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SOME COMMUNIST POLICIES

By SPITFIRE

Hypnotism of Labels

We appear to be living in a day and age completely hypnotised by labels. It seems that providing the right label is used, anything can be fobbed off on us under the cloak of "respectability."

For example Communism has been outlawed in Canada as a menace to the national safety so the label is no longer used. But communistic ideas are still being propagated, and, apparently because they are not labelled as such, nothing is done about it.

The Manifesto of the Communist Party was the product of two men—Karl Marx and Friedrich Engels. In the introduction written by Engels he stated—"The Manifesto being our joint production, I feel myself bound to state that the fundamental proposition which forms its nucleus, belongs to Marx."

Now the meaning of this should be self-evident, namely that the *objectives* of Marxian Socialism and Revolutionary Communism are identical. In fact, Marx, the founder of modern socialism, was joint founder with Engels of so-called Communism. Of course the average Socialist will be horrified at this, but facts are facts and must be faced. Is it likely Marx, the prophet of the Socialists, would have linked himself with Engels and the Communist Manifesto if his concept of society was not in harmony with so-called Communism?

The Socialists aim at the "State ownership of the means of production." That would mean, for all practical purposes, the abolition of private property. What is the Communist aim?

"In this sense the theory of the Communists may be summed up in the single sentence: Abolition of private

property." That is taken word for word from the Communist Manifesto. Then again—"In a word you reproach US with intending to do away with your property. Precisely so; that is just what we intend." Yes, that too is from the Manifesto. Delightfully frank, is it not? And here is some more:

Abolition of the family! Even the most radical flare up at this infamous proposal of the Communists. . . . "The bourgeois claptrap about the family and education, about the hallowed co-relations of parent and child, becomes all the more disgusting"—and so on and so forth *ad nauseam*.

Communist Policies

But the most interesting feature about the Manifesto is the manner in which the Communist state is to be organised. This quotation is taken verbatim from the Manifesto:

"These measures will of course be different in different countries.

"Nevertheless in the most advanced countries, the following will be pretty generally applicable.

"1. Abolition of property in land and application of all rents of land to public purposes.

"2. A heavy progressive or graduated income tax.

"3. Abolition of all right of inheritance.

"4. Confiscation of the property of all emigrants and rebels.

"5. Centralisation of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.

"6. Centralisation of the means of communication and transport in the

hands of the state.

"7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.

"8. Equal obligation of all to work. Establishment of industrial armies, especially for agriculture.

"9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equitable distribution of the population over the country.

"10. Free education for all children in public schools. Abolition of child factory labour in its present form. Combination of education with industrial production, etc."

It may be safely assumed that the foregoing has been written up in the most attractive form possible and padded with features common to all social reform. How does it compare with the measures advocated by Socialists? It is doubtful if it varies in any single essential measure from a centralised State-controlled proletariat. Is it any wonder, then, that Karl Marx, prophet of modern Socialism, was co-author of the Communist Manifesto?

Strategy of the Limited Objective

As might be expected the Manifesto embodies the long-range policies of Socialism and Communism. But it is a well established principle of military strategy, in which both Socialists and Communists have proved themselves past-masters, that the most effective means to gain a long-range objective is

by a series of successive limited objectives.

So we would not expect them to go the whole hog, but rather advance a step at a time. Provided their policy—the broad line of action—carried them in the direction of their objective, they would be advancing. . . .

Reference to the measures of Communist policy as outlined in the Manifesto will show that not only are Communist policies being openly advocated in the British Empire to-day—but they are being introduced, probably unconsciously, under cover of our democratic institutions. For example “a heavy progressive or graduated income tax” is a feature common to all democratic countries. Likewise steeply rising death duties will have the effect of abolishing very substantially the “right of inheritance.” “Centralisation of the means of communication and transport in the hands of the state” is all but completed; it is centralised to an extent that it makes it a matter of another step or two for the final objective to be attained. “Equal obligation of all to work. Establishment of industrial armies, especially for agriculture.” These would appear to be back of the policy of payment only for work, with destruction as an alternative and the policy of serfdom for agriculture, both of which are inherent in our financial system.

The Nature of the Beast

. . . . The difference between so-called Communism, Marxian Socialism, Nazi-ism (National Socialism), Fascism (State Guild Socialism), and Bolshevism (State Socialistic Communism), is merely the difference between the basic concept of social organisation upon which they are based. The application of this test will reveal that there is little fundamental difference between any of the various forms in which socialist and communist doctrines have been foisted upon these nations. They all involve divesting the individual of his economic security by divesting him of his property, and placing him under the complete domination of a central authority which is identified with the State. The individual having been eliminated, there remains a conglomerate mass to be regimented, bullied and treated like an army of robots in obedience to the will and the whims of the central authority.

This is in complete contrast to democracy in its true sense—namely,

government and management of a people's affairs in accordance with their collective will. In fact the two types of social organisation are so diametrically opposed that there can be no compromise. The establishment of one will automatically destroy the other.

Therefore we should view with more than mere anxiety the progressive trend in the adoption of measures which conform to the openly declared policies of Marx and Engels, the acknowledged founders of modern totalitarianism and its revolutionary movements—“acknowledged” because the real founders who preceded them were the Rothschilds (i.e. Red shield, hence “the red flag,” “red revolution,” “red star” and so forth).

Christianity versus Paganism

To obtain a clearer insight into this question, let us consider it from another angle.

The form of social organisation depends upon the social philosophy of which it is a product. Obviously a people who wish to live together in accordance with the principle “Thou shalt love thy neighbour as thyself” will adopt a different form of organisation to a people who hold that “life is a struggle for existence and the survival of the fittest must be the basis of human society.” Again the social organisation which recognises that we shall “take no thought what we shall eat and what we shall drink nor store up treasures for moth and rust to corrupt” will adopt a fundamentally different form of organisation to a people whose philosophy is “deny yourself now that in the future you may have great treasure.”

In other words the pattern of society is determined by the social philosophy of its people. The conflict in the world to-day is centred in the clash between the two opposite social philosophies indicated above—namely the Christian and the anti-Christian concepts of what society should be.

Whither Bounds?

. . . . The basic principles of democracy in the full meaning of the term conform to the Christian concept of society. To what extent does the existing organisation of our national life conform to the Christian social philosophy?

. . . . The wide divergence between the Christian social philosophy and the philosophy which is the basis of our

existing system on the one hand, and the obvious similarity between the latter and the philosophy of totalitarian doctrines on the other hand, *will be found to be centred in the organisation and operation of the financial system.*

The stark fact is that the philosophy of which our financial system is the product is both anti-democratic and anti-Christian. The inevitable outcome of permitting our entire national life to be dominated by this system should be blindingly evident.

