The Fig Tree*, numbers 1—3 and 6—10, all containing articles by Major C. H. Douglas may be obtained at

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NEWS AND VIEWS

Our Reliable Newspapers:

**"Alberta Bondholders May
Get New Deal"**

"Accordingly, it seems likely that, should there be a number of bye-elections in the next year or two, Mr. Aberhart's slender majority may vanish."

—*"Evening Standard," April 30, 1940.*

"Mr. Aberhart's," *i.e.*, Social Credit representatives, hold over 63 per cent. of the total seats in the Legislature, as compared with less than 37 per cent. held by *all other parties combined*. The next largest party, the so-called Liberal party, could not even elect its Leader. Moreover, the election was conducted by means of the single transferable vote, which insures that a majority elected represents a majority of electors voting.

Canada Cement—Canada Cement? Where have we heard that name? We must look it up.

Curious that we can only fight the dear German people in someone else's country, isn't it? Except, of course, with leaflets.

During the French Revolution, when the aristocracy of France was massacred wholesale, and its property destroyed or confiscated, none of the Rothschild property was touched.

Almost the only heartening feature of the way we appear to be conducting this war is that obviously the New York Jew newspapers—*i.e.*, the New York newspapers, don't like it.

Can they suspect that the three more obvious dictators are not the only people who are going to be put where they belong before it is through?

In the two Home Rule Acts for Ireland, those of 1914 and 1920, the Irish Parliaments were definitely precluded from any power "to abrogate or prejudicially affect any privilege or exemption of the Grand Lodge of Freemasons in Ireland, or any lodge or society recognised by Grand Lodge."

The similarity of this provision, which places Freemasons above the law in all matters affecting Freemasonry, to the clause in the Charters of the Central

Banks, placing them above the law of the country in which they operate, is unmistakable evidence of the interlocking of High Finance and Freemasonry.

"After the decay of the Roman Empire," (a monetary phenomenon) "Europe experienced a long period of economic stagnation and spiritual barbarism. For several hundred years the human race groped in the dark, generations upon generations living wretched and dissatisfied lives, devoid of culture and science.

"With the beginning of the twelfth century, an unexpected and glorious change began to manifest itself . . . An almost incredible prosperity set in, and the wealth created was so well distributed that there was hardly any difference between the castles and the farmers' homes, or as another historian writes 'the farmers wore double rows of golden buttons on their vests and coats, and silver buckles on their shoes.'"

"Man's Most Glorious Epoch,"
Paul Stüder.

"There has never been, before or since history, anything at all like the physical and mental atmosphere of that age. It presented concrete and realised ambition on a scale that has no precedent. Life had turned into poetry, it had changed into a vigorous paradise that made it worth while to run its dangers, as well as to enjoy its pleasures."

"Mediaeval Life, Art and Thought,"
Sacherevell Sitwell.

(The Renaissance—*circa* 1150-1450, was beyond any question the result of decentralised issue of money by feudal chiefs, bishops, and many others.)

FEDERAL UNION

The letters printed below have appeared in *The Times*.

(1)

Sir,—The appeals in your columns from Ministers and others and your own practice of economy in the use of paper are in curious contrast with the prodigal habits of some of the propagandists. Within the last few days I have received large budgets from two such bodies without the smallest indication on my

part that I desired to have them.

The first is a document of 10 closely type-written foolscap pages on "Federal Union," issued by the organization bearing that name and circulated by the Conservative Central Office to its branches. The second consists of no fewer than 26 foolscap pages, closely typewritten on both sides, sent out as one of a series by a body styled "the Post-War Bureau," and containing extracts from the newspapers of various countries on war and peace aims. It appears in fact to be one more of those innumerable digests of the Press which are already being compiled independently by a number of Government Departments and by a special department of Chatham House at Oxford.

Do these activities come into the category either of essential national work or of the free expression of public opinion, which no one would seek to restrict? Might they not, in any case, be carried on with less extravagance—or even suspended altogether till the war is won?

I am yours, &c.,

May 1.

J. P.

(2)

Sir,—As a statement contained in the letter of "J.P." in your issue of yesterday, may lead to misunderstanding, will you permit me to say that the Conservative Central Office has never circulated any document issued by the Federal Union?

Yours faithfully,

ROBERT TOPPING.

Conservative & Unionist Central Office,
Palace Chambers, Westminster, S.W.1.;
May 3, 1940.

The Times explains: "The document in question, which "J.P." submitted in support of his letter, was undoubtedly sent to his committee by a local Conservative agent, who stated that he had received it from the Central Office. The misunderstanding seems to have arisen from the assumption that a memorandum headed 'Federal Union' was issued by the organisation bearing that name, which apparently was not the case."

Granted that there are two central offices, the Conservative and the Federal Unionist, why must both be absolved from the guilt of communicating with a Conservative agent?

Mrs. PALMER'S PAGE

FOR LONDONERS

"What are we going to do? I feel the only contribution I can make is to start a Voluntary Saving Association at once, to set an example and show we mean to do everything we can to help. For if we don't, the compulsory savings scheme will be forced upon us."

These words, quoted from an actual conversation, are typical of what is being said around us, over garden fences, cups of tea and glasses of beer. People are genuinely concerned at the picture which has been presented to them by Sir John Simon and his economic experts.

The public statements of responsible people in the government amount to this: "We must pay for the war out of the people's savings. For if we don't we shall have inflation, and this will mean that prices will rise to such an extent that the country will be ruined."

