THE BIG IDEA (XVII)

By C. H. DOUGLAS.

While, unquestionably, control of Financial Credit is, or was, the most powerful weapon in the armoury of the Enemy, the attack upon integrity—that is to say, the steady policy of corruption and perversion—is made by many other mechanisms—patronage to High Office, or any office, bits of ribbon, titles, mere advertisement. They are all variants on the Credit theme, and to imagine that money alone (although undoubtedly first in priority) requires decentralisation, is to court failure.

I do not think that, at any rate in the first place, “morality of objective” has much to do with integrity—I should deny a much higher degree of integrity to a New York gangster than to quite a large number of highly esteemed ecclesiastics. It consists in a certain simplicity and directness—a clear view of what you want to do, and an indifference to by-products. To achieve anything, you must have it, and without it, you will achieve just what your effort is worth. So far as I can judge, little or no integrity has been applied to political affairs in this country for some years, but a great deal to the advancement of politicians and functionaries. For instance, I should regard Mr. Winston Churchill as a man of high integrity—I should judge that he regards every situation from the single-minded point of view of its effect on the fortunes of Mr. Winston Churchill. What is wrong is that far too many other fortunes are affected at the same time. That is to say, a centralised system of totalitarianism requires, even if it could be made to work, a completely selfish integrity which is not only unknown, but is not Christian. “—thy neighbour as thyself,” presumably means what it says. So far as I understand Christianity it is the easy, (not necessarily the immediately easy) way—e.g., the proper way—to do things—“my yoke is easy, my burden, light.” It is not a pathetic and everlasting effort to do the undeal. The Satanic ideology of work, employment, austerity, sacrifice, is not an ideology of achievement. Surely anyone can see that. It is an ideology of sabotage, destruction, corruption and decay.

Superficially, it would appear possible to make a success of centralisation of Power. The situation is not unlike that involved in the “conveyor-belt” production publicised, but not invented, by Mr. Henry Ford. Until it was copied by his competitors, it gave him command of the market. Nowadays, he is obliged to obtain business by much the same methods as other manufacturers.

As we can see by observation, the only result of building up a “strong” State is to force the building of one still stronger. The British traditional policy of the balance of power was the only practical way of dealing with this outcome of the State system, and had the British Government retained that integrity (in the sense I have defined the word) which it began to lose with the rise of the Whigs and their backers, there would have been no world war. But the oblique vision which was the inevitable result of the conflict between a national policy and a policy warped to advantage the international interests of Rothschilds, Sassoons, Schusters, Schiffs, Sterns, Schroeders, and other sibilians has been fatal to that single-mindedness which was essential. If anyone supposes that a mass grouping of Power will do anything to hasten the coming of a still more appalling war, if we survive this one, then I can only ask him to consider the rapidity with which this one has come upon us, when, twenty-two years ago we appeared to have reached a period of impregnability.

On the other hand, provided that absolute integrity of purpose, combined with freedom to contract out can be maintained, progressive decentralisation must succeed. The integrity of purpose required is not in opposition to human nature, as in the case of progressive centralisation, but in its best interests. It is in fact essential to the further progress of humanity, just as exercise is essential to the growth of a child. Nothing is so destructive as continual frustration (that is one of the worst features of Government Departments) and nothing develops a man like achievement. Such virtues as are peculiar to the newer countries derive directly from the absence of unnecessary hindrances. The British are being stifled with them.

(To be continued) 

FROM WEEK TO WEEK

"Thanks to their prominent position in the Ogpu, they hope to set up a military dictatorship in place of Stalin, and then suddenly substitute the name of Fascism for Bolshevism, with which, except for the Black Shirts, it is absolutely identical." .... "The impending world war, accordingly, will therefore very likely bring about a very serious state of affairs in the interior of Russia, owing to the unpopularity with the masses of the Soviet system of government, although they are not strong enough to abolish it. They would haul a revolution with joy...."  

—LUDENDORFF: The Coming War.  

