

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 21. No. 5.

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

SATURDAY, OCTOBER 2, 1948.

6d. Weekly.

From Week to Week

“Preposterous” was the word applied by a London Magistrate yesterday to the notion that any member of the public, had a right, as a part-owner under nationalisation, to go onto railway property and refuse to leave on request.”
—*The Sunday Dispatch*, September 19.

Waal, waal, waal. Looks as though all I did was to pay the hired men and the bigger rates. Anyone in the market for my share of my railways?

FREE MEDICINE IN N.Z.

“A cable from New Zealand informs us that the cost of prescriptions written under the N.Z. free medicine scheme more than doubled between 1943 and 1947. In 1943 doctors issued 3,500,000 prescriptions, costing £563,000. In 1947 they issued 5,882,000 prescriptions, costing £1,439,000. The cable also adds: ‘More people are in hospital today than ever before.’”

“Last year social security cost more than £35 for every person in the country, and was paid for at the rate of 1/6 in the £ on all wages, salaries, and other income.”—*The New Times*, Melbourne.

“Moshe Shertok was born in Russia in 1894 . . . came to England in 1924 and stayed here five years, studying at the London School of Economics.”—*The Zionist Independent*. With the compliments of Messrs. Marks & Spencer, Ltd.

The basic rule of the game of golf is that “The ball must be played where it lies.” All other rules are ancillary; and a world-wide “amusement”, not to mention a not inconsiderable industry, rests fundamentally on those eight words.

Now it should be noticed that this rule does not make it easier to get the ball into an inadequate hole with inappropriate instruments over an unsuitable terrain; it makes it much harder. Yet it will be generally conceded that the slightest infringement of it, and particularly an unacknowledged infringement, ruins the game, and in the latter case, puts the transgressor outside the pale of decent society.

It has often been claimed by its more rabid exponents that golf is a mirror of life and character; and without accepting this statement at its face value, it is nevertheless not without limited justification. We are confronted with a world which scoffs at rules; the ball may be, and is, placed where it is easiest to hit; and the strokes are pared down either by carrying the ball the requisite distance, or bribing the caddy, or forging the card.

The idea behind this allegory is so important that it is comparable to the riddle of the sphinx, which mankind must

solve or die. It is not so simple even in nature as it appears to be at first sight; it is not merely the problem of making people keep the rules, as the One Worlders would like us to believe, because the simple and unanswerable retort to that one was posed thousands of years ago, *Quis custodes ipsos custodiet?*

It is to prevent the gangster from winning the game by changing the rules although he realises perfectly that as a result, there will be no longer any game.

The impudent hypocrisy with which one set of gangsters expresses horror at the assassination of Count Bernadotte and his assistant by its blood brothers, is only a special instance of the “double-passport” technique used by Jews everywhere. To the Jew there is only one nation, the Jews; the rest of humanity are *goyim*, cattle, and the nations of the *goyim* are convenient covers to be assumed and dropped as convenient. The hardihood with which, in the teeth of all history, a controversy is maintained as to how the Jew “gets that way”, whether by religion or race, is another aspect. When it is a question of acquiring the fabulous mineral wealth of the Dead Sea by the dispossession of the Arabs, the Jew claims it by inheritance; when Lord Samuel, the Zionist, quite rightly views the hereditary principle in the House of Lords as a hindrance to the designs of Jewry to complete the annexation of the British Empire, he intervenes in the discussion as an Englishman and head of the once-great Liberal Party.

There are many evidences to show that the success of the British has not been due to any overall excellence but to a curious gravitation, under a favouring Constitution, of the population into positions in the commonwealth where such talents as they possessed could find outlet without inducing the idea that all knowledge was born with them. The appalling incompetence with which our affairs are managed is the direct consequence of Jewish infiltration into every walk of life, but primarily into education; and the native intelligence has been divorced from that peculiar sense of fitness which for so long was its source of strength.

The modern conception of society as a wild, free for all, struggle to get to “the top”, win, tie, or wrangle, is entirely modern and wholly Jewish, the outcome of an anthropomorphic monotheism and its “octave,” centralisation. There are, even yet, more especially in country districts, thousands of families who have occupied useful and respected positions in the community for centuries without the slightest desire to “better themselves” and not very much belief that they could. *They* were the back-bone of the country, not the smart Alecks; and, unfortunately, it is they who are emigrating, when they have the opportunity.

“But even the most thoughtful students of government stand amazed at the immensity, the power, and the persist-

ence of the bureaucratic propaganda machine, as revealed in the recent Congressional inquiries on the subject of Publicity and Propaganda in the Executive Departments."—*Human Events*, September 8.

PARLIAMENT

House of Lords: September 22, 1948.