Both statements are wrong. We can't pay for the war out of savings; and prices can be regulated by any government without inflicting hardship on anyone.

The time has come—anticipated for so many years—when the immediate step to be taken is to help people to rid themselves of the hypnotic influence of wrong financial notions, and all the jargon that goes under the name of "Sound Finance."

If sufficient Social Crediters will have the courage of their convictions much can be done in a few months. Let us make the most of the long evenings of the summer. For those in a position to entertain on a small scale it is a good plan to invite friends to an informal evening meeting with the purpose of introducing *Tax-Bonds or Bondage and the Answer to Federal Union*. The aim of a meeting of this sort should be to get new readers both for the book and *The Social Crediter*. Subsequent meetings should strengthen people in their resolution, and encourage them to make the most of opportunities in their own districts. A meeting which is held merely for the sake of listening to an address is a waste of time.

There must be many of you who are determined to do their share in and around London, and it is to you in particular that I am writing.

After the London Group meeting it was in my mind to send a circular letter

to you all, but the typist's time and increased cost of stationery and postage were considerations which decided me to use this paper as a medium, and I hope I may reach some who did not hear those encouraging and inspiring addresses at the Cora Hotel.

The mere holding of a "successful" meeting does not count much with Social Crediters. It is results for which they look, and to me it was encouraging that we sold nearly all our literature, and could have disposed of even more copies of *Tax-Bonds or Bondage*.

What result can we expect from all those books which are circulating through the London suburbs?

Unless a sufficient number of Social Crediters realise that the spreading of this information is absolutely vital to all of us, all the meetings we have attended will count for little. A small minority already know the facts; this number must be increased until a majority of active, vital thinkers accept them. Mark the two adjectives. They are carefully chosen. I don't say a majority of the nation, I don't know whether that is necessary.

We have been told we must act as a lighthouse, and every moment the light is more necessary. As the extent of our naval and military casualties becomes known a cry to stop the war at all costs may grow stronger. Without a firm foundation of facts it is difficult for Social Crediters, with their longing for life more abundant, to make it clear that they can do nothing towards the engineering of a Bankers' peace. When it started this was a Bankers' war, and what could a Bankers' peace mean but a temporary pause in hostilities, during which chains heavier than ever before would be laid upon us. There can be no peace while the enemy in the rear is at large; so strong and unsuspected is he that no peace could be made without his permission; our problem is to turn this war into a war against the real enemy.

Real peace cannot be made until the people are in a position to make it, and certainly not while the rulers of U.S.A. (Messrs. Kuhn, Loeb and Company, and Baruch) are preparing to direct the "policing" of Europe. These are the facts, knowledge of which we must spread, and it is because I feel that some of you may be feeling isolated in your own

districts with little encouragement near you, that I am writing to you to-day.

The London Liaison group may be able to ease the burden; at least it should provide some fellowship during what may be the most stormy passage of all. The group has no membership in the usual sense of the word, and no subscription. All we need to know is your name and address. We already have the names of those who attended the meeting, and should be glad to hear from others who are regular readers of *The Social Crediter* and have determined to master the essentials of the Tax-Bonds Campaign. The group meetings at No. 4 Mecklenburgh Street are advertised on the back page of this paper, but regular attendance at these meetings is not considered the chief aim of the group. Its aim is to help Londoners to help themselves. In future each meeting will begin with a short address followed by discussion, but the name of the speaker will not as a rule be advertised. Large meetings are not desired. We hope you will come if you need help to carry on; but it must be remembered that all growth is outwards from the centre.

We can also put you in touch with those who can help you by reason of the experience they have had; or new opportunities may be put in your way.

In short, the group exists to serve the London Social Crediter. If he makes use of it, it will continue.

Owing to increased postage it is not possible to circularise, and announcements will be made in *The Social Crediter*. Please keep us informed of any change of address.

Visitors to London will be welcome at group meetings, and at the weekly lunch-hour rendezvous near Victoria. But please watch the announcements.

B. M. PALMER.

EVACUATION

The parents of only 8 per cent. of the total of over one million children now in evacuation areas have had them registered for evacuation in the case of serious air raids. The parents of 19 per cent. have refused; and the remainder—the parents of 850,000 children—have simply not answered.

PEREMPTORY EXECUTION

Western Airways Limited, one of the non-railway group of commercial flying companies, discontinued its services on March 30 after being informed by the Air Ministry that its fleet of 18 aeroplanes was to be requisitioned at once. The inspection of these machines began on April 2.

Western Airways was included in the Air Ministry's original list of companies to be disbanded, but the Company had hoped to be allowed to continue operations, if only on the Cardiff—Weston ferry across the Bristol Channel. Direct appeals to the Air Ministry were made by the Councils of Bristol, Cardiff, Swansea, Weston-super-Mare, Neath, Barnstaple and Ilfracombe for the continuation of the Company's services on the ground that they were of public, if not national importance.

Statistics of Western Airways' operations were sent to Sir Kingsley Wood showing that the number of passengers carried by the Company had risen from 2,558 in 1933 to 44,351 in 1939. The war-time services operated since November 25 have shown a large increase, too.

The Aeroplane publishes extracts from a letter received from Lord Apsley:

"Some months ago, Western Airways offered of their own free will to hand over the majority of their fleet to the Government, begging only to be allowed to retain the bare minimum necessary to operate skeleton services. No reply was received to this offer, but now, without warning, the Company is told that the Government is going to take the lot.