The pattern of the world of tomorrow is being determined by the events of to-day.

(From “*Today and Tomorrow*,” June 5, 1941).

KARL HAUSHOFER

It was stated in the *Evening Standard* from *The Londoner's Diary* on Saturday, May 17, that, “Karl Haushofer is a retired general who became a professor. His subject is geopolitics—the relation of domestic and foreign policy to physical environment. It was he who gave the word *Lebensraum* international currency.”

“The handicap of a Jewish wife has not stopped Haushofer from setting up as a one-man Brains Trust and keeping Hitler's favourite for twenty years.”

Haushofer's ideas influenced Hitler and Hess as early as 1920. Hess was a pupil of the professor.

Herr Haushofer and Frau Haushofer (née Martha Mayer) went regularly to see Hitler and Hess when they were detained in the Landsberg Fortress.

Describing his study it is written, “In this study Haushofer evolved the audacious plan which prescribed an alliance with Russia preliminary to the great battle of the plains.”

ROTARY—FREEMASONRY FOR LUNCH

“... The profit motive (he [Mr. Hore Belisha] is stated to have said) must be done away with, and be replaced with the motive of service. This may, of course, be no more than the formula which springs automatically to the lips of good people who want to solve economic problems by bringing about a change of heart among business men, a formula which is also common and profitable currency among the members of the Rotary. . . .

— *The Economist*, June 14, 1941.

Social Credit Board Report for 1940

Part 1 of the Social Credit Board Report for 1940 reviewed briefly the critical events of the war and described the activities of the Board. Previous instalments of Part II of the Report appeared in "The Social Crediter" of June 14 and July 19, 1941. The Report is reprinted from "Today and Tomorrow."

A further consideration which cannot be ignored is in regard to the impact of war conditions on the basic industry of agriculture.

While a great deal of lip-service is given to the indisputable fact that agriculture is the very foundation of the national economy, yet there is no evidence of any reversal of the consistent policy which has been pursued for years by the responsible national authorities in permitting agriculture to bear the full brunt of the havoc to the economic structure that has been caused by the collapsing monetary system.

A stable, healthy and progressive national economy can exist only if the country's primary industries in general, and agricultural in particular, are flourishing. Apart from the lessons which economic history provides this is just sheer common-sense. Man is dependent upon the products of the land and the waters for the satisfaction of his economic needs. The industries engaged in extracting these products constitute the foundation of the national economy. All other economic activity is incidental to these primary industries. Unless, therefore, the economic organisation of a nation provides strong inducements to ensure adequate supplies of primary products, the entire economy will languish. An economic structure built on the sound foundation of flourishing primary industries—and agriculture in particular—alone can prove enduring and prosperous.

Yet we find that, by means of a system of figure manipulation and centralised control of markets, farmers have been reduced to a condition of abject serfdom. The technique employed is childishly simple. During a period of credit expansion and boom conditions farmers are induced to borrow money from the financial institutions at fixed interest rates and conditions for repayment. Their ability to meet the interest and repayments of principal is dependent upon the price they obtain for their product. At the appropriate time those in control of the monetary system can curtail credit. Markets collapse and economic depression follows. Farmers

suddenly find that they are forced to accept very much reduced prices for their products. If these prices are halved, it has the effect of doubling their debt in terms of the goods they produce. Land values fall. Before long farmers find that they owe more than their land is worth and they are being forced to accept prices which yield them less income than their production costs.

The farmers of Canada have been in this plight for years. And under this condition of financial serfdom agriculture has declined, and the entire national economy has suffered correspondingly. Failure to meet this disastrous situation has been excused on the ground that agriculture was the victim of inexorable economic laws, when in point of fact it was being subjected to unscrupulous exploitation by deliberate manipulation under a vicious monetary system designed primarily to centralise economic power and control over human life in the hands of a few individuals.

The plight of agriculture has become even more desperate under war-time conditions. The collapse of international markets for wheat and the rigid control of prices for certain other agricultural products at unremunerative levels are imposing upon farmers hardships and sacrifices which it is impossible for them to bear. Consequences, both economic and psychological, constitute a menace to the stability of the national economy which it is impossible to exaggerate.

Unfortunately the Province can take action to relieve the plight of farmers only within certain narrow limits. Federal control of wheat market precludes any possibility of Provincial action in that sphere. Similarly the Province cannot deal with other external market conditions nor with the impact of those conditions on the internal economy.

However, even within the narrow limits within which action can be taken, much can be done by means of proper organisation in the Province to afford assistance to farmers by such means as increasing the local market, lowering the farmer's production costs, protecting him from unwarranted demands by

creditors and assisting him to obtain better prices for his products by more orderly marketing arrangements.

• • •

Whatever action may be taken within a single province must take account of the vital and imperative need under war conditions for strengthening and maintaining the highest degree of national unity which can be achieved.

It is assumed that such unity is automatically evoked in time of war by the common peril which confronts the people—this can be strengthened by means of properly directed propaganda alone. This is a very superficial and unscientific view. In its highest form social power, involving national unity of a very high quality, has its focus, not in the present, but in the attainment of an objective in the future—an objective passionately desired by all.

No greater blow could be struck at the morale of this or any other British nation at the present time than leading the people to believe that this war is being fought to maintain the unjust and detestable economic conditions which existed before the war. As we pointed out earlier in every British nation there is increasing evidence that the people are looking beyond the war to the aftermath of victory and the new social order that must replace the old order of unnecessary poverty, social injustice and false values. The realisation of that objective is becoming the focus of an increasing number of people, and the unity of purpose which binds them together in a determination to overcome any and every concentration of force which threatens them is of that high quality which is invincible.

Post-war reconstruction along lines which will yield the people the social order they desire is not going to "just happen." This fact is rapidly dawning on people, and already there is evidence of a growing recognition of the fact that the foundations for the new democratic social system of the future should be carefully prepared in readiness for post-war reconstruction.

Therefore any action for reform

taken within a single province under present conditions should be organised so that it will invoke and strengthen the social power which has its focus in the achievement of the new post-war order. In short such action must be geared to national considerations while serving provincial needs. We should proceed in the spirit of providing a demonstration of what can be done on a more comprehensive scale in the national field.

9. *New Features*

It will be readily appreciated that more than usual care was necessary in the preparation of plans for an expansion of the Interim Programme facilities. Not only had cognisance to be taken of the purely mechanical needs to provide facilities which would enable the public to exchange goods and services without being entirely dependent on the monetary system, but these had to co-ordinated with the many factors outlined above and inherent in the present situation.