WORLD CONGRESS OF INTELLECTUALS

The Earl of Buckinghamshire: My Lords, in the absence of the noble Lord, Lord Rankeillour, I beg to ask the question standing in his name on the Order Paper.

[The question was as follows:

To ask His Majesty's Government whether they were responsible for the selection of any of the British delegates to the World Conference of Intellectuals in Poland; and whether they are aware of what were the qualifications required of those who were allowed to attend the Congress.]

The Joint Parliamentary Under-Secretary of State for Foreign Affairs (Lord Henderson): My Lords, His Majesty's Government were not responsible for the selection of any of the British delegates who attended the recent so-called World Congress of Intellectuals at Wroclaw, at the invitation of the Polish authorities; nor were His Majesty's Government consulted or informed as to who should be invited. It is not known what qualifications guided the Polish Organising Committee in selecting the individuals to whom invitations were issued, but I am sure the noble Lord's guess would be as good as mine.

Earl Howe: My Lords, may I ask whether, before these various gentlemen went over to Poland, they did not require a visa and to be more or less vouched for by the Government for their various expenditure allowances?

Lord Henderson: My Lords, they would require visas, but that would be the extent to which the Government were involved. The Government are not responsible for their maintenance, and therefore accept no responsibility at all.

Earl Howe: Was the Bank of England responsible for their £35 allowance?

Lord Henderson: I cannot say whether they paid their own expenses or whether they went as the guests of the authorities who called the conference. I cannot answer that now—I do not know. But if the noble Earl wants an answer I will get it for him.

Earl Howe: It would be a very good idea.

Lord Vansittart: Is not the first qualification for being "intellectual" the possession of a sense of one's own importance which is shared by no one else?

House of Commons: September 14, 1948.

KING'S SPEECH

Mr. Speaker: I have to acquaint the House that the House has this day attended His Majesty in the House of Peers, and His Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy, which is as follows:

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS:

I have summoned you to meet at this time in order that you may give further consideration to the Bill to

amend the Parliament Act, 1911, on which there was disagreement between the two Houses last Session.

It is not proposed to bring any other business before you in the present Session.

I pray that the blessing of the Almighty may rest upon your counsels.

DEBATE ON THE ADDRESS

. . . *The Lord President of the Council (Mr. Herbert Morrison):* . . . The Leader of the Opposition said, in the course of discussions last Session, as indeed on the occasion of the passing of the Parliament Act, 1911, that the philosophy behind the Parliament Act, 1911, was that a Government came in fresh from its electoral triumph—substantial as ours was, or narrow as some other majorities have been, or non-existent as some others have been—and when the Parliament assembled, it devoted possibly three Sessions to carrying through the Measures upon which the party had fought and won the Election, especially the controversial Measures. It then assumed there was no more controversial work to be done, so that Parliament could go jog-trotting along in an easy, steady style without concerning itself with further controversial work. If, however, further controversial Measures were brought forward in the last two Sessions, then the party in power would have the privilege of fighting the subsequent election on the issues on which they fought the previous Election, the results of which they had been prevented by the intervention of their Lordships' House from carrying through.

That was a possible doctrine in 1911, when Parliamentary legislation was leisurely, very slow, and when Parliament was not speedy and efficient in responding to the essential needs of the masses of the people of the country. . . . That might or might not have been right for the conditions of 1911, but it is an impossible philosophy for the conduct of Parliament in the year 1948, or in the years 1945-48.

We fought the last Election on a comprehensive, social, economic and political programme. It was embodied in "Let us Face the Future." Indeed, a good many people said at the time, "You will never get that through in the lifetime of a single Parliament." I, who happened to be editor-in-chief, so to speak, of that document, was not sure myself that we could get it through in the lifetime of a single Parliament. But we tried conscientiously to make a programme which would about fit the possibilities of a full Parliament with a majority.

What is perfectly clear is that in the case of the measures indicated in "Let us Face the Future" which we believed—and we promulgated them from that point of view—were the measures calculated to further the well-being of our people and the public interest, it would be utterly unreasonable to expect that programme could be carried through in three Sessions, let alone two. It could not have been done. . . .

The fact is that under modern economic and industrial conditions, with all the complex problems facing our country and the world at present, it is absurd to think that one can plan, or ought to plan, the work of a Parliament, on the basis that after two or three Sessions the work in its large essentials is finished. That is wrong. That is a conception of the House of Commons which this Government and the Labour Party are not willing to accept. Therefore, we took reasonable, moderate, modest, statesmanlike, precautionary measures and introduced the Parliament Bill of last Session

in order to ensure that the subsequent Sessions of this Parliament should not be invalidated by the actions of another place.

Since then there has been an interparty conference to which perhaps some further reference will be made next week. . . .

