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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

It appears to transcend the intelligence of our reactionaries that the best way to obtain a political majority in favour of the maintenance of the rights of property is to let everyone have some property.

• • •
Socialism is a "scarcity" theory. Finance is a "scarcity" scheme. Both are grossly inefficient as distributive mechanisms, but Socialism is even more inefficient than monopoly Finance. Both escape completely destructive exposure because there is not any scarcity in the world other than of "common" sense, and economic efficiency is not important.

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"And in those days none might buy or sell, save he who had the mark of the Beast."

• • •
Society is very much like an aeroplane. Far better results are obtained by reducing the frictions (head resistance) than by increasing the thrust.

• • •
The chief industry of the farmer nowadays is filling in coupons for feeding stuffs, and burying the animals which die before he gets them. Owing to the ploughing-up of grazing land, much of which is unsuitable for arable, grazing stock is being driven onto land which is unsuitable for grazing. This is called Socialist control of the land.

• • •
The question which is agitating an increasing number of people is whether we are trying to beat Germany, or wreck Great Britain. If the reconstruction of society is of such a nature that "Only under war conditions, or the threat of war" will people tolerate it, it might be imagined that one of the jobs, at a time, is enough.

• • •
The fundamental contention of the German Supreme State is that War is

the supreme and permanent aim of it, and that this conception must be carried into every economic and political activity. "We have now agreed," said Treitschke, in one of his most important lectures, "that war is both just and moral, and that the ideal of eternal peace is both unjust and immoral, and impossible."

The way to the embodiment of this ideal is to transfer every right from the individual to the State. This is called Socialism, took its rise in Germany, spread to Russia, Italy and France and has in each case resulted in the entry of the State concerned, at the earliest opportunity, into a state of war.

• • •
Have you noticed the systematic propagation of the Doctrine of the Unpleasant? It's "good for you" to be inspected, rationed, moved about, taxed, conscripted, and bombed.

In one word—Satanised.

• • •
Not long ago an act was passed in the United States to curb the practice of wealthy men and corporations contributing huge sums of money to political parties for campaign purposes, a practice that in effect meant that groups of wealthy financiers drew up party programmes and selected the candidates to be presented for election.

The Hatch Act (it was introduced by Senator Hatch) limited campaign expenses to three million dollars for each party. The New York Correspondent of the *Catholic Herald* describes how the elections in November 1940, "were accompanied by such an orgy of open, rollicking corruption that the Senate had to appoint a Campaign Expenditures Committee to investigate the matter.

• • •
"On March 7, that committee concluded its investigation with the announcement that the Hatch Act had been a total failure. No less than twenty-two

million dollars were spent openly, but probably much more was spent indirectly. 'While there probably have been irregularities, frauds, violations and abuses in all elections of the past,' said Senator Guy M. Gillette of Iowa, investigation chairman, 'I believe I do not exaggerate when I say that never before in American history has there been such an effort to debauch the American electorate through the expenditures of huge sums of money.'

The same correspondent reports from *In Fact*, a small American news sheet which is attempting the difficult task of giving the news impartially, that, "a small group of millionaire bankers and industrialists, headed by the DuPonts, Pews, Sinclairs, Rockefellers and Morgans, contributed the bulk of both the Republican and Democratic campaign funds, and bought the Presidency. In one campaign the DuPonts spent 800,000 dollars and the Pews 100,000. The total Pew contributions up to date are about one million dollars.

"One curious fact discovered by *In Fact* is that the wealthy men whom Roosevelt denounced as 'economic royalists, found it to their interest to contribute heavily to the Democratic funds during the three Roosevelt campaigns. One

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contributor is a partner of J. P. Morgan and Company. Others are officials of the National City Bank, the General Electric, the Radio Corporation, National Broadcasting, and General Motors. While one of his partners contributed to the Roosevelt fund, Mr. J. P. Morgan himself put money into the Willkie fund. The DuPonts also contributed to both sides—so as to make sure.”

The correspondent goes on to say that the New York papers hid the Gil-

lette report in out-of-the-way corners, e.g., the *New York Times* placed it on page 42. On January 17, the Senate Investigating Committee announced that the Rockefellers, DuPonts and Pews had contributed 276,725 dollars to Mr. Willkie's election fund. Only one paper, the *New York World Telegram*, gave this announcement prominence—for a single edition. It was then moved inside.

The object of the big contributors is to get the Presidents; the object of the

small contributors, to get ambassadorships for themselves or their relatives—a number of ambassadors from outside the diplomatic service had contributed to the campaign funds before they received their appointments.

As the correspondent points out, at a time when representative government is on its trial, it is at very least unfortunate that it should furnish the world with such a colossal example of graft and humbug.

Soviet Russia's Methods in the Baltic States

The following passage is from an article entitled "They Took Sweden by Telephone" by Demaree Bess, in "The Saturday Evening Post" of March 8, 1941.

I talked, in Stockholm and Helsinki, with several eye-witnesses of this Russian occupation [of the Baltic States]. These were not frightened refugees, but businessmen and diplomatic officials of various nationalities, all of whom were expelled on short notice after the Russians came. Their reports offered striking evidence that the present Russian regime had perfected means for subjugating conquered countries more drastic than any invaders since the days of the Mongols.

In truth, many of these contemporary invaders are themselves descendants of the Mongols. They are Asiatic tribesmen, conscripted by Moscow from the numerous races which inhabit Central Asia, and transported to the shores of the Baltic to serve as soldiers and sometimes even as settlers. It is such people who are replacing indigenous populations—occupying their confiscated lands and homes—while the Baltic people, in turn are being scattered far and wide over the Asiatic portions of Russia.

With brutal realism, Moscow's rulers have thus created another barrier between themselves and Europe. They have made certain that no power on earth shall restore pre-1920 conditions in the Baltic area, no matter what happens in the European war.

The Soviet policy in the Baltic states was painfully consistent. Native leaders whom they found on top were immediately put to the bottom, which meant in graves or prisons or exile. The men they found at the bottom, including those in prisons or exile, were brought out and given a chance to revenge themselves upon the society which had put them there. But after that was done, they were quietly shelved. Pro-

fessional Communist Party bureaucrats now occupy all positions of responsibility.

The Russian police brought long black lists with them as they moved into each liberated country. The men and women on those lists rapidly disappeared. Their families often never learned exactly what happened to them. A few of them escaped, some were shot, others were imprisoned or lost somewhere in Russia.

