

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 6. No. 8.

Registered at G.P.O. as a Newspaper  
Postage (home and abroad) 1d.

SATURDAY, MAY 3, 1941.

6d. Weekly.

## ERSATZ JEWS

By John Mitchell

Before you can have a policy you must have a philosophy. The significance of this truth was discussed by Major Douglas in his address *The Policy of a Philosophy*. The policy of the international Power which is trying to establish its control more comprehensively and permanently over the world is based on its own philosophy—a philosophy which can be deduced from the objects for which it is clearly striving. But the policy of this international Power, to be effective, must gain the assent or acquiescence of public opinion, and to do this public opinion must be impregnated with the *negative* aspect of this philosophy: as the positive aspect of this philosophy is characterised by the desire to govern, the characteristic of the negative aspect will be submission.

If the foregoing is true one would expect to find that the philosophy which is *natural* to men and women is being assailed and corrupted and that alternative ideas are being pushed as substitutes. That in fact is what one does find happening. To what extent it has happened in Germany is well known. A passage in a review in *Truth of Hitler's New Order in Europe* by Paul Einzig is one sign that informed people in this country are beginning to recognise the origins of Naziism. "The methods are exhaustively discussed," says the review, "whereby the *Herrenvolk* will impoverish and enslave the rest (a programme curiously reminiscent of Jewish visions of the victory of the Messiah)."

In Great Britain the facts, if accessible, are not so apparent. If there are subversive influences affecting the philosophy of the people then a good place to look for them is clearly in the activities of those institutions which have a direct concern with the philosophy of different sections of the community. Among such institutions are the Church of England, Freemasonry and kindred organisations such as the British Israelites.

In a British Israelite pamphlet\* by Cedric Morris there is a statement which goes to the heart of this question of what might be termed the 'working philosophy' of the people of any country and its relation to the policy of the Government of that country and all other governments:— "This consideration brings us to an understanding of the definite indications in the Pyramid's allegory that *there are only two parties in the world—The Messianic and the anti-Messianic parties* [my italics]. Whether we recognise the fact or not, we are all, by the very nature of our being, builders. Build we must, so if we do not build truly we

must build falsely. Which way we build signifies the party to which we belong. TRUE BUILDERS BELONG TO CHRIST, THE MASTER BUILDER; FALSE BUILDERS TO THE ANTICHRIST AND CHAOS."

Mr. Cedric Morris being an Israelite is, as one would expect, of the opinion that true builders are followers of the Messianic idea. This is but the old fallacy of non-immanent sovereignty in different colours. The idea of non-immanent sovereignty is the idea of submission, in the matter of the choice of policy, of the individual to an external authority. It is the last word in blasphemy. But the idea is convenient to those who want the will of the people to be submissive to their plans, and the extent to which it is believed that this blasphemous method can be carried with effect is indicated by Mr. Morris's statement that: "There is little need for the English-speaking peoples to be afraid of the spread in our midst of Communism and other movements foreign to the Anglo-Saxon mind, for as Mr. Davidson has pointed out, 'GOD IS UTILISING SUBVERSIVE MOVEMENTS TO REMOVE FROM THE EARTH THAT WHICH MUST BE REMOVED—NAMELY THE EXISTING ECONOMIC SYSTEM OR SYSTEMS—?'"

One of the leading British Israelites is Mr. David Davidson. Mr. Davidson is a Freemason, and in the journal of the British Israelites, *The National Message* of April 9, Mr Davidson is at pains "to extol the special virtues of British Freemasonry." He says:—

"British Freemasonry enshrines the common seed of eternal truth which all religions proclaim which worship the most High God. All religions can meet within the Temple of British Freemasonry—even 'untouchables' with the highest castes—and worship the Eternal God of all. Within the Order lies latent a Power ready to the hand of God, to be disclosed and released at God's appointed time, now shortly approaching."

Concluding his letter he ominously warns his readers:— "Let, therefore, the uninformed and the ill-informed, and all enemies of British Freemasonry, take heed what they say in condemnation of the Order."

If it is helpful to have Mr. Davidson's admission that his prophetic wisdom, which has been so widely advertised by him in the daily press as originating from abstruse measurements taken from the Great Pyramid, owes so much to British Freemasonry, it is also most interesting to find that the events which he prophesied are events whose causes are directly traceable to the actions of International Finance.

\*Prophesy in the Great Pyramid by Cedric Morris.

For the present we have Mr. Davidson's prophecy that:—"The whole movement from January 31, 1933 to January 31, 1947 is revealed as a movement that affects the whole of the English-speaking peoples, and as being largely due to actions or influences, either SPIRITUALLY HELPFUL OR PHYSICALLY ADVERSE originating in America."

1933 is the year in which Hitler and Roosevelt came to power.

For the future we have Mr. Davidson's prophecy that:—"There is clearly indicated in the Great Pyramid's allegory, 'the convergence of the British Empire and the United States of America, in spite of conflicting interests, to a common goal.'"

But, of special interest to this article is this statement from Mr. Davidson's writings in 1924:—"Scriptural and Pyramid prophecies indicate the English-speaking peoples as the haven for fugitive Jews. The majority of the English-speaking peoples will scorn and repudiate the allotted role, but they are destined to fulfil it. . . . It is part of the Pyramid's message to proclaim this."

Among the Jewish refugees who have arrived in this country in recent years is a Berlin Rabbi, Dr. Ignaz Maybaum. Dr. Maybaum has just published a book *Man and Catastrophe* which has a preface by the Archbishop of York. This is what the Archbishop has to say:—"we shall become aware with new intensity of the kinship between Judaism and Christianity, and shall enter more fully into the meaning of the saying: 'Salvation is of the Jews' (St. John iv, 22).

"But this volume has a still greater boon for Christian readers. We are being brought back by many influences to the prophetic interpretation of history and of life. We are more conscious than lately of the vital importance to ourselves and our own faith of the scriptures of the Old Testament which are the Jewish Bible."

Discussing the book in a leading article *The Jewish Chronicle* says that Christians "must try to understand the Jewish past, and draw nearer to the principles of their own faith, the daughter creed of Judaism. . . ."

"...That the Old Testament is the securest bridge between Gentile and Jew none knows better than the enemies of the Jew."

So we have this interesting agreement between a leader of the Church of England, a leader of the Israelites who is a Freemason, and a leader of the Jews that the motive forces which decide history and life do not find their sources in human initiative served by human will and ability—immanent sovereignty, summed up in Christ's own words "The Kingdom of God is within you"—but proceed from the working of a plan, dubbed "divine," which is being imposed on the world by an external authority, the "most High God of all religions," the "common seed" of which is "enshrined in British Freemasonry." Human will and initiative must submit to the working of this plan, the "divinity" of which *must* be authentic since it is prophesied in the "scriptures of the Old Testament which are the Jewish Bible." And as for the personal discomforts which are experienced as a result of the working of the plan these are a necessary preparation for the coming of the Messiah. Let Mr. Davidson explain:—"The material preparation consists of our being divested of things of material worth, and our spiritual preparation will consist in our being instructed in humil-

ity and faith, so that we may in humanity and faith, submit ourselves, in darkness, to be guided from darkness, into light. . . . THE KINGDOM CANNOT BE MAINTAINED BY 'VIOLENCE,' BUT ONLY BY SUBMISSION. The submission by the builders is the offering of themselves as 'spiritual sacrifices' for the completion of the imperfect structure to the 'measure of the stature of the fulness of Christ,' which measure is that of the Perfect Structure designed by the Great Architect. . . ."