The Carnegie Endowment for International Peace, which was quite probably founded with the best of motives, is, with its close associate, the Royal Institute of International Affairs, a whole-time agency for Jewish world intrigue. Its Annual Report for 1941 is a good instance of that curious
inability to refrain from “spilling the beans” on which many
writers have remarked in connection with God’s Odd Choice.
After quoting a resolution passed by the U.S. Congress
in 1910 in favour of “constituting the combined navies of the
world an international force for the preservation of universal
peace,” i.e., to make revolt impossible, it made public a
conference held at Chatham House attended by “sixty-two
persons all of great influence and importance, coming from
ten countries, including Germany and Italy.” The resolu-
tion passed is so illuminating that we propose to publish it
in full at a convenient time. The last paragraph of Section
II reads, “We recommend that the leading Governments,
especially in the first instance those of France, Great Britain,
and the United States, should consult one another without
delay for the purpose of coming to a provisional stabilisation
of exchange on the basis of gold—allowing for the possibility
of re-adjustment in case of need—with a view to the estab-
lishment of a stable WORLD GOLD STANDARD.” (Our caps.
—Ed.)

It then goes on to say “The Atlantic Charter . . . may
be regarded as an endorsement of, and a supplement to, the
principles proposed by the Conference held at Chatham
House.”

So now you know.

Several Independents have come forward as candidates
for the vacant seat in Parliament caused by the death of
Mr. Patrick Munro.

On May 6 the Western Mail reported:—
“A Liberal may, however, fight as an Independent—Mr.
J. E. Emlyn-Jones, former M.P. for Dorset and a Cardiff
man.”

“Mr. R. W. G. Mackay, a London Barrister, has also
been invited by members of the 1941 Committee and of
Federal Union movements in the constituency to stand as an
Independent. Mr. Mackay, an Australian, is to visit the
constituency during the next few days before making a
decision.”

On May 8 the same paper stated that, “Mr. Frank
Rivers, London, mentioned as a likely candidate in the
Chichester by-election, has announced that he is standing
as ‘National Progressive Independent’ for Llandaff and
Barry.”

“Mr. R. Borlase Matthews, a Glamorgan man residing
at East Gristead, Sussex, has also announced his withdrawal
from intended candidature at Chichester in order to figure
in his home country.”

In the South Wales Echo, the evening paper of the same
date, we read that Sir William Firth, formerly managing
director of the Ebbw Vale Company, has announced his
intention of fighting this election. Social Crediters will
remember Sir William Firth’s stand against the Bank of Eng-
land. Mr. R. W. G. Mackay is a solicitor connected with the
firm which specialises in changing foreigners’ names and,
during the war, he has flown to Australia to preach Federal
Union. He had to cut his broadcasting talks as a result of
Social Credit pressure in Australia.

American army engineers recently passed through Ed-
monton on their way north to start construction of the
highway to Alaska. The highway will go through Edmonton,
in spite of political opposition in Ottawa which has blocked
the start of this project for the years since it was first
proposed.

“Most men in public life who are fortunate enough to
secure the services of an efficient private secretary like to
retain him as long as they can. That, however, was not the
practice of the late Judge Brandeis. He made it a rule to
engage every year a new secretary, recommended to him by
his friend, Professor Felix Frankfurter, from among the
students who had just graduated at the Harvard Law School.
By the end of his year in Washington each of these young
men had gained not only first-hand knowledge of Supreme
Court procedure, but valuable insight into the workings of
the mind of America’s most eminent liberal jurist. The
advantage of this method to Judge Brandeis himself was that
it kept him in constant touch with the younger generation
in his own profession. Moreover, in the course of years
these ex-secretaries came to form a considerable group of
disciples whose attitude towards public affairs bore the
impress of their former employer’s personality.”

—The Otago Daily Times, December 31, 1941.

CORRESPONDENCE

THE TRAINING OF MEDICAL STUDENTS
Sir,

May I thank you for your courtesy in sending me a
copy of the issue of your paper for May 2, containing the
report of a question and answer dealing with the period of
training of medical students.

The incident noted in my question is an illustration of
the frequent phenomenon noticeable since the outbreak of
war viz., the encroachment by bodies having no constitutional
authority upon the activities important to the conduct of
the war, amongst which, I submit, there is hardly anything
more vital than the supply of adequately trained medical
personnel to the fighting services.