Having thus cleared the decks of formidable opponents, the Bolsheviks began to organise what they call a "classless society." They confiscated the possessions of those who owned anything fairly substantial, such as 100-acre farms, or apartment houses, or stores big enough to require clerks. The owners of very small houses or farms were allowed to keep them. The owners of very small shops were allowed to sell whatever goods they had left, provided they did not employ assistants to help them. After that they discovered they could not get any more goods to sell, because Soviet wholesale distributors would deal only with state shops. So they had to close up and try to get work with some state organisation.

One Estonian operated a modest import-export business. A few days after the occupation, a Russian appeared and announced he had been appointed "commissar" for this business.

The Estonian protested, "But what can you do here? I have never employed anyone even when business was good, and now there isn't any business."

The Russian insisted that he be put on the pay roll.

The Estonian asked, "How can I

pay you when I have no income?"

The Russian smiled and said, "You have a bank account. I have found that out. You can pay me from your bank account until it is used up."

The invaders fixed their own value on the ruble against the local currency. This proved to be a sugar-coated form of confiscation, for Russian soldiers and officials, finding more goods in shops than they had seen in Russia for years, swarmed through the stores in the Baltic cities like locusts, and when they had passed through there was nothing left except piles of paper rubles. . . .

In Helsinki I met an American friend who had just revisited Moscow after years of absence. He met a Russian woman there whom he had known before, and remarked that the Russians seemed to be better dressed than in former years.

She nodded, "We got clothes from the Baltic states."

My friend asked, "But after they are gone, what then?"

The answer was, "The same old shortages, unless we can capture other countries."

The part of Finland which Russia took over as a prize of war last year was still wasteland this winter. Previously, it had supported a half million people,

The spirit of the Finns is incredible; one has to see it to believe it. In Helsinki I found everything about as it looked when I was last there two years before—attractive varied displays in shop windows, well-stocked bookstores containing classics in most languages, clean streets, warmly dressed people, good food in restaurants, and dancing in night clubs.

Who is Trying to Sabotage the Civil Service ?

By D. T. D.

The rank and file of the British Civil Service rightly have the reputation of possessing the highest integrity and honesty of any administration in the world. Direct and oblique attacks have of late become rather frequent and it seems desirable in justice to the attacked to put those attacks in their proper perspective.

The attacks are of two kinds. First of all there is the criticism, often ill-informed, in Parliament, Press, etc., sometimes apparently ill-intentioned calling forth official defence. Then there is a systematic attack on the civil servants themselves.

The criticism often takes the form of a generalisation from particular instances, especially when referring to the flood of forms, statistics and regulations that may enrich lawyers but certainly helps to impoverish those members of the public actually engaged on production. This flood of paper has two causes. It is encouraged by a Socialistic attitude of mind in high places. It is imposed on the Civil Service by the politicians who seem to think that any form of measurement of some job is more important than the job itself. It is the familiar confusion between figures and the concrete things those figures measure. As for this cause the Civil Service is helpless. The other cause of the flood of paper arises from a growing tendency to regard the number of hours worked as an accurate measure of the work done. It is a fallacy associated with the same confusion of mind. Its result is to "make work;" and what is easier to this end than to invent forms, to be completed in triplicate or more, couched in obscure language and made unnecessarily complicated? It easily solves the immediate problem in the same way as Hitler and Mussolini solved the unemployment problems in their respective domains.

It should not be forgotten that the individual Civil Servant is as little enamoured of the flood of forms as anyone else; less so, if anything, as he suffers from its effects both as a citizen and in his work. But he himself is helpless. The orders come from higher up and my local attempt at increasing real efficiency is quickly put down.

The criticism, justified as it is in

many cases, is usually directed against the wrong people and is rarely a basis for generalisation. On the other hand a defence pointing to instances or whole departments where the criticism is not justified, is no defence at all but mere childish prevarication. It is a pity that the critics have not examined their case more closely before launching their rhetorics. They would have found that the worst offenders as regards forms and questionnaires are the new departments, implementing as a rule Socialist ideas of government, and that the worst offenders as regards complexity and unintelligibility of laws and regulations are those departments dealing with financial matters. Some branches of the Civil Service of course belong to both categories. Readers of this paper can draw the inevitable conclusion from these facts.

These lines are not a defence of the Civil Service but of Civil Servants. The latter are paid to do a job and have to do it. The job and the way it is to be carried out are chosen in regions with which the rank and file have no contact at all. To blame the Civil Servants for a policy imposed on them is stupid. More and more of these men, chosen for their ability, are beginning to realise that all is not well and to see the nature of the disease from which the country is suffering.

That may account for the truly remarkable attack now being made by "the State" on Civil Servants. Most of them are part of the time engaged on civil defence work and, in addition, are working longer hours for which the lower grades are paid a small overtime salary. They now find their leave cut down from 48 or 36 days per year to 6. Holidays and occasional breaks are essential to mental and physical health. As for their income, prices have soared and the inroads of taxation are disastrous; but they receive on the whole neither war bonus, nor other monetary compensation, to which practically every other section of the community has been able to help itself.

All these facts, and only few have been adduced here, show a definite pattern. There is a clear intention behind the many moves. The Civil

Servant is not the only victim by a long way; but he is definitely a victim twice over. What is the intention and who are responsible for the policy? That cannot be fully answered—yet.

It is of assistance in considering these two questions to look at the dictatorship countries. There is Russia, Germany, the U.S.A., Italy, and Northern Ireland. Which of these has the doubtful honour of possessing the most corrupt civil administration can be left to individual discussion, opinion, or research. Few people will deny that at any rate it is one of them. A corrupt or unintelligent Civil Service would go far to help into further power those mysterious forces that, whoever they are, are the mortal enemies of Democracy and of every freedom-loving people of this earth.

BUREAUCRACY IN POLAND

"Oh, those bureaucrats! That paralysing bureaucracy! It was guilty of so many evils in Poland. Servile to its superiors, ruthless and haughty to the small man, pandering to the average taste, never ahead of events, wanting in initiative; it is the same in Poland, in Russia, in Honolulu, in Whitehall."

—From "I Saw the Siege of Warsaw,"
by Alexander Polonius.

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WHO OWNS THE CHILD?

By B. M. PALMER

Reactions to Mr. Bevin's attempts to deal with the woman-power of this country, as reported in *Hansard* and the daily press, are, to my mind, distinctly encouraging. Although it was published in this paper on April 12 it will do no harm to repeat part of Mrs. Adamson's speech:

"I hope that when the Government comes to deal with this question there will be no semblance of an approach to a suggestion that was made in responsible quarters early in the war, that baby nurseries or creches should be established in the grounds of industrial organisations, under the control of employers of labour, where well-intentioned and well-meaning people, with no qualifications or efficiency, would look after the children. When I was canvassed about that idea, which emanated from a titled lady in this country and was supported unfortunately, by people in public life who ought to have known better, my retort was that to start a baby creche in Woolwich Arsenal was an intolerable idea."