"Western Airways are, and always have been, prepared and anxious to carry more than their share of the National War effort, but it seems quite clear that this effort is not being served by the closing down of a well-proved public utility.

"The Company cannot help reflecting that if the Government at the present stage of the War already require aircraft so badly that they cannot do without the four or five veteran machines needed by Western Airways' services, then surely there should be an immediate and searching inquiry into the true facts of our aircraft position.

"Western Airways have done their very best to carry on the services, and to keep faith with the many thousands of

No Licensing for Law Reports

The report has been issued of the Law Reporting Committee, which was appointed in the early part of last year by Lord Maugham, who was then Lord Chancellor.

The committee were asked to report and advise with regard to representations which had been made from several quarters to the effect that the great number of law reports which appeared to be increasing was causing difficulty for members of both branches of the profession engaged in the actual work of the Courts by reason of their multiplicity.

The majority report discusses the various criticisms and complaints of the present state of affairs; and states that a monopoly of citation would run counter to the spirit in which English law has been administered these many centuries.

The suggestion had been made that, even if there was no monopoly of citation, yet by some system of licensing a check might be put on the multiplicity of reports. Thus particular reporters might be licensed to report or publishers to publish, or it might be left to the Court to say whether a particular decision should be reported at all. Such proposals, the report says, are fundamentally wrong. They strike at the base of a principle which is one of the pillars of freedom, that the administration of justice must be

public. The decisions of the Court must be open for publication, discussion, and criticism. It is not consistent with this principle that a licence to report should be given to one man and withheld from another. If a case is once reported, then it is proper that it should be cited in order that the law may be interpreted and administered in the same way for all men.

The majority report concludes by stating that the sum of the somewhat long report is negative. That there are inconveniences, to say the least, in the present state of affairs is not denied. But no recommendation for any cure for them can be made which would not bring greater evils in its train. Economic causes have created the present supply of reports; it is possible that the same causes may contribute to their reduction. It is important that the general rule of exclusive citation of a report in the *Law Reports* issued by the Incorporated Council of Law Reporting for England and Wales should be enforced. This does not mean that if a case is not reported in the *Law Reports* it is not to be cited from other reports. The *Law Reports* might, it is thought, take a more generous view of what is reportable particularly in the range of cases which exemplify the application of a legal principle.

people who use them, but one stroke of the bureaucratic pen has made an epitaph of their proud motto, 'Save Time, Save Money—Fly with Western Airways.'"

AIRWAYS CORPORATION AND FINANCE

"Shareholders of Imperial Airways, who may have expected to take up stock in the British Overseas Airways Corporation, have been informed that no public issue of capital is to be made. The money necessary for the payment of the purchase price has been raised in another way, which we presume means, by way of a private issue of Government stock . . .

"Much curiosity has been aroused by the secrecy surrounding the amount of stock that has been placed privately. Both the amount and its owners are closely guarded secrets, although according to some reports these particulars will be announced shortly in Parliament. They ought to be."

—"*The Aeroplane*," April 12, 1940.

WARNING

Complaints have been received that orders for the book *Tax-Bonds or Bondage and the Answer to Federal Union* have been placed through newsagents and booksellers in various parts of the country, but that wholesalers have failed to deliver the book. This appears to be due to deliberate frustration. In these circumstances the only thing to be done is to order direct from K.R.P. Publications.

In view of increased postal charges, however, postage will be charged extra on quantities of under 25, e.g., 2½d. on single copies. Special discounts will also be given on quantities over 25.

Splendid progress is being made in a number of towns in selling the book by personal contact with the public. Other groups could do the same if they tried.

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Victory Has Wings

No special discernment is necessary to detect the venomous note present in the attack launched in Parliament this week against Mr. Chamberlain. *The Times*, in preparing the ground for the debate (and incidentally for the inclusion of members of the Labour Party in the Government) predicted that the speeches would be concerned *nominally*, "and no doubt primarily, with the strategic aspects of the campaign in Norway." Week-end speeches gave a fore-taste of what was coming. Mr. Herbert Morrison's suggestion that the best service Mr. Chamberlain, Sir John Simon and Sir Samuel Hoare could render to the country would be to resign was reflected in the House of Commons by Mr. Attlee's confession that he wanted "different people at the helm."

Mr. Churchill, as the unprofessional 'guide and director' (to use Mr. Chamberlain's phrase) of a Chiefs of Staff Committee, may not be specially dangerous; he may have been, and we hope he has been placed in too exposed a position to be dangerous to anyone but himself; but if the appointment fails to secure the real, as opposed to the 'nominal' purpose of the attack, we may be sure that each fresh 'shock to complacency' will be used, like the present, to give another twist to the screw. When the Prime Minister said "he did not think the people of this country realised the extent or the imminence of the threat impending against them", he at least revealed that he himself was not unconscious of some of its features. "Before fresh trials come upon us" there is much to be done which the abstractions of the Opposition by no means define. It is not enough that the administration of this country should satisfy Senator Pittman, the Press or the B.B.C.

It was openly remarked in the course of the debate that whatever

great expectations had been fostered by the Government were exceeded by the Press and the British Broadcasting Corporation. And are not these the forces which, with, it is to be hoped, no more knowledge than they should possess, have worked up the agitation for the debate? *The Times* in anticipation, called it the 'crucial' debate.