The acceleration of qualification of medical students
by curtailment of their training, especially in the final
directly-professional stages, seems a counsel of despair.
The proposal to do so emanates, apparently, from the
Central Medical War Committee which is one of six advisory
Committees to the Ministry of Health. There has been no
official intimation, either in Parliament or elsewhere, that
this curtailment is in fact, promoted from any responsible
quarter.

Yours faithfully,
E. GRAHAM-LITTLE.

House of Commons; May 11, 1942.

CORRUPTERS OF WORDS

“Politicians are great corrupters of words. Dealing
habitually with evasions, and forced to conceal their meaning,
or lack of meaning, they retire behind a cloud of vaguely
used polysyllables, and their words, broadcast by the news-
papers, infect the domestic breakfast-table, and the club
luncheon-table, and the evening gatherings of village Hamp-
dens; and out of this muddle of words there comes a muddle
of ideas. The sloven in words is a sloven in thought. So
rooted is the political reference for polysyllables that a
Technique of Control in France

Because Mr. Thomas Kernan's Report on France is a record of a conscious attempt to impose an alien policy on a conquered people it is a valuable guide to those political techniques of centralised control of policy which in a 'free' country are more or less concealed. While ruthlessly pursuing their predetermined policy, the Nazis in France seem to have avoided the grosser brutalities in favour of fostering as far as possible genuine collaboration in the New Order by propagandist means. "To do this Germany must return to France at least a certain measure of her sovereignty," says Mr. Kernan, "...France will be conceded the maximum appearance of independence without entailing a too great concession of actual independence."

The nature of the policy to be imposed on France is involved in the German conception of France's rôle in the New Order—that she should supply the rest of Europe with vegetables, wines and luxuries, and, transforming herself into a huge amusement park, 'recreation.'

France's methods in taking over French assets were, according to Mr. Kernan, planned in advance to the minutest detail, and in the event operated smoothly and swiftly: "The Nazi economic plan, with every detail worked out years in advance, has hog-tied the average Frenchman without giving him the slightest chance to squeal or struggle. He has hardly realised what is going on." This is acid comment on the effectiveness of 'planning' per se in stripping freedom!

The various devices deliberately used to control the policy of institutions may well remind us to look again at the operation of these same methods in this country: the manipulation of money, the taking over of some businesses, coercion into surrendering control of others, the purchase of majority holdings in yet others; the strict control of radio, cinema, press and public meetings; the complete detachment of all power from the individual Frenchman, other than the power to sell his labour for just enough to live on. To him, German control of industry is not obvious—the German economic kommissars are in contact only with the "higher-ups"; in the heavy industries the German overseer works through the manager. "In the case of the smaller industrialist to whom no special German kommissar has been assigned, he deals with the same French officers and directors when he goes to his bank. Through these bank officials, however, the Nazi supervisors direct his policy as much as they require. Under these circumstances the French work-

minister of state says 'definitive' when he means 'definite,' and is surprised to find that he has precipitated a strike.

"Words are mystical things—the most marvellous of man's inventions. They are the embodiment of the invisible. To use them rightly is an obligation, and should be a delight." —GEORGE SAMPSION.

"The great inlet by which a colour for oppression has entered into the world is by one man's pretending to determine concerning the happiness of another."—BURKE.

"Power obeys reality, and not appearances; power is according to quality, and not quantity." —EMERSON.

E S E.
THE SOCIAL CREDITER

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

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The Ayes and the Noes

A magazine published monthly for private circulation among the members of an association interested in the sales side of industry has just published an analysis of the replies received to a questionnaire drawn up, apparently, by Mr. Vickers (Mr. Vickers's name is mentioned by a commentator). The organisation has branches in fourteen centres in England and Scotland, and is under royal patronage. Readers may be able to estimate its probable total membership.

Sixty-six members replied to the questions put to them. The analysis of the replies is given below, because, so far as it goes, it is evidence of the claim made in this journal (The Social Crediter) that it is not ignorance of the facts about money that is the chief, or even an important obstacle to the establishment of an order of society in which the power until lately exerted mainly through finance is decentralised:

"57 answered ‘yes’ and 9 ‘no’ to the first question: ‘Do you agree that the banks forego nothing when they lend newly created money to the Government?’