After this preparatory work was completed it was necessary to secure the views of representative persons in various spheres of the economic life of the Province. Much valuable criticism and information was obtained in this way, involving some adjustments which strengthened the practical application of the contemplated proposals for expansion.

• • •

It should be noted that so far as the general public is concerned there will be no change in the mechanism to which they have become accustomed during the past two years. They will still use non-negotiable transfer vouchers as before and they will continue to obtain the benefits of a consumer's bonus as an inducement to use Alberta-made products.

The two essential features which are new are: (1) the introduction of trade claims in place of "voucher Balances" and (2) the introduction of Alberta Trade-Marked goods as the basis of the consumers' bonus.

As we have pointed out, during the introductory stage the operation of the facilities provided by the Treasury Branches was tied to the limitations of the monetary system. Any depositor could withdraw \$98 cash against each \$100 in his transfer voucher deposit account. In the case of retail merchants this percentage was even higher—being

nearly 100 per cent.. This entailed a 100 per cent. cash reserve being maintained against all transfer voucher deposits.

In practice depositors seldom withdrew cash against their transfer voucher deposits. The actual transactions were carried out by transfer vouchers while the cash reserve remained immobilised. And, as the public got used to this book-keeping system, so this tendency of making the utmost use of transfer voucher deposits became more marked.

Under the new features being introduced the term "trade claims" is being given to transfer voucher deposits and these will be *claims on goods and services only* and not claims on money.

As before, adequate provision is being made for the replacement of goods by retail and wholesale merchants.

Now it will be obvious that to the extent trade claims can be used exclusively in recording the exchange of goods and services it will be possible to expand the development of the Provincial economy. However, this will involve the greatest possible use of trade claims *at every stage* of production and distribution.

Producers and manufacturers of Alberta products willing to exchange their products for trade claims will be entitled to use the Provincial trade mark. By making the goods bearing this trade mark the basis of the consumers' bonus it will ensure that in response to public demand for those products the desired objective will be most effectively obtained.

To the extent the public demand Alberta trade marked goods, trade claims will be transferred from the accounts of consumers to those of retail merchants, from thence to co-operating wholesale merchants' accounts for the trade marked goods obtained from them, and from wholesale merchants accounts to the accounts of manufacturers and primary producers. Thus there is built up systematically a complete circuit in the voluntary exchange of goods and services produced in the province for use in the province.

In short these new features will provide the people with an efficient and convenient system of book-keeping for recording the exchange of goods and services. In this sense the Treasury Branches facilities constitute a convenient barter mechanism which will operate as an auxiliary to the monetary

system without in any way interfering with its operation.

Not only will this ease the strain being imposed on the monetary system by war conditions but to an increasing extent it will release money for war purposes without adversely affecting the Province's already too restricted economy.

In fact, from whatever angle the matter is viewed, the development of the Interim Programme along the lines proposed will contribute to strengthening the national economy, invoking the unity so essential at this time and, at least, making a start towards the preparation necessary to deal with post-war reconstruction problems.

However, as your Board has repeatedly emphasised, the Interim Programme services merely provide the facilities. The benefits that accrue from the use of those facilities will depend upon the extent to which the people of the Province co-operate to realise their credit in association to the utmost.

(To be continued)

Mr. HERBERT MORRISON

Inadvertently, passages from the parliamentary debate of May 20, marked for publication in *The Social Crediter*, were omitted from the issue of June 7. Among them was the following from the opening speech by Mr. Herbert Morrison (Home Secretary):—

"For myself, I am not yet converted to the view of those who seem to be anxious to undermine and destroy British local government as it is now constituted. I do not like to hear people urging that we should substitute nominated institutions for representative institutions. I prefer the representative authority to the *Gauleiter*. I prefer the elected body to the French system of prefects, and if to-day I bring forward a proposal which takes a great service out of the hands of local authorities, it is not because I want to do so, not because I like doing so, but because the work of fighting fire has, in substance, become a military operation and not a municipal operation. Nevertheless I want to sound a note of warning. In this war, which is being fought for liberty and democracy, there are in some quarters dangerous tendencies which seek—I do not know with what motives, whether snobbish, or political, or what they may be—to undermine our representative institutions and to substitute government by nominated authorities."

Shutting Up Shop

By W. W.

The sooner private shopkeepers wake up to the fact that the fungus growth of bureaucratic control threatens their complete extermination, the better it will be for them, and for their customers. True, 'awareness' cannot by itself save the hard-pressed retailer, but it can do much. It can harden him. It can stir him out of the condition of abject frustration and submission which has already led hundreds of competent, respected small master men into the Bevin net. Above all, it can lead him to enlist such allies as exist—and there are plenty.

The liquidation of the small business is going on before our eyes. Each quarter day leaves a new toll of closed shops. How can it be otherwise? How can a man who has made ends meet from the takings of his till stand up against the Niagara of new acts and restrictions? Rent, rates and taxes were always with him—but now, in addition to the multiplication of taxes, he has to cope with purchase tax, quotas, rationing and price control. Each in turn has come as a fresh blow to his security. No wonder that bureaucracy is proving as remorseless as, and more efficient than, bombs in leaving bare spaces in the village street.

The irony of it all is that those who have the strongest reasons for gratitude for services rendered by the small retailer, and who have most to lose by his passing—his customers—are alienated from him by the very process against which he needs their co-operation. Few people really like the offhand treatment they get at multiple stores. They remember—if their memories have not been completely deadened by their own worries—a time not so long ago, when their tradesman carried all their whims and fancies in his head, and would put himself to any amount of trouble to satisfy them. Shopping in those days carried with it a degree of pleasure which no amount of chromium plate and quick-packet smartness could replace.

But we cannot live on memories, however necessary it may be to keep them bright. The stern fact is that the restrictions that embarrass the retailer were framed to hit his customers too. They put the consumer's back up. The chain stores are placed in the advanta-

geous position of having bigger reserves of capital, better opportunities of maintaining stocks and other means of 'going one better,' at least for a short time. So the customer, in pique, is tempted to re-register with one of the chain.

Price control intensifies the difficulty. A private shopkeeper is in business to live. To live he must make a profit. No mad-hatter morals or economics can alter this fact. When an article is controlled at a price that does not leave him a working margin, he can hardly be expected to 'come all over Lift-up-your-Heart' and sell at a loss. Instead, he does the perfectly reasonable thing: he discontinues selling that particular article. It 'disappears.' Customers complain. Meanwhile the chain store, with its hidden sources of finance, is able to carry on on lower profit margins, or even at a loss, without going out of business. They rope in more of the small man's customers. Once again the natural allies of the private retailer become his enemies.