A crucial debate would be a debate in which the motives behind the attack upon Mr. Chamberlain were made plain. Now they are plain only to the discerning, and must be made plain to the country in face of a press drive to make them obscure. There is a curious turn of phrase about a paragraph contributed by a political correspondent to one of the Sunday papers. He wrote: "It will need harsher events than the fiasco in south Norway before the people here are persuaded that Mr. Chamberlain is not indispensable as a leader in war."

That's just too bad, isn't it? Why not forego persuading the people about Mr. Chamberlain, in which case the harsher events need not be provided? The British public wouldn't complain. Why should they? Left to themselves, they would probably think it quite a good bargain to have Mr. Chamberlain as Prime Minister and go without the harsher events required to persuade them that Dr. Haden Guest would be better. Better for what, and for whom?

What Mr. Churchill himself has to say is not known as these lines are written. We hope it may be something which does not promise to override, 'ruthlessly', with 'stiffened determination', 'vigour' and 'despatch', energetically restless and restlessly energetic, such advice from the generals as that reported during the debate against any debate at the present juncture. It is, after all, strictly accurate to say that Mr. Churchill has manufactured for himself (or

contrived to have manufactured for him) more brilliant escapades than any country less careless than the United States of America can afford in one cycle of its greatness. To call them 'moral' victories would be to take sides in favour of a perverse view of the motives of human endeavour, as well as being false in itself. The most imaginative representations of victory are things with wings. The fist is absent from them. Victory is a lovely thing, and quiet. England wants victory.

However Parliament and the Press, with or without the cosmopolitan voices of the B.B.C., may disguise the issue, it is one of national policy. That is to say it is a question concerning the objective which the people of this country are willing to pursue. Are pursuing. It is rather strange to hear of indecision, delay, lack of energy in high places. The critics omit so much that they might justly place to their own credit. Think of the great energy and restless anticipation of the Postmaster General! Has he not arranged long in advance for an identical issue of French and British postage stamps, identical in every feature but their price-marks? There is the almost feverish Board of Education arranging that the cosmopolitan voices of the B.B.C. shall say the same thing at the same time to little English boys and girls and little French boys and girls. Think of the 'planning' that goes on! Think of the 'planning' that has gone on! Think of the vast revolution of English life and character that is (all but) accomplished under the cover of the war! Perhaps these things are the ground of Mr. Attlee's plea for participation in His Majesty's Government?

It is to be feared they are, and because we do not like these things, and because we believe other Englishmen will dislike them as much as we do when they discover what they are and what they mean, we say that every means available to make clear the issue between Mr. Chamberlain and his detractors should be used. If this country can beat Germany (as it can) it can beat those who contrive 'harsh events' for political purposes. And to beat Germany it must beat them. The term 'co-operation' does not mean the acceptance of compromising benefactions—the gifts of the Greeks or the 'aids' of those who pursue an alien policy. The attack—a foul attack—on Mr. Chamberlain is an attack upon England's policy.

T. J.

PARLIAMENT DEBATES THE BUDGET

By JOHN MITCHELL

That Great Britain is only putting out a fraction of her productive effort either for war or civilian purposes is due in no small measure to the muddleheadedness of our Parliamentary representatives, and to the deplorable slackness with which they discharge their responsibilities to their electors. The nonsense, often vicious nonsense, talked in the Debate on the Budget proved no exception to the usual display of futility to be witnessed in Parliament. The greatness of the British people and the spirit and character which will in the end save them from the fate which is being planned for them is not to be found in Parliament, but elsewhere. Since, however, the native will of the people of Britain will have to be exercised through this body it would be useful if as many letters as possible could reach its members letting them know that they are aiding the enemies of this country by supporting measures which restrict the initiative and enterprise of the people, and that they are expected to do otherwise.

FROM THE DEBATE

(During much of the Debate only about 30 members were present).

Mr. Amery (Sparkbrook): "We are at this moment spending at the rate of £1,800,000,000, and all that the Chancellor hopes we shall be sufficiently well organised to spend during the coming 12 months is at the rate of £2,000,000,000—not so very much more than half [of the amount Germany is estimated to be spending]. Even if you add the total effort of France and put it at £1,000,000,000 a year, it is at most equalling what Germany is doing."

"I need not repeat all the hon. Member for East Birkenhead said about the war effort of France. France, as compared with us, saves £400,000,000 a year on the pay of soldiers alone. She fixes all her wages and allows no man to be tempted away from munitions work, as they are being tempted here the whole time, by offers of higher pay in other factories. She taxes every workman for the benefit of the Army, for dependants and for war veterans, and imposes a double tax on any man in a reserved occupation who is of fighting age, a thing that we might well imitate in order to emphasise the fact that men are reserved only because it is in the nation's interest to reserve them and that they have no moral right to be in a better position than men in the fighting line.

"So much for the comparison with other countries. What about the possibility of a greater effort in this country?"

Mr. Graham White (Birkenhead East): "In Germany there is no limit to the hours of work except the limit to the physical endurance of those who work. Actual wages have been reduced, and a proportion of all wages is paid straight into the State in actual taxation—gone for good. Practically everything is rationed; everything is controlled—except falsehood, which is increasing. These things they endure because they are a slave state . . .