"54 answered ‘yes’ and 12 ‘no’ to the third question: ‘Do you agree that the banks forego nothing when they lend newly created money to the Government?’

"13 answered ‘yes’ and 53 ‘no’ to the fourth question: ‘Do you consider it right that the banks should be allowed to create and lend to the Government money, i.e., claims to other people’s goods, and be paid interest as well as being owed the capital sum, causing an increase in taxation and the National Debt?’

"57 answered ‘yes’ and 9 ‘no’ to the fifth question: ‘Do you consider the Prime Minister of Canada is right and that, when trade activity requires an increase in the total amount of money (paper and book entry), new money should be spent into existence by the Government without a capital debt and interest charge, instead of being lent into existence by the banks, at interest?’

"55 answered ‘yes’ and 11 ‘no’ to the sixth question: ‘Do you agree with Mr. Keynes, of the Bank of England, when he said last February—‘It is a question of materials and man-power, not of finance. The humbug of finance is not what it was. It rears a very cautious and timid head to-day, and I don’t believe it will be the obstacle it was in 1919 and the succeeding years?’’’

A ‘government’ run by the majority of the contributors would not necessarily provide the community with either an improvement on the Work State or more opportunity than there is now for the electorate to determine policy, in the sense of the results to be obtained by common effort.

WAR FOR GOLD

The following letter appeared recently in the “Edmonton Bulletin”:

Sir,

A member of parliament now is telling eastern audiences that: “We are not in this war to defend British Imperialism (Sovereignty) as we were in the last war. Twenty-five years ago I would have opposed conscription.” Twenty-five months ago would have been nearer the date line for this member. At that time Britons—men, women and children, and their homes, being blown to pieces. Britain and her Empire stood alone in defence of all the world against Nazi and Fascist, but it needed Russia’s misfortunes to stimulate this member’s enthusiasm for our war effort.

According to Dr. James, principal of McGill, and chairman of committee for post-war reconstruction, “The value of the 20,000 tons of U.S. gold is at stake. If Britain wins, gold will control the world’s money, whereas a German victory would render the U.S. gold valueless.”

That statement was made before “Pearl Harbour.” Possibly Dr. James now would enlarge his estimate of war aims to include the safety of the lives and property of the citizens of the U.S.A. But, apparently the lives and property of British citizens were not an issue when Dr. James addressed the American Bar Association in 1940.

It should be noted that Britain owns no gold, or will not by the time she has paid for the privilege of safeguarding the 20,000 tons under Fort Knox.

According to Dorothy Thompson and her “Union Now” satellites, we are fighting to bring about a world government, a world currency based on gold (under Fort Knox), controlling a “world” police force of bombers.

All these planners and plotters have a common objective: The destruction or surrender of the sovereignty of the British Empire and with it the sovereign independence of the British people, as the essential preliminary to the centralisation—world dictatorship—of all effective political and economic control. That, also, is precisely the objective of Hitler.

Nazism, Fascism, “Communism” (so-called) and “Fiscalism”—all are totalitarian—hard-boiled, fried, stale, rotten—all are eggs out of the same slaves’ basket.

Mirror, Alta.

"I will never shut the doors of my senses. The delights of sight and hearing and touch will bear thy delight. Deliverance is not for me in renunciation. I feel the embrace in a thousand bonds of delight."

—RABINBRANATH TAGORE.
Answer by an Albertan Correspondent
By B. M. PALMER

You say that meetings are being held throughout the Province asking parents and teachers to give the department of Education some advice on the new High School curriculum that is being prepared. I have read the pamphlet you enclose* and I entirely agree with you that it is "monstrous" to ask parents to give their opinion on methods of education. Not that some of them might not be quite capable, but it is not their responsibility. The object of the pamphlet is to encourage parents, teachers and school administrators throughout the Province to form study groups for the purpose of preparing the ground for the revision of the High School programme. The subjects set forth for study cover the whole field of education, from the philosophy on which it rests to the technical details of choice of subject and the desirability or otherwise of examinations. It seems to me that this programme is fundamentally incorrect from the first item marked for discussion:—

"To what extent does the subsistence of a democratic social order depend on its system and programme of education?"