If the family businesses of Britain are to survive the war (not to mention after the war) their owners must clearly understand that the bureaucratic measures responsible for these results are not inevitable. There is, in fact, ample evidence to prove that they are part of a political plan. This plan follows the well-known socialistic principle that the middle classes must be liquidated.

It is fairly certain that nobody will save the retailer unless he does something to save himself. It is *quite* certain that, once he does make an effort on his own behalf, he will find that he still has an enormous number of supporters among the public, people who are aware that they have nothing to lose and everything to gain by retrieving the close, friendly service of butcher, baker and candle-stick maker.

Social creditors know that the system of price control could, with a small adjustment, be made to relieve both retailer and consumer of most of the perplexities and anxieties commonly attributed to the war. They also know how democratic power (as distinct from democratic hot air) can be made to work. This knowledge is available to any retailer who likes to begin asking questions.

"WITH COMMENT"

"It is never easy to understand what English Communists are trying to say. But an unusually frank letter in a newspaper recently made one thing plain. A certain group which had set itself to ferment discontent in factories and among the armed forces will now graciously refrain from these activities, since it is a question of helping Soviet Russia. Before it was only a question of helping England."

— 'BEACHCOMBER' in the *Daily Express*, July 16, 1941.

SASSOON SAYS MUST

The following is from "The Glasgow Herald," June 19, 1941:—

Sir Victor Sassoon, British merchant banker, who arrived in Los Angeles yesterday, en route to Shanghai, said there was no other way to stop Hitler but to form a world federation of democracies, with Britain, Canada and Australia becoming a part of the United States.

"The United States," he said, "needs Britain, Australia, and Canada to consume the exports of South America.

"It is now obvious," he added, "to business men of the world that the federal alliance of Britain is so necessary that it hardly bears discussion.

"Britain must come into the democracy of the United States with full right of Statehood.

"It is also obvious that such an arrangement would mean that Britain would relinquish her traditions and institutions of government."

IS BRITAIN BETRAYED?

by John Mitchell

and

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From Week to Week

At the time of Lenin's seizure of power in Russia, one of the most prominent and capable Communist-Socialists in New York, where Lenin had hatched out his schemes, was Max Eastman.

Eastman came to London in 1919, and attempts were made to put the Social Credit point of view to him, without much success. He was implacable in his conviction that Marx and Lenin together were all that a new and better world required, and that the first step was the confiscation of all private property. Now listen to Max Eastman, 1941 edition:

"Lenin believed religiously in the whole Marxian system. . . . Yet he was flexible, cunning, alive to new developments—an experimental, scientific, intelligence if ever there was one.

"In the name of Marx, Lenin led an actual revolution to victory, and set going on the scale of the Russian Empire the same experiment that Robert Owen had failed with on the banks of the Wabash 90 years before.

"The results were not better than Robert Owen's but a million times worse. You have only to compare 30,000 acres of land with the Russian Empire . . . to know how much worse Lenin's failure was.

"'Democracy from below!' he shouted. 'Democracy without an officialdom, without police, without a standing Army.'"

"It seems obvious to me now—though I have been slow, I must say, in coming to the conclusion—that the

institution of private property is one of the main things that have given man that limited amount of free-and-equality that Marx hoped to render infinite by abolishing this institution."

"I think any wise socialist . . . will be inclined to reconsider his assumptions . . . he will be cautious about the extent to which common ownership and State control may be carried. The more 'radical' he is, the more cautious he will be. Of that I am firmly convinced.

"Socialism was amateur; we must learn to be expert."

—MAX EASTMAN, in *The Readers' Digest*.

In the thirteenth century one of the most flagrant scandals was that which was more or less remedied by the Statute of Mortmain. Land had been alienated from individuals to corporations of various descriptions, the Church and religious orders being largely but not solely the offenders, and these lands were described as being in the grip of the Dead Hand, which never let go, which had no sense, and with which no argument could prevail. We are building up exactly that position in respect of such organisations as the Forestry Commission.

The principle of "staggered" work hours, for the purpose of reducing overcrowding and queues, which has recently been recommended by the London Transport Board, was first elaborated by Major Douglas in the *Organiser*

22 years ago.

The only method of price control which has worked satisfactorily, as for instance, in bread prices, is the compensated price, the principles of which were first elaborated in *Economic Democracy* 21 years ago.

Fixed prices have produced the same results—reduced distribution, reduced production, rising wage demands—which they produced 24 years ago.

"The United States will be guided solely by its own interest in the present emergency," says President 'Red-field.' And very proper, too.

It has been to the interests of the "United States" since 1918:

(1) To wish Mr. Baldwin and Mr. Monagu Norman, with advisers, on to us, both of whom ought never to have been allowed to emerge from the obscurity to which they are now only too glad to return unhurt.

(2) To dictate British policy to our persistent disadvantage.

(3) To apply continuous pressure on us to disarm and to make the League of Nations our policy while refusing themselves to support it.

(4) To finance Germany, directly and though the Bank of "England."

(5) Having done everything possible to insure that we should lose it, to shout for war with the most insulting language in 1938, in practically the whole of its press and by the Chairman of its Foreign Relations Committee, and jeer, when it succeeded in getting war in 1939, that it was a phoney war, and anyway, the U.S. must keep out of it.

(6) To strip Great Britain of her foreign exchange and overseas securities and to obtain picked free bases in the British Empire "in its own interests."

There are other matters.

The comment of such genuine Americans as understand what has been done in their name is, "Well, if you are fools enough not to impeach and hang your own responsible politicians, you deserve what you've got, and you'll doubtless get more."

We agree, But do we have to be enthusiastically grateful about it?

Parliament

Debate on Production

July 9.

SUPPLY (87 columns)

CIVIL ESTIMATES, 1941.

MINISTRY OF SUPPLY [with which was taken the MINISTRY OF AIRCRAFT PRODUCTION].

[Soon after the conclusion of the debate on production the Prime Minister announced that as reports of it had spread abroad an incorrect account of Britain's war effort, time would shortly be given in the House of Commons for further discussion of the subject. On July 23 this 'curative' debate had not taken place, and had been once postponed. The following columns contain points raised in the discussion: they do not comprise a complete account of the proceedings.]