It is hoped to make the English people ersatz Jews, so that they may become instruments for the establishment of a government of the world by a Jewish "Messiah." Concerning this, Dr. Maybaum says:—"Following up the idea expressed in Chapter 45 of Isaiah, I have declared my belief that, faced by the new Babylonian captivity into which liberty has been thrust to-day, Britain is chosen by God, as was Cyrus of old, to release the sufferers of our own time, of whom we Jews are only a part. . . ." And Mr. Davidson agrees:—"The prediction was given 5,000 years ago as a Divine Revelation to be unfolded during the 19th and 20th centuries of our era to the (English-speaking peoples), and through (them) to be unfolded to the world."

Uncontested by the Archbishop of York, *The Jewish Chronicle* proclaims that the Christian faith "is the daughter creed of Judaism"—Judaism, which Christ spent His life in criticising, and the adherents of which crucified Him! Let there be no mistake about it, the followers of the Church of England and all Freemasons are no better than ersatz Jews who have sold their birthrights for a mess of potage and whose leaders are endeavouring to lead the British people into that Hell where a man cannot call his soul his own. At this time of grave crisis it would be a crime to underestimate the nature of what these slaves of Israel have done: In the name of Christ they have forsaken Him.

It is an essential feature of Freemasonry that its devotees should accept guidance from above, blindly. The main institutions in the world for the inculcation of religion (philosophy) are engaged upon the cultivation of a spirit of submissiveness in all peoples. "Spiritual preparation" Mr. Davidson calls it, so that we "submit ourselves, in darkness." The Kingdom can be maintained "only by submission."

How revealing is the picture when you find and fit its several pieces together. "The whole movement from January 31, 1933 [Hitler became Chancellor of the Reich on January 30, 1933] to January 31, 1947 is revealed as. . . originating in America" says Mr. Davidson. And the issue of the journal *Planning*, for February 17, 1941 tells us about another chapter in the "divine" plan:—"This present broadsheet analyses the experience of London under bombing because it is above all the experience of being heavily and continuously bombed which is re-shaping both the physical and the psychological foundation of the future Britain."

The "divine" plan is nothing but a vile plot of Jewish origin pursued for centuries to lead us all into permanent captivity. We need to assert a vigorous independence of spirit in word and action and to unmask the false philosophies of preachers in high places. Is it any wonder that Freemasonry smells, that the Churches are nearly empty and that the Jews are unpopular? The English people are worthy of a better fate than to be ersatz Jews, as their betrayers will discover.

## OPINION FROM THE PRESS

### WHO ARE THEY ?

"Who are those who ask you for the sacrifice of your personal happiness in the service of tradition, nation and honour?" asked the Vatican Radio recently in an address to Germany.

"Who are they? It is easy for those men with full pockets, with recently and quickly acquired country houses and castles to come forward and preach the creed of heroism and self-sacrifice. They may even succeed for some time to imbue an idealistic youth with their creed, but in the long run obstructing the irrepresible desire for happiness of the human being, they are bound to fail."

—*"Catholic Herald," April 4, 1941.*

### FASCISM AND MILITARISM

*The following passages are from an article by the American journalist John Whitaker in "The Daily Telegraph" of April 23, 1941:*

Taxis are so scarce in wartime Rome and so much desired, with private cars forbidden, that the mere appearance of a cruising taxi will bring a score of people into the street crying "Libero? Libero?" which means, "Are you free?" Since the arrival of the Germans any cry of "Libero?" during the black-out brings an answer from everyone within earshot; feeling safe in the darkness the people cry, "No, Italian."

There are several reasons, I think, why the arrival of the Germans is accepted with as much resignation as the eruption of Vesuvius or any other natural disaster. . . .

The nation has been debauched by 19 years of Fascism. Few Italians accepted that system without compromising their intelligence and their conscience. . . .

Nineteen years of daily compromise has done something to his soul. . . .

All this disillusionment might have been brought to a head in the weeks preceding the German entry if the British had bombed the country effectively. This they did not do, probably for lack of long-range bombers. Their raids have been numerous and exceedingly accurate, but the bomb-loads have been light, the objectives purely military, and the effect upon morale almost negligible.

The second reason is that Fascism as a system made it impossible for the Navy and the Air Corps to function armed Services. They became merely

appendages of the Fascist party and political instruments.

Knowing Russia as I know Italy, I marvel that the Communists get more like the Fascists and the Fascists more like the Communists each day. Their ideologies, like their systems, though different in theory, prove essentially the same in practice, neither can build an efficient military machine.

Nazi Germany has built the greatest military machine in history, but I do not think that an exception: I think that the totalitarian ideology is less important in Germany than the Prussian tradition of Military conquest.

Nazi ideology is still being used abroad for the corruption and political conquest of one country after another, but it has not mattered in Germany since the purge of June 30, 1934. Nazism served the Germans for individual mobilisation in peace-time, but for several years Hitler and his generals have worked together for military efficiency and military efficiency alone. The party has become only an instrument in that work, not an end in itself.

I was in Berlin during the purge and I saw the party storm troopers dissolved. Within a brief space they were in the uniform of the army and answerable to the generals.

### BOTTLE NECK

*The following passage is from the "News Review" of March 27:*

Roosevelt's 'defence expediter' Averell Harriman marked his arrival in London with the statement "The U.S. means business." But there was one bit of business over which the U.S. was in a quandary.

Under the original aid-for-Britain and re-armament programme, a host of manufacturers, headed by giant General Motors, began mass-production of the liquid-cooled 1,050 h.p. Allison aero engine.

Because of initial faults in production, the first models developed only 950 h.p. and soon there was a bottle-neck.

No sooner had this been removed than Britain and Germany stepped up engines for their fighters to 2,000 h.p.

This made out-of-date the American Allison and British Rolls-Royce-Merlin, which had been released for manufacture in the States. Only 2,000 horse-

engine in production was the Wright radial of the Navy's Vought-Sikorsky fighter.

Experts estimated that to re-tool for production of the bigger engine by General Motors would take from nine months to a year, even if contracts for the smaller jobs were called in.

Either British air strategy must be revised to make use of the American machines or they must be regarded as a secondary order of value chiefly in training U.S. labour on aircraft production.

