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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

An Australian contemporary, after telling Great Britain exactly what she ought to do about India, remarks "Amrita Bazar Patrika, writing in a Calcutta journal—"

Amrita Bazar Patrika is probably the best known vernacular journal in India, and not as our Australian expert appears to think, a journalist.

The same authority knows how to win the war, too.

America's Great Absent-Treatment Strategist, General McArthur, has sent a radio message to General Auchinleck "You can do it. You can still fight your way through. Remember Wellington."

Well, after the magnificent break through to Melbourne of General McArthur, General Auchinleck ought to be able to fly to Wellington.

The relation to High Policy of what the Whig-Puritans call "Alcohol" is both curious, and much more important than it superficially appears to be. (Nobody drinks a beverage mainly consisting of "alcohol," and the better characteristics of alcoholic beverages are derived from complex higher ethers.)

Why does the Jewish tribal rag-bag known as the old testament condemn wine, and the New Testament accord it the highest honour, including it in its most important and significant Sacrament? Its Central Figure, the friends of publicans and sinners says, "I will drink no more of the fruit of the vine *until*—"

Why is "the Trade," the wine merchant, traditionally Conservative? Why of the two near contemporaries raised under nearly identical environment, was Thomas Carlyle, the perverter of history and admirer of that curse of Europe, Frederick of Prussia, a sour, impotent "teetotaler," and Robert Burns, the National Poet of Scotland and the embodiment of tolerance in combination with traditionalism, a somewhat immoderate drinker?

The Women's Christian Temperance (!) Union, a mainly American organisation was, and possibly is, about as repulsive an institution as the world could show. Added to a band of female hooligans whose excesses were apparently modelled on a mining camp on the spree, it employed organised bribery and corruption in connection with the Prohibition Amendment ("Which transferred drinking from the poor to the rich") to an extent which shocked even the American voter. The W.C.T.U. appeared to have almost unlimited finance at its disposal.

It would be possible to construct a curve showing the decline of civilisation in the past hundred years as a function

of the rise by taxation (the "British" brand of Prohibition) in the price of whiskey. These remarks are not made in praise of drinking, moderate or otherwise. They are a commentary on observable facts:

If Goebbels is half as good a propagandist as our pundits seem to believe that he is (possibly by contrast with the "B".B.C.'s efforts), Regulation 18B, and the justifications put forward in Parliament for its application, must appear to him as a gift from the (German) Gods. One supporter (it is uniformly popular with Socialists) said that it was better that a hundred innocent and British people should be imprisoned than that one guilty person should escape. Of course, if they were "friendly Aliens" that would be different. After that, we ought to hear no more righteous indignation when the Germans punish ten hostages in an enemy country for one offence.

Mr. Morrison's argument is that if Sir Oswald Mosley had been in power, he would have used still greater severity, so that we gather that Regulation 18B is really a new Party weapon. And anyway, only quite a small number were still confined after being acquitted by an investigating Committee.

Mr. Pritt, the Communist, would like more detained. Yes, they do detain more in the Communist Heaven.

A report is current in Stockholm that there is a Gentleman's Agreement not to bomb Berlin or London.

Well, after all, the Shentlemen must have somewhere to meet quietly to discuss the next war, ithn't it?

Anywhere East of Suez, politeness demands visible and audible signs of dyspeptic over-repletion on the part of a guest who has been well fed.

It might be charitable to attribute Mr. Ernest Bevin's rhetorical hiccups to his adoption of this custom in thankfulness for his £5000 a year, if it were not well known that Wall Street and Washington regard him as a gift from Heaven. His speech to the National Chamber of Trade on July 15 was probably more for Transatlantic consumption than for his immediate audience.

The basis of the Big Idea is the Work, or Slave State, and the omnipotent Government backed by open and secret police; *i.e.*, various brands of Totalitarianism. For many years past, Trades Union leaders have entranced their dupes with statements that "Labour" will do this or that—quite irrespective of the diminishing importance of "Labour" as such. The statement that everyone will have to work, and the "Government" will do this or that, is merely a slight substitution of words fondly expected to lead to the Totalitarian State. We doubt it.

The questions addressed from wherever he is confined, by Captain Ramsay, M.P. were in themselves admirable and well timed. The general public is completely unable to understand why there should be any shortage of domestic coal, and the answer that "it would not be in the public interest" to disclose the amount of coal raised in Scotland, is impudent.

But the continued incarceration without trial, of Captain Ramsay and many others like him, is the gravest blot on the honour of this country that it has sustained since the days of the Star Chamber.

We know nothing whatever about the pre-war activities as distinct from the expressed views of Captain Ramsay. The suggestion circulated is that he communicated with Germans. If he was foolish enough to fail to recognise that the Jewish policy he was attacking was, and always has been since the time of Frederick II (the "Great") linked with German policy, he probably had less information than Mr. Montagu Norman, who assisted Hitler to re-arm, and is still at large.