The essential point on which that conference broke down was the issue of powers. What was that issue? The effect of the Parliament Bill with its period of delay from Second Reading of one year instead of two years and the two Sessions instead of three is to jeopardise the fifth and final Session of a Parliament. We did that with our eyes open. Some of my hon. Friends were not too happy about that, but we did it because we believed that a Second Chamber must have reasonable elbow room in which to discharge its tasks of revision, and that there must be reasonable time for all the exchanges to take place up and down the corridors on debated legislation, and for the public to express its views about these things. We have thus jeopardised the fifth Session.

But what is it that their Lordships of the Conservative Party have been seeking to do? There was no hedging about it. What they were seeking to do was to jeopardise the fourth Session of Parliament, and that, too, upon the basis that their Lordships' House had a function to discharge, or a prerogative to exercise; namely, to decide when the axe should begin to fall, when the brake should be imposed upon the House of Commons, when legislation should be held up in order that the electorate, in due course, should express their views about it, or in order that that Legislation should not proceed at all. Their Lordships, or the Conservative majority in their Lordships' House, claim to be able and peculiarly qualified to judge, to represent and to be the guardians of the public opinion of the masses of our people and to discharge that function.

. . . But I do say that, if all the institutions which could be put forward as being peculiarly fitted to judge the popular will or the general public opinion, as between this House and another place, I should have thought that it was preposterous to advance the superior claims of another place. After all, it is an hereditary Chamber, though there have been many able people added by the creation of fresh Peers. But it is no part of their duties or functions to think that they have such peculiar insight into the knowledge of public opinion as to entitle them to decide when to put the brakes on a popularly elected House.

What kind of House could have a greater interest in keeping its eye on public opinion than the popularly elected House of Commons? . . .

. . . The Parliament Bill will be presented in the near future and put down for consideration during the early part of next week. We shall bring before the House a Motion for formalising the Committee stage of the Parliament Bill. This follows the precedent of the Government of Ireland Bill, the Welsh Church Bill and the Temperance (Scotland) Bill in 1913 and 1914. The Bill must, if it is to enjoy any protection from the Act of 1911, go forward to the Lords in the same form as it was passed last Session.

Mr. Stanley: Did the right hon. Gentleman say when he was going to propose that Motion?

Mr. Morrison: I am proposing tomorrow to take the time of the House.

Mr. Stanley: To formalise the Committee stage?

Mr. Morrison: That will not be taken tomorrow; that will be next week. I was in the process of saying that there is no point in giving an opportunity to amend the Bill because the amendment of the Bill would automatically exclude it from the protection of the Parliament Act, 1911. . .

House of Commons: September 15, 1948.

DEBATE ON THE ADDRESS

The Secretary of State for Foreign Affairs (Mr. Bevin): . . . Now I wish to turn to the future. We do not want to be diverted from this task of building up in the manner we have commenced. We are asked now to propose a constitution, to call an assembly and draft a constitution for Western Europe. I have referred to some of the proposals which have been made. I do not want to be taken amiss and I do not want anyone to think that I am throwing cold water on the suggestions, but really they will not stand the test of examination for a moment. The result of the proposals put out at Interlaken the other day would be, for example, the raising of the problem of our existing treaty obligations to foreign countries, for if we are to surrender part of our sovereign rights to an international body, in the manner proposed, we shall no longer be able to fulfil some of them, but shall have to cancel them. That would affect all our overseas territories. It is proposed that they cease to exist as separate States—

Sir Peter Macdonald (Isle of Wight): With which proposals is the right hon. Gentleman dealing?

Mr. Bevin: The Interlaken proposals.

Sir P. Macdonald: The final proposals, or the earlier proposals?

Mr. Bevin: The whole of the proposals which I have read.

Sir P. Macdonald: Proposals were put forward by an hon. Member of the right hon. Gentleman's own party which were rejected by the Interlaken Conference. Since then other proposals have been put forward. Is it the final proposals, or the original proposals made by an hon. Member of his own party with which the right hon. Gentleman is dealing?

Mr. Bevin: I think it applies to nearly all the schemes. I read those sent to me, but I did not look to see if they were final. The same germ runs through the whole of them. I am not trying to criticise, but am pointing out that when one starts constitution-making in this way, one raises a lot of problems. I have often said that I amalgamated a lot of unions into one union, but the first thing I looked at was the assets.

Mr. Osborne (Louth): Jolly good capitalism.

Mr. Bevin: I did not proceed by telling the other people that I was going to discard them before I began discussing them. That seems to be the approach in these proposals. The dissipation of these assets would weaken each member State and I do not think that that is the right way to approach the matter. A written constitution is suggested now and we are told in America and elsewhere that we are fools because we do not run after them. I am not being unkind even to the United States, but it is well to remind them that it took 11 years to deal with their constitution. They did not proceed with quite the rapidity of getting it through in 11

(Continued on page 6.)