"We cannot, either for our safety or for our honour, be satisfied with any effort that we are making unless we are convinced that it is at least equal to the effort which is being

made by our Allies across the Channel. The majority of the people in this country hardly realise the nature of that effort. In September, 6,000,000 men between the ages of 16 and 49 marched to the colours, laying down their tools, their spades and their pens, and at the same time the women flocked to take their places. Some 300,000 women have been recruited into Government service. That is something to bear in mind. It is a greater man-power effort than we have yet made in this country. Turning to the financial aspect, taxation there is very much heavier than it is here. The general taxation is very considerable and there are a number of other taxes superimposed upon it. But there is one tax by which a contribution is sought from every individual of military age who is not in the Army—who is in a reserved occupation. I think there is a great deal to be said for that tax, and I believe it would be welcomed by the people of this country, because it is related to the system of family allowances."

Mr. Amery (Sparkbrook): "On that point I need scarcely say how wholeheartedly I agree with the hon. Gentleman, the Member for East Birkenhead, in saying that that policy will remain ineffective and in large measure stultified unless it is accompanied by some scheme of family allowances. To-day there are hundreds of thousands of children, if not millions, in this country who are not able, even at the prices at which my right hon. Friend keeps down meat and milk and certain other essential commodities, to enjoy these commodities which are so vital to *their* growing health."

[Evidently it is not considered that "family allowances" present any threat to the debt system].

"I suggest to him (the Chancellor of the Exchequer) that at a time like this the best test of whether taxation is producing the results desired is that it should reduce consumption, for if consumption is reduced, importation is reduced, and the use of shipping is reduced. We want not so much to get more revenue on tobacco, beer and spirits and such like things, as to see that the nation consumes substantially less of them, and I am by no means certain that he has raised these duties sufficiently."

"I have never been one of those who thought that there was any real merit in 'making the £ look the dollar in the face'."

Mr. Stokes (Ipswich): "I think it is time that the Chancellor of the Exchequer took back to himself and to the Government the power of creating money and took over the issue section of the Bank. There is no reason why it should not be done. May I remind the Chancellor of the Exchequer that in the Middle Ages anyone caught issuing financial credit or money outside the King's Mint was promptly boiled in oil, and I suggest that we should look upon this matter in that light . . .

"I cannot understand—and I have never had a proper answer to the question—why it is bad business to issue your own money free and good business to have to pay 3 per cent. on your own credit. Everyone is now saying that this is a 3 per cent. war. That is better than a 5 per cent. war, but I should like it to be a no per cent. war . . .

"About 75 per cent. of the population are busy making

goods which are utterly useless except to blow other people's brains out. There is plenty of money to do that, but when it is suggested that men who are out of work should be put into work to produce real wealth, then it is said that it cannot be done."

Mr. Richards (Wrexham): "The Chancellor of the Exchequer is making a great plea that the small man should save, but we on these Benches feel that the small man has not that surplus which he could lend to the Government. The rich people can lend not only out of their savings, but out of the money loaned to them by the banks. This was done on a wholesale scale during the last war."

Colonel Wedgwood (Newcastle-under-Lyme): "I think the Committee will agree that in this Budget we are raising £1,234 millions by taxation and £1,400 millions by inflation . . .

"If you want to win this war you must secure the maximum production. Do not bother about how your taxes are raised but direct your intelligence towards securing from the farmer and the manufacturer the maximum amount of production, and from the landlord the minimum amount of interference with the possibilities of production."

Mr. Woodburn (Stirling and Clackmannan, Eastern): "It is a great mistake to assume that the mere creation of credit is inflation. The whole capitalist system has been built up, for the last 100 years, by the banks creating facilities for the expansion of Industry. All that is happening to-day is that, instead of this being done for private enterprise, the Government are doing it for public enterprise."

"One great suggestion that the Chancellor himself made is the reduction of waste. I suggest he should look into some of the Government Departments which have been created. I instance the Ministry of Food. In the Inverness district, live stock control has been set up and the man in charge gets £3,800 a year. Previous to that he was earning £500 . . . I am told that he employs a chartered accountant at £800 and four clerks at £2 10s. a week each to do the work. He is still the acting manager of his own firm."

"The right hon. and gallant Member for Rye (Sir G. Courthorpe) told us last night very ingenuously that the railway companies had been practising this for some time [building up secret reserves]. They have been building new carriages and new waggons and laying new rails, all out of revenue. Instead of railway capital being watered, it is now worth far more than the nominal capital. In other words for a great many years, if the right hon. and gallant Gentleman's statement is correct, the companies have been evading payment of Income Tax by building up their capital from revenue which should have gone through profits into reserve and should have been charged to capital account."

Mr. Loftus (Lowestoft): On an income of £200, before this Budget, taxation in this country was 6 per cent, and in France 19 per cent.; on an income of £600, in this country, it was 19 per cent. and in France 28 per cent.; and on an income of £5,000 a year it was 41 per cent. in this country and in France 68 per cent. But that does not represent it all. France is spending on her effort this year very nearly as much as we are spending. Then there are the privations, the things which the French people do without. There is the French soldier with his 1d. a day and the British soldier with his 2s. a day. When I contemplate the gallant self-

sacrifice born by the whole French nation, I feel that anyone in this country who grumbles about this Budget being severe, should really be ashamed to do so."