More satisfactory was the slick handling of the biggest commercial deal to be put over by the British in raising dollar exchange.

With no more apparent effort than flicking a coin, British Courtauld's £16,500,000 shareholding in American Viscose Corporation, which produces one-third of the total U.S. rayon output, was sold to a group of banks and financiers to re-sell to American investors.

The deal was managed for the Treasury by the Bank of England's 70-year-old director Sir Edward Robert Peacock.

In selling the 448,000 Treasury-acquired shares to the Americans, he was assisted by John Coldbrook Hanbury-Williams, joint managing director of Courtaulds and a co-director of the Bank of England. Both men also hold positions at Court.

The deal was expected in London to raise around £40,000,000.

Announcing it to his shareholders, boss Samuel Courtauld stiffly declared, "It is in the highest degree unwelcome to us, whatever the outcome may be from a purely cash point of view. It is much too early to say how we shall dispose of the money which will be paid to us. We do not yet know how much it will be, nor when we shall get it."

The Courtauld holding was the biggest private British interest in American industry. Others which were expected to be disposed of were the assets and investments of Distillers Co., Shell Transport and Trading, English Sewing Cotton, Enos Proprietary, Borax Consolidated, Callenders Cable Company and Decca Records.

### PRIORITY

Marks and Spencer, C.W.S., and "Naafi" (Navy, Army, Air-Force Institute) were the only distributors mentioned specifically by the Ministry of Food (Lord Woolton) as entitled to an allocation of oranges before the "regular trade channels."

## The World Over

## AUSTRALIAN NOTES

*Wrong Hypothesis*

The *Sydney Bulletin*, the financial views of which cannot be recommended, in December came out against Federal Union with a very sound article on Mr. Herbert Morrison's views:—

"The only thing wrong with Mr. Wells's argument and Mr. Morrison's is the hypothesis, and if the hypothesis is wrong the argument is worthless. They postulate a group of men who know what is best for the world and who have the necessary power to put it into effect. . . ."

*Strike against Taxation*

The following heartening report from the *Melbourne Age* of January 6, shows the way that the pressure for monetary reform is breaking out into action, notwithstanding laws forbidding criticism of the financial system:—

"A complete ban on overtime until all State and Federal taxation is eliminated from their wages is threatened by 7,000 iron workers and boiler makers. Mass meetings of the men will be held within the next few days to consider recommendations made to-night by the joint management committee of the two unions.

"The recommendations were that a complete overtime embargo should operate on all work until State and Federal taxation is eliminated from income derived from wages, salaries, allowances and overtime, that the suspension of interest payments to the private banks and bondholders should be demanded, and the power and machinery of the Commonwealth Bank should be utilised to mobilise the credit resources of the nation.

"In a joint statement at the conclusion of to-night's meeting the president of the committee (Mr. Denford) and the secretary (Mr. Irwin) said that taxation was an unnecessary burden brought about by the Government having allowed private banks to create the nation's credit. The workers, they said, were being asked to pay to the bondholders and private banks interest owing on the national debt. At the moment they were paying £52,000,000 a year in interest to the private banks and bondholders. If there was to be equality of sacrifice the private banks should suspend the collection of interest payments for the duration of the war. Under the present

system of finance the longer a man worked for the war effort the greater was the amount of taxation imposed on him. They said the men were prepared to meet the urgency of war work, but only under an arrangement of three eight-hour shifts per day.

"The recommendations of to-night's meeting are more drastic than anticipated. It was expected that the meeting would have recommended a ban on overtime until the new taxation was abolished from overtime payments. Iron workers and boiler makers are working on an average 16 hours' overtime per week."

*Information*

In a recent publication of the Department of Information readers were recommended to read *A Federated Europe*. The author is Lord Davies, the publisher the Jewish-socialist Gollancz.

The Department of "Information" said: "His proposals for the form which this authority (international) might take are original and constructive and deserve the closest attention."

*How Not to Win the War*

The *Sydney Morning Herald* recently published the following passage:

"Members of the Federal Parliament who visited the works of the Purcell Engineering Company yesterday were shown £70,000 worth of engineering plant which, it was claimed, was idle through lack of war orders.

"The visit to the factory followed recent charges by Sydney manufacturers that the Ministry of Munitions was showing favouritism to Victorian manufacturers in the letting of contracts for the manufacture of machine tools.

"Mr. W. C. Crooks, governing director of the company, told the visitors that the plant was working to one-tenth of its capacity. If more orders had been given by the Ministry of Munitions, and if licences could be obtained permitting the firm to export machine tools to Allied and neutral countries [our italics], about 1,000 men would be given employment. At present the works employ 140 men. . .

"The visitors were shown more than 20 turret lathes and milling, shaping, grinding, and drilling machines which were not being operated. Many of these machines had only recently been installed,

and some of them had not been bedded, but officials of the company claimed that they could be brought into use very quickly if orders could be obtained.

"The firm has been engaged in the machine tool business since the last war. A 9-in. centre lathe made in the factory in 1915 was still being used in a corner of the works yesterday.

"Representatives of the company said that the firm had received an order for 54 lathes after urgent representation had been made to the Ministry of Munitions by Mr. Morgan M.P. The order, however, was only a fraction of what the firm was capable of turning out.

"A representative of the Ministry of Munitions who accompanied the party was shown six lathes capable of machining to an accuracy of a ten-thousandth of an inch, which had been built in the factory in a month. Except for ball-bearings, every part of these lathes, including the castings, had been made in the factory."

*Sugar Surplus into Petrol*

To provide a war-time substitute for petrol the Federal Committee in its report to the Australian Government recommends that the sugar industry should make available additional supplies for the production of power alcohol, thus using the portion of the annual sugar surplus which is no longer exported. The preliminary objective of the scheme would be to produce 4,000,000 gallons of power alcohol annually.

*Sovietising the Wheat growers*

Wheat growers now have to register if they desire to produce wheat. The Wheat Industry Stabilisation Board has the power to say who can grow wheat, and how much.

The next move will probably be to eliminate all the small growers and to introduce collectivised farming.

*Wall Street Wants More*

The *Melbourne Herald* reported on January 2, that: "The Federal Reserve Board [in the United States] has sent a special report to Congress—for the first time in history—asking for drastically increased monetary powers at the expense of the Treasury."

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## The Prophet at Home

*A Prophet at Home* by Douglas Reed. (Jonathan Cape).

Despair, hope, faith in ultimate victory are the stages of the author's mind depicted in this book and the same impassioned and sincere note that attracted attention in *Insanity Fair* and *Disgrace Abounding* characterises this work.

The two earlier books were the outpourings of a patriotic Englishman who as the result of 12 years spent abroad vainly warns his countrymen of the mighty preparations going on in Germany and the certain imminence of war. *A Prophet at Home* describes the feelings of a wanderer on his return to England and his conviction that there is something rotten in the state of England. The apathy of the people appals him and he sees in our unpreparedness the coming tragedy of the Decline and fall of the British Empire.