Early in the war Lady Astor said that the mother was only necessary to the child during the first year, and Mr. Anthony Eden said we must build a new world through a world at war. It matters little which political party they may own—the idea that the state should provide 'minders' for the children while their mothers are in the factories is pure Russian Communism. We now know, from Mrs. Adamson, that deliberate canvassing for this idea has been going on since the beginning of the war. Just another piece of evidence that the State socialism to which we are being rapidly driven is not the haphazard result of muddle, but a deliberate attempt to alter our Social system.

Now Mr. Beverley Nichols has come out on the side of the family.

I do not take back one word of what I said about Mr. Beverley Nichols on April 5. What he had written was tosh, and treasonable because if his ideas were adopted none of us would have any property—property being defined as whatever is necessary to enable us to live our lives in the way we wish to live them—and none of us would have any power. All property and power

would be under absentee-management.

Did he understand what he was talking about when he addressed the group of soldiers on the wind-swept Scottish coast? Some people may regard ignorance as an excuse for inefficiency. I do not.

What did he say? He said it was certain that all property will be regarded as something that we hold in trust for the general good, not something which is ours by absolute right, even if we have earned it. He said it was conceivable that any form of inheritance might be wiped out altogether. He said the League of Nations must be revived.

What is the logical conclusion of the above statements? That all property belongs to some abstraction called the State, that, therefore, we can only lead the lives which the State will allow us to lead, and further, that we are all subservient to another abstraction, the League of Nations, over which we shall have no control because we do not control our own lives.

It follows from this that we have no control over our own children. How can we? They, too, will be entirely dependent on the state for the means to live their lives.

But poor Mr. Beverley Nichols! As soon as he sees this conclusion rapidly approaching, and the first signs are, of course, the conscription of women and break-up of family life, it seems that isn't what he means at all, and he writes in the *Sunday Chronicle*:

Is your child your own? Or is it a piece of State Property...like a lamp-post or a pillar-box?

Do you wish to mould its mind, to put the stamp of your own personality upon it, to guard it with your love...or are you prepared to hand it over to the "Community," like your waste-paper or your scrap?

Assuming that I can guess the answer to these questions, I would suggest that you watch Mr. Malcolm MacDonald. And not only him, but the whole trend of opinion for which he speaks.

He wants to continue the evacuation of children after the war. On the face of it, an innocent idea, and one for which legislation might be passed—in these times of stress—before most of us have realised that the subject was even under discussion.

This is another step towards the State control of children. Instead of creating happy homes in which the parents will re-

sume responsibility for their children, the State will hand them over to foster-parents in the country.

Let us realise, for instance, that if we are obliged to adopt the idea of communal feeding centres (whatever fancy name we may call them), we shall be submitting to an attack on the family.

Let us realise, again, that the more we extend health services (and very necessary it is that we *should* extend them) we are again, subtly but surely, weakening another family link.

His remedy? Family allowances out of taxation, a further reduction in the standard of living all round.

It is likely that this article of Beverley Nichols's may be the outcome of the contents of his post bag. If so, it is extremely encouraging. Popular writers have an uncanny gift for feeling the public pulse. The people are indignant—they don't like what is going on, but they don't propose remedies.

Family allowances is an emanation from intellectualism. Even a superficial acquaintance with realistic economics would reveal that the family has an inalienable right to a national *dividend* paid from the national credit.

But intellectuals never seem to know the difference between property shortage and money shortage. Run through a few of their names—Shaw, Wells, Norman, Angell, Laski, Priestley. Is there one who has admitted that there is more than enough property to go round, but never enough money?

Money that is purchasing power is a powerful sanction, therefore the people are not to have it; and in order that their attention may be diverted from the truth, they are encouraged to ask for the abolition of property, instead of for a national dividend.

But our right to the control of our own children cannot exist if we are property-less—democracy itself is inseparable from the right to own private property—and thus the attack on the family, through communal nurseries and evacuation, and the attack on private property are one and the same.

There is only one way to have a democracy: to build up from the individual, not down from the State.

April 16.

Governors of the Voice

"The law," said Emerson, "is only a memorandum." And, he says, "The form of government which prevails is the expression of what cultivation exists in the population which permits it. . . Republics abound in young citizens, who believe that the laws make the city. . . that commerce, education and religion, may be voted in or out; and that any measure, though it were absurd, may be imposed on a people if you can only get sufficient voices to make it law."

Emerson wrote in 1841, before the practice, of advantage to a few interested persons, of disguising the 'absurdity' of measures with a veneer of acceptability had reached today's robust development. In the long run, Emerson went on to say, such government breaks down.

And well we know it; what is it but the breakdown of the man-invented laws of no-work-no-pay and an arbitrary money system that we are experiencing today?

We are defending our own ways which, more nearly than any other nation's were described in the phrase that heads this column; we are fighting another whole system of 'imposed laws' incarnate in the Nazi system; and we are hampered and delayed by the growth of this pernicious system in our own community. And yet amid the tumult a noisy band of planners is persuading us to lay the foundations of a new hell twenty years ahead by adopting plans and principles as false as the ones that have let us down.

Emerson does not expatiate further on the young citizens that abounded in his day. In our day they still abound

(but they are no longer young), and they run true to type in seeking to get 'sufficient voices to make it law.' The first step in this is to keep hold of the B.B.C.

Of the four new governors appointed recently to that body, Lady Violet Bonham-Carter, twice president of the Women's Liberal Association, is a member of the Governor body of the 1941 Committee ("Nazism can only be defeated by the establishment in this country of a wholly new way of living. This new mode of life must be based on a new conception of the nature and purpose of the individual man, and the new order must rely, for its motive power, on a wholly new motive force—upon the force of common service to mankind"). Lady Violet is a daughter of the late Lord Oxford and Asquith by his first marriage, and she married Sir Maurice Bonham-Carter when he was her father's secretary. Sir Maurice Bonham-Carter is a partner in Falk and Partners, investment bankers.

Mr. Arthur Henry Mann, was editor of the *Yorkshire Post* from 1919 to 1939, and formerly editor of the *Evening Standard*. The *Yorkshire Post* is owned by Sir Rupert Beckett, whose daughter married Mr. Anthony Eden.

