

Comment

British Finance Pulls a Sitdown

INDIRECT but very powerful pressure is being applied all through the United States by British interests in an amazing and incredible effort to have the *Lease-Lend Bill* passed in the United States Congress.

Business Week's Washington Bulletin recently printed the following comment:

"Pending enactment of the *Lease-Lend Bill*, London is cutting off cash for down payments still required on new orders to United States manufacturers. The Treasury consequently is not clearing them. Thus, Morgenthau is applying left-handed pressure for enactment of the bill."

This was confirmed on the floor of Congress by Representative George H. Tinkham of Massachusetts, one of the leaders of the opposition to the bill.

He said:

"There is no valid reason that Britain should not furnish security for loans. The billions of dollars of assets Britain possesses may not be saleable now, but they can be segregated as collateral for loans. Then there are British assets of enormous value more readily available for security, including the \$750-million worth of gold taken annually from South African mines."

This, as SOCIAL JUSTICE so often explains, is shipped to Fort Knox, Kentucky, and our Treasury Department pays \$35 an ounce for it. The cost of mining is about \$4 an ounce.

"It is our sacred duty to the American taxpayers, as we commit them to the colossal expenditures contemplated, that we should look to what assets Britain has for security for the huge loans she seeks," Congressman Tinkham said.

"That Britain not only has failed to offer such security, but has stopped buying military equipment, pending passage of this bill, is a circumstance the significance of which is eloquent beyond words."

Arthur Sears Henning, writing for the *Chicago Tribune*, called attention to this same disgraceful situation in the following words:

"Indications that Great Britain is engaged in a sitdown strike to force the United States to carry on the war against Germany and Italy loom large as a factor in the consideration of the war dictatorship bill by the House this week.

"Many members of the House, it transpired today, are aroused by the testimony of Secretary of the Treasury, Henry Morgenthau, and other members of the administration that the British ceased buying aircraft arms, and other munitions a month ago because of lack of dollars and would be compelled to stop fighting unless Congress passes the bill to furnish them unlimited military equipment.

"Congressmen find it hard to believe that the greatest, richest, and most powerful empire in the world's history has been brought to its knees by the German Reich, which barely seven years ago was bankrupt itself. Their skepticism is deepened by the official figures showing that Great

Britain possesses not less than \$15-billion worth of assets outside of the United States which could be used as collateral for loans to carry on the war.

"American Government officials have revealed privately in the last few days that their plans for increased aid to Britain have been stalled. The British have placed no important contracts for armament since December. The 12,000 airplanes the President promised Britain during the recent political campaign are still no more than a promise. No contracts have been signed for the manufacture of any of these planes.

"A theory held by some is that if Britain is ready to stop fighting unless she can get outside aid, Britain must be ready to make peace with Germany on the best terms obtainable.

"There have been rumors for some time that the British despair of defeating Hitler and are receptive to the suggestion of a negotiated peace by virtue of which Hitler would control the European continent and Britain would retain her empire.

"The view more widely held in Congress however, is that Britain's failure to liquidate British assets to obtain dollars and Britain's cessation of arms buying signify a deliberate sitdown strike aimed at America in general and Mr. Roosevelt in particular.

"It is regarded as a maneuver to induce the United States to assume the future conduct and cost of the war by threatening the stoppage of a war which Mr. Roosevelt pronounces essential to our national welfare . . ."

The foregoing are the observations of a national weekly magazine, the testimony of a United States congressman who is not pro-British but pro-America, and the news story of the Washington correspondent of a great metropolitan newspaper.

Assets Held Out

ONE OF THE highlights in the testimony on the *Lease-Lend Bill* in the Senate was that of General Robert E. Wood, acting chairman of the *America First Committee*, and also chairman of the Board of Sears, Roebuck & Company.

He charged that when the official British Treasury Statement was submitted to the United States, evidently Britain had not listed large corporations, insurance companies and extensive real estate and other liquidable assets.

One of the principle sources of assets are British insurance Company holdings valued at roughly \$4-billion.

Industries represented in the British holdings in this country include textile, chemical, oil, rayon, tobacco, soap, distilling and gold.

A partial list of American subsidiaries or affiliates of British Companies compiled by the Standard Statistics Company, shows their business location, and, in parenthesis, the parent company:

American Thread Company, New York City, thread manufacturer (English Sewing Cotton Company, Ltd.); American Viscose Corporation, New York City, rayon and textile manufacturer (Courtaulds, Ltd.); Anglo-American Mill Company, New York, industrial alcohol and sugars (United Molasses Company); Automatic Electric Company, Chicago, telephone equipment producer (Automatic Telephone and Electric Company); Borax Consolidated, Ltd., Kramer, Calif., manufacturer of borate of

lime (Borax Consolidated, Ltd.); Bovril of America, Inc., New Jersey, beef extracts (Bovril, Ltd.); Brown & Williamson Tobacco Corporation, tobacco manufacturer (British-American Tobacco Company); Burberry's Ltd., New York City, clothiers (Burberry's, Ltd.); Carborundum Company, Niagara Falls, N. Y., abrasive and other products (control not indicated); Distillers Company, Ltd., New York City, whiskey (Distillers Company, Ltd.); Alfred Dunhill of London, New York City, smokers' goods (Alfred Dunhill, Ltd.); Dunlop Tire and Rubber Company, New York, rubber goods (Dunlop Rubber Company) Gordon's Dry Gin Company, New Jersey, gin (Distillers, Ltd.); Hudson's Bay Company, New York City, fur, lard and merchandise (Hudson's Bay Company); Lea & Perrins, Inc., New York City, sauces (H. P. Sause, Ltd.); Thomas J. Lipton, Inc., New Jersey, tea (Lipton, Ltd.); Matador Land and Cattle Company, Texas and Montana ranches (Matador Land and Cattle Company); Mellins Food Company of North America, children's and invalids' foods (Mellins Food, Ltd.); Price & Pierce, Ltd., New York City, timber (Price & Pierce, Ltd.); Rolls Razor, Inc., New York City, razors (Rolls Razor, Ltd.); St. Louis Brewing Association, St. Louis, Mo., real estate (St. Louis Breweries, Ltd.); Spratt's Patent (America), Ltd., New Jersey, dog biscuits (Spratt's patent, America, Ltd.); Texas Land and Mortgage Company, Ltd., mortgages (Texas Land and Mortgage Company); Josiah Wedgwood & Sons, New York City, china (control not indicated); Yardley & Co., Ltd., New York City, cosmetics (Yardley & Co., Ltd.).

The Standard Statistics list did not include two large American companies commonly thought to be British controlled: Lever Brothers Company, Cambridge, Mass., and the Shell Union Oil Corporation.

Lever Brothers is reputed to be a subsidiary of Lever Brothers and Unilever, Ltd., of London. The exact relationship between the American company on one hand and the London organization and its affiliate, Lever Brothers and Unilever, N. V., of the Netherlands, on the other, has not been defined clearly.

Shell Union Oil is controlled jointly by the Royal Dutch Company of Amsterdam and the Shell Trading and Transport Company, Ltd., of London.

This charge by General Wood was flatly denied by the United States Treasury Department which stated that a "re-check" showed that most of the corporations referred to by General Wood were included, although the \$4-billion insurance assets were not mentioned.

Senator Robert M. La Follette was doubtful whether the British would part with their vast holdings in the viscose and soap industries, and would be most reluctant to dispose of their tobacco interests in this country.

In the meantime, Britain dispatched by clipper two of her ace financialists—both directors of the privately controlled Bank of England—Sir Edward Robert Peacock and Mr. John Coldbrook Hanbury-Williams, to guard the imperial interests.

For publicity purposes, when interviewed on arrival, Sir Edward emphasized that his purpose here "was to get rid of British holdings in America."

Among the properties in New York which would be affected are listed the holdings of Lord and Lady Astor, valued in the

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Behind the War

Finance Gives the Word

LAST WEEK, SOCIAL JUSTICE quoted from the *Congressional Record* an address in Congress by former Representative Thorkelson of Montana.

The address quoted extensively from a certain "Senate Document 346." A further installment of this review reads as follows:

"From 1907 and 1914, Europe was divided into two powerful camps, the Triple Entente, guarding the interests of England, and the Triple Alliance, guarding the Berlin-Baghdad railroad project.

"Both camps armed themselves to the teeth.

"The poisoned pen was put to work and a virulent propaganda, creating bitter international hatred, was put into operation.

"England, France, Germany and Russia were alike in this respect. The minds of their people were poisoned . . . saturated in the virulent poison of international hatred.

"While the subsidized press of each of these countries were feeding their poison of international hatred to their readers, while the . . . paid propagandists of these countries were shouting for war, two rulers, the Emperor of Germany and the Czar of Russia, quietly sat down at a lunch table in Potsdam in November, 1910, and earnestly discussed the ways and means to avert war.

"There, at the lunch table, undisturbed by the howlings of the war maniacs, those two rulers worked out among themselves a just basis for a peaceful existence of both countries.

"Germany was to acknowledge a controlling position of Russia in Persia and therewith an outlet for Russia to the high seas through Persia; and Russia was to withdraw her opposition to the German plan of building the Berlin-Baghdad railroad. (See E. R. Turner's "Europe Since 1870." Page 409.)

"This is history, and this incident is of great historical import. Civilized mankind might ponder over it with great moral benefit.

"If two rulers, who, by the consent of their people, are the accepted and acknowledged rulers of two great countries, can settle a vexatious international question in a peaceful hour at a simple lunch table — if this can be done, why fight a terrible war which accomplishes nothing? Why kill millions of human beings without any visible benefit to any people on this earth? Why hurl the world into chaos and millions of people into untold sufferings?