Then Hitler marched triumphantly through Europe but in the Author's opinion, at the most critical stage, Hitler's vanity saved us. Just when he should have been concentrating on the British at Dunkirk and following up the retreat with all the resources at his command, he looked two ways at once and thus overlooked the thing he should have seen.

Paris beckoned. "How great a triumph, Paris, PARIS. After a campaign of only a few weeks. Entry in that city on exactly that date foretold in Berlin, June 25. A pilgrimage in mock homage to the tomb of Napoleon—what a gesture, what a prospect for the destitute ne'er-do-well from Vienna."... "Hitler I think would have done better to keep a soberer head and to keep his eye on the road to Dunkirk not that to Paris. He lost the war I think at those crossroads."

This mistake of Hitler's and the amazing capacity of the English people to "stick it" in the ordeal of air raids gives the Author hope, and later with the increase of armaments he becomes confident of our ultimate victory, which he thinks we can achieve in 1942.

The book is full of interesting things that might well be quoted.

Of the Army uniform he writes: "...and their khaki dress, even new, was about the worst thing that had ever been done to British soldiers. It made them feel slovenly and sartorially inferior to their comrades of the Navy and Air Force. Shoddy Brothers or who-

ever designed the uniform did the British Army a disservice."

There is a particularly interesting chapter on the Jews. The singer of the generation of 1914, Rupert Brooke, he writes, "seemed to find the Jews of Berlin a thought unsympathetic and none took it amiss of him that he said so"; but to-day "no Englishman of his class and kind would have thought of writing anything which would set the critics yelping the dread name anti-semitic.... It was patent that the number of Jews who would suffer from Hitlerism would never be more than a fraction of the entire number of sufferers. Czechs, Poles, Danes, Norwegians, Hollanders, Belgians, Frenchmen and Britishers, I knew, would suffer and die in thousands if not millions because of Hitler and yet the sufferings of the Jews through the power wielded by other Jews, over the press and films and the stage, were presented as the greatest and most terrible thing in all this stupendous tragedy."

The author states that many of his Jewish friends are apprehensive lest the Jewish case should be damaged by so much extravagant exaggeration. He dislikes the use of the word 'anti-semitic': "There is anti-Gentilism, and there is its reaction, anti-Judaism. I have several interesting letters from Jews who endorse this statement of the position.

"The anti-Jewish teaching of National Socialism was but the direct inversion of the anti-Gentile teaching of the Jewish religion, and this statement of the case cannot be refuted, but is always ignored."

In discrimination he sees no difference "between National Socialism and Judaism, save that National Socialism has eight million bayonets, and Judaism has a lot of money."

It would appear that both believe in separateness, racial discrimination and that extraordinary claim—the chosen people, a term that can surely have nothing but a spiritual significance and is worlds removed from either domination by force or money.

There are delightful bits about his little white cottage overlooking the Channel in which he housed a couple of slum children, and he pays a wonderful tribute to the woman responsible for the extraordinary change in those two children.

One chapter, *Lorelei*, is a charming

fantasy on the passing of fear, which must be read carefully to be fully appreciated.

In one of the many criticisms of his countrymen he says, "It is the strangest of paradoxes that the Englishman's worst qualities in peace are in a way his strongest qualities in war, that they may win us this war...but 'stick it' applied to slums, derelict areas, the breeding of half wits, misgovernment and foreign policies of the kind we pursued, in the between war years, is lunacy."

It is obviously impossible to touch upon all the matters dealt with but I trust enough has been said to add to the list of readers, for whether one agrees or not with some of the author's conclusions there is undoubtedly in the book much to make one think.

This slight review cannot be ended better than in the author's concluding words:—

"The chief, the priceless, the glorious thing is that hope has been reborn that the future is still ours to make good the past. How good it has been after all those wretched years of foreboding to live in this time and to watch Britain and the British Empire decline to fall."

F. C. L.

In the *News Chronicle* of April 23, Phillip Jordan said that "Cato," author of the best-seller *Guilty Men*, was a team of three men, Frank Owen, Michael Foot and Peter Howard, who has now joined the Oxford Group and written a book called *Innocent Men*.

### HITLER'S POLICY IS A JEWISH POLICY

Correspondence with a Jewish  
Publicist from

P. R. MASSON and  
BORGE JENSEN

Price: 6d. (Postage Extra)

Obtainable from:

K.R.P. PUBLICATIONS LIMITED,  
12, LORD STREET, LIVERPOOL, 2.

## THE SOCIAL CREDITER

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

### SUBSCRIPTION RATES:

Home and abroad, post free: One year 30/-; Six months 15/-;  
Three months 7s. 6d..

Editorial Office:  
4, ACREFIELD ROAD,  
WOOLTON, LIVERPOOL.  
Telephone: Gateacre 1561.

Business Office:  
12, LORD STREET,  
LIVERPOOL, 2.  
Telephone: Bank 5260.

Vol. 6. No. 8.

Saturday, May 3, 1941.

## ALBERTA COMMENTS

*An Albertan view of two important developments is given by our contemporary, "To-day and To-morrow."*

### INTERIM PROGRAMME

Discussion in the legislature relative to Alberta's Interim Programme ought to clear the minds of the opposition for once and all of any doubts that "social credit will work." Although the programme is not the fulfilment of a Social Credit philosophy, it is a step in that direction, and the bonus payment, arising out of figures in the books, is a symbol of the eventual rise of all purchasing power. It is based on Social Credit—the belief of people in association that by their association they can enjoy certain benefits.

It was made clear to members that the bonus "payments" will continue to be a "liability" in the technical sense, and will continue as such. This ought to make perfectly clear to the dull-minded opposition that figures in books can work, and in fact are working for the people of Alberta right now.

Success of this phase of the interim programme depends, as always, on the amount of co-operation shown by the people of Alberta. This co-operation is purely voluntary, and only those who voluntarily co-operate enjoy the benefits of association.

As the movement progresses, greater stimulus will be given to Alberta industry, and payrolls will increase. Greater manufactures will bring greater demands for Alberta raw materials and labour, and the benefits will grow with the co-operation shown.

### SABOTAGE

The more we think of the recent wheat policy announced by the Dominion government, the more we are inclined to feel there is a deliberate attempt on

the part of the Dominion government to sabotage Western Canada.

Not only are practically all war industries located in the East, but the Dominion authorities are now taking skilled labour trained in the West to work in Eastern war industries. Thus the population of Western Canada is being used to build up the population in the Eastern industrial areas and the money spent to train our young people so that they might help build the West was only spent for the benefit of the East.

This being so, the Dominion government need not bother itself very much about the remaining agricultural population, for in an election the influence of the West would be far less felt than in the past.

Furthermore, the shift of population is being made before the taking of the next census. Thus will any advantage to the West of this census be practically destroyed. On the contrary, if Eastern Canada is able to take away from the West for this year at least thousands of workmen together with their families, a total which may well reach 100,000, then will there be raised in the East the cry of eliminating some of the Western representatives. Once this situation develops what hope is there left for the West?