Dr. James Joseph Mallon, Warden of Toynbee Hall, is a 'sociologist' and a member of many committees. He was largely instrumental in getting the Trade Boards Act passed, and is a firm believer in legislating the Betterment of Man by 'social reforms.' In 1930 he wrote a book on poverty without a single reference to the plentiful abundance of real wealth—or indeed, to the existence of physical wealth: a proceeding that seems rather like writing a book on shadows without any reference to the subject of sunlight.

"We are convinced," he and his collaborators concluded, "that, whatever difficulties or sacrifices may be involved, it is our duty to conquer poverty."

We are as firmly convinced that it is our pleasure; but we do not intend to prejudice the future by mortgaging our liberty for the sake of a carrot in the future, when at very least a choice of fruits should be available.

Our business now is to win the wars against German, English and American planners and to leave ourselves free once again to have laws that are memoranda and not tyrannies.

E. S. E.

TWO VIEWS

From the "Daily Mail" April 18, 1941.

GERMAN AIRMAN.

See, he is young. I had such hopes of him, my son.

And he was mine. The love I gave he won

By being gentle, understanding, kind. And now I find

Those eyes that smiled are masked and bleak with hate.

He has no father, mother, save the State, No God but Steel.

No mind to treasure and no heart to feel

The warmth of friendship or the pain of tears,

With love shut out as we would shut out fears,

To Death indentured and to Murder bound

An eagle flew. A vulture came to ground.

What use to pray?—

I had a son. . . . What else is there to say?—

I lost my son before he went away.

BEE.

NAME WANTED

No British name has yet been suggested for the American "Flying Fortresses" being delivered to us. One very fitting for the work they will do in the dark would be "Starshine"—(Mrs.) E. Davis, Sutton Coldfield, Warwickshire.

"ON THE EVE OF HER FALL"

A correspondent sends the following quotation from Feodor Dostoyevsky written in 1880:—

"Yes, she is on the eve of her fall, your Europe, of a fall, universal, general, terrible. . . . Judaism and the banks now reign over everything, as much over Europe as over Education, over the whole of civilisation and Socialism, particularly over Socialism, because with its aid Judaism will tear out Christianity by the roots and destroy Christian culture.

"And if nothing comes of all this but anarchy, then even at the head of all will be found the Jew . . . and when all the wealth of Europe has been pillaged, the Jew bank alone will remain."

The correspondent comments that the fulfilment of this prediction is visible for all to see.

HITLER'S POLICY IS A JEWISH POLICY

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Hitler's Policy is a Jewish Policy

One of the most publicised features of the Nazi conquest of Germany and Europe has been its open hostility to Jews. Stories of the sufferings of the Jews have been spread the world over, and the inference drawn in more than nine articles out of ten published on the subject has been that the policy of the Nazis must be contrary to the policy of Jewry. To the ill-informed such an assumption seems inevitably to be correct. But even the facts which are accessible, when they are brought together (and of course they are never brought together in the daily press), present overwhelming evidence to prove that Hitler's policy is a continuation of the world policy practised by Jewry for centuries. The seeming paradox that Jewry could have a policy obviously contrary to the interests of most individual Jews is easily explained when it is recognised that the policy of Jewry is not a policy initiated by the Jewish people, but, like the policy of Germany, it is dictated by an oligarchy. Anti-semitism is an instrument of that policy, and if account is taken of the known facts about the treatment of the Jewish masses in Eastern European Ghettoes by autonomous Jewish "Boards" there is nothing surprising in the fact that it is so.

Anyone who cares to take an objective view of the political and economic policies which have been effective in the world for centuries, the results which have accrued from them and the people who have been associated with their initiation and implementation can verify for himself what is the truth. *Hitler's Policy is a Jewish Policy** is a pamphlet in which the facts relevant to an appre-

ciation of the responsibility of Jewish policy for the present World Crisis are ably marshalled and generously documented. An unbiased appraisal of these facts leads to only one conclusion—that which is summed up in the title. The pamphlet begins with a letter published in the *Birmingham Post* on anti-Semitism from a Jewish publicist and minister, the Rev. Dr. Abraham Cohen, who, although it is not mentioned in the pamphlet, is a prominent and active Freemason in the Midlands. The letter is answered by Mr. P. R. Masson (but the answer was not published by the *Birmingham Post*). The correspondence is then carried on directly with Dr. Cohen, Mr. Borge Jensen being the correspondent-in-chief. Dr. Cohen's letters are not published, and his reasons for declining this publicity are set forth in the Foreword.

Referring to "that mysterious international power" which is at present imposing its policy on the world, in a significant passage in an article in *The Social Crediter* recently, Major Douglas wrote: "Once they are out of the way, with their powers of Bribery and Black-mail, there is plenty of goodwill and ability in the world to guide 'the forces of nature to the service and well-being of man.'"

These international pluto-criminals will certainly not be put "out of the way" until they are clearly identifiable; and while they are allowed to have their way they stultify all the goodwill in the world. There is plenty of evidence to identify the international Power as Jewish, and in taking action to identify it that far and make the facts known we are taking an important step towards freedom. So far as we neglect to do so we are, intentionally or not, assisting this international Power to maintain the

freedom to stultify the goodwill and ability in the world which could guide "the forces of nature to the service and well-being of man." Mr. Jensen and Mr. Masson have given us a valuable instrument to enable us to identify our enemies. It is up to us to use it.

J. M.

ANGLO-U.S. ENTENTE

The following extract is from "The News Review," of April 3, 1941.

"A lot of talk is going on behind the scenes in Washington about President Roosevelt's long-range objective for a full-blooded Anglo-American Entente.

"In the last week or two both Premier Churchill and Aircraft Production Minister Beaverbrook have made public statements touching on the same subject.

"So far American leaders have given the idea a wide berth in their speeches.

"Reliable observers of events at the White House confess they cannot glean many hard facts but they say that Mr. Roosevelt is fashioning a joint British-U.S. social and economic programme to ensure that the benefits of co-operation exemplified by the Lease-Lend Bill are not frittered away after the war by fumbling politicians.

"What seems to be in the President's mind is a kind of Angli-American New Deal, by which both countries would follow a basic common policy in labour, economics, and foreign relations.

"It is held that this motive inspired Mr. Roosevelt to select John Winant as J. P. Kennedy's successor at the U.S. Embassy in London, for Winant is a Left-Wing New Deal social experimenter who developed a close relationship with British labour during his term as head of the I.L.O. in Geneva.

"W. Averill Harriman, who lately arrived in London as the President's special 'defence expediter' is rated the most New Dealian business executive in America.

"Moreover, say Washington correspondents, regular correspondence has been passing for some time between Professor Harold Laski, Britain's foremost Socialist intellectual, and Mr. Roosevelt, through the mediumship of Justice Felix Frankfurter, of the U.S. Supreme Court.