THE SOCIAL CREDITER

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

SUBSCRIPTION RATES: *Home and abroad, post free:*
 One year 30/-; Six months 15/-; Three months 7s. 6d.
 Offices: (Business) 7, VICTORIA STREET, LIVERPOOL, 2, Telephone: CENTRAL 8509; (Editorial) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone SEFTon Park 435.

Vol. 21. No. 5.

Saturday, October 2, 1948.

Lines and Divisions

We can vouch for at least one of the many pleasant stories told about the distinguished neurologist, Henry Head, who rose to a certain but possibly a transient fame in the early years of this century. At that time (during the first phase of the World War to be precise) American Money, scanning the horizon for 'something useful' to do with 'itself', caught sight of British Medicine, and resolved to raise it to something of its own eminence. On an important occasion, King George V audibly preferred English money; but that is a side issue. A 'team' was got together, buildings were erected and equipped, foreign visitors began to invade the premises, illness and other unforeseen circumstances befell the chosen; and, finally, (or perhaps one should say 'penultimately', for the great schemes of Money never die) Money lost some of its initial interest and the great adventure sank back into the common pool, the purity of which its shining presence did not very noticeably affect. In such ventures the fringe personalities are very often more interesting if not more impressive than the central figures, and, until illness curtailed his activities as well as some others, Head was one of these points of interest. To those who live among them the ripples of history often have the aspect of ocean waves. But if these incidents were really only ripples, some of the human figures certainly were not. (The best of any generation cannot be inherently poor stuff: the line—in the genealogical sense—rises and falls in execution; but it is the same line).

But the anecdote: "Henry," as he was to his friends, had gone the length of Gower Street and arrived, panting, at his destination, where he was asked the cause of his discomfort. However much the ensuing conversation loses by abbreviation, the substance of it was this: that the breathless one had passed from one side of the street to the other, constantly increasing his speed, to escape a famous colleague, of whom he had caught sight. "He wants . . . he wants . . .", essayed the fugitive, ". . . he wants a DIAGRAM . . . for his book!"

We know, of course, that, particularly since the advent of Social Credit, all the world wants diagrams, things in nutshells, and so on; but at that time there could not have been nearly so many people as there are now who dislike diagrams—on principle, and right principle. But, although, as the tale reveals, it was a time of some decadence in the matter, there was then one man at least who did *not* want diagrams, and particularly resented the demand that his own opinions should be tortured into these two-dimensional outlines.

This is evidence in favour of Henry Head, and we cannot imagine stronger evidence leading to the conclusion that he was of distinguished quality. He took to his heels away from diagrams, and the market for diagrams. Curious that Bacon ("the wise and witty Francis") should himself have attached

these things to the market place, but not so curious that he put his finger upon the field of ideas which distrust of them should occupy. He spoke (though literally he spoke of other symbols) about those who would "alter" the lines which to an acute and diligent observation "suit the true divisions of nature." He said, truly to our understanding, that something stood in the way of the drawing of the right lines "to suit the true divisions of nature," and that what stood in the way was the wrong lines.

Now, in the last analysis, all lines but the right lines are the wrong lines; and so, in the last analysis, all lines but the right lines stand in the way.

With some temerity, we wonder whether even Bacon had come so far as he might in this argument. Are there any "true divisions" of nature? Even if we discard our "Orbits" and "Elements of fire," and favour at last our Physics and our Chemistry, and our Social and our Spiritual; and draw our later lines of each of these, *is* there this division? Or is it that *our* division, the division we effect, stands between us and easy transit along that thread which holds them all?—T.J.

Why not a Direct Subscription?

The following privileges are available to direct subscribers to *The Social Crediter*:—

All whose subscription covers delivery of the paper for a year in advance are eligible for membership of the Library founded by the Social Credit Expansion Fund and maintained by the Social Credit Secretariat (see advertisement on this page). The only additional cost to the subscriber is a deposit to cover postage.

Occasional communications concerning Social Credit affairs are made to selected readers or to all readers whose names and addresses are on the office lists.

Many readers regard themselves privileged to have opportunities suggested to them for action to put our ideas into execution.

Subscription rates appear at the head of this page.

Say it with Flowers

A Press hand-out of the Ministry of Education during August announced "an experiment designed to . . ." help the housewife to arrange the flowers in her home more tastefully.

For this purpose, housewives would, from September 1, attend classes at St. Martin's School of Art in London—or, if not all of them were housewives themselves, they were of such a kind as might teach the housewives "to create something beautiful when materials of other kinds are very limited."

SOCIAL CREDIT LIBRARY

A Library for the use of *annual* subscribers to *The Social Crediter* has been formed with assistance from the Social Credit Expansion Fund, and is in regular use. The Library contains, as far as possible, every responsible book and pamphlet which has been published on Social Credit together with a number of volumes of an historical and political character which bear upon social science.