### MEETING

Mr. Malcolm MacDonald, High Commissioner in Canada, has gone to Washington for informal discussions with Lord Halifax.

### A KEYNES FOR A HARRIMAN

Mr. J. M. Keynes (pronounced 'Cains,' says the *Daily Express*), origina-

tor of the compulsory savings scheme incorporated in the Budget, is being sent to Washington by Sir Kingsley Wood, Chancellor of the Exchequer.

He will "confer with the United States Administration and the British Supply Council on the operation of the Lease-Lend Act and other related matters."

Mr. Keynes is a Cambridge don. For thirteen years he was a civil servant, and is now back in Whitehall at the Treasury. His qualifications include the drafting of some of the agreements for inter-Allied loans during the last war, and his work as the Treasury's principal adviser at the Peace Conference.

By their fruits—?

### ANOTHER FEDERATION

(A scene at a Moscow Railway Station).

*Stalin*: "If Japan and the Soviet Union stand together there will be nothing to fear in Europe."

*Matsuoka*: "Nor anything to fear in the Orient."

*Stalin*: "Nor in the world."

The two statesmen are overcome with emotion and embrace, to the amazement of the gathered diplomats. Matsuoka then departs for Japan.

### FARMERS PROTEST

Farmers of Malmesbury in Wiltshire protested this week at the action of Wiltshire War Agricultural Executive Committee in giving only six days' notice to a farmer to quit because of alleged under-production.

Mr. G. S. Sisum, chairman of the Malmesbury National Farmers' Union, said at a branch meeting that he had inspected the farm, on which production was good considering the nature of the land. The county committee had refused to allow the farmer to appeal in spite of the Minister of Agriculture's decision that appeals could be made.

Mr. Sisum said: "This action is un-British, and is just what we are fighting against."

### IMPORTANT

Subscribers to *The Social Crediter* and to Secretariat Funds are requested to report promptly delay, which may be due to enemy action, in acknowledgment of remittances.

# THE PROFESSIONAL INTERNATIONALIST (I)

By B. M. PALMER

The Editor of the *National Review* in the February issue writes: "We are fighting for our lives because successive British Cabinets have let down our defences, and because they took their foreign policy from mischievous bodies like the League of Nations Union and Chatham House. Hence our present helplessness in relation to American demands."

Professor Arnold Toynbee, director of the Royal Institute of International Affairs, stated his aims as an Internationalist in 1931. There is no reason to believe he has changed his position:

"If we are frank with ourselves we shall admit that we are engaged on a deliberate and sustained and concentrated effort to impose limitations upon sovereignty and independence of the fifty or sixty local sovereign independent states which at present partition the habitable surface of the earth and divide the political allegiance of mankind. The surest sign, to my mind, that this ancient and blood-stained fetish of local national sovereignty is our intended victim is the emphasis with which all our statesmen and our publicists protest with one accord, and over and over again, at every step forward which we take, that, whatever changes we may make in the international situation, the sacred principle of local sovereignty will be maintained inviolable. This, I repeat, is a sure sign that, at each of these steps forward, the principle of local sovereignty is really being encroached upon, its sphere of action reduced and its power of evil restricted. It is just because we are really attacking the principle of local sovereignty that we keep on protesting our loyalty to it so loudly. The harder we press our attack upon the idol, the more pains we take to keep its priests and devotees in a fool's paradise—lapped in a false sense of security which will inhibit them from taking up arms in their idol's defence."

"In plain terms we have to re-transfer the prestige and the prerogatives of sovereignty from the fifty or sixty fragments of contemporary society to the whole of contemporary society—from the local national states by which sovereignty has been usurped, with disastrous consequences, for half a millenium, to some institution embodying our society as a

whole.

"In the world as it is to-day, this institution can hardly be a universal Church. It is more likely to be something like a League of Nations. I will not prophesy. I will merely repeat that we are at present working, discreetly but with all our might, to wrest this mysterious political force called sovereignty out of the clutches of the local national states of our world. And all the time we are denying with our lips what we are doing with our hands, because to impugn the sovereignty of the local national states of the world is still a heresy for which a statesman or a publicist can be—perhaps not quite burnt at the stake, but certainly ostracised and discredited."

Much might be written concerning Dr. Arnold Toynbee's attempt to interpret history according to his own theories. There is no evidence whatever that local national states usurped sovereignty from the whole of contemporary society. This is a complete departure from the inductive method of reasoning, for it cannot be shewn that sovereignty ever functioned in the whole of society. Theoretically it resided in the Holy Roman Empire and the Holy Roman Church; "and it matters little whether we call the Pope a Spiritual Emperor, or the Emperor a secular Pope. . . . The complete accord of the papal and imperial powers which this theory, as sublime as it is impracticable, requires, was attained only at a few points in their history. . . . It was characteristic of the Middle Ages, that demanding the existence of an Emperor, they cared little who he was or how he was chosen, so he had been duly inaugurated; and that they were not shocked by the contrast between unbounded rights and actual helplessness. At no time in the world's history has theory, professing all the while to control practice, been so utterly divorced from it. Ferocious and sensual, that age worshipped humility and asceticism: there has never been a purer ideal of love, nor a grosser profligacy of life." (—*The Holy Roman Empire*, Bryce.)

A study of the sources of mediaeval history would establish the fact that at no time did anything approaching Dr. Arnold Toynbee's ideal institution exist,

and yet the whole of his speech is cast in such a way as to give the impression that it did—to point back to an ideal past, upon which we should model a new way of life. He has the classical outlook, "an attractive and artistic ideal or conception of the nature of society, and the conditions under which society lives, moves, and has its being. It is above outside, possibly in advance of, facts."\*

During the middle ages nations could scarcely be said to exist, but their emergence in the sixteenth and seventeenth century—the birth of this nation was the Golden Age of Elizabeth—gave the promise of life, new and abundant.

It is significant that national consciousness first appeared in the islands and peninsulars of the North-West of Europe, in exactly those places which were furthest removed from the centralising power of ancient and mediaeval Rome. In these remote lands something real and practical, the beginnings of Christian democracy, put forth its first small shoots, a protest, unconscious at first, against the centralisation of the Institution.

Professor Arnold Toynbee's interpretation of history, almost as far removed from the inductive method of reasoning as the Mad Hatter's ideas of watch repairing, are based on the assumption that institutions with worldwide powers can stop wars.