"I realise my right hon. Friend could not possibly carry out the whole plan of Mr. Keynes of 5s. for each child, which would cost about £100 millions. But I would have liked him to have given family allowances to every family where there are more than three children under 15, or, if possible, where there are more than two children under that age. I think the cost would have been small—between £10 millions and £15 millions. If more restrictions on consumption have to be imposed, I hope we will all agree that allowances should be given to children, beyond a certain number under the age of 15."

"The second task confronting the Chancellor of the Exchequer is this. Can we take from the national consumption enough national savings and enough taxes to pay for the cost of the war without inflation? That is an immense problem."

"I propose now to venture on a rather dangerous subject. We want to avoid inflation and we shall do our best to avoid it. But suppose some degree of inflation has to come? In that case I make one plea, that it should be as small as possible and should be strictly controlled by the Government."

"The procedure in the last war was rather badly stated by the hon. Member for Wrexham. The technique of the banks' advances and methods may require many qualifications, but, generally speaking, you can say that inflation in the last war happened as follows. The joint stock banks advanced money to their customers who used that money to subscribe to Government loans, and the Government used that money to pay for goods and to pay the workers. This in turn created additional deposits in the joint stock banks which in turn provided an additional basis for the creation of new loans to customers to be used to subscribe to new Government loans. The inflation in the last war was not merely the printing of currency; that was a consequence and not a cause of inflation. The cause was the creation of immense sums of bank credit. I think we are all agreed that sort of thing must not in any circumstances happen again."

The Economist of January 26 last contained a most interesting article entitled "The Technique of Inflation," in which it pointed out that if inflation has to come, it must be strictly controlled; and it suggested a new technique, which was that—expressing it very broadly and bluntly—that the Government should borrow directly from the Joint Stock Banks and pay a mere book-keeping interest of one half of one per cent. When I read that article in *The Economist*, I realised the truth of the remark recently made by Mr. Keynes when he said that the orthodox economists kept catching up so fast that he looked forward to a blameless old age surrounded by orthodoxy. (!) On reading that article in *The Economist*, I realised that we have moved a long way in our economic ideas since the last war. I would go even further. If there has to be a certain expansion of credit money, created credit, I can not see why the State itself should not create that credit free of interest. I do not mean the printing of currency notes, but the creation of credit in the same way as the Joint Stock Banks do when they lend to customers. That credit, so created should carry no interest, but be redeemable by annual instalments. Such a

system would involve very strict control but it would have the effect that any assets created by that Government credit would not bear the burden of interest . . . I feel that it is a flaw in the wonderful and very efficient money system of the modern world that nearly all money comes into existence as a loan saddled with interest."

"It must always be remembered, however, that no methods of currency control will allow us to dodge realities, that money is only a symbol representing goods, and that the realities are goods. Therefore, any juggling with money brings its own punishment. I believe this direct control of credit by the Government may become necessary in War. Certainly, I believe it will be essential in post-war reconstruction. I do not believe that the world can go on piling up vast quantities of debts. The world is overburdened with debt to-day. We are warned that civilisation may be destroyed by war, but it may also be destroyed by an over-heavy burden of debt. It was an over-heavy burden of debt and taxation, far more than the barbarians, which destroyed the Roman Empire. I fancy at times that something may be said for the old Mosaic Law by which all debts are abolished once in every 50 or 100 years. There is one thing that I must say to the hon. Member opposite. I must make quite clear that I do not advocate under any consideration the nationalisation of the joint stock banks. These great institutions are conducted with an integrity and an ability which make them the admiration of the world and a model of how banking institutions should be conducted. They work their present system in an extremely efficient manner. I do not criticise them, but I criticise the system by which the bulk of our money must come burdened with interest. I feel that the banking system should act as agent for and not as the creators of Government credit."

Interest free money is not debt free money.

Mr. McGovern (Glasgow, Shettleston): "It will get me probably, as it will get many Members of the Committee, in stamps to our constituents, and we shall get a hard kick in the pants there. My correspondence has gone up from 80 to 300 letters a week during the War."

Sir Herbert Williams (Croydon): "It will take the people a long time before they can adapt themselves to the changes made in this Budget. All over the country people are sitting down together and saying "Tobacco is up 3d.; beer is up 1d. a pint; those of us who have to pay Income Tax have to find another 6d. in the pound this year and we all write a lot of letters." Millions of people are talking in that way, all kinds of simple, humble folk as well as the well-to-do. They are trying how they can arrange their lives. The Budget does represent a heavy burden and it is nonsense to make high-falutin' speeches arguing that the Budget ought to have been bolder."

"Time is going on, and I have yet three or four points to put quite briefly. There are about 1,200,000 people in this country at this moment who desire employment and have not got it. The Minister of Labour with the help of *The Daily Telegraph* has been telling us for months past now that this figure is not true and that it represents really only about 500,000 unemployed people. I am sorry that the Minister is not here. What he and *The Daily Telegraph* are saying is nonsense. The bulk of those people are capable of and want employment but cannot get it. I hope that Members of the Government will not talk that kind of nonsense. One of the comments made upon the Budget

by the Leader of the Opposition was that he liked it because it led us a little nearer to that classless society which he desires. I am never quite sure whether a classless society is one in which everybody wears a dress suit or one in which nobody wears a dress suit. The only example of a classless society I have ever heard of is a curious form of monarchical dictatorship in which the bulk of the inhabitants are imperfect females and where, from time to time, a small number of males is born. After the males have, on one occasion, been introduced to Her Majesty they are handed over to the Unemployment Assistance Board and shortly afterwards they are bumped off. That society is known as a beehive and such communities have never shown the faintest progress."