But that a man of his antecedents and record had improper dealings with the declared enemy of his country, after the declaration of war, we flatly refuse to believe until he is convicted by a reputable jury, British by birth and descent.

Advice to a Correspondent

The following letter has been sent to a correspondent in Australia:—

It is of the greatest importance that the attempts on the part of public men to devitalise the basic ideas which underlie social credit should be identified and exposed immediately on their appearance.

Monetary reform has been conceded by J. M. Keynes and *The Times* (see *The Social Crediter* of April 4, 1942) but only on terms which provide control by the 'State' in another form. If finance is willing to make such concessions that is indication that a counter move is ready. There are many such. One is the acceptance of some scheme (which may in itself be sound) followed by its deliberate sabotage by a few administrators in key positions. Another is embodied in Federal Union—a device which sets another gulf between the individual and his institutions, leaving him completely powerless to control the wider issues of policy. And a third such move is the concentration of the national credit in the provision of social services and ameliorations, such as family allowances, a course which assumes that the individual does not desire (or deserve) the free use of his own credit.

THE MOST IMPORTANT ADVICE AT THE MOMENT

By C. H. Douglas

THE BIG IDEA

2/6

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IS TO RESIST AT ALL COSTS THE OBSESSION WITH MONETARY REFORM AS SUCH.

Sir Oliver Lyttelton, broadcasting on April 26 used the phrase 'National Dividend' . . . to be rendered in 'anything else but' hard cash in our pockets. And on May 3 Sir Stafford Cripps followed up with 'Economic Democracy' . . . to emerge from the 'reconstruction now taking place'—which Miss Ellen Wilkinson (Parliamentary Secretary to the Board of Trade) declares to be Socialism.

This misuse of the ideas and phrases used by Major Douglas has a significance which reinforces his injunction: "keep your eyes on the ball." And that is the re-making of the link which should transmit policy from the electors to those whom they appoint. Without that the misuse of the individual's own credit to his undoing is not a matter for speculation, it is a certainty.

This attack towards the sterilisation of social credit conceptions has already penetrated Australia in the field of monetary reform: and other developments as above are likely to follow. Your connections may be of great use in ensuring the immediate exposure of such developments, the snag in which is usually obvious enough. There is invariably some item which involves *control*: or the provision by some of what they think others ought to have: and always the avoidance of Douglas's definition of freedom—"the ability to choose or refuse alternatives as they arise"—for in that statement lies the damnation of all dictators.

The Optimum Population

By B. M. PALMER

The Social Credit Secretariat has made it quite clear that there is nothing in common between a Social Credit dividend and any system of family allowances which has so far been advocated by any political party in this country or in the Dominions. It is necessary to state this fact by reason of a news item appearing in *Democracy* (N. Z.) for April 10. This periodical describes itself as an independent national fortnightly, incorporating the *New Zealand Social Credit News*. [Incorporating is known to be a word with a wide range of meanings.] The editor in a letter to the *New Zealand Press* supports the decision of the General Council of the British Trade Union Congress in favour of "family allowances," provided that the allowances are paid by the State, are non-contributory, and are free from a means test. He recommends the serious consideration of this proposal by the *New Zealand Federation of Labour*.

Family allowances as advocated by the British Labour Party are simply part of the ramp to alienate a large block of the National Credit and put it under the control of bureaucrats, in order that as large a proportion of the nation as possible shall come within the jurisdiction of the Public Assistance Board. To imagine that it is in any sense a distribution of the wages of the machine is entirely to misunderstand what is intended. It may be non-contributory as far as the recipients are concerned, but it is intended to obtain the money from a further increase in the national debt. No wonder Mr. Austin Hopkinson expressed heated indignation in the House at the waste of time involved in such a discussion during one of the major military and political crises of the war. As he pointed out, it has the further support of those who want us to breed like rabbits, some of whom are to be found among the extreme reaction-

aries of the Right. Thus Right and Left join hands in advocating what could only be another load of chains on a "free" people. The colossal impudence of those who suggest that the allowance shall not begin until the third child is born raises the query whether they see any difference between human beings and animals on stud farms.

There is, of course, a close connection between those who are terrified by the supposed decline in the numbers of the people and those who are obsessed by the work complex, but letters to *The Times* written by population experts, involving the most intricate of figures, do nothing whatever to clarify the position, as might have been expected. To those whose brains are, mercifully, free from the obscurities of Social Science it seems quite plain that the population of any given country has an optimum, both of quality and quantity, related to the comfort and convenience of the people who live there.

Enormous populations are, however, useful in the eyes of the planners. They can be used for flooding the world with goods in the revival of international trade, or they are useful as cannon fodder when it is necessary to interfere in other people's business abroad. And in any case it is nice to have a lot of material for the bureaucrats and social science experts to experiment upon, and work up into statistics, to say nothing of making an income out of them.