A deposit of 15/- is required for the cost of postage which should be renewed on notification of its approaching exhaustion.

For further particulars apply Librarian, Croft House, Denmead, Portsmouth.

More Than Espionage

By EDNA LONIGAN.

The following article is published here by permission of the Editor of HUMAN EVENTS, where it appeared on September 8. We deem it significant because in several ways it puts its finger upon the dangerously effective technique, extensively employed, to thwart the human instinct for stable and satisfactory government by representing each attack upon it as something else than it is—something more restricted in its inspiration and essential objectives. ("Limit the problem") Thus systematic theft of individual credit becomes an abstraction such as 'usury', political gangsterism on the widest scale has the shrivelled and insufficient roots of 'juht bithmeth', an instance of exceptional and individual human frailty; an attack, the essence of which is its cultural objective, which outlasts generations and even centuries in duration, which is, moreover, organised to cover any and every form of resistance, is split into conveniently small fragments and conventionalised as a mere day-to-day routine of a military or diplomatic machine. This journal tries without ceasing to expose this trick, to make its details so familiar that any new instance will be immediately recognised for what it is, and that, in consequence, the enemy will be driven from its use. While we should not ourselves elevate the newcomers to the Kremlin to the position of the arch and original evil genius, in general the exposure cannot be too frequent or from too many angles; and we are grateful to HUMAN EVENTS for this opportunity to extend action along this line. We trust that the moral will be drawn in British educational circles. The address of our American contemporary is 1323 M. Street, N.W., Washington 5, D.C.—The writer, who was earlier associated with higher education in America, served with the Farm Credit Administration from 1932 to 1935 and was with the United States Treasury from 1935 to 1940:—

The story of the activities of Communist agents within our Federal Government has been described as another "Canadian spy case". It is more than that. Attempts to force a parallel with the Canadian case only obscure the fact that Congress is on the trail of something more insidious and more important than espionage.

The committees under Senator Ferguson and Representative Thomas have already done one invaluable service. They have made it clear that we are not dealing with the activities of the Communist "Party", but of the Russian NKVD.

The Communist "Party" is not an American political party. Like the Russian Army, it serves the military purposes of the Soviet Government. Control of such an important military instrument could not be left to the aging, small-bore politicians who seem to head American Communism. This American "Party" is merely one branch of the huge network under control of the NKVD.

Congress is now working toward the real question: what are the aims and activities of the NKVD-MVD on American soil? Mr. Chambers, in a little-noticed statement, said they are not primarily espionage. No one asked what they are. The answer is that the NKVD is engaged in placing its agents in key positions in American life, in order to direct our policies to our self-destruction.

NKVD penetration into the Federal Government is part of a larger pattern for penetration into colleges, schools, the armed forces, private business, and the general communica-

tion of ideas. The work of the separate arms is synchronised from Moscow, by a few directing heads, into a smooth-working force of political "commandos." These seek to seize the commanding heights of American Society, and thereby take over our country without any serious revolutionary violence.

"It can't be true," say the pseudo-liberals. "The Grand Jury would have indicted. The FBI would have proved them guilty." But guilty of what? Most American followers of the NKVD have committed no crime. They have violated no law. If every statement in the testimony of Miss Bentley and Mr. Chambers is proved true, the Grand Jury will still find it difficult to indict. We have no law compelling Government employees to propose only ideas that are for the good of their country.

II.

The NKVD has been endeavouring to infiltrate the Federal Government since 1933. The first circle was evidently set up in the Department of Agriculture. Dr. Wirt told us about links in the Office of Education.

Recruits were obtained from cells in the colleges. Stalin ordered his followers to penetrate the American colleges as far back as 1929, when he saw that the depression was serious. This is documented in the reports of the Rapp-Coudert Committee of the New York legislature.

Each cell divided and bred others. Directors of the NKVD sat with their maps of the "terrain" of the Federal Government, and moved their followers to one key position after another. Communists in Government and the colleges were ordered to recommend their comrades for all desirable openings. They were told to locate the key jobs, to know when they would be vacant, and to pull the strings. Their people always had the "Best" recommendations.

First the network placed its economists and lawyers. Then it moved its men into publicity and public relations. As the leaders learned more about the workings of bureaucracy, they put their people into jobs as personnel directors. Assistant directors proved even better for the purpose. These officials were never in the headlines. But they saw the incoming applications; they could weed out those with an anti-Communist record in college, or "expedite" those who submitted recommendations with key names or had key experience to identify them.

Administrative Assistants were another important link. Top officials in Government departments make speeches but are shielded from knowledge of what goes on in their agencies. The administrative assistant decides whom the chief will see, what correspondence he will sign, what reports he will read, and whether or not complaints shall be brought to his attention.