"For every £1 you pay out in war expenditure about 6s. 8d. at a rough calculation will come back in the form of taxes of one kind or another because of the heavy burden of taxation. That leaves two-thirds to be found; where is it to come from? It is to come out of the occupations which are not warlike. The people who are not engaged in what is called national service have to produce the money to finance those who are engaged in national service. Therefore all this talk about "Do not buy it" is terrible economic nonsense. I want to encourage everybody to buy all sorts of things until I see the whole of our people employed. To say otherwise is to state inverted economics."

"I learned this not as a member of the Select Committee but as an ordinary member of Parliament—that the administrative methods now being pursued in all Government Departments are a crying scandal. You cannot get a reply to any ordinary letter under a fortnight or three weeks and when you do get a letter, it has wandered through one Department after another, simply because people cannot make up their minds to take a decision."

The extracts from speeches which have been quoted above show that through the confusion of thought and utterance emerges a fairly general recognition of a fact which a year ago was stubbornly denied—that banks create credit. Articles on the Budget in *The Times*, *The Economist* and the Labour Party's pamphlet on *Paying for the War* all recognise this fact, although it is nearly always referred to as "inflationary borrowing." All unanimously proclaim that the "inflationary borrowing" which occurred in the last war should not be repeated this time, and at the same time demand that expenditure on the war should be greatly increased and that taxation also be much higher.

The outstanding fact about war economics is the call which is made upon any nation's productivity. Commonsense only is required to appreciate that provided proper measures are taken to achieve prior claims on materials, skill and labour for military purposes, the maximum productivity will be achieved by allowing unrestricted effective demand to be placed on producers whilst removing every restriction upon their initiative and incentive to produce. Let us bring every resource of production into being to increase the nation's will, vigour, independence and material well-being; that is the way to win a war and to assure the individual that he will have a real share in the victory. Expansion of consumers' income and adequate credits to producers will elicit both effective demand and the maximum effort from producers. Only one thing is needed then to safeguard the effective operation of supply and demand and that is regulated or just prices. Neither the Government, Parlia-

ment nor the Press so much as recognise this important question. In an age when innumerable and often complex laws exist to prevent the individual citizen from doing this, that and the other and it has been demonstrated that governments possess adequate sanctions for making them valid, one would be justified in taking it for granted that laws could be enacted and become valid for regulating the prices of producers, wholesalers and retailers at true costs plus agreed reasonable profits, so that inflation from profiteering would become impossible. Increased taxes do not

reduce costs; the purchase tax would increase costs and inflate prices. The absence of any suggestion in Parliament or Press that such price regulation is feasible renders the campaign which is being carried on for increased taxation plausible. The prevention of an economic collapse and the winning of the war, however, depend upon sensible price regulation, and those who do not want to "lose" the war or lose their independence whether they "win" or "lose" the war would do well to tell their M.P. in the plainest terms to take suitable action in regard to it at once.

THE UNITED STATES AND GERMANY

According to the more obvious indications the nations taking part in the war can be divided into two similar but opposing sections: on the one hand Britain and the Commonwealth, France and her colonies, and the United States, more involved in one way or another than she will admit, and vociferously trying to pull as many plums out of the pie as she can before clarifying her position any further; and on the other hand Germany and the Empire she has annexed in the last few years, and Russia, which, like America, has at once more interest and more influence in the struggle than she would care to acknowledge. Britain is fighting for the rights of the small nations to their freedom, and for the individual; Germany, to absorb the weaker states into her power system. From Russia comes the Ideal of a Planned State coupled with M. Stalin's words:

"It is necessary to precipitate the capitalist States in an armed conflict against each other, as the doctrine of Marx, Lenin, Engels, teaches us that all universal war must automatically end in revolution." (*May, 1938*).

"Our aim, therefore is that Germany should be able to conduct the war for the longest possible time in order that Britain and France should become so exhausted as no longer to be able to crush Germany." (*October, 1939*).

America advocates the 'war-aim' of Federal Union, a planned state which to the individual would differ in degree only from one on either the Soviet or the German model.

In France, M. Reynaud, the Premier, is openly working for Federal Union. But the English, with their sturdy common-sense, are a tougher proposition, and the best that can be said for the progress of Federal Union in this country is that somebody has been at pains to engineer the *appearance* of

enthusiasm for it. It is doubtful if there is much volume or real conviction behind the appearance.

There remains in this country a reasonably large proportion of the people who are aware consciously—and a larger proportion who know sub-consciously—that they are at war for their own and others' liberty and *not* to compass either German, Russian, or American variants of a Planned State, nor even the back-door type that is being forced on us as a necessary result of "being at war."

Bureaucracy is one of the chief characteristics of both the Soviet Union and Germany. It hampers the efficiency of the Soviet Union severely. The inefficiency of attempts to plan and direct the distribution of products from a single centre is shown by the fact that to-day the standard of living within the union is still comparatively low, and the surplus of goods for export is much smaller than in 1928 when a drive for increasing production was started. The Bolshevik leaders, instead of introducing a more elastic and effective system of production and distribution, are tightening up their control; thus farmers were recently dispossessed of their small holdings on which they had been allowed to do a little gardening for themselves.

Since the war, Germany has begun to realise an almost complete economic socialism (planning), a process described by the *Voelkische Beobachter* as a transformation of private capital into public capital.