"It is essential to notice that the advocates of the abolition of the use of force by nations assume that the exercise of force by institutions upon individuals is natural, lawful, and ought to be extended. . . . The 'undermining of national sovereignty' of which Professor Toynbee is so proud, means simply that omnipotent institutions (which are operated by officials) are removed further from the control of individuals as such, until for him, their decrees, however harsh and oppressive, leave no possibility of appeal. Soviet Russia appears to be a working model of the general objective in view."†

How long Soviet Russia will continue to function in its present form, with ever increasing tyranny and degradation for each individual citizen we

\**Social Credit*, Chapter I. C. H. Douglas.  
†*Whose Service is Perfect Freedom* by C. H. Douglas.

do not know. But we do know there will come a time when it will break up in chaos and agony, for it is the growth and tyranny of the institution that gives man his education in war-like behaviour, and that degrades woman to be a slave or plaything. War is their last sanction—only by force can they set themselves free.

There is almost no limit to what the fanatical supporters of an institution will do in defence of their idol, for they are forced to act on the assumption that the end justifies the means.

Here are men who are deliberately lying in order to gain their ends. "National sovereignty is our intended victim, but we protest with one accord that its sacred principle will be maintained inviolable." "We are denying

with our lips what we are doing with our hands." Only fanatics could speak such words—fanatics they must be or they would know that the ostracism they complain of is more than merited.

Undoubtedly the function which the Royal Institute of Foreign Affairs is filling is a most necessary and vital one, but when the taxpayers subsidise its activities to the extent of £35,000 it is time that its policy is understood. The institute provides information on the basis of which action is taken. A man's character and opinions are the filter through which information is selected, and are bound to modify the reports presented to Parliament. Parliament is *our* Government. Do we wish it to be influenced by ideas that have already proved disastrous?

At least five of the gentlemen on the staff of the Royal Institute of International Affairs were present at the Peace Conference (B. H. Sumner, H. J. Paton, A. J. Toynbee, C. K. Webster, R. G. D. Laffan) and it is worth noting that they all served in some intelligence department—either Political, Admiralty or Foreign Office, during the last War. It is also interesting that five of the members of the staff have held professorships or other positions in academic institutions in the United States and Canada. And finally, Professor A. G. B. Fisher, Professor of International Economics, was Professor at Dunedin, New Zealand, and at Western Australia, and economist to the Bank of New South Wales.

## PARLIAMENT

### BUDGET PROPOSALS:

### PEACE AIMS

April 9

#### WAYS AND MEANS—BUDGET PROPOSALS (59 columns)

*Mr. Loftus*:...:There is a very ancient and untrue superstition that banks lend their customers' money to those who apply for loans. Of course, that is utter nonsense, and no banker or economist in the world would back up such a statement. A bank loan is not a transfer of existing money, it is the creation of new money....

[*Mr. Loftus* then gave a description of the creation of credits by the banks, quoting among other authorities the founder of the Bank of England (*Mr. Patterson*), *Mr. R. G. Hawtrey*, *Mr. J. M. Keynes*, the *Encyclopaedia Britannica* and *Governor Eccles*, President of the American Federal Reserve Bank. He then turned to the Budget and regretted that the Chancellor had 'mangled' *Mr. Keynes's* '100 per cent. coherent' scheme. On the subject of compulsory savings he continued:—]

These compulsory savings will pile up in the Post Office Savings Bank in great sums. They will be utilised for the war effort, and after the war we shall all get our money back—at least we hope so. What is the technique to be? I take it that the Treasury will issue to the Post Office Savings Banks interest-free Government securities. I should be most obliged if we could have some information about that.

*Mr. Woodburn*: Would the hon. Member not agree, that in the meantime

these must be just book-keeping entries?

*Mr. Loftus*: I quite agree.

*Mr. Woodburn*: But the hon. Member spoke of the money piling up.

*Mr. Loftus*: Yes, but I thought I had made it quite clear that 90 per cent. of the money used in any country is book-entry money, created out of nothing.

*Mr. Woodburn*: The hon. Member did; but he suggests now that the Chancellor is to have a whole lot of documents piling up, because of a few figures in a book.

*Mr. Loftus*: Surely the hon. Member realises that this credit money will pile up. What is the technique he proposes? The technique I propose is a Treasury issue to the Post Office of interest-free securities.

*Mr. Woodburn*: But what is the use of introducing a lot of complications into a simple matter? The Treasury are going to use the money for war purposes. That money is to be placed to the credit of the people concerned. Why go to the expense of printing a lot of documents?

*Mr. Loftus*: There must be some method. We must have some receipt. The receipt I propose is interest-free Treasury bonds. I am sorry I have been delayed by various interruptions. I now come to my final point. There has been a lot of talk about the period after the war. Many think it premature to discuss what will happen after the war. I think

it right to do so. We have the lessons of the last war before us. I well remember coming back from France in 1919. This country was richer and had a higher prestige than ever before in its history. We had the greatest Navy, the greatest Air Force, and the finest Army in the world. We had the land of England better cultivated than it had been for two generations. We had more skilled mechanics, more skilled shipbuilders, in the country with magnificent new factories and machinery. The whole world was clamouring for our goods, and primary producers throughout the world had good incomes because prices were satisfactory, and they could pay for our goods, and they were demanding our goods. Our position was of immense wealth, but financial theory said: "You are poor," and for 20 bitter heart-breaking years we laboured to make the actual facts fit financial theory. Prices of primary producers throughout the world were forced down by our financial policy of deflation, we ruined the farmers of the world and the farmers of our own country. We destroyed shipbuilding yards, pulled down factories, scrapped machinery, forced our skilled mechanics and artisans to migrate to America and the Dominions; we made the soil of England go out of cultivation and become more derelict than it had been for hundreds of years. And at the end of 20 years of bitter and hard work, we had made the actual facts

fit the financial theory, and we were poor indeed and unable to keep up adequate armaments, and our prestige sank almost as low as it had ever been. That is the lesson unless we plan for the future. Whatever the price level is at the end of the war, we must not go back to the deflationary policy; we must keep whatever price level is in existence at the end of the war stable and not go back to deflation.

Let me make another point. The Bank of England to-day is, I think, entirely controlled by the Treasury. Will that control continue after the war or will that institution, one of the most powerful institutions in the State, break free from Treasury control and become a power almost equal to the State? I pray that it does not. . . . I myself am in favour of the Bank of England becoming a public utility concern, owned and controlled by the State, with full power to regulate the volume and the price of all kinds of money, and to control the policy of the joint stock banks which would remain in private hands. I would warn my hon. Friend that he is entering upon a very dangerous course. It is quite respectable to declare that the London Passenger Transport or the Port of London should be a public utility service. You can even maintain some kind of reputation if you declare that electricity should be a public utility concern all over the country, but to advocate that the power which regulates the creation and the amount of purchasing power for the whole community which affects every home in the country should be a public utility or corporation is almost to become disreputable. I have quoted many speakers in this House, and I will end by two quotations simply to ensure that I have a little respectable authority to support me in my views as to the Bank of England becoming a public utility corporation. . . .

[Mr. Loftus quoted Abraham Lincoln, President Wilson and Mr. Mackenzie King.]