Some of the people who were placed by the network were "innocents"; some were dreamy revolutionists; most were cold, cynical men who noticed that those whom the network favoured advanced rapidly to the highest jobs. Many who were temporarily enmeshed by the network found their way out without much trouble. But the network grew because vacant places were promptly filled by new recruits from the colleges.

The duty of the ablest Soviet agents was not espionage. It was to win the confidence of those who directed policy. Their task was to attach themselves to higher officials or to the wives of those officials; to be friendly, charming, alert, intelligent, sympathetic; to be ready, day or night, to take

on more responsibility. And, in time such responsibility was given them.

So, each year, the network moved its men into higher and higher positions. When war came the veterans of eight years of conspiracy reached the highest policy levels. Always an invisible force was pushing the favoured higher. It was easier after Hitler attacked Russia.

III.

When the Wagner Act was pending, an American industrialist rushed back from Europe, and said, "You can't allow this bill to pass. European Communists are waiting at the docks to come here and take over American unions when it passes." His friends laughed indulgently.

The Wagner Act left a broad band of administrative discretion to the Labor Board, for the writing of directives that had the force of law, and could not be reviewed by the courts. That was not accident. The network moved its best people to the places where the directives were written. Communist agents penetrated the unions, took over the funds, the press, the legal staffs; and industrial bitterness mounted.

Men chosen by the network began to direct American policy on every controversial question. After Farley was dropped, they took over the task of delivering the votes from the key industrial centres. As a reward they gained control of the political conduct of the war.

Our victorious armies halted where Stalin wished. His followers managed Dumbarton Oaks, UN, UNRRA, our Polish and Spanish policies. They gave Manchuria and Northern Korea to Communism. They demoted General Patton, and wrote the infamous instructions under which General Marshall was sent to China. They dismantled German industry, ran the Nuremberg trials and even sought to dictate our economic policy in Japan.

Their greatest victory was the "Morgenthau Plan." No one who knew Mr. Morgenthau could believe he devised the Plan. It was contrary to everything which he believed [*]. He could not have been persuaded to urge it on the President unless he had been surrounded by men he trusted, who were obeying the orders of the network; men who, like the wicked uncle in "Hamlet," poured poison in his ears while he was off guard.

The planned destruction of German economy has further weakened Western Europe and will cost every family in the United States a share of 18 billion dollars to repair part of the damage through ERP. What more could the heads of the network have done for their masters?

After the war was decided, the network moved the men on the chess-board to UN, UNRRA, the International Bank; then to positions in our colleges, where they teach future Government employees, and to foundations which control the grants the colleges so desperately need.

IV.

Why didn't someone in Government expose this state of affairs? Many tried, but they were silenced, or, if persistent, they were smeared by the branches of the network that worked through the press.

The Dies Committee located the carriers of infection, and therefore was given the most vicious smearing of all. Of course the Dies Committee made mistakes. The question

is whether the American people should have followed a committee loyal to America which made mistakes, or the NKVI which makes no mistakes.

President Truman was given 26 million dollars to root out "disloyalty", but the hand of the network is all over the "loyalty investigation". There was no good reason for investigating *all* Government employees. That was the Communist way of "helping" the investigation. The only proper procedure is to have a board review the evidence in the FBI files, and dismiss every employee who associated with members of the network. No one has a "right" to Federal employment, if he has no sense.

We do not need more laws; we cannot enforce those we have, because the cold eyes of NKVD officials always find the openings where their agents can penetrate into enforcement agencies, or induce members of the press to help with propaganda about "red-baiting".

We are not concerned with a judicial problem of the guilt or innocence of individuals—except in the matter of perjury. We do not want any spy trials which will be lost before they are begun. Our problem is political. How can we get evidence about the top level of the Moscow-directed army which is within our gates?

The Congress has done excellent work, but we do not yet see the size of task before it. What we need from Congress is a complete set of intelligence reports. We want to know all the links through which Communism works, the "chain of command", the infinite variety of its camouflage and propaganda devices. If Congress gives us the pattern by which infiltration of administration has succeeded, the American people will find the political means to end forever the work of the NKVD on American soil.

PARLIAMENT (continued from page 3.)

months. It is only a little while since we signed the Brussels Treaty. I realise that there are fast movers in the world, but I cannot deal with all the mass production in the world in 11 months when it took them 11 years.

I ask hon. Members to be a little objective in dealing with this problem. This country has no written constitution and when one looks at the possible effect on this country of trying to dovetail ours into written constitutions, one sees that it raises very difficult problems. While the constituent States of the Commonwealth have constitutions of their own, there is no collective constitution. The only thing governing them is the Statute of Westminster. It is a great free association of nations to which everyone refers on election platforms and says what a great thing it is. And I agree. It is a factor which must not be ignored in discussing this problem. Another factor is that the countries in Europe are old countries. It is easy to pass these resolutions, but when it comes to meeting the actual members of the Governments to carry this out, we will find there will be terrific controversy, and anyone who has had any experience of drafting constitutions knows how difficult it is.