The functioning of democracy is not related to the education of the people concerned.

And the second question is even worse:—

"Is it possible to build a democratic society with the traditional system and programme of education?"

You cannot "build" a democratic society in any sense of the word.

It is a question, as Major Douglas has recently pointed out, of each individual's power of veto and his ability to contract out.

We will suppose for a moment that these study groups are held, that the long programme of "basic principles" and "practical solutions" is gone through, and the findings consolidated as the basis for Province-wide action. Presumably every school will be tied down to the same curriculum. The education department will not be responsible for its success or failure, for the decision will not have been theirs. Moreover, any parent disapproving of the findings of his fellow citizens will have no alternative. It will be as if the patients in a hospital were asked to decide in committee on their own line of treatment, thus exonerating the doctors from any blame for failure.

It is the age-old question, concerning the function of the hierarchy of experts (in this case, the hierarchy of the teaching profession). For they would scarcely deny that they are the stewards of education, in this generation. It is a principle of Social Credit that they assume complete responsibility for everything connected with their work, save only its policy. No guidance concerning this is given in the Bulletin.

When Miss Cazalet asked in the House of Commons whether the President of the Board of Education would consider making it compulsory for all children up to eleven years to attend the same schools, Mr. Ede replied that he feared this might be a first instalment on the road to a Fascist State. Social Crediters would have preferred the word "Totalitarian," but this was a sound answer, and has wide implications, not the least of them the admission that parents still have the right to choose the policy of their children's education. Admittedly, this is to-day a question of the money vote, but to take that vote away from the small section still holding it will not increase the freedom of the rest of the community. This is perceived by a certain number here. Children must be under control, and even bad parents are usually preferable to the best institution.

It seems therefore that as the Social Crediters increases there will be greater demand for variety in educational establishments, to correspond with the greater power for contracting out. Parents will wish to see the different systems in working order to assess results, nor does it seem likely that, in the present stage of development, we shall be united as to the policy of education for some time to come. To try to enforce some kind of artificial unity, by placing the onus for technical decisions on the parents, as these study groups would surely do, is a definitely retrograde step.

Mr. Aberhart on the Disallowance of the Alberta Debt Legislation

We regret that we are unable, in the space at our disposal, to publish the whole of Mr. WILLIAM ABERHART'S statement on the arbitrary disallowance by Ottawa of three more Acts passed at the 1941 Session of the Provincial Legislature for the protection of debtors of Alberta against the seizure of their property by the money-lending corporations. His main points, however, are included in the following extracts:—

In these critical days the people of Alberta, and in particular our debt- ridden farmers, have been putting our national war effort before everything else. Very naturally we all have given our whole-hearted and unstinting support to the Federal Government's policies in their conduct of the war effort, often against our conviction that they have not always been the best. That is as it should be, for the Federal Government has to accept full responsibility for the results of their policies.

According to a press dispatch from Ottawa, the disallowance of the Acts was at the request of the Dominion Mortgage Association, the Canadian Bankers' Association, the Edmonton Chamber of Commerce and the Calgary Board of Trade, all of which represent Eastern financial interest. On the other hand the overwhelming majority of the debtors in this province have received no consideration whatsoever from the Dominion government, presumably because they have not the means to hire highly priced legal luminaries to lobby for their interests in the halls of Parliament.

We cannot accept the interpretation that the constitution justifies, particularly at a time like this and without consulting either Parliament or the people, the high-handed action of the Federal Government in setting aside acts of the Alberta Legislature passed a year ago, reflecting the will of the people of the province and dealing with matters coming within Provincial responsibility—just because they

*Revision of the High School Programme:
A Bulletin outlining a project for Study Groups. Printed by A. Shnitka, Edmonton, Alberta.
were asked to do so by vested interests which have been the
curse of this country.