**Mr. Craven-Ellis** (Southampton): . . . Another picture of the Budget being considered with satisfaction is the subsidising of certain commodities. I look upon this feature as one of the most important developments in the Budget. By adopting that method, the Chancellor of the Exchequer is looking after the abnormal expenditure or cost of certain foods or other articles of general consumption, and it gives him considerable power, if he will only use it, as a lever to maintain stability in the currency. That is extremely important. If there is one thing which causes dissatisfaction or

breeds lack of confidence, it is the possibility of the currency not being maintained upon a stabilised basis. For that reason, I congratulate my right hon. Friend on having the foresight to introduce this feature as part of the Budgetary policy. He can go a long way with it when the post-war period comes.

. . . We must bear in mind that the war has introduced new standards. We used to speak of something like 14 millions insured persons a year, but we now think in terms of nearer 70 million workers. There is that large body of employable labour, but until it becomes fully employed the risks of inflation do not become too great a problem. By the methods that he has adopted, the Chancellor of the Exchequer can keep inflation under reasonable control. The only danger that I see of inflation, infinitesimal at the moment, is if the Chancellor should, by any chance, loosen the reins which he now has over consumable goods, raw materials, labour and so on. He would then run a great risk of inflation. I started my speech by congratulating my right hon. Friend upon showing a more realistic outlook upon finance than has been recognised for some time. I think we may rely that he will keep the matter under proper control. . . .

**Mr. Stokes**: . . . The aspects of the Budget upon which I wish to congratulate him are three-fold. First, he planted the third nail in the coffin of what is known as "the mystery of finance." For the first time, it has been made clear in a Budget that there is no mystery at all. Secondly, he has admitted what I have never heard admitted in any other Budget speech during my short stay in this House, the difference between the internal debt and the external debt. Thirdly, and possibly most important of all, as I understood it—and he will not have expected me already to have read his speech as well as having listened to it—he recognised that taxation is mainly necessary for the prevention of inflation. I do not propose to bore the Committee with a long dissertation on inflation; but, as I possibly misrepresented my own views on the last occasion, I might be allowed to say what inflation is. I once heard it called, in language which perhaps is hardly Parliamentary, "wind in the national belly." Whether that is right or not, inflation, as I understand, means an increase in the amount of money available, accompanied by an increase in prices, so that the purchasing power is diminished. I want to emphasise that it does not follow that because there is an

increased amount of money available there is, necessarily, inflation. Surely another way to prevent inflation, which seems preferable by far to the method of taxation, is to go in for a much more thorough degree of price control and rationing. There is another and much more subtle reason for taxation which was described or put out by my old friend Plato, who, some 400 years before Christ, said this, when speaking of "the tyrant, or why we are taxed":

"Has he (the tyrant) not also another object, which is, that the people may be impoverished by payment of taxes and thus compelled to devote themselves to their daily wants, and therefore much less likely to conspire against him and if any of them is suspected by him of having notions of freedom and of resistance to his authority, he will have a good pretext for destroying them by placing them at the mercy of the enemy; and for all these reasons, the tyrant must always be getting up a war."

I am not trying to put the cap on the head of any particular member of the Government as being the tyrant in this particular case; but it is well to remember when we speak of taxation, and especially when we come towards the end of a long and devastating war, that the object of taxation is to take power out of the hands of the people and to keep them poor. I said earlier, that the Chancellor of the Exchequer had thrust the third nail into the coffin of the mystery of finance. The Chancellor of the Exchequer is keeping mixed company in this case. The first nail was put in by Herr Hitler when he declared that "financial obstacles were not to bar the way" to his own progress, and the second by President Roosevelt, especially after the Lease and Lend Bill, and perhaps more particularly when he said: "get rid of the dollar sign and cut out the financial nonsense." I suggest that the Chancellor of the Exchequer has in this Budget gone a fair way towards completing this triumvirate, but whether he likes his bedfellows or not must be for him to decide. . . .

. . . I would emphasise the point made by others, that industry finds itself at the present moment in a very big difficulty. Very largely because Government Departments are so bad at paying their dues. The majority of us—and I speak with some feeling in this matter—have to pay our taxation out of overdrafts. I, personally, have hit upon a very simple scheme of referring the tax-collector to the Department that owes me money and telling him to go and get it from them, but whether that could be sustained in law I do not know. But the Chancellor of the Exchequer should hurry up the Departments in the payment of their accounts. . . .

Again, the Chancellor did not deal with our old friend "the Old Lady of Threadneedle Street"—the Bank of England. He is bridging the gap by a paper bridge. I know that others who have spoken have referred to the £700,000,000 of new money which has already been created. Is that to be done by the bank and become an interest or debt-bearing loan? Are we to have it in perpetuity? Why cannot the Government take power to create credit and take it away from the hands of the banking people. A boom-slump system is absolutely essential for money-lenders and we shall go back to it when the war is over, if they have anything to do with it. I would like to quote a sentence from a speech made by Mr. Randolph Bedford in the Brisbane Parliament on the 12th September, 1940. It is:

"Depressions are necessary to the usurer; otherwise industry would get itself out of debt."

I think that is a true remark and I would commend the whole of that speech to the Chancellor for his future study. If he would promise me to read it I would send him my own copy. May I read from a report in the *Manchester Guardian*, of 18th December, 1839, which recorded a special meeting of the Manchester Chamber of Commerce and manufacturers. It states:

"... the Board will add a reflection upon the subject of undue privileges possessed by the Bank of England. That such a power over property, and, as has been seen, the health, morals and very lives of the community should be vested in the hands of 26 irresponsible individuals for the exclusive benefit of a body of bank proprietors, must be regarded as one of the most singular anomalies of the present day. That the secret of these individuals, veiled as they are, even from the eyes of their own constituents, should decide the fortunes of our capitalists, and the fate of our artisans—that upon the error or wisdom of their judgment should depend the happiness or misery of millions and that against most capricious exercise of this power there should be neither appeal or remedy; that such a state of things should be allowed to exist, must be regarded as a reproach to the intelligence of the age and totally irreconcilable with every principle of public justice."

These sentences might have been written by several of hon. Friends only yesterday or the day before. If I may perhaps bring it nearer home may I remind the Committee of one of Mr. Montagu Norman's sayings in 1939, when discussing loans to Germany, as quoted by Mr. Bedford in Brisbane on the 12th September. He said:

"We will have to give Germany a loan of £50,000,000. We may never be paid back but it will be less loss than the fall of Nazism."

It is quite wrong that any group of individuals should have these powers and the time has come when the Government should take steps to form a national corporation of the Bank of England to take over the powers which it at present controls...