"Formation of an Anglo-American War Council is confidently predicted in circles close to the White House."

**Hitler's Policy is a Jewish Policy*—Correspondence with a Jewish Publicist from P. R. Masson and Borge Jensen. K.R.P. Publications Limited; Price 6d. net.

Albertan Debt Adjustment Act Challenged

The problem of adjusting the heavy accretion of debts and mortgages to financial institutions which seriously hamper the individual, and particularly the farmer, in his activities, is again the focus of the fight in Alberta.

The most important part of any legislation on this point is concerned with the distinction between claims of individuals for real services given, and claims of institutions for the loan of created credit.

The Alberta Government's solution was the Debt Adjustment Act. The validity of this act is now being challenged in fifteen test cases that are being brought to court.

The only three mentioned by name in the reports available are worth quoting if only because they betray the direction from which opposition is coming:—

The first case was a mortgage foreclosure action brought by North American Life Assurance company against Minnie Helen McLean, Edmonton property owner.

Sole defence in the action was that the Debt Adjustment act stood as a bar to foreclosure because no permit in writing giving consent to the action had been issued by the board. Section Eight of the Debt Adjustment act stated written permits for such actions were required.

Plaintiffs replied in court that the Debt Adjustment act should not bar the proceedings because it is *ultra vires* of the Alberta legislature.

In this case the judge ruled the Debt Adjustment Act *ultra vires* because it "invaded the insolvency field governed by federal statutes."

The next two cases do not actually question the validity of the act. In one, the Bank of Montreal was given judgment on a promissory note. In the other, Revelstoke Sawmills, Ltd., was also given a favourable judgment on a promissory note. In the regular course of law, the clerk of the court, on order of a judge, issues executions by which the judgment may be carried out.

In these two cases, on direction of the government, the clerk of the court refused to grant execution. The government is now asking that the appeal court decide whether it has the right to withhold granting of the executions, whereby judgments could be carried out. With-

out these, collections cannot be made.

In order further to protect farm and urban debtors and to ensure that the Debt Adjustment Act receives very careful consideration it is to be referred to the supreme court, and a group of eight bills were introduced into the legislature the week before the last two of these appeals were brought to court. One of the bills, the Legal Proceedings Suspension Bill, was passed into law in two days.

One section of the bill as passed provides for all actions to test the validity of the Debt Adjustment act being stayed for a period of 60 days.

Another section provides that if the province seeks within the 60 day period a ruling by the supreme court of Alberta on the validity of the Debt Adjustment Act, then the present actions shall be stayed pending determination of the reference and any appeal.

Mr. Maynard, who introduced it, said it was inadvisable to have a point involving the Debt Adjustment Act decided prematurely, as the government proposed to refer the whole legislation to the supreme court. He added that in making the reference of the Debt Adjustment Act to the supreme court, the government proposed to get the views of all parties to the cases now before the courts and the views of those who were not involved. There would be no objection from the province if several solicitors representing other views appeared before the court. The aim was to have a proper hearing before the court.

BILL TO AMEND THE EXEMPTIONS ACT:

This Bill extends the exemptions now being granted to debtors under the present Exemptions act and is made necessary by virtue of the recent decision of the supreme court of Canada in the case of the Atlas Lumber company versus Winstanley.

The effect of this decision is to enable any holder of a promissory note, the original consideration for which arose before July 1, 1936, to take legal proceedings on his note without a permit from the debt adjustment board.

In order to prevent undue hardship on people, who through no fault of their own, have been unable to meet their past obligations, this bill provides for additional exemptions.

BILL TO AMEND THE LIMITATIONS OF ACTIONS ACT:

The effect of the decision of the supreme court in the Winstanley case has been to outlaw many promissory notes held mostly by private individuals.

As this result was never contemplated by the court and never intended by the clause inserted in the 1933 debt adjustment act suspending the operation of the Statute of Limitations in all debt cases that came under the act, it is felt that an extension should be allowed in all such cases and the bill provides for it accordingly.

THE ORDERLY PAYMENTS OF LAND DEBTS BILL:

In view of the fact that it may be some considerable time before the court of final jurisdiction gives a decision on the validity of the debt adjustment act and in order not to tie up completely all payments owing on mortgages and agreements for sale, the Orderly Payment of Land Debts Bill provides for certain payments to be made to mortgagees and vendors and declares that until default is made in these payments no proceedings shall be started against any farm or urban debtors in the province. The bill is only effective for the years 1941 and 1942 and does not apply to legal proceedings already commenced with a permit from the debt adjustment board.

The payments required under the bill in the case of farmers are as follows:

If the crop is less than 10 bushels to the acre, no payment is required; if the crop is 10 bushels to the acre and less than 15, the farmer is required to pay one-fourth of the crop to his creditor; if the crop is 15 bushels to the acre or more, then the farmer is required to pay one-third of the crop to his creditor.

In the case of urban debtors, the bill provides for varying amounts, depending on a person's gross income, with a minimum of \$1,000 and a maximum of \$2,500 per year. The bill only deals with debts incurred before July 1, 1936.

BILL TO AMEND THE DEBT ADJUSTMENT ACT:

For many years we have had a

debt moratorium act in operation in the province. The act originally contained provision for an appeal to the court from any decision of the debt adjustment board. This right of appeal was dropped from the act in 1936 and the amendment submitted today proposes to establish the right of appeal to a judge and jury.

DEBT PROCEEDINGS SUSPENSION BILL:

This bill enables the lieutenant-governor-in-council to put into operation in the province a moratorium on certain classes of debts. Although the bill is to come into force upon assent, it is not to be effective until made so

by order-in-council.

HARVESTING LIENS BILL:

Last year, during the height of the wheat crisis, the government had to take the responsibility of providing by order-in-council a harvest lien to enable the farmers to harvest their crop.

We are validating this order-in-council by special legislation already introduced in the house and today we are submitting this bill to the assembly for the purpose of establishing by law a harvesting lien on necessary harvesting expenses so that people can harvest their crops.

CROP LIENS PRIORITIES BILL:

We have on the statute books of the province many different acts giving crop liens to various creditors and all declaring that notwithstanding anything to the contrary in any other act, the lien given in the particular act shall have priority over all other liens.

The object of the Crop Liens Priorities act is to clarify this situation and list the priority of the different liens. This bill does not create new liens but simply recognizes the existing liens and establishes the order of priority.

(The above comments on the Bills are extracts from Mr. Lucien Maynard's introductory speeches.)