In his speech opening the debate Mr. Garro Jones (*Aberdeen, North*) said that the production of tanks was held up by modifications in the design received in the course of construction: in the case of one tank in production at a slow but steady rate since September, 1939, the factory had until last month been continuously prevented from producing in quantity by the endless stream of modifications received from the War Office, passing through the Ministry of Supply. The number of individual modifications received in the drawing office of the factory was more than 5,000. Tanks were still awaiting decisions as to what engines should be placed in them; tanks were lying in batteries awaiting parts like gear boxes and clutches. He pointed out that the Ministry of Aircraft Production had under order in the United States no fewer than 30 types of aircraft for the Royal Air Force, and for every single type of aircraft a separate set

Mr. CHURCHILL

"Why are you here?" Mr. Hopkins was asked:—four words. The London journalist who described the answer deserves congratulation:—"The supervisor of the Lease-Lend programme replied in about a thousand words. Mr. Hopkins's manner was superb. All the time he seemed to be imparting confidences—which could, however, be printed."

It seems that for the time being Mr. Hopkins has postponed the political extinction of Mr. Churchill, which Mr. Harriman and his friends thought to be imminent.

of equipment had to be made, such as bomb racks, bomb-lifting cranes, maintenance tools and equipment and so on. Whereas orders were energetically placed in the last two years or more for air frames and engines, those who placed them forgot at the same time to ensure that supplies of maintenance equipment and ancillary equipment were provided. The result was that of one type of aircraft imported from the United States, complete and operationally ready, there are several hundreds—or were a few weeks ago—lying unpacked in their crates, for the sole reason that ancillary equipment was not ordered.

Mr. Jones advocated the formation of a single Ministry of Munitions Supply instead of the three organisations now operating.

Sir Adam Maitland (*Faversham*): . . . I am very glad to be able to tell the House, from the evidence we have, that old established concerns, compared with the shadow factories, have certainly generally impressed us by their efficiency and the way in which they are doing their work. There have of course been exceptions, but I am giving the House a general picture in general terms. . . .

Because they were established prior to the war they had been able to build up their organisations gradually, gather around them efficient personnel and in this crisis were doing a better job of work—which is understandable—than the shadow factories, with new managements, and new workpeople, set in a new part of the country often far from their homes. It is quite natural and it would be a serious reflection on our pre-war industrial methods if it were not so. I desire to put that point of view, because it is sometimes assumed that shadow factories, Government factories, are so much better than the ordinary industrial concern, and I wish to put the balance right. . . .

Lieutenant Brabner (*Hythe*): . . . May I say that I got out of Crete in an extremely battered aircraft before the German parachutists landed? . . . In the Middle East and Greece, in Crete, Libya and in Syria there had been an almost chronic lack of most of the important materials of war. I say "has been," because I have been given the highest assurances that this matter is being attended to, and I accept those assurances. . . .

First of all, aircraft. The R.A.F. will know, with anger, the unpleasant

fact of having constant German fighter patrols over our own aerodromes in Greece, so that our own pilots could not take off. It is, perhaps, incredible, but I can assure the Committee it is true, that we who were at Maleme in Crete were rarely in a position to put more than two aircraft into the air for continuous patrol during the daylight hours. . . . I cannot help feeling that at this stage of the war we ought to have had them. . . .

May I bring to the notice of the Committee two more details? Our tanks in Libya, Greece and Syria did marvellously against the Italians. Against the Germans, they did not do so well, because there were not enough of them and they were too slow. In Greece between 70 per cent. and 80 per cent. broke down before they ever saw the enemy, for reasons of which I am sure the Minister is well aware. . . . I do not believe that we can hope to compete in production with Germany, if we want to win this war in less than five or six years, in all three Services. We have got to have a large Navy, because of our geographical position. It seems to me that we must make up our minds, from a productive point of view, whether we are going to beat the Germans by obtaining decisive superiority on land or in the air.

If, as it seems to be the case at the moment, our productive resources are strained in all directions to obtain a little of everything and a decisive superiority of nothing, conditions will arise such as have already arisen in Libya, Greece, Crete and Syria. If you strain these productive resources all over the map, you will have to wait until the production of America has a total effect. That may or may not be a long time; I do not know. But we in this country have to make up our minds whether we want tanks or aircraft. There is an absolute strategy in this. If we could produce 20,000 aircraft to hit the Germans with, we should win the war. If we had 5,000 tanks and 5,000 aircraft, I do not know whether we should be much better off than we are to-day, except from the point of view of numbers. . . .

Major Oscar Guest (*Camberwell, North West*) in the course of his speech referred to the enormous numbers of officials of all kinds, all trying very hard and all very

anxious to do their best' very few of whom 'are empowered to give a decision on anything whatever.' He urged that the power of decision should be spread.

Mr. Mander (Wolverhampton, East): The Select Committee on National Expenditure in their 15th Report referred to conditions in the aircraft industry, and made a suggestion that there was labour in the industry which was not fully employed. They said that there was no reasonable prospect of full productive employment in the near future and that idle labour was becoming a permanent and undesirable feature in the industry generally. These are very serious criticisms and I believe they are fully justified. Certain examples have come to my knowledge, examples which are by no means confined to any one factory. They have come from the North and from the South and other parts of the land. A question I have been asked is: "How is it that hundreds of aircraft workers are being discharged from different aircraft factories at the moment when they are told there is urgent need for aircraft?" Workers simply cannot understand it. I heard of a factory recently where, in one week, there were 1,000 hours of idle time in the machine shop. . . .

I heard of another case where, owing to failure to plan and organise properly for the change-over from one type of machine to another, there was the prospect of 2,000 men having nothing to do for five months. To some extent that has been put right, but it was a shocking example of bad planning. In another case, that of a moderate-sized machine shop, there were 32 machines idle for weeks and the work-people strongly criticised it. Nothing has been done about it. . . . Men in these factories are disgusted with this sort of thing. It is very bad for morale and if anything will break their spirit it will be that feeling of frustration and the thought that the facilities are not being properly used. Workers resent being paid simply for playing cards, which they have to do on many occasions. . . .

Mr. Mander then suggested that the right office for Lord Beaverbrook would be as Minister of Production where, being responsible for all the sources of supply, there would be no opportunity for the exercise of his talents at the expense of Supply Departments not under his control.

Mr. Quibell (Brigg): . . . The hon. Member for East Wolverhampton (Mr. Mander) has mentioned planning. My view is that half the time of employers should be devoted to looking after the

efficiency of machines, instead of being taken up by filling forms of one kind or another. That may not be the Committee's idea of planning, but I have found that half the Government officials are spending their time in wasting the time of others instead of getting on with the winning of this war. . . .