"But a friendly relation between Germany and Russia, the completion of the Berlin-Baghdad Railroad, and Russia's control of Persia would have sounded the doom of England as the undisputed master of international commerce.

"Therefore, the agreement of the Emperor of Germany and of the Czar of Russia not to commit suicide was frustrated.

"In France, a well-planned propaganda of a 'revival of courage and assurance and great rebirth of national feeling' was started.

"In Great Britain 'there was each year more vivid apprehension of possible danger from the greatness of the German Empire, resolution to be under perpetual guard, and determination under no circumstances ever again to let France alone confront German aggression or suffer her to be crushed.' (See Turner's "Europe Since 1870," p. 410.)

"How the English people at once became enamored with the French people!

"Not so much in order to give evidence of England's love for France, but to precipitate a general European war, the 'Morocco crisis' was trumped up. This was in 1911; we are getting close to the fateful hour.

"The 'Morocco crisis' was this: In 1906 England, France, and Germany had signed an agreement wherein France and Spain were authorized jointly to preserve order in Morocco. France was permitted to occupy certain towns to maintain order. That was an international agreement, and it was supposed to be respected by France and Spain. But, international agreement or no agreement, 'under the pretext of policing the distracted country,' France pushed an armed force farther and farther into Morocco, so that it became evident that Morocco would be reduced to a French possession.

"That act was committed in order to afford Germany a bait to start a rumpus. Germany took the bait.

"On July 1, 1911, 'without preliminary warning, it was announced that the German commercial interests in Morocco were being threatened, and that hence a German warship had been sent to the harbor of Agadir, on the Atlantic coast of Morocco, to protect them.' (Turner's "Europe Since 1870," p. 411.)

"The challenge was accepted by Germany. It looked as if the war had come. But the people of France and England did not want war.

"The military organizations of all these three countries were ready to fight. The invisible power was ready to sacrifice the lives of millions of human beings. But the people refused to fight. Therefore, it was decreed that the 'present opportunity for war' was 'unfavorable.' And accordingly, there was no war.

"This master stroke was not done by the crowned rulers, diplomatists, or statesmen of those countries, nor was it done by the military organizations of those countries. They were ready to fight. This is what happened, and it was as simply done as it is written here:

"Germany by that time had worked up an immense home industry and also international commerce. She had carried on a vast amount of import and export trade. All these were built upon borrowed capital supplied mostly by French and English international financiers.

"That is to say, about 90 per cent of Germany's business was done on credit given by French and English international financiers. (See G. R. Usher's "Pan Germanism," p. 162; also Turner's "Europe Since 1870," p. 415.)

"In order to fight a war there had to be people who wanted war, an army and navy which were to do the fighting, and, finally, money which was to keep up the war. France and England had the army, navy, and the money, but no people who wanted war.

"Germany had all the requirements. But the English and French international financiers began their 'financial mobilization,' in that they quietly began recalling their loans from Germany. And the German financiers just as quietly began to ship their gold to France and to England.

"When the German Kaiser called together the German financiers and announced to them there was to be a war . . . the German financiers gently informed the Kaiser that there could be no war, because the German gold was shipped to France and England. That settled the question of war.

"It is here, then, where the curtain is rolled back and for the first time the international financiers are discovered in their true role. They did not recognize the 'opportunity' for war to be 'favorable,' and there was no war.

"The German Emperor, the navy of England, the navy of France, and the statesmen and diplomats of those countries were ready for war. The reasonable conclusion therefore, is that *the question of war or no war depended upon and was decided by the international financiers.*

"The inevitable outbreak of war was, however, merely deferred to a more 'favorable opportunity.' The agitation for war in every country continued with increased vehemence. Serbia was made a hotbed of virulent propaganda. The Triple Entente, through Russia, was pouring money lavishly into Serbia for propaganda purposes. The Serbian propagandists invaded Austria and Hungary and created disturbances there. The lives and property of Hungarian officials were endangered. International hatred was worked up to the highest pitch. War was in the air. War had to come. Only a good pretext for war had to be found.

"In 1912-13 another attempt was made to 'feel out' the people and to test the time as to whether it was 'favorable' for war. The Balkan war broke out. Russia and Austria mobilized. But the opportunity was 'not favorable' for a general European war, and there was no general European war.

"But the agitation for war was still continued. Each nation armed itself to the teeth. The people of every country were groaning under the weight of the heavy armament. The invisible power continued with renewed energy the preparation of the mind of the people for war.

"This propaganda assumed such an enormous proportion that Lord Welby, formerly head of the English Treasury, alarmingly exclaimed: 'We are in the hands of an organization of crooks! These are politicians, generals, manufacturers of armaments, and journalists.' (Quoted in F. Neilson's "How Diplomats Make War," p. 328.)

"The drive to create the pretext for war was now concentrated in Serbia. The foci of trouble were recognized again at the intersection of the German and Russian plans. The war had to be fought, if not in the Balkans, around the Balkans and near the foci of England's infectious point, the

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