One may, however, in an idle moment, imagine a very different sort of country, and a population, perhaps no more than half of ours, but of keen intelligence and fine physique, under the direction of persons of integrity, and quite well able not only to lead a happy and comfortable life, but to defend itself against any military attack from any direction whatever. It is quality that counts; and quality leads and always has lead the world, not equality.

"Greece, Rome, Venice, Spain, Holland, England, all of them small, have all, in their turn, set the fashion in civilisation, and, in every case, their eminence has not only been in the midst of far greater, and, in many cases, opposing populations, but has, for the most part, been most clearly marked at a period when the disparity in numbers was greatest. (*The Big Idea XV.*)

In spite of the intensive study of "trends" of population, much remains to be learned concerning them, nor will it be learned until people can live under correct conditions, and then its learning will have only an antiquarian value. Information concerning the Maori race, published in *The Times* on July 3, is a case in point. These people steadily declined until 1896, when they only numbered 42 thousand. The Maoris were resigned to their fate, saying "As clover killed the fern and the European dog the Maori dog—so our people will be gradually supplanted and exterminated by the Europeans."

But from that date there was a spectacular increase, and by 1936 the population was 82 thousand, almost doubling itself in forty years. The Maori birthrate is now 46 per thousand, as against a white birthrate of 17.

No explanation of this phenomenon is suggested, except "the removal of discouragement."

One thing is quite clear, there is only one sort of national dividend and nothing will take its place; and when we have fought for it and got it, the population will, before very long, be exactly what it ought to be, neither more nor less. What its size will be we have no idea, nor are we interested.

Points from Parliament

THE COMMONS ON REGULATION 18B:

THE LORDS ON FINANCE

The episode (*Chamber's Dictionary*: Episode, a story introduced into a narrative or poem to give variety. . . .) involving Sir Stafford Cripps and the Speaker immediately before the Secret Session on July 16 must share with Mr. Morrison's performance on July 21 (18B Debate) the distinction of admitting Administrative Lawlessness into the House of the Lawmakers Themselves. The fostering of contempt for Parliament seems to have become definitely part of the Game.

The style reads in *Hansard* like that of a cheapjack contradicting a heckler almost (but not quite) beneath contempt. "The general impression which is created upon the minds of Members by such a Secret Session can be indicated—I say the general impression created upon the minds of Members—I think, Mr. Speaker, I am almost quoting words which you have used yourself. . . .—I say the general impression as regards the gravity of the situation.—"

Mr. Speaker: I must point out to the right hon. Gentleman that he is now treading on rather delicate ground. I think his description was not really quite correct.

Sir Stafford persisted in his convenient interpretation of what Members might do, to be finally contradicted by the Speaker and post-ultimately supported by Mr. Attlee.

All the House learned from the Debate on Regulation 18B (July 21) was further confirmation of the old adage that you can't make an omelette without breaking eggs, and a few figures, *viz.*, Total detainees at some time or other, 1,817, of whom 1,335 were detained in May, June and July of 1940; total released to date, 1,288, and total now detained, 529. Detainees of hostile origin or association, 322; under 18B (1A) 'more or less British Union'—141; 'acts prejudicial,' 66. Sir I. Albery and Mr. Morrison between them summarised a long and tortuous chase. Sir I. Albery: "How can we deal with him when we have no knowledge of the evidence on which he acts or of what evidence is available?" The Home Secretary's only reply was that upon him and his predecessor (who, by the bye, has not, so far as we know, predeceased the Right Hon. Gentleman) "were conferred exceptional powers which neither the House nor the country would tolerate in time of peace, but which I say they must tolerate in time of war, because I do not think they can do anything else."

Those Members of Parliament (if any) who know as much as (say) Mr. Douglas Reed—whose latest book was rather mystically reviewed in the *Sunday Times*—had better begin supplying Mr. Morrison with the requisite information to enable him to discharge his onerous duties fully, and thus escape the penalties which may come his way if he should happen to fail in them. And, having taken action on these lines, they should see what he does about it. It is stated, on what authority we do not know, that Mr. Maxton was a frequent and a friendly visitor to Captain Ramsay at wherever he is, until he was warned that the attachment might become closer still. Mr. Maxton's effort during the Debate was described by the Home Secretary as "a charming and competent speech." So that's all right!

(Continued on page 6)

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The Tripping Times

I

"I am not a prophet or the son of a prophet, but we have had our experience of returning to the gold standard last time. That experience did not turn out to be a very happy one, and I have heard no whisper, no echo, from these secret conclaves upon which Lord Strabolgi looks with some suspicion, of any intention to repeat our former experience in that matter . . . I say, with the Government's authority, that it is the determination of the Government that these tragic errors shall not be repeated."

(Lord Simon, according to the report of the *Liverpool Daily Post*.)