I know factories, which in this and in the last war were making tanks where not one quarter of the employees have been engaged on war production. I think it is a scandal to import machines from the United States when three out of four men employed by tank-producing firms are engaged on private work. It is a scandal that full use has not been made of the experience of the particular firm I have in mind. It is a firm which first made tanks in this country, and, as I say, a month or two ago I found that only one in four were engaged on war production. Tribute has often been paid to certain workers, and particularly to what are called the technicians. My description of a technician is that he is a man without any trade of his own who organises work for other people. . . .

Mr. Higgs (Birmingham, West): Considerable efficiency has been lost because firms which have learned their job in the years of competition have been induced to go over to the manufacture of other commodities. I know of one firm which in the first six months of 1939 turned out 135 tons of metal per employee and in the first six months of 1941 103 tons, a reduction of 23 per cent. It may be management or labour trouble, but the fact is that inefficiency in industry exists to a far greater extent than one realises. Considerable reduction of output is due to wives having to leave their work in order to do their shopping. No one will work overtime on a Friday evening, for that reason. I cannot see that it is not a feasible proposition to stagger factory pay days, particularly in a city like Birmingham. I feel convinced that, if that was done, a lot of production time could be saved. . . .

Mr. Austin Hopkinson (*Mossley*) started by attacking the impression of the vast majority of people that "among all the failures of the various Ministries there is one bright star, and it is the Ministry of Aircraft Production. . . . We must remember that aircraft production has been run on the lines of a cheap newspaper stunt for the last year or thereabouts." He pointed out that in the industry it took one and a half years to get anything going, and the results of the late Minister's methods would develop from now onwards. He continued:—

Mr. Hopkinson: The main

trouble with aircraft production is that we started wrong, back in the days of Lord Swinton. . . . We never realised that, in the absence of competitive tender there is no instigation to a manufacturer to be either efficient in his designs or in his construction. In the ordinary industrial world the man whose designs are bad or whose construction is inefficient does not get the order, which goes to someone else whose designs are better and whose methods of production are more efficient. When you remove that stimulant from industry you must put something else in its place or you get the result that we have at present.

Anybody who has investigated again and again, as I have, the designs of details of our aircraft knows that, in many cases, they are preposterous. They seem to be aimed at making the thing immensely difficult and immensely expensive. The reason is that designers are men who are just as lazy as anybody else and that fact shows in their work. You have to watch your draughtsmen to see that they do not wriggle out of the technical difficulties of design. I have brought to the notice of the Minister recently the case of a part that has to be carved out of a solid block of steel by sheer craftsmanship, because the design is bad. I pointed out that as the draughtsman went along he shirked every technical difficulty until they all accumulated on this particular piece. That is not an isolated case; we get the same thing again and again in aircraft production. . . .

I do not want to go into all these technical details, but I want to show that something must be done to take the place of the spur provided by competitive tender in order to secure efficient production and design. Good design is when the particular apparatus fulfils its function in the simplest possible way. Bad design is when it fulfils its function, but not in the simplest way. Bad design of aircraft has cost the country hundreds of millions of pounds. I see the First Lord of the Admiralty present. His Department solved these problems many years ago. There is no real competition in naval construction, but over many years the Admiralty has gradually built up two things that take its place in regulating design. The Admiralty has the Corps of Naval Constructors and it has the Royal Dockyards, and the Aircraft Ministry ought to have their equivalents.

Long ago I put this matter up to

Lord Swinton, and I have brought it up again and again in this House. What is wanted in the Aircraft Ministry is a corps of technicians of such standing that they can talk severely to the designers of aircraft. Secondly, having got control of design, you must have a Government-controlled works where processes can be tried out in order to get some idea as to what should be the cost of production. . .

Later in his speech Mr. Hopkinson criticised the government's handling of labour and referred to the craftsmen's "resentment at being dominated by the unskilled labourer" in charge of the labour force of the country.

Mr. Ness Edwards (*Caerphilly*) reproved Mr. Hopkinson for his criticism of Mr. Bevin, and went on to say that too little notice was taken by the authorities concerned of criticisms of various departments. "Many members have raised questions and have been unable to get any satisfactory answers to give to their constituents. My experience has been no different probably from that of many others." He gave examples. Dealing with the waste of labour in the factories he quoted instances from his own experience and from letters he had received, and said that the workers were very resentful of such conditions. They were not satisfied with the war effort. Mr. Edwards suggested that a committee of Members from both sides of the House of Commons should be formed, to whom anyone in the country might complain of any inefficiency with which he was concerned.

Mr. Horabin (*Cornwall, Northern*) advocated the formation of a single Ministry of Munitions covering all fields of war production.

Mr. Hammersley (Willesden, East): . . . In the management of the production of tanks, one has to bring in the Ministry of Supply, because the Ministry of Supply are virtually responsible for the management of tank production, and in that respect there is room for great improvement. In effect, a tank is an assembly of parts which are made in various places in the country and taken to the assembly shops and there put together. The Ministry of Supply have taken upon themselves the duty of seeing that these parts arrive at the assembly shops in good time and in good order. The crux of the problem is that they do not. At present, as the hon. Member for North Aberdeen (*Mr. Garro Jones*) said in his opening speech there is a very large number of tanks—it would be wrong to give the number—which are held up in the assembly shops because the various parts have not arrived in their proper order and in due time. There is a great discrepancy between the estimates of the Ministry of Supply and the numbers actually turned out, and that discrepancy would be greater still

if it were not for the fact that the War Office are accepting delivery of tanks which are not complete in all respects. Indeed, the position is worse than the figures reveal. So many of our tanks are of doubtful reliability and the programme of spares has been so incompletely carried out, that in various works in the country tanks now in process of erection are taken down in order to provide spares to complete other tanks in the field. In a nutshell, the position is that the numbers which have been promised are inadequate, and even those inadequate promises are not being fulfilled. . . . The main function of the design department is to help manufacturers in the design of tanks and parts of tanks. In that they have not been too successful. Certainly one would expect to find that difficulties which have been previously overcome should not be reproduced in tanks now coming into production. The country has a right to expect something better than repetition of past mistakes. . .

Mr. Loftus (*Lowestoft*) suggested that instead of men having to stand by their machines when, unavoidably, there was no work to do, half of them should in turn be given a definite holiday.