The Federal Government must be fully aware of the
voracious blood-sucking operations of the financial octopus
of our land. Everyone knows that these corporations pressed
loans on farmers when wheat was $1.20 or more a bushel
at the elevator, at interest rates ranging from 8 per cent.
to as high as 10 per cent, and 12 per cent. The Federal
Government surely realises what the devastating effects upon
the farmer must be when, as a result of financial manipula-
tions, the markets collapsed and prices fell. Take the
case of a farmer who borrowed $5,000 at 10 per cent. when
wheat was $1.20 a bushel at the elevator. It took about
416 bushels to meet his annual interest payments. When
the price slumped to 30 cents. at the elevator it took about
1664 bushels or four times that quantity of wheat to pay
the same interest charge. In other words the money lenders'
returns were increased to the confiscatory and usurious rate
of 40 per cent interest and the buying power of the principal
amount was increased four times, in terms of the farmers'
products.

How then could we expect the farmer to meet his
obligations?

In these matters the Federal Government has always
acted against the Province and the people, and for the
financial corporations. They have swept aside our debt acts—presumably on the grounds that these constituted an
invasion of what they considered federal preserves. At
the same time they have refused to do anything themselves
about the debt situation.

Is it not strange that, while at all times the Federal
authorities have been most anxious to carry out the minority
wishes of the financial corporations, they have never taken
the slightest notice of resolutions passed by the Provincial
Legislature in regard to these matters?

I wish to make it plain that it is not the policy of
this Government to block the collection of just debts. It
is our policy to bring about an equitable re-adjustment of
debts. However, we have been obliged to adopt emergency
legislation of a more drastic nature because of the selfish
tactics of the money-lending corporations and their unreason-
able attitude.

One after another of our acts have been swept aside
until we are being forced into the position where only two
courses of action, both unquestionably within Provincial
jurisdiction, are left to us.

The first is to declare a blanket moratorium on all debts
for the duration of the war, at the end of which the situation
can be reviewed in the light of the circumstances then
existing.

The second course, and one which we would adopt
only as a last resort, is to cancel the principal of all debts
contracted before a certain date.

The Government has the whole matter under consider-
ation. We realise that agriculture is an essential war indus-
try and that it is not getting a square deal. We are
determined that so far as it is within our power we will
not permit the farmers of this province to be harassed and
bullied.

I know that I shall have the support of the people
of Alberta in this matter—and I ask our farmers not to permit
this unfortunate affair to detract from their whole-hearted
concentration on the war effort. We are going to clean up
this financial racket, but first we must finish dealing with the
military gangsters we are fighting.

Points from Parliament

APRIL 30.

Oral Answers to Questions

NATIONAL WAR EFFORT

WORKERS (PLACE OF RESIDENCE)

Major Sir Jocelyn Lucas asked the Minister of Labour,
whether, in order to save rubber and petrol, he will take
action to implement his powers to compel war workers to
live near their work if hostel or other accommodation is
available.

Mr. Bevin: I have no power to prescribe the place at
which workers shall live, but propose to discuss the matter
with the Ministers concerned.

Sir J. Lucas: Is the Minister aware that there are
hostels at one place that I know of with accommodation
for 2,000 people and that there are only about 400 people
there, a large number of others being brought long distances
every day to work?

Mr. Bevin: There have been difficulties with regard
to some of the hostels. It depends to a very large extent
upon hostels reserved for use where the work is developing.
If we have to fill up with mobile women from outside, I
prefer as many to live at home in the district as possible.

MAY 5.

FINANCE BILL

Sir Kingsley Wood: ... That concludes my detailed
observations on the terms of the Bill, but before I conclude,
there is one further observation of a general character
which I should like to make. The economic effects of war
upon the civil life of the community gather momentum
gradually as war proceeds. A survey of our economic
policy, whether in the financial sphere or over the whole
field of Government activity, shows the constantly increasing
regulation of civil life to fit it to growing scarcity, to
increasing restraint and the even greater concentration of
effort upon a single object. After the war, we are likely
to be faced with many difficult economic problems. In some
respects, indeed, the economic problems of the early post-
war years may be more difficult than those of war-time.
But our difficulties will, at the same time, be our oppor-
tunities, and we must approach the post-war problems with
determination to establish economic conditions based on
justice, security, and a greater degree of social unity than
we have hitherto enjoyed. A great deal of work has already
been done in thinking out these problems and preparing
suitable measures, but it is not too early to say certain
things.