"*The Times*" omitted the Lord Chancellor's reference to the gold standard altogether.

II

The Duke of Bedford: "There are also the corruption and selfishness of the great American armament firms. Some little time ago a report was published dealing with this question which reveals a very serious and startling state of affairs that received very full publicity in American papers and exceedingly little in our own—

"*Lord Gainsford* [formerly Joseph Albert Pease]: My Lords, on a point of order . . ." (*Official Report of the House of Lords*.)

"*The Times*" says only:—"The noble Duke continued to attack Mr. Churchill, in spite of interventions from Viscount Elibank and Lord Snell asking that he should adhere to the terms of the motion. Eventually Lord Gainsford moved. . . ."

III

Lord Strabolgi did *not* say, as stated in *The Times*, that "it was not desirable to advertise the small group for who the Duke of Bedford spoke. He said (Hansard), "We shall advertise and make much of the attitude of *this* very small group for whom the Duke of Bedford *speaks*." That Lord Strabolgi's disagreement with "every sentiment the noble Duke has expressed" concerns the Duke of Bedford's advocacy of a negotiated peace, and not his reported adhesion to some of the economic views of Social Crediters, may be clear from the following published statement by Lord Strabolgi:—"That the public as a whole would ever agree to any one system of monetary reform is doubtful; and that is why I, personally, find myself in agreement

with the policy of the majority of Social Crediters today—namely, to demand RESULTS, and to leave it to the experts to decide HOW these results are obtained. . . . The great Electoral Campaign, under the leadership of Major Douglas and the Social Credit Secretariat, for the abolition of poverty through the issue of the National Dividend is, however, making even more rapid strides than perhaps even the most optimistic of us would have dared to hope. The leaders of the campaign have reason to be encouraged and satisfied with the results of their work and the spread of their ideas; and those of us who are on the Left in politics are at one with Social Crediters in the desire to see poverty and want removed from our midst, and the danger of war removed. We want the real cause of war—the power of private and monopolistic finance—swept away." (*Fig Tree*. No. 4. March, 1937.)

"The Americans are saying that the British are so darn reserved because they aren't doing anything," says the New York reporter of one of our characteristically reserved organs of publicity. "Americans expect you to shout your wares. They see no sense in understatement."

O.K. boss!—Here goes:—

THE UNITED STATES SERVICES, SINCE THE UNITED NATION ENTERED THE WAR (this war), HAVE LOST 4,000 MEN IN KILLED ALONE! AND THEN SOME!

(We must thank the "B".B.C. for broadcasting the official figure published in America. Without its modest assistance we shouldn't have known how high to aim.)

STOURBRIDGE TRADERS KICK

The following resolution was unanimously passed, at a public meeting of traders of the Borough of Stourbridge, held on July 13:—

"The Stourbridge Chamber of Trade view with alarm, and distrust, the scheme, suggested to the Board of Trade, by the Retail Trade Committee's Third Report, concentration in the retail non-food trades. Its incidence would tend to weaken, and eliminate the individual trader, whilst strengthening the position of the multiple stores, and combines. Further, we consider the maximum recompense as proposed, to be totally inadequate, to the sacrifice involved."

SCHOOL FOR FABIAN BUREAUCRATS

The *Quarterly Review* for January, 1929, is cited as the authority for the quotation in the following:—

The London School of Economics was founded by Mr. Sidney Webb and his socialist Fabian Society with money obtained through Lord Haldane from Sir Ernest Cassel, international financier, which endowment Lord Haldane told Mr. J. H. Morgan, K.C., had been provided "to raise and train the bureaucracy of the future Socialist State."

'Professor' Joad says Gandhi is one of the five greatest men living. Who are the other three?

"Why Colleges Breed Communists"

"If belief in God is rejected it becomes necessary to provide some theory as to the origin of life," says Mr A. N. Field.* But why? The statement is tantamount to saying that God is a theory of the origin of life. Whether the tracing of things to their origins is the chief duty, or indeed any duty at all, of so-called 'men of science,' it is certain that it is a feat not one of them has ever performed, and if Mr. Field's notions concerning the progressive deterioration of modern institutions entrusted (by whom?) with control of matters of this kind have any foundation (as we believe they have) the chance of success in the future must be negligible. The point is not so minute as it looks. Mr. Field has placed the world in his debt, first through his newspaper *The Examiner* and later by a series of books through which he has kept up a steady stream of publicity concerning his discoveries of the occult forces which are turning the world upside-down. As an examiner of the evidences which time, chance and what must be immense consciously-directed industry have brought his way, he has been beyond reproach in regard both to accuracy and, generally speaking, relevancy, a quality demanding higher powers of understanding as well as endurance than most people possess, allied to a standard of honesty now so rare as to be for practical purposes non-existent in connection with matters affecting even the least important operations of government in any form—and government has many forms. Mr. Field has not hesitated to unmask finance and the machinations of financiers, and he has combed with a comb of reasonably large tooth, and unvarying, the biographical, polemical and ephemeral literature of our time, and other times, for evidence bearing upon the connections between the chief agents. Nevertheless, notwithstanding the quite exceptional fuss which was made of Major Douglas (doubtless 'by order') during his visit to New Zealand, and the wide currency and mass support given to his ideas, Mr. Field omitted Major Douglas's name from his references to contemporary personalities, a fact which is the more remarkable because Mr. Field is by no means even secretly sympathetic towards the careerist reformism now rampant in his country, nor by any means a stranger to the idea that "a social and economic organisation which gives free play to initiative and ability wherever found is the type of organisation which is likely to result in the highest civilisation." (Page 106 of the work under notice.)