Replying for the Government, the Parliamentary Secretary to the Ministry of Supply, Mr. Harold MacMillan, in his speech said that the problem of machine tools and their equipment had been solved by expanding our own industry and importing from America. We had already been able to swing over more than half our machine-tool producing capacity from the production of tools proper to the production of jigs, gauges and equipment. The Ministry of Labour had, broadly speaking and with possibly one exception, been able to provide labour at a rate appropriate to our power to absorb it. He gave details of the arrangements for accommodating newly recruited workers in hostels and married quarters, and described what had been done about transport of workers to and from factories. Later in his speech he rejected the "popular fallacy that there is complete disorder in production and a wild competitive system going on between Departments."

He then showed how, firstly by central purchasing of stores by one Department on behalf of all, secondly by central planning of contracts by one Ministry on behalf of all, and thirdly by the central allocation of all raw materials, the movement towards a centralised machine of government was going on all the time.

July 10.

SUPPLY

Considered in Committee.

CIVIL ESTIMATES, 1941.

PRODUCTION.

Sir John Wardlaw-Milne (*Kidderminster*) said in his speech that he could not yet alter

his opinion that our people were working to only 75 per cent. of their possible efficiency. The response of private enterprise had been splendid, the more so because of a financial policy that not only deprived it of extra profits but actually destroyed a certain amount of private capital and profits. He felt we had perhaps gone too far in that direction. He referred to the scheme of priorities which on paper seemed ideal, but did not work out properly in the factories, and asked for its reconsideration by the Government.

Sir John Wardlaw-Milne: . . . Many of the new factories for which the Ministry of Supply is responsible are set down in areas far away from the amenities to which the people working there have been accustomed. . . .

We put those factories in the country districts. Why we did so cannot be gone into here, for obvious reasons, but there was no housing or transport. We put 5,000 or 10,000 workers into the factories. It is urgently necessary that we should put into them 20,000 or 30,000 workers, but there are no canteens of a sufficient scale, no housing and no transport. The Minister said that whether those factories were well sited or badly sited was not worth arguing; I think it is very much worth arguing, but I do not propose to argue it now. I say we could have planned much better than we have done to meet the necessities of the people who work in the factories. I am not spending time on these matters merely to fix blame, but to assist the Government to decide what can be done to put things right. . . .

We want to stop competition between Government Departments to secure production. In spite of the Production Executive, you still see Government Departments fighting to get production out of certain works, and contrary orders, contrary statements about priority, and contrary demands for immediate attention are made. We want a wages and prices policy to secure the country against inflation, the worst thing for all the workers. We must not destroy all recreation or eliminate holidays; if we do we shall not get the best work. . . .

Sir J. Wardlaw-Milne concluded by asking for a Ministry of Munitions. He suggested that inspectors and visiting officials of the supply ministries should have a greater power of decision.

Mr. Smith: . . . The Hon. Member [for Mossley, Mr. Hopkinson] made a number of statements in which he was critical of the designers in our factories, of the people engaged in the hard work of development and research, and in regard to the engineers. I wish to say

that, beyond a shadow of doubt, our aircraft and other products manufactured in this country are qualitatively superior to any produced in any other part of the world, and these products can only be produced in this way because of the whole-hearted co-operation between research workers, designers, development workers and the engineers. I hope this House will be on its guard about this, because I know the danger from a certain quarter which now has a large influence in the Ministry of Supply. . . .

Mr. Smith thought there were too many advisory committees, and he wanted a regional organisation with real power and full authority to obtain the maximum production in the areas in which it functioned. He recommended that younger production engineers should be tried.

Sir Richard Acland (*Barnstaple*) declared that without a complete revolution of our way of life we should succeed neither in production for war nor in reconstruction for peace: he thought the only solution of the production tangle was to buy out the whole engineering industry.

Mr. J. J. Davidson (*Glasgow, Maryhill*) mentioned an organisation called Wimpeys Limited who had undertaken roughly £40 millions worth of work in this country.

Mr. Davidson: . . . As an ordinary man with ordinary common sense, I say that at a time when we want to speed up the war effort there is no one organisation in this country which can undertake £40,000,000 worth of Government work and do the work speedily and efficiently.

Firms in Scotland have protested against this position. One firm who had worked at Rosyth Dockyard in their day and done a good job complained that they had had no opportunity to tender for certain work. They are a firm with an efficient organisation, with a weekly pay roll of £5,000, and with all the plant and machinery necessary to do good work for the Government. After they had protested against this other firm receiving contracts they encountered a spate of complaints from the Departments concerned about the work they had done in the past. They were a firm who had never had a complaint raised against them before, had never had one criticism of their work before, who had done work for the Admiralty and been complimented upon it; but as soon as they raised an objection to Wimpeys receiving contracts without competition complaints came in from Government Departments and they had to send for Colonel Arthur, from Edinburgh, and a Mr. Reid, of a firm of architects of world-wide repute, to go over their work, draw up an independent

report and submit it to the Government Department in order to make them retract their implications against their workmanship.

I have the papers here about another firm in Glasgow, Jackson Brown and Company, which firm is 100 years old. This firm has undertaken important work. Jackson Brown and Company built St. Andrews House, the Scottish Government buildings, without complaint. They built Lewis's Polytechnic without complaint, and they have been retained by the great organisation for future work. They have undertaken work at another ordnance factory, to the extent of £500,000 or more. Since they stood up against the other firm and said that they would not collaborate as sub-contractors with that firm, because they had all the building materials and their own organisation in Scotland, they have been blackmarked, and, for more than a year, £40,000 worth of their plant has been lying idle. They have been hiring about £30,000 worth of plant out to third-party firms who have come hundreds of miles to do Government work for which they have no organisation, although the work was practically upon Jackson Brown's doorstep. . . .

The chairman of the organisation which is carrying out £40,000,000 worth of work for the Government has recently been appointed by the Minister of Works and Buildings to be controller of building materials in this country. . . .

. . . It is my definite information that the organisation to which he belongs has been barred by the Hendon local council from doing any work for the council and that the organisation has also been the subject of serious investigation by a sub-committee of the Select Committee on National Expenditure. . . .

The Minister of Aircraft Production (Lieut.-Colonel Moore-Brabazon): Is the gentleman referred to a Scotsman?

Mr. Davidson: No, Sir. That was a rather frivolous interjection. I am here as a British representative in the House of Commons, but I would say that the gentleman is not a Scotsman, not a Welshman, not an Englishman, and not an Irishman. The imagination of the right hon. and gallant Gentleman is fertile, and he will no doubt understand the place to which the individual belongs. . . .

Mr. Davidson gave other examples of mis-placing of contracts to the detriment of the small firm and of the war effort.