One of our main objects in the post-war period must
be to direct the change-over from war to peace con-
ditions as to maintain conditions of full and active employ-
ment and thus to avoid the foolish waste of our productive
resources. For this purpose it will be essential to avoid
anything in the nature of deflation, but it will be no less
essential to avoid what is likely to be the more immediate
danger, namely, a serious inflationary movement. In order
to secure these objects, it will be essential, as I have already
said, to continue into the peace, with suitable adoptions, much of our war-time system of control. I think it is generally recognised that we made a mistake after the last war in sweeping controls away too rapidly. We must not make that mistake again.

Mr. A. Edwards (Middlesbrough, East): I have a word to say on the Excess Profits Tax, a subject with which a good many speakers have dealt to-day. The hon. Member for Streatham (Mr. Robertson) quoted a very important case in which a firm, by doing Government experimental work in the vital years on which their standards are based, lost an enormous amount of money in the hope of recovering it at a later stage. He tells us that the Government encouraged them to go on at a loss because Government orders at a later date would bring the profits. As a result, when they are earning big profits, they have hardly anything left. Take the case of other firms who, in those vital years, were trading with the enemy, selling munitions of war and raw materials to Germany and thereby building up enormous profits. What a ludicrous position we are in; firms which built up the might of Germany made big profits in those vital years 1935-36-37, and because they built up that might, which is now endeavouring to destroy us, they are guaranteed those enormous profits for the period of the war, while other people who developed our own might and deliberately lost profits have to suffer, and are now working practically at a loss.

I should like to put on record another case of real hardship. A certain firm started with hardly any profits in 1937. In 1938 they made very substantial profits through a very useful invention. In 1939 they made still larger profits. They have no pre-war standard, but just a profit standard. Last year, in order to cope with the increasing demands of Government Departments, they incurred £9,000 capital expenditure. All they had between three directors to provide the new capital was £5,500. That was a terrible gamble for a comparatively small company. Some firms, if asked to increase their production, would have declined to do any extra work for the Government, but this firm did not. The correspondence is available. Then the Inland Revenue Department demanded payment of Excess Profits Tax. The firm said they could not pay. They were threatened, so they said, "You can have your Excess Profits Tax, but we shall close down about half our output, so that we can collect some money; or you can have 100 per cent. output from our factory and wait for your E.P.T." Fortunately, the Department showed good sense and decided to wait for the E.P.T. That is the proper way to deal with such matters; but how unfair it will be if such firms find they have no capital left at the end of the war. Many of them may be made bankrupt. They might not object to that if it were not for the fact that other firms who traded with the enemy in the vital years built up vast fortunes and have great advantage now from doing so.

Dr. Russell Thomas (Southampton): . . . So I would come to my last point. So far we have endeavoured to finance this war by orthodox methods; the Chancellor has proceeded in an old-fashioned way. Undoubtedly a big burden has been laid upon us. We have been told to-day of no future scheme or plans. We have been told about the control which will be laid upon us after the war but about no scheme to cope with this great millstone which will be round the neck of the people. I remember saying in my speech last year on the Third Reading of the Finance Bill that war finance and post-war finance were not even interlocked or intertwined but fused together, that you cannot tell where one begins and the other ends. The Treasury should be considering this now and should be giving the House some idea of what it has in mind. Some people say this problem could be solved by the nationalisation of the banks. I do not agree with them. I believe the joint stock banks fulfil a very useful function, and that they should be paid for what they do, as indeed should everyone, but that no one should get much in this world unless he is prepared to give service or accept responsibility. So I do not accept that method.

There are many theories put forward as to how this might be solved. No doubt Mr. Keynes, who has had so much to do with the Budget proposal, will, as usual, bring forward some scheme. Mr. Durbin has a scheme of progressive inflation as the war goes on. Major Douglas has a social credit scheme. I do not believe that any of these schemes are foolproof. There is another scheme frequently associated with the hon. Member for East Edinburgh (Mr. Pethick-Lawrence) to whose speeches we listen with such delight on this matter but who afterwards seems to end his dissertations with a smile of complacency as he mounts his horse and sorry nag the capital levy. I have heard monetary doctrines, the multiplicity of which I have marvelled at and the complexity of which I have never been able to unravel by the hon. Member for Clackmannan (Mr. Woodburn). I do not believe that any of these will solve the difficulties we shall have to face.