There is nothing left that can be called private. Prices are regulated by the Price Commissar; the systems of book-keeping are laid down for each industry; new inventions are exchanged between industries, under the control of the State; economic control boards require returns about stocks; wages and working conditions are regulated by the

Trustees of Labour. The private capitalist is now a vassal of the State. Private individuals exist no longer—every individual belongs to some organisation. The Reich Economic Board has become a kind of planning centre. With the opening up of a more active phase of the war the process has accelerated.

A further similarity to the U.S.S.R. is in the use of secret police.

In the U.S.S.R. it has been estimated that every tenth soldier is in the employ of the O.G.P.U., Russia's secret service and terrorist organisation, and a political commissar is attached to every unit of the army. The result has been the disastrous undermining of efficiency and morale that was evidenced by the Finnish campaign, along with an increase of direct power of the political leaders. Now this system is gaining an increasing hold in Germany, the land of efficiency. Regiments of the S.S. guards, a kind of special police under political, not army, control, are said to have been placed in strategical positions along the German Front. The number of Gestapo agents attached to regular army units is being increased. The division of authority threatens to break down army morale, and may create a serious situation—but it will be one in which the political leaders still have the power.

America's part in the situation needs plenty of clarification.

Russia has invaded Poland and Finland. She is now working in far greater co-operation with Germany than is apparent on the surface. And Russia has been built up to its present strength by the United States. In 1933 Mr. Roosevelt extended diplomatic recognition to the union of Soviets, and made heavy tariff concessions in her favour. At that time inefficiency and incompetency threatened the regime of Stalin. Mr. Roosevelt arranged to lend American

experts to help build the Communist State. Technical experts in chemistry, manufacturing, mining and even military affairs were sent to the Soviet. Russia paid in gold. Since the outbreak of war 40 per cent. of U.S.S.R. purchases from the United States consisted of machinery and materials essential to war. She bought \$2 millions worth of petrol from September to November, 1939, and in December, 1939, her trade amounted to \$10,528,000, which in January, 1940, had increased to \$11,313,000. Some of these goods must have been used in the campaign against Finland; many of them have undoubtedly reached Germany, and will help to prolong a war that is profitable both to Russia and America.

The United States has also to a very large extent, helped to finance German growth to its present position. In June, 1937, Americans were in possession of short-term assets in Germany to the extent of approximately \$144 millions, or 23 per cent. of the total short-term assets held abroad. Moreover, while the percentage of her short-term foreign assets held in Germany had decreased considerably since 1931 (that is roughly since the beginning of Hitler's dictatorship), it was still considerably greater than in any other country.

These facts are significant because any prolongation of the war—and any extension that does not touch American rights—is to the advantage of powerful American interests.

Mr. Sumner Welles, whose recent visit to Europe preceded the extension of war to Scandinavia, has always been an able and astute diplomatist. He has done good work for American banking interests by preventing revolutions in Honduras and the Dominican Republic. As Ambassador to Cuba in 1933 he ousted President Machado, ruled the island as unofficial dictator for a few months and saved \$2 billion in investment belonging to Wall Street and the Guggenheim sugar interest.

W. R. Davis, the wealthy oil broker, has also returned from a secret trip to Germany. Before he left the United States he had a long conference with the President, and on his return he reported "that co-operation between Russia and Germany was much greater than had been realised." Oil companies, indeed, seem to be either abnormally intuitive or abnormally careful about the prospect of

wars. In 1929 the Standard Oil Company (New Jersey) made a contract with the I.G. Farbenindustrie A.G. of Germany, providing for a definite merger of interests in the development of the hydrogenation of coal (a process of making oil from coal)—all patent rights, present and future, of both companies outside Germany were assigned to a new company created for the purpose, the Standard I.G. Company. The majority of the stock of the Standard I.G. Company is held by Standard Oil (New Jersey). Exclusive rights for licensing the processes in the United States were assigned by Standard I.G. to another company, and the same rights for the world outside both Germany and the United States were later transferred to yet another company, the Internationale Hydrogeneeringsoetooien Maatschappij. This last company was incorporated in Holland in June, 1938, to take over the entire business of another organisation registered at Valduz, Liechtenstein, which was looking after the interests of Royal Dutch Shell and Imperial Chemical Industries as well as Standard I.G., in the matter of hydrogenation of

coal. That is to say, shortly before Mr. Chamberlain averted the war by his action at Munich, the business was moved from the territory of one of the belligerents into a neutral country.

The Standard Oil Company is said to have acquired recently the patent rights for countries outside Germany of the German process for the manufacture of artificial rubber.

We have seen that certain interests in the United States both can and do support Germany while allowing it to be understood that the sympathy of the Americans is with the Allies (as it probably is). It seems that they intend to use this power to force us into further centralised union of one type or another—that they are prepared (by supporting first one side and then the other) to see that the war continues until those who know what freedom is give way, are overwhelmed or are killed.

To solve this situation, *all* policy must be decentralised and *all* bureaucracy must be made subservient.

E. S. E.

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Name.....

Address.....

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

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

I will, until further notice, contribute

£ : : , { per month,
per quarter,
per year,

towards the funds of the Social Credit Secretariat.

Signature.....

I herewith enclose the sum of £ : : , as a donation towards the above mentioned funds.

Signature.....

(Cheques and Postal Orders should be crossed and made payable to the SOCIAL CREDIT SECRETARIAT.)