Mr. Stokes: . . . There is another

serious matter, the importance of which I am sure the right hon. and gallant Gentleman the Minister of Aircraft Production realises. It is that we are running our machinery and plant to death and that we have nothing whatever wherewith to put it right. It is no use saying that by easing-up on maintenance you are helping the war effort. Paying for the war effort is "bolony" anyway. Surely, if you are to allow factories to run down—because that is what you are doing—it will not only slow up war production, but when that production comes to an end there will be nothing but a set of wrecks left, and we shall not be able to face the peace issue on any level keel. I know that this is not a matter for debate to-day, but I do ask that both Ministers concerned should realise that this is an important fact and make strong representations to the Treasury to get their dead hand removed. I suggest that some proportion of the 20 per cent. remission of excess profits should be allowed now, so that firms could keep their machines up to date and efficient. . . .

I am the first to express every form of gratitude to our American friends for what they have done to help us, but I believe that the second-hand tool trade in America is probably no better than the second-hand tool trade in this country. What do we find? We find the Ministry admitting this, that while the Commission making the purchases of these tools takes great care to examine new tools before they are shipped, nothing is done to examine the second-hand tools.

Mr. Harold Macmillan: Nothing of the kind. I said that for the purpose of getting more tools there was a certain amount of inferior material which was taken as part of a large order. It was of about 10 per cent., and that took place 21 months ago.

Mr. Stokes: That is just what I wanted the hon. gentleman to say. In a consignment of £3,000,000 worth of second-hand tools 95 per cent were absolute junk and had to be scrapped.

Mr. Macmillan: If the hon. Gentleman would put the figures the other way round, he might be about right.

Mr. Stokes: Well, I have this on pretty good authority, and I hope the hon. Gentleman will undertake to look into it. . . .

Lastly, I want to ask why it was that, apparently, the two last "blanket" orders of £10,000,000 each for machine-

tools from America were placed with a comparatively small number of firms which, from the reports I have had, were not capable of completing delivery until the middle or end of 1942, whereas if those orders had been spread over the machine-tool production of America as a whole, the final delivery would have been advanced by very many months. Again, I will submit the evidence to the hon. Gentleman.

Mr. Macmillan: These orders were not placed by us with the manufacturers in the United States. We obtained permission from the United States authori-

ties to place two large block orders. The British Purchasing Commission had to place these contracts through the machinery given to it by the American authorities. If we had attempted to do it in any other way, there would have been great difficulties. It was a piece of goodwill on the part of the American authorities to allow us to place those block orders, and we had to do it entirely by goodwill, since every machine was subject to an export licence, and except by the goodwill of the American authorities, the orders could neither have been placed nor the machines exported.

In the course of his reply to the debate for the government, the Minister of Aircraft Production referred to most of the questions raised, dismissing many of them briefly. Among the points he made were that the accumulation of American planes was because we took over French orders; Lieutenant Brabner was mistaken, there were aeroplanes in the Middle East, and the Minister could not accept the statement that 70 or 80 per cent. of the tanks in Greece were out of operation before they saw the enemy; he had given orders to all aircraft factories to close on Sundays except for work on acute bottle-necks. He gave an encouraging account of the output and quality of aeroplanes made in this country, and reviewed briefly the condition of American production.

DIARY OF EVENTS

JULY 1: *General Sir Archibald Wavell appointed Commander in Chief, India, in place of General Sir Claude Auchinleck, who succeeded as G.O.C.-in-C. Middle East. Mr. Oliver Lyttleton appointed Minister of State and member of War Cabinet, to concert non-military war-measures in Middle East.*

In Russia, Germans reached River Beresina. In France Vichy Government seized Russian assets.

Mr. C. G. Power, Canadian Air Minister, arrived in England.

Senator James Cunningham, deputy-leader of Labour Opposition, elected President of Australian Senate.

JULY 2: *In Russia, Russians repelled attacks in Bessarabia, Germans captured Murmansk.*

JULY 3: *M. Stalin, in a broadcast to the Russian people expressed the determination of the Soviet Union to fight until victory was won. In Syria, Palmyra surrendered to British.*

In Great Britain coal rationed to one ton a month to domestic consumers.

JULY 4: *In Abyssinia, Italian forces in Province of Galla Sidamo surrendered. Only one more pocket of organised enemy troops remains in Abyssinia. Russian income-tax doubled.*

JULY 5: *In Russia, Germans claimed to have crossed River Pruth in several places, and reached River Dnieper. Heavy fighting on deep front continued.*

Mr. Eden said of Hitler, "We are not in any circumstances prepared to negotiate with him at any time on any subject." Mr. Oliver Lyttleton arrived in Cairo.

JULY 6: *In Russia, German advance continued slowly.*

JULY 7: *President Roosevelt announced arrival of U.S. naval troops in Iceland, and at leased bases in Trinidad and British Guiana. Approaches to these and other bases will be defended by U.S.*

Heavy German Air-raid on Southampton.

JULY 8: *Powerful Russian forces continued counter-attack.*

JULY 9: *In Syria, General Dentz had applied for armistice terms. Imperial forces nine miles from Beirut.*

JULY 10: *In Russia, heavy fighting round Minsk and Bialystok.*

JULY 11: *In Russia, lull in fighting. Separate Russian Commanders-in-Chief have been appointed in the areas north-west, west and south-west.*

JULY 12: *Vichy France condemned armistice terms: General Dentz later accepted them; fighting stopped at midnight. All Syria now under British and Free French control.*

JULY 13: *In Syria armistice initialled between Vichy French and Allies. Anglo-Russian military agreement signed, pledging full support and to conclude no armistice or peace treaty without mutual agreement.*

JULY 15: *Terms of Syrian armistice include choice for French of repatriation or serving with the Free French; and surrender of all navy, army and air installations except personal arms.*

Air raid casualties in Britain in June were 399 killed, 461 injured.

JULY 17: *Heavy fighting on Russian front, Germans claim capture of Smolensk.*

Mr. Harry Hopkins returned to London.

JULY 18: *Japanese cabinet reformed, Vice-Admiral Toyoda succeeded Mr. Matsuoka as Minister for Foreign Affairs.*

JULY 20: *Heavy fighting continued on Russian front round Smolensk and towards Moscow.*

JULY 21: *Mr. Duff Cooper appointed Chancellor of the Duchy of Lancaster; Mr. Brendan Bracken, Minister of Information; Mr. R. A. Butler, President of the Board of Trade. Mr. Duff Cooper to go to Far East to report on situation.*

Throughout the period very heavy attacks were made by R.A.F. on targets in Germany and German-occupied countries.

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