Moreover, the notion that Mr. Field has deliberately chosen to champion the cause of the Evolution Protest Movement formed in London in 1934 with Captain Bernard Ackworth as its secretary and the insufficiently famous inventor of the thermionic valve, Sir Ambrose Fleming, as its chairman, through a preference for the minuter matters of the Law, may be scouted. For one thing, the present work is far more than a championship of the anti-evolutionist cause, masterly and accurate as it is, as such, excepting in some obscurer details which Mr. Field could hardly be expected to know anything about. (For example, no one who could write that "*Tarsius* has not yet developed the complicated machinery necessary for effecting these nicely balanced adjustments." [For the coordination movements of the eyes]. But, "that it feels the need of these powers is evident" because it "achieves its purpose of bringing the two eyes" to bear upon an object from the same distance by other

means—no anatomist who could write in this strain could be dubbed an uncompromising Darwinian; though doubtless, as Mr. Field suspects, logical consistency, let alone refinement had long ceased to be part of the necessary equipment of biological fellows of the Royal Society in Elliot Smith's time: that Mr. Field's criticisms are directed not only against Darwinians but against Lamarckians and all evolutionists alike is admitted; and Elliot Smith did "rank as a leading authority on monkey-men," as Mr. Field asserts).

But to return to the first question, why should a biologist—or anyone else—be under any obligation to provide mankind with a theory as to the origin of life? The obligation placed upon living things is to *live*. Says Mr. Field: "In the universities of Britain, the British Empire, and the United States a strong under-current of subversive influence has been operating on the minds of students for many years past. Many people who have never had occasion to look into the matter closely regard this as due to nothing more than misguided ebullitions of youthful enthusiasm. There is evidence, however, of organised effort over many years in the work of deliberately pumping subversion into Britain's universities." Perfectly true! "It was pointed out that subversive doctrines were undermining every side of national life, and that this pointed to some fundamental fallacy operating on the national mind as a whole." No one who has patiently studied the facts could question it. "This fallacy they believed to be the acceptance as true of the theory of evolution and its employment as the spring of action in all spheres." Mr. Field is wrong in his dates, and at both ends: the subversive movement long antedated the modern idea of evolution, and present-day treatment of anything demanding a quarter of the mental concentration needed for the grasp of any theory of evolution is perfunctory to the point of neglect. If therefore Mr. Field cannot go further than his Supernatural-contra-Natural concept, he cannot hope to do much more than await the time when the 'higher-intellectual' machine stops, not from the grit in the cogs, but because the grit has worn them smooth. **IT IS NOT TO ORIGINS BUT TO ENDS THAT THE ATTENTION OF MAN IS RIGHTLY DIRECTED.** When Mr. Field turns right round and faces the other way, he will see Social Credit.

The Satanic freemasonries which interpenetrate every avenue of human activity act selectively even when unswerving persistence in the inductive method is practised. The result is sabotage of the real. But when they take a hand (and it is one of their chief occupations) in the mixture of fact and speculation which, as Mr. Field rightly asserts, goes to the formation of much, if not most of so-called scientific writing, "the lay reader cannot discover where one ends and the other begins"—and, we may add, the expert had better not try! The truth is not in us. "Who shall deliver me from the body of this death?" We have gone carefully through Mr. Field's book to see if he knows the answer to this question. He doesn't. You don't deliver yourself from the body of this death by writing a textbook on its anatomy.

Until all theories can be elaborated, *and tested*, in freedom, the honest man will regard all theories with the utmost scepticism, and the more comprehensive the theory, the more uncompromising should be the scepticism. Social Credit? Social Credit is not a theory: it is a specification of the means for the establishment of the requisite freedom, and the sooner it is tested the better.

T. J.

*A. N. Field: *Why Colleges Breed Communists*. Published by the author at Nelson, New Zealand. 1941; price 2/6.