I say to the right hon. Gentleman, who I know is keenly interested in this matter—and I welcome his interest as well as that of other hon. Members—that I take the view that the way to proceed is as the Prime Minister said in his letter first, consult the Commonwealth itself. I do not see anything derogatory in consulting the Commonwealth and Commonwealth Prime Ministers. I cannot see why we are criticised for that. We want a frank and full discussion

[*] We do not know what Mr. Morgenthau's beliefs are.—Editor, T.S.C.

with them. Their interests are at stake. Why are we told that we are lukewarm and why are we criticised because we suggest we should wait until October in order to talk with them? I thought it very shortsighted to put that argument against the Prime Minister and His Majesty's Government.

I feel that the intricacies of Western Europe are such that we had better proceed—I am not dogmatic about this—on the same principle of association of nations that we have in the Commonwealth. Britain has to be in both places; she has to be and must remain the centre of the Commonwealth itself and she must be European. It is a very difficult role to play. It is different from that of anyone else and I think that adopting the principle of an unwritten constitution, and the process of constant association step by step, by treaty and agreement and by taking on certain things collectively instead of by ourselves, is the right way to approach this Western Union problem. When we have settled the matter of defence, economic co-operation and the necessary political developments which must follow, it may be possible, and I think it will be, to establish among us some kind of assembly to deal with the practical things we have accomplished as Governments, but I do not think it will work if we try to put the roof on before we have built the building.

The policy of His Majesty's Government is as it began, to continue this day-by-day endeavour through the 16 nations we have now brought together and through the Commonwealth. And this is important—if one looks at the map and takes the British Commonwealth and its population and the population of Europe instead of limiting oneself primarily to a purely Western Union in the sense of Western European union, if one can get an association of nations comprising what are now the States of Western Europe, ourselves and the Commonwealth, running, as it were, through the middle of this planet with its great potentiality and wealth, if that can be brought together, a force for peace and equality and equilibrium can be established which ought to make for peace for generations to come.

Mr. Alfred Edwards (Middlesbrough, East): At the beginning of his speech, the Foreign Secretary seemed to go back to the inter-war years. It is on that reluctance to face the future that I want to speak today. The Foreign Secretary went on to say that the trouble about the balance of payments was entirely due to the negligence of another party, and particularly to the tariffs of 1931. I think it is time that it was said in this House that our difficulties today are due only to the fact that we bore very much more than our share of the cost of the war. I do not think we ought to be apologetic about that.

We paid far too much long before America came into the war. It does not do for us or for America to forget the days of cash-and-carry long before Lend-Lease came into operation. We spent almost every dollar we had before America started her shipyards and aeroplane factories, and it was only when our resources were down, as the White Paper put it, to about £5 million worth of dollars that Lend-Lease came into operation. Those who care to take the trouble to look up the Mutual Aid Agreement will find that the first clause stated that the purpose of the Agreement was not to help this country or other European countries but to defend America's shores in Europe, which is a very good place to defend them. I do not think it is fair to us or to America to put the blame anywhere else than where it belongs. Had this country paid only its fair share of

the cost of the war, we should not now have had to borrow from anyone.

Another thing I should like to say is that nothing has caused such bad feeling between America and this country as the constant reiteration of the statement that this country has never paid its war debts to America. I heard that statement made in the House during a Debate this year. It is time we looked at the facts and reminded our American friends and ourselves about these matters, because few people know about them. I think that the Foreign Secretary has put the responsibility in the wrong place. Everything that America sold to us during the last war, from the beginning to the end, this country repaid at the rate of more than 80 per cent, of the total amount, and during the period that America was supplying us, at high war prices, she was making a very considerable profit which would have wiped out completely the other 20 per cent. Why should we allow these statements to go without correction?

About 18 months ago there appeared a full page advertisement in the "Chicago Tribune" which stated that this country had never repaid either in interest or redemption one single dollar. It is too bad that our information service should allow such statements to pass by. Eighteen months ago our information service in New York took the trouble to have a full investigation and statement made about this, and it is worth while, at this late hour, for Members of this House to look at those figures and remind themselves of the colossal achievement of this country in paying so much as it did, in spite of the fact that no other country paid more than a very small amount of the debts it incurred. I think that it should be made clear in this House that our balance of payment difficulties are due to the fact that this country carried for many years more than its fair burdens. . . .