Ottawa Demands Repayment of Treasury Bills

The Canadian Federal government has followed its announcement that it did not propose to continue helping provincial governments with payment of unemployment relief, by requesting that treasury bills held by the dominion should be paid as they fall due, and no renewals asked for.

Mr. Solon Low said that the dominion government held about \$26 millions in Alberta treasury bills, bearing interest at three per cent. The bills were issued for the most part as security against provincial borrowings for unemployment relief.

On February 1 last, between \$30 millions and \$40 millions of treasury bills matured, but Mr. J. L. Ilesley, federal minister of finance had agreed to the maturity being expanded for this year, in view of notice to the province not being given in reasonable time to allow for inclusion in the 1941-42 budget estimates.

Mr. Low said that there would be no more of these bills falling due this year. Some years ago, a large number of the treasury bills were consolidated. The province will not have to meet any of these maturities this year.

The minister added that so far as Alberta was concerned, it was most anxious to co-operate with the dominion in its war effort and to lighten the load arising therefrom.

In British Columbia the Dominion Government holds more than \$34,000,000 in treasury bills.

Mr. Pattullo, the premier who opposed the proposals for centralisation of government machinery at the recent

Dominion-Provincial conference, declared that nearly \$25,000,000 of the total amount was for unemployment relief and added "we do not recognise that the dominion has a valid claim upon the province in respect of these unemployment relief monies."

The balance covered advances for purposes other than relief.

"It is true that we have been paying interest on these treasury bills to the dominion government but always in anticipation of final adjustments of accounts between the dominion and the province, and it had not been our intention to press the matter until conclusion of the war."

A GOOD ARTICLE

In the April issue of *The Empire Review* there is sandwiched between articles of the most unspeakable and dismal tosh, a brilliant essay by Douglas Jerrold entitled *A New or a Just Order?*

Six bank advertisements occupy most of the advertising space in this literary cul-de-sac where all rights are reserved. Thus a message from a man of outstanding talent is sabotaged. We can sympathise with D. J., knowing quite well what makes the mare go.

His text, taken from the leading article in the *Medical Press*, March 5, indicates the scope of his thesis:—

"We look forward eagerly to the spirit of freedom spreading more completely than ever before into our own personal lives. We shall value it more—it is something higher—than mere security in our own profession of medi-

cine. We should like to see safeguarded those conditions of our professional lives that give us so much liberty of action and scope for personal inclinations—the free private relationship of patient and doctor, the banishment of routine officialdom, the preservation of voluntary hospitals, the greater and greater association of the scientific spirit, of research organisations, and of the universities and all their resources of culture, with the day to day practice of medicine. We do not wish to see the untrammelled evolution of our profession strangled by the cumbersome bulk of unwieldy, unmoving bureaucracy; even if we shall have our hours of personal anxiety and feelings of insecurity, we shall prefer these to the deadening sensation of being automatons in some organisation as sordid and soulless as a municipal gasworks."

With this spark of hope springing from the life's ashes of a disillusioned medico, D. J., works up quite a good case for the *free initiative* of the individual, but had he known our case better, he would not have suggested the compulsory organisation of small businesses. But he does put some of our points in a clear and convincing manner:—

"Some of our political leaders seem to regard this war also as little more than a quarrel over jurisdiction, a dispute as to which set of politicians shall order the lives of the citizens of this country or that, and not a challenge to the claims of any politicians to order the lives of people anywhere. If certain of our politicians have their way, it is doubtful whether the 'small man,' whose defence this war is being fought, will in fact survive the war at all."

P. L.

PARLIAMENT

INDUSTRIAL MAN-POWER:

BUDGET PROPOSALS

April 2.

Written Answers (17 columns)

POST-WAR RECONSTRUCTION (COMMITTEES).

Mr. De la Bère asked the Minister without Portfolio whether, in view of the small success that has attended the various committees of experts, such as gold, export, business and building experts, who have been chosen on panels to consider the work for reconstruction and other similar schemes, he will now strengthen these committees by the inclusion of practical persons who would be more representative of the views of the ordinary citizens of this country?

The Minister without Portfolio (Mr. Arthur Greenwood): I do not accept the criticism of my hon. Friend. Many committees are now at work under various Departments, whilst discussions are proceeding with representative people on an informal basis. I shall always be glad to consider proposals made by practical persons.

Mr. De la Bère: Is my right hon. Friend not aware that the gold experts proved their ignorance while the export experts have proved no better? Why not employ some practical men on these consultative committees instead of the same old *laissez faire* people?

Mr. Greenwood: It is only practical men who can claim to be experts.

ORDERS OF THE DAY

SUPPLY (42 columns)

CIVIL ESTIMATES AND ESTIMATES FOR
REVENUE DEPARTMENTS, 1941.

INDUSTRIAL MAN-POWER.

Mr. Simmonds (Birmingham, Duddeston): I beg to move, to leave out from the word "That" to the end of the Question, and to add instead thereof:

"This House urges upon His Majesty's Government an effective and courageous use of the powers granted by Parliament so that all His Majesty's subjects of all classes who are not engaged in the armed forces or in duties essential to the life of the nation shall, in such manner as the Government may direct, use their industrial energies in the total war effort."

[In the course of his speech Mr. Simmonds quoted:]

"It is necessary that the Government should be given complete control over persons and property, not just some persons of some particular class of the community, but of all persons, rich and poor, employer and workman, man or woman, and all property... The Minister of Labour will be given power to direct any person to perform any services required... It does not only apply to workmen, it applies to everybody."—[OFFICIAL REPORT, 22nd May, 1940; cols. 152 and 155, Vol. 361.]

... Those vast and formidable powers [of the Emergency Powers Defence Act]—how have they been wielded? Could any hon. Member, suffering from class-consciousness, claim that the Government have been reluctant to use them against property and wealth, to make those play their part?... Homes, factories, offices, hotels have been requisitioned without reference to goodwill or value, which in many cases has meant virtual expropriation. The roots of years have been severed in a few hours all too frequently never to be restored. Never indeed shall we know the casual lists of those elderly folk for whom the stress and strain of losing their homes without compensation and without payment of any kind have proved too much. "All property" said my right hon. Friend, and indeed we have seen great corporations scheduled as controlled establishments industry required to make substantial disbursements—investments in dispersal factories for example—and a hundred-and-one other provisions essential for the war effort. We have seen machinery and similar assets working night and day and tearing themselves to pieces, without any proper recompense because the Excess Profits Tax of 100 per cent. has forbidden that. Then we have the Orders of my right hon. Friend the President of the Board of Trade, in connection with the concentration of industry. There we have a somewhat rough-and-ready form of justice. The Government has, in fact, conscripted the wealth of industry without, in many cases, any appropriate reward. It would thus be the wildest nonsense for any hon. Member to pretend that the Government have shown any tenderness for wealth or property...