I would ask the Treasury however and I do not intend to commit myself about it, whether they would consider a statement which has been made in this House and which has been made by many eminent men like Abraham Lincoln, Mr. McKenna who was once Chancellor of the Exchequer, men like the President of the Reserve Bank of the United States of America, supported by Mr. Hawtrey the Treasurer, and by the Encyclopaedia Britannica? I am not qualified to give judgment on this. I possess neither the ability nor knowledge to give judgment one way or the other but it does seem to impress the mind of these men that banks make and destroy money—the Financial Secretary has probably heard all this before—or as the Encyclopaedia Britannica puts it, banks lend by creating credit and that they create the means of payment out of nothing. I think that the Treasury should consider and go into these matters.

I am not in a position to come to a conclusion myself—I have not the ability or the knowledge. I am not a financial expert, I hope not a pundits and I trust in Providence, I shall not become a crank. So I would say this, in much more serious vein, that our young people are now perhaps to be called upon this year to make the supreme sacrifice. Let us see to it that they do not come back and find a great millstone hanging round their necks, because if they do, they will be disillusioned and will soon consider that, perhaps, their sacrifice has been in vain. So I will end by quoting the words of the Prime Minister of one of our greatest Dominions, a Dominion which stretches from ocean to ocean, which contains great mineral wealth, great agricultural capacity, a Dominion which, as we are sinking in population and will have to get our raw materials abroad as a debtor country, may be the one to carry the flag of British culture and British civilisation, that is, the Dominion of Canada. So let me give the words of Mr. Mackenzie.
King to his electors in 1935:

"Until the control and issue of money and credit is restored to the Government and recognised as its most conspicuous and sacred responsibility all talk of the Sovereignty of Parliament and Democracy is idle and futile."*

**MAY 6.**

**Oral Answers to Questions**

**ATLANTIC CHARTER**

Mr. Ellis Smith asked the Prime Minister what steps have been taken to put into operation the Atlantic Charter; to prepare plans for the post-war economic rebuilding of Britain in co-operation with the other United Nations; and has he considered the advisability of setting up a national resources planning board in order that plans can be ready at the end of hostilities?

Mr. Attlee: The Atlantic Charter is a joint declaration of the principles for which the war is being waged rather than a statement of action to be taken during the war. Plans for post-war reconstruction, both internal and world-wide, are being actively prepared under the general guidance and control of my right hon. and learned Friend, the Paymaster-General, who, of course, has in mind the question of post-war international economic co-operation. I have drawn the attention of my right hon. and learned Friend to the suggestion put forward in the last part of the Question.

**PRINCE ALFRED ROAD, LIVERPOOL, 15.**

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**REGIONAL ACTIVITIES**

Information about Social Credit activities in different regions may be had by writing to the following addresses:

BELFAST D.S.C. Group: Hon. Sec., 20 Dromara Street, Belfast.

BIRMINGHAM (Midland D.S.C. Association): Hon. Sec., 20 Sunnybank Road, Boldmere, Sutton Coldfield.


BRADFORD United Democrats: R. J. North, 11 Centre Street, Bradford.

CARDIFF S.C. Association: Hon. Sec., 8, Cwrt-y-vil Road, Penarth, South Wales.

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LIVERPOOL S.C. Association: Hon. Sec., 49 Prince Alfred Road, Liverpool, 15. Wavertree 435.

LONDON D.S.C. Group: Mrs. Palmer, 35 Birchwood Avenue, Sidcup, Kent. Postscray 3059.

Lunch hour reunions on the first and third Thursdays of the month at 12-30 p.m., at The Plane Tree Restaurant, Great Russell Street, W. C. 1. Next Meeting May 21.

NEWCASTLE-ON-TYNE D. S.C. Association: Hon. Sec., 10 Warringdon Road, Fawdon, Newcastle, 3.

SOUTHAMPTON D.S.C. Group: Hon. Sec., 19 Coniston Road, Redbridge, Southampton.

*The subsequent behaviour of Mr. Mackenzie King's Government towards Alberta's efforts to control her own credit show that Mr. King has not only not backed up this sentiment, but actively worked against it.—Ed.