POINTS FROM PARLIAMENT

(Continued from page three)

The House of Lords on the following day (July 22) occupied itself with discussion of the financial issues arising out of the war on the motion of Lord Addison. Lord Addison's inspiration seems to have been devised from 'a paper... drawn up by a number of very important and well-known leaders of finance and industry in the City of London,' as doubtless it was! Like theirs, his attention seems still concentrated upon 'keeping Lancashire mills busy' and need not occupy further space here. By no means the only contribution of Lord Stanhope to the information of the House was his statement that he had never set up as being a financial expert, but it had been his lot for several years to have to answer on behalf of the Treasury. He said further that he had never had enough money himself to own a Rolls Royce motor car. Evidently he was not averse, for that reason, from 'people in this country' having 'sufficient money to buy luxury articles'; but the reason he gave was that it was essential 'to provide a good home market in order to assist our export trade.' Answering his own question, whether employment by the State can abolish unemployment, he recognised that in Germany this had 'practically' been done, but 'by employing their people in producing masses of armaments and employing them to a far greater extent than any of us realised, including our Intelligence Service.' He thought expenditure by the general public no less important than expenditure by the State.

The more significant passages from the rest of the Debate are as follows:—

Lord Perry: ... although our ancestors after the Napoleonic war bequeathed their debt to the coming generations, the coming generations were able to carry that debt. I suggest that it is not possible at all for us to bequeath the pounds, shillings and pence cost of this war to posterity, or to expect the people to be able to carry it, much less to realise the very great high ideals of the creation of new heavens, new earths, lands fit for heroes, minimum wages, the feeding of starving nations abroad, and so on—all those ideals will cost money...

We cannot and must not consider that we can bequeath to posterity this enormous pounds, shillings and pence debt which we are now incurring. If we are not to do so, what are we going to do? In the Napoleonic Wars, Britain fought for peace, primarily for herself, but, when she won, she won peace for the rest of Europe, and spread it over the whole of the world. To-day this war is being fought to secure peace for the whole of the world, and not merely for this country.

This country stood alone for a great period of time. We now have Allies, but at one time we were bearing not only the whole brunt of the fighting but the whole financial cost of the war, and paying very dearly, too. That is not the case to-day, but even to-day we are carrying a lion's share of the cost of this fight for peace; and, when it comes to appraising the price of the peace which will be won for the world, and which will be a world asset, I submit that it is not an insular matter for us to consider what Britain shall do with her finances, and how we must scheme and contrive in respect of our trade and our social conditions. That is a matter of international moment, and must be taken into account in international terms. When peace is secured it will be an international asset. I am a simple

business man, and I never buy anything for which I do not pay, nor, if I can help it, do I buy anything which is not worth buying. We know that peace is worth buying. We will pay the price for it, and we will share it with the world. It is only common sense, common business and common justice that the world should help to pay the price, and should contribute towards paying the price of that peace, when it is won...

Whether the Treasury have some secret conclave which is considering this matter and thinking about the proper steps to be taken I do not know; certainly it is not a matter of public knowledge. I suggest that the Government should forthwith take steps to consider how the price of peace can be capitalized in international terms, in world terms. It can be done; I am not crying for the moon. We service our debt at the present moment by taxation. International taxation is a perfectly feasible thing. . . . if the cost of the war, or a portion of it, is reimbursed to the victorious Powers, and not to the vanquished Powers, any debt service which is collected by international taxation will have to be paid by the vanquished Powers, as well as by all the other countries. . . .

Lord Strabolgi: . . . I am going respectfully to suggest to the noble and learned Viscount the Lord Chancellor that when he comes to reply he should make it perfectly clear that His Majesty's Government and those who advise them have realised once and for all that there will be no going back to the pre-war financial system, or anything like it. I think that is realised in all competent quarters. I notice that Your Lordship's House is well graced with angels of high finance and banking, and our debates are sometimes enriched by their contributions, but when my noble friend leads off with a wide Motion of this kind the angels fear to tread, and we do not get any constructive suggestions from the great financial pundits. I do not propose to make any constructive suggestions myself, but I want to express a very great fear which was aroused in my mind by one passage in the speech of the noble Lord, Lord Perry. He suspects that there is a secret Treasury conclave which is deciding on our post-war financial policy. I hope my noble friend is wrong. The idea fills me with horror. If the Treasury is secretly deciding what is to be the policy of this country after the war then I hope Parliament will bring the matter into the open at once.

And may I put this most seriously to the members of the Government present, and especially to the Lord Chancellor? All those who have contacts with the working people in the factories to-day and with the troops serving in the Army, assure me—and I dare say that the same information reaches your Lordships—that the one fear of the working people and the serving men is that they will have to return to pre-war conditions—the alternative boom and slump and the conditions of unemployment so vividly described by my noble friend in his opening remarks. If they could be assured that we are not going back to the pre-war financial system and all that that meant, I believe it would take a great load of anxiety from their minds. I do not know whether the Lord Chancellor knows the grim jest in the Army at the present time when one man asks the other what sort of a job he will get after the war, and the other replies, "Look here, you keep your rifle and 50 rounds of ammunition and you'll get a job all right." It is a grim jest, but I trust that the Government will take this matter very seriously indeed, and I hope for some constructive statement of policy from the Lord Chancellor.