It is reported in more than one organ of the Press that on Saturday last, appealing to shipyard workers at Bristol, he [the Minister of Labour] gave this estimate of the extra output that they could give:

"Thirty per cent. more won't hurt you."

Think on those words. After more than a year and a half of war, and when ships are needed to save this country, 30 per cent more will not hurt the shipyard workers. The tragedy is that my right hon. Friend was correct. In spite of the Battle of Britain, in spite of the Battle of the Atlantic, in spite of the threat of invasion, the shipyard workers, on my right hon. Friend's own estimate, could increase output per man by 30 per cent., without it hurting them... Whether it be a Cabinet Minister, a Member of Parliament, or a workman at the bench, what is an essential sanction for failure? It is dismissal. And, for the sake of discipline, the power of dismissal must be in the hands of the selector. Now my right hon. Friend is about to flout even this basic canon of organised society.

Sir Patrick Hannon (Birmingham, Moseley): I beg to second the Amendment.

It has been submitted by my hon. Friend in a complete and powerful speech to the House... there is a sense of dissatisfaction throughout the country that the mobilisation of labour has not been carried out with the vigour, efficiency and boldness which the perils of the time through which we are passing demand. There has been a good deal of disturbance of mind among those who are engaged in vital work for the war. In February last the National Union of Manufacturers, which in its Birmingham branch numbers 600 of the smaller people—those engaged in the smaller industries, in almost every case in war production—adopted a resolution which was forwarded to my right hon. Friend the Minister. These are the terms of that resolution.

"That this meeting of the Midland Council of the National Union of Manufacturers is emphatically of the opinion that compulsory powers be immediately applied to reduce the labour shortage, particularly in the Midland area."

The feeling is that, when, no doubt, the Minister, the Parliamentary Secretary, and the whole machinery of the Ministry of Labour are actively engaged in promoting production for the war, there is something still left undone in bringing into the total war effort that volume of active productive capacity and power

which is still available. . . .

I am associated with one of the largest munition factories in the country, and we have very great difficulties from time to time in maintaining anything like man-power and woman-power essential for the continuity of output of articles essential hour by hour in time of war. . . .

Mr. Stokes (Ipswich): The hon. Member for Faversham (Sir A. Maitland) made one comment which I really cannot allow to pass without a reference. He spoke of the astonishing paradox, as it seems to me, that in time of war there is invariably a shortage of skilled labour, whereas he would be the first to admit that in peace there is often too much skilled labour available. I am not going to develop an argument about that, but will only say that I hope that he and all other hon. Members will realise that when this war ends there must not be a return to that state of things, that if it is possible to employ all skilled labour in time of war for the production of things which we do not really want it must be possible when peace comes to see that that labour is not thrown upon the scrap heap but is employed in producing goods which we really do want to use. . . . On the question of absenteeism, my experience has been a little bit like that of the hon. Member who spoke before me. It arises, I think, from several reasons. I do not think it is primarily due to the unwillingness of the workers to work, but that it may be put down to the fact that there has been a great deal too much continuous overtime and too much working of seven-day weeks. These things wear the people out, and they are naturally apt to say, "I want a day off. I'm stale." I am sure that is the reason. It ought to be laid down that people should not be put to work seven-day weeks. I say, at the same time, that managements ought to be encouraged to run machines seven-day weeks. By shifting your workers round you can make them do a six-day week whilst your machines are doing a seven-day week. . . .

Mr. Austin Hopkinson (Mossley): . . . The means of evading the Excess Profits Tax are obvious to anyone who has had experience in industry. It is just ridiculous to suppose that one cannot evade it, if one wishes to do so. I could show any hon. Member how it can be evaded.

In actual fact what is done is this—indeed it is encouraged by the form of contract which some Government Departments put out. One simply employs

one's poor relations at exorbitant salaries, and adds more and more to the salaries of the staff and to expenses, and buys more Rolls-Royces "on the firm," and generally runs up the standing charges until they absorb all the excess profits there are. My own particular method, which is probably illegal, is, that being a member of the Fleet Air Arm and producing at my works something which it requires, if I find I am making more profit than is necessary, which would be taxable, I simply let the Fleet Air Arm have the stuff they want without charge. That is a perfectly simple method of avoiding the tax. . . .

. . . The worker will do his best if he knows that someone else is not getting away with it. My experience is that if he finds his fellow workman benefiting he dislikes it extremely. Still more does he resent his employer getting away with it. The only way of preventing what is happening is by adopting the method which I have been using experimentally for the last 15 years in competitive industry. It works particularly well, and there is not the slightest difficulty in applying it to all manufacturers engaged on Government work. It is based upon the principle that profit is a crime if it is earned out of the agony of the country, such as the profits which are being earned at the present time in the munition industry.

The scheme is that you do not allow the public to hold ordinary shares for the period of the emergency. Instead, the shares are held by Government trustees. In the case of each firm the beneficiaries are the people employed. I need not give the House any further details, except to say that I have worked it out and have applied the scheme successfully for 15 years. It removes the fear of the ordinary worker that somebody, for whom he has no respect or regard, is benefiting as a result of a national necessity.

As the Minister of Labour is here, I should like to put this point to him. Enormous harm has been done to the whole labour situation by some of the speeches of Ministers of the Crown during the last nine months or so. The ordinary Englishman or Scotsman amongst the workers loathes being praised when he knows he does not deserve it. Nothing makes him more annoyed. . . . Let us have an end to that sort of nonsense. I would also request the Minister of Labour to make a little more study of labour conditions and the principles upon which work is based. One of our chief troubles has been that ridiculous performance of his last summer.

How on earth anyone pretending to know anything about work could have suggested the hours that were practically forced upon us at that time I do not know.

The Minister of Labour (Mr. Bevin): The Minister of Labour did not do that. It was the Minister of Aircraft Production.

Mr. Hopkinson: I am glad to hear that the right hon. Gentleman is innocent and that it was the Minister of Aircraft Production who perpetrated that folly, but a Minister of Labour is not of much use if he cannot stop another Minister interfering with labour to the extent of which I have spoken. . . .