First of all, with regard to "the national balance sheet." I do not think I heard the Chancellor mention it yesterday but there is no such thing as a national balance sheet. All we get is an expenses account and in all this fantastic talk about borrowing in order to run the war, we neglect to take any recognition of the fact that we shall have an asset value when the war is over. I understand why; it is the same old game of "kidding" the people. Secondly, with regard to paying for the war I want to emphasise what I have emphasised on previous occasions—that no wars are ever paid for financially. We never paid for the last war and I am doubtful whether we ever paid for the Battle of Waterloo. I am certain that we shall never pay for this war financially even when it is over. The fact is that we pay for wars by the sweat and blood of the soldiers and workers at the time they are fighting. The great game of bridging the unbridgable and balancing a non-existent balance-sheet merely allows the money creators in the background to run off with the swag. The method by which we run wars is to give up our liberty, stop doing the kind of things we want to do, and having the kind of things we want to have, and in no other way whatsoever. Then there is the fallacy about Spitfire Funds and War Weapons' Weeks. I agree that Spitfire Funds are merely voluntary taxation. Why not call these efforts by their real names?

*Mr. Woodburn:* It is not so romantic.

*Mr. Stokes:* Why not tell the truth? It does not matter how much is subscribed, it will not produce another single Spitfire, any more than a War Weapons' Week will produce more war weapons. I regard War Loans as a fallacy and I must quote Lord Kindersley on this subject, because he is the man involved. He said:

"I do not disagree with the expressed belief that it does not make a pennyworth of difference whether you subscribe or not, providing you bank your money and do not spend it."

I asked the Chancellor recently to send out circulars inviting the public to put their money on deposit with the Treasury and not in the banks or into War Loan. Why pay the banks for something which they do not possess? Why not deposit it

with the Treasury, which could pay a half per cent. on the money? It is far cheaper and far more patriotic generally from the point of view of financing this war, when the dreadful burden of interest which we shall incur will be about £600,000,000 a year when the war comes to an end. I quite agree with the man who said that the National Debt is a national fraud and that it must be wiped out and not transmitted from generation to generation...

April 8

Oral Answers (35 columns)  
HOUSE OF COMMONS (ABSENT MEMBERS' VOTES).

*Mr. Cecil Wilson* asked the Prime Minister whether he will consider the adoption of some method similar to that provided in the Representation of the People Act for absentee voters, thus enabling those Members of the House who are absent from the House owing to the work in which they are engaged being regarded by the Government as of national importance to record their votes?

*Mr. Attlee:* No, Sir. This suggestion is contrary to the tradition and spirit of the House of Commons.

*Mr. Wilson:* What steps have been taken to prevent a repetition of what has recently happened?

*Mr. Charles Williams:* Is my right hon. Friend aware that this proposal is strongly reminiscent of the card voting system, and will he oppose it as being against the democratic system of voting in the House?

Written Answers (18 columns)  
GOVERNMENT DEPARTMENTS  
(STAFFS).

*Sir H. Williams* asked the Financial Secretary to the Treasury the aggregate number of persons employed in all Government Departments other than the Post Office, and other than the productive employes in Government factories, on the latest date for which the figures are available, and on the last pre-war date for which they are available?

*Captain Crookshank:* The last dates for which precise figures are available are 1st January, 1941, and 1st April, 1939. The total number of non-industrial civil servants, excluding the Post Office, employed at those dates were respectively 334,809 (328,374 whole-time and 6,435 part-time) and 192,977 (189,363 whole-time and 3,614 part-

time). As regards industrial employes I regret that the figures do not distinguish between those engaged on productive work in factories and others.

### WAYS AND MEANS—BUDGET PROPOSALS

(73 columns)

*Sir J. Wardlaw-Milne* (Kidderminster):... Only the Treasury can say whether this estimated gap of £500,000,000, of which the Chancellor spoke, is optimistic or accurate. I have my own views. But, at any rate, the idea that the gap is going to be met by an extended borrowing of £300,000,000 this year is, to my mind, very optimistic indeed. I hope and trust that I am wrong, but I am bound to agree with some of the Chancellor's critics on the other side that real borrowing of true savings is not likely to produce all that he has received this year plus a further £300,000,000. I wish that I could think so. I entirely agree, and I am sure that the right hon. Gentleman agrees, that what he wants to borrow are true savings and not borrowings raised from bank loans.

A great deal has been said in the Press in the last few months regarding what has been called costless credit. There is a suggestion that the banks create very large sums which are promptly lent to the Government. Certainly not much is lent to industry in these days. It is true that the banks raise and lend money, but I think it is also true that the services which the banks perform require, let us say for the sake of argument, one half per cent. on all the money deposited with them. As in war the banks are really lending the bulk of their money to the Government at 1 per cent. or thereabouts, all that is happening is that, to the extent of that money represented by one half per cent., the Treasury is in fact subsidising the public who get certain services from the banks for nothing. The real point, however, is that to-day, whatever the effect upon industry may be in time of peace—and the Committee know that on previous occasions I have spoken against the system of purely bank money and of the necessity for a reconsideration of the matter after the war—in time of war the banks' money is almost all being lent to the Government at 1 per cent. or thereabouts.

*Mr. Loftus* (Lowestoft): Surely the banks have the option of converting the

one and one-eighth per cent. loan into two and a half or three per cent. bonds?

*Sir J. Wardlaw-Milne*: Yes...

*Mr. Loftus*:... A remarkable committee set up by the American Parliament has been working for three years to investigate the economic condition of the United States, and it has just issued several reports. I believe they occupy 72 volumes, in which it is pointed out that wealth in the United States, and the power which goes with wealth, are becoming concentrated in ever fewer hands. They point out also that opportunities for private initiative and individual enterprise in the United States are lessening, weekly almost. Our country has been built up on private initiative and individualism. Wealth, as our very great man Sir Francis Bacon once said, is like muck, best when well spread. I hope, even though taxation must injure individualism and initiative to-day, that we shall restore full opportunities after the war. I have pointed out to some of our hon. Friends above the Gangway that the collective mind, whether of the State or of huge combines of finance capital, can organise and can distribute, but cannot create. You require the individual; the individual alone can create...

### PEACE AIMS (STATEMENT)

(10 columns)

[In reply to a speech by Mr. R. R. Stokes:—]

*The Minister of Information* (*Mr. Duff Cooper*): There are really two points raised by the hon. Gentleman in this Debate—first, the general question of peace aims and the desirability of stating them, and then the immediate question of the right to state the case for stating peace aims. He has stated the case for stating peace aims. That has really been the object of his rising in his place. I can assure him that I have no reason to prevent the case from being stated. It has been stated on the radio, and an answer has been given.

*Mr. Stokes*: Not by a Member of this House.

*Mr. Cooper*: I know, but it has been stated by Mr. Priestley, and there was an answer given by a Member of this House... The time may come, as the Lord Privy Seal has suggested, when we shall be able to define more definitely what our war aims are than we can at the present time. Meanwhile, I agree that there is no harm in everybody ma-

king his views known and saying what he thinks the war aims should be; but the Government, who speak with responsibility, must be very careful before they commit themselves, and must be quite certain as to what will be left to build a new world with before they come to build it.

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Summer 1877.

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