What do we mean by the pre-war financial system? The noble Lord, Lord Woolton, knows quite well what I am going to describe now, because I am afraid he had to endure it—the policy which meant to Lancashire the Cotton Corporation and the Bill that we tried to fight in this House before the war; the Milk Marketing Board, the Potato Marketing Board—I hope the names are stirring some sympathetic chords in the heart of Lord Woolton—the National Security Shipbuilding Corporation. I hope some of the angels of banking and finance will remember that with some sensitiveness. All these were qualities to reduce output, to limit the supply of goods, to create an artificial market by raising prices through scarcity. Now we are suffering in the attempt to reverse this policy. How glad would Lord Woolton be now if the operations of the Potato Marketing Board had never been initiated by his predecessor. In my place in your Lordships' House I have protested against friends of mine in Yorkshire being fined for growing potatoes before the war. All this policy of so-called rationalisation and the limitation of output led, I fear, to some of our present difficulties and internationally was one of the causes which brought about the present war. The discontent brought about by the financial system working internationally and the operation of cartels made it possible for mountebanks like Hitler and Mussolini to rouse their peoples behind them.

I would remind your Lordships of this fact which was also mentioned by my noble friend Lord Addison when he spoke of real wealth. Stated boldly it is rather startling, but I think it is true that in certain circumstances we shall emerge from the war richer than when we entered it. The circumstances are that we shall not be heavily invaded and have to "scorch" the earth and destroy our wealth to prevent it falling into the hands of the enemy. Despite air-raid damage and the loss of human life, we shall have after this war more land under close cultivation, and better fertilised, more people loving the country life and prepared to go on working on the land—which is also important—more machinery for cultivating the land and a greater number of people used to managing tractors and machinery and all that that means. We shall have more productive capacity and more machine tools, and, above all, more skilled workers; and these are the wealth of the country. . . .

May I ask the Lord Chancellor if it is possible for him to reply, with convenience, to a specific question? I have not given him notice of it, but I should be glad if it could be answered. Is there any hankering now in Treasury circles—by which I mean banking, financial, and money-lending circles in the City who all work together—for a return to the gold standard after the war? . . .

Viscount Bennett [R. B. Bennett] . . . I hope my noble friend Lord Strabolgi will not misunderstand me when I confess to him and to your Lordships that his speech was not new to me. I have listened so many times in another place to condemnation of bankers and those associated with finance that I almost thought myself back again in the House of Commons in Canada listening to members declaiming against the bankers. . . .

It is known by all that secret discussion is not secret in the sense in which the word is used by my noble friend Lord Strabolgi. It merely means that people meet together and discuss frankly the pros and cons of a proposal put before them. The noble Lord, Lord Keynes, might make a suggestion and might afterwards withdraw it. It requires great courage, the greatest courage ever known in an

economist, to publish a book and say in it that an earlier book was wrong. . . .

It is only when settled conclusions have been reached that they can be published to the world. Then it is that we hear of them in Parliament, because it is the purpose of Parliament to deal with them in the last resort. When they are debated here they may be modified or amended, but at least we know that they represent the best wisdom of the best men to deal with the financial problem.* . . .

The Lord Chancellor: . . . My noble friend Lord Strabolgi also showed great consideration in what he put to me, but he was entitled, in view of that, to ask me one specific and formal question, which I will answer as well as I can. He asked this question: is there any prospect of our returning to the gold standard? Now, I am not a prophet or the son of a prophet, but we have had our experience of returning to the gold standard last time. That experience did not turn out to be a very happy one, and I have heard no whisper and no echo, from the secret conclaves on which the noble Lord looks with some suspicion, of any intention to repeat our former experience in that matter. I trust that that will be regarded as a straightforward answer; I can hardly be expected to say more. . . .

Several distinguished American names have been mentioned in the course of the debate—very properly so. One of your Lordships referred to the well-known statement by Mr. Wallace, the Vice-President. There was also a reference to a statement by Mr. Cordell Hull, and reference was also made to a further statement by Mr. Sumner Welles. There is another very distinguished American whose name I should like to mention in this connexion. He is Mr. Stettinius. Mr. Stettinius is the American Administrator of the Lease-Lend scheme. Quite recently he crossed the Atlantic and came to this country. He is now engaged with those who represent our own Government in discussing and settling various questions and details that arise under the Lease-Lend arrangements. May I be allowed to say, not only on behalf of the Government but on behalf of your Lordships' House, that we are very glad indeed he should come here? We welcome his presence most sincerely. We wish nothing but well to the valuable work he is helping to do. . . .