The Minister of Labour (Mr. Ernest Bevin): I hoped when this Debate was instituted to-day that, as Minister of Labour, I would receive from the House some constructive suggestions for the improvement of the policy which I put before the House only a few weeks ago. . . . The whole speech of the hon. Member for Duddleston (Mr. Simmonds) in introducing the Amendment was really a condemnation of private enterprise in peace-time and a demonstration that private enterprise is incapable of adapting itself to meet the needs of the nation in a crisis. He said in effect to the State, "You must keep your hands off industry; it is not your business. We, the industrialists, are the people who know how to manage business." I suggest that no institution can claim the right to perpetuation unless it can survive and serve the State in its most acute crises. That is the great test to apply. I make that statement generally and do not apply it to one side more than another. Immediately a crisis comes, what do the great industrialists do? They run to the civil servant—the very man who is condemned by the great industrialists; they go to the man to whom they have denied the correct training because they say it is not the State's business. They ask the great State Departments—[*Interruption.*] You deny the State the right to interfere in industry in peace-time and say that it is the prerogative of the management. Surely that has been the claim made in this House for a long time and that has been the opposition set up to my political philosophy. You have voted on it dozens of times. Immediately the State gets into war or in a situation of that character, then, in order to meet that crisis, you have to call upon the State institutions to bring you together, to organise you and to take control, and you have to put men in charge to whom you have denied the right training in

peace-time to cope with such a situation.

Mr. Craven Ellis (Southampton): Nonsense.

Mr. Kirkwood: Rap them over the knuckles.

Mr. Bevin: I am not going to rap anybody over the knuckles. I am stating a fact.

Mr. Craven-Ellis: The right hon. Gentleman states that he is going to state a fact. May I say this to him? Had it not been for Government interference with private industry at this time, private industry would be supplying the Defence Services with a far greater quantity of material than they are doing.

Mr. Bevin: I did not in making that statement intend to be controversial. I have stated a fact. The hon. Member for Mossley (Mr. Hopkinson) referred to Ministers' speeches, and I suggest he has not a single quotation to support what he suggested... It is often said that one of the troubles in industry is that a good man never gets promotion, and I suppose that is why I became a Cabinet Minister. So often a man is good at his trade—

Mr. Kirkwood: Invariably he is a "Left Winger," and that is why he does not get promotion.

Mr. Bevin: I am always in favour of making "Left Wingers" foremen. I would enter only one caveat. Every democratic "Left Winger" becomes such a tyrant as a foreman that people are afraid of him...

Mr. Simmonds: In accordance with precedent, but for no other reason, I beg to ask leave to withdraw the Amendment.

Amendment by leave withdrawn.

April 9

Written Answers (16 columns)

RUSSIA (OIL EXPORTS).

Mr. Cocks asked the Minister of Economic Warfare has he received information as to whether Russia has stopped the export of oil to Germany since 1st March?

Mr. Dalton: My information shows that very little, if any, oil has reached Germany from the U.S.S.R. since 1st March. It would, however, be premature to draw the conclusion that this traffic has been stopped.

WAYS AND MEANS—BUDGET PROPOSALS

(59 columns)

Mr. Loftus:... The second and third considerations which I gave to the Budget, listening to the speech of the right hon. Gentleman, were: Does it impose as light a burden as possible on the future. Does it reduce the risks of inflation to a minimum. Of course, there must be some inflation. No great power in the whole history of humanity has ever waged a major war without some degree of inflation, and the only evil of inflation is if you let it very considerably reduce the purchasing power of your currency. You can check that by a series of price controls, strict rationing, and so on. But I feel that the Budget as it stands will not be a sufficient check on the danger of inflation and, both for that reason and for other social reasons, as time goes on we shall have to increase the strictness and the range of our rationing and our price control. [An HON. MEMBER: "It should be done now."] I agree that it should be done very soon.

... To-day we have an admirable technique on which I thoroughly congratulate my right hon. Friend. We borrow from the joint stock banks at $1\frac{1}{8}$ per cent. Treasury deposit receipts. There have been people who have said that this money is created by the banks without cost, and Mr. McKenna gave very convincing and able reply to that suggestion, pointing out that against this new creation of deposits they have to keep ten per cent. in cash or credit with the Bank of England, which returns no interest, and therefore the general interest the bank gets is roughly 1 per cent., which barely covered—if it did cover—the cost of servicing the new deposit money created by this method. That argument is convincing, but there are two factors to which I would draw the attention of the Committee because I think they are of immense importance. Firstly, Mr. McKenna's answer that the banks were creating this money at cost would be perfect except for the fact that the banks have the option of converting the Treasury deposit receipts at $1\frac{1}{8}$ per cent. into permanent long-term loans at $2\frac{1}{2}$ or 3 per cent. So that, if the cost figure of $1\frac{1}{8}$ per cent. is correct, it shows that for an immediate cost of $1\frac{1}{8}$ per cent. you get a permanent charge on the community of $2\frac{1}{2}$ to 3 per cent. ...

... The investments in Government securities held by the banks have increased since the outbreak of war from roughly £600,000,000 to, at the latest

date for which I can get figures £800,000,000, so that the investments held by the joint stock banks are up by £200,000,000 in medium and long-term loans, plus £429,000,000, or roughly £630,000,000. I suggest that that is really the amount of bank credit money—book-entry money—which has been created since the outbreak of war to finance the war.

That brings me to my right hon. Friend the Parliamentary Secretary. The point was raised by the hon. Member for Stoke (Mr. Ellis Smith) about War Weapons Weeks, and it was pointed out that during War Weapons Weeks, naturally, local people expect the banks to head the subscription lists, and they do. It is a very natural thing for them to do, but let us realise that every subscription a bank makes is the creation of new money. Every economist in the world will agree that a bank, whether the Bank of England or a joint-stock bank, creates money when it purchases investments and securities, and destroys money when it sells investments and securities. That is the whole basis of the control of the Bank of England over expansion and contraction of credit. The subscriptions by the joint-stock banks to War Weapons Weeks are really an inflationary creation of money.

Mr. Woodburn (Stirling and Clackmannan, Eastern): Would the hon. Gentleman agree that it might conceivably be possible for the banks to contribute some money out of their own profits, and not by the creation of deposits?

Mr. Loftus: That would be a very small proportion, and I really think that such a sum as £629,000,000 is out of the question.

Mr. Woodburn: But do not discourage them.

Mr. Loftus:... 85 per cent. of the money in existence at any moment in this country is deposit moneys and at the most 15 per cent. is in other forms of money, currency notes and so on. Of the money passed through the various banking systems well over 95 per cent. consists of cheque money, so that for practical purposes nearly all our money must be created from time to time to finance the war—and has been created—it is very necessary that we should know how the vast bulk of our money... comes into existence.

(*Mr. Loftus's speech will be continued next week.*)

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