My Lords, we all notice in our countryside how the signposts have been taken down and even the milestones removed—rather inconveniently sometimes, when we do not know the right road. Well, there is an uprooting of signposts in other fields as well, and, as I conceive it, and as I think your Lordships' House conceives it, the economic policy of the future, based on the outcome of the war, is not to be defined simply by looking at the old and classical finger-posts. It must be framed, as my noble friend Lord Bennett has said, with strict regard to realities, but at the same time with the resolve to achieve, by a new departure, to the utmost of our power the ideals which the United Nations have proclaimed.

Viscose shares came up at question time on July 22:—
VISCOSE SHARES (UMPIRE'S AWARD).

The Chancellor of the Exchequer (Sir Kingsley Wood): I have to inform the House that the arbitration between the Treasury and Messrs. Courtaulds, Limited, in respect of the sale of the Viscose shares has been concluded. The award

*The technique of the *fait accompli*.—Ed.

of the Umpire, Mr. Justice Simmonds, determines that the sum to be paid by the Treasury to Messrs. Courtaulds, Limited, in respect of the Viscose shares transferred by the company to the Government shall be £27,125,000, with interest at the rate of 3 per cent. from March, 1941 (the date when the shares were transferred) to the date of payment. I am informed that the directors do not propose to make a distribution to the stockholders during the war period of any part of the award above referred to. In this they have the approval of His Majesty's Government. I am also informed that it has been decided to invest the sum awarded in subscriptions to current Government issues.

The sum awarded is greater than the sum realised in the United States by the sale of the Viscose shares. That sum was approximately £15,500,000 gross and approximately £13,500,000 net after deduction of expenses in connection with the transaction. The House will remember that the transaction was an exceptional one, carried through in very special circumstances.

Mr. Garro Jones: May I ask whether the award of the learned Judge will be published with any reasons for the conclusion at which he has arrived?

Sir K. Wood: I shall be pleased to publish particulars of the award in the Library.

Mr. Maxton: On a point of Order. Can you say Mr. Speaker, what item this is on the Order Paper?

Mr. Speaker: It is not on the Order Paper, but the Chancellor of the Exchequer has a perfect right to make a statement on a subject of this kind if he thinks fit.

Mr. Maxton: Unsolicited?

Mr. Lipson: Are the Government pledged to accept this award in view of the fact that the shareholders in this company and many other American companies had their shares requisitioned by the Government at a loss?

Sir K. Wood: The award is final.

Mr. Evelyn Walkden: Will the nation be told why this company is to have double value for its stock in comparison with what the nation actually received?

Sir K. Wood: I said that the circumstances were exceptional. The hon. Gentleman will no doubt remember the need we were in at that time. It showed we were determined to do our utmost to realise resources for expenditure in America.

Sir Percy Harris: On whose advice did the Government originally act? Was it on the advice of the Treasury or their agents in America?

Sir K. Wood: I explained fully to the House at the time the steps that were taken, and I am fully satisfied that all possible steps were taken in the United States by the issues of shares to the public to get the maximum amount of dollars that could be obtained for purposes of our war expenditure in the United States.

Mr. Buchanan: Is the Chancellor aware that this statement will cause a great deal of disquiet, in view of the fact that he now proposes that £13,500,000 more than has been actually received by the Government should be paid to these shareholders at a time when he is giving a parsimonious £1,000,000 to a large number of old-age pensioners?

Sir K. Wood: I do not think the hon. Gentleman could have followed the matter. It was referred to arbitration, and I have announced the award.

Mr. Silverman: Does the right hon. Gentleman mean

that at a moment of great stress valuable assets of this country in America valued now at £27,000,000 have been disposed of for £13,500,000?

Sir K. Wood: I have just stated the facts.

Mr. Pethick-Lawrence: Following upon this transaction, am I right in thinking that the Government adopted an entirely different method of handling British assets in the United States in order to avoid a repetition of this kind of thing?

Sir K. Wood: Yes, Sir, this was the only case.

BOOKS TO READ

By C. H. Douglas:—

Economic Democracy	(edition exhausted)
Social Credit	3/6
The Monopoly of Credit	3/6
Credit Power and Democracy	(edition exhausted)
Warning Democracy	(edition exhausted)
The Use of Money	6d.
"This 'American' Business"	3d.
Social Credit Principles	1½d.

ALSO

The Bankers of London by Percy Arnold	4/6
Hitler's Policy is a Jewish Policy by Borge Jensen and P. R. Masson	6d.
Southampton Chamber of Commerce Report	6d.
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Leaflets

The Attack on Local Government by John Mitchell	9d. doz.; 50 for 2/6
Taxation is Robbery	50 for 1/9; 100 for 3/-
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LONDON GROUP

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The usual 12-30 p.m. meeting of the Group at the Plane Tree Restaurant, Great Russell Street, W.C.1., will be held on Thursday, August 6.

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