. . . It is time we faced the facts when we face the future. What are the benefits to come to the country from the nationalisation of the steel industry? We as politicians must ask ourselves that question, and I say there is nothing to be got under a nationalised industry that cannot be got without nationalisation. The Government's power is absolute; the Government of the day can do what they like. Today, in spite of all the nonsense talked about it, the steel industry cannot fix its own prices, and has not been able to do so for very many years; there could be no more control over the steel industry than there is today. The right hon. Member for the City of London (Sir A. Duncan) said in this House on behalf of the Opposition that they did not ask for controls to be taken away; they accepted controls as necessary, but they could not see any advantage in a change of ownership.

What are the advantages in a change of ownership? The workers have not demanded it. In fact, when the Minister of Health demanded nationalisation, or else he would resign, the Government said, "But look, even the unions have not demanded it." Within a few weeks after that statement—not before—there were meetings up and down the country demanding the nationalisation of the steel industry. There was a meeting in my own constituency attended by 300 trade unionists. The trades' council called that meeting. Never before has a meeting called in Middlesbrough by the trades' council been attended by so many people. Only one man out of that 300 supported me; all the others voted for immediate nationalisation of the steel industry. However, to keep that in perspective it should be noted that the chairman was a Communist, as were the major-

ity in the audience, without whom they would not have had such a large attendance. Similar things have gone on up and down the country.

I notice this morning an announcement that the Sunderland branch of a union of which I happen to be a member has asked for my expulsion. That has become quite a habit. Some months ago, however, I was also asked by a branch in South Wales to say something on this subject. The secretary of the branch had had a lot of complaints from the steel section of the union and asked if I had anything to say. I replied that I had quite a bit to say, but that I should like to say it to them myself, asked him to call a conference and to be sure to get at the meeting all those people who were violently opposed to me. The secretary made the arrangements and assured me that I would be satisfied with the opposition. We set out at that meeting determined fully to discuss the matter. I put the case to them and asked any man present to show me any advantage that would come to the workers of this country through nationalisation which the Government could not give them without nationalisation. Not a man could do so. I invite hon. Members to write to the secretary and ask him about it, and he, as would the chairman, would say that I could have got a vote of confidence from that meeting after the men had heard and faced the facts. . . .

. . . What are the benefits which will come to the worker from the nationalisation of steel? Ask the average workman, and he thinks that we are going to take the profits from the so-called parasites and distribute them in some mysterious way among the workers. I put my case to the House, and I invite contradiction. I declare that for every £1 profit made in steel, and in other industries today, no one in business would dare leave less than 5s. in the business; it has to be ploughed back. The remaining 15s. the Chancellor immediately taxes to the extent of 9s.; when we distribute a dividend he takes another 25 per cent., and when we receive our dividend we pay Supertax. I doubt whether the Chancellor receives less than 12s. 6d. of that 15s. Do the workers of this country realise that the Chancellor is getting all the profits?

Mr. Godfrey Nicholson (Farnham): The Chancellor takes another 10 per cent. in the 5s. ploughed back.

Mr. Edwards: We take about 10 per cent. of all the wages to send to the Chancellor. In fact, we have become a nation of tax collectors. . . .

. . . I repeat my question. What benefits will be given to the country by nationalisation, or what can be done by nationalisation that cannot be done now? The workers will not be getting better conditions, because there has been no dispute for 30 years and there is a sliding-scale to look after their cost of living. Will any Member get up and say what are the advantages? When a trade union leader, who is a very old friend of mine, took up an attitude against me, we pressed him to say what were the advantages, and after some consideration he said that first and foremost when the industry is nationally owned the first charge will be on wages for the men and not on profits for the "bosses." Let us look at the matter from that point of view. He may have meant what he said quite seriously, but he did not know the facts, because wages for the men must be the first charge and have always been the first charge in law. Legally, wages are the first charge even over first debenture holders.

What about profit for the "bosses"? Let us assume

that the company with which I am associated is bought out. Suppose that £1,000,000 is paid for a steel company. The boss will then get 3 per cent. Government bonds. He will not be risking his capital; he will toil not and neither will he spin. The "bosses" will be drawing their 3 per cent., and if in the next year or so there is a depression, as some people are predicting, and 50 per cent. of my constituents are on the streets again on the dole, what will be the first charge on industry then—the 3 per cent. Government bonds or wages for the men? It is not even good business. They have not thought these things out. These boys from the London School of Economics should be sent into the workshops. Put them there for a few years and let them earn a living. There is not a man in the Government who has had to earn his living running a business. There is not a man in the Government who knows what a profit and loss account is. That is my personal experience. . . .

Lastly, what are the advantages which are to come from nationalisation? I was in Czechoslovakia last November, and I was talking with Socialist statesmen who started nationalisation there and three months later were thrown out by the Communists without even an election. The workers have lost their freedom and are working longer hours on a lower standard of living. What would these men give for another chance to save themselves and their country? But they have not got another chance. We still have the privilege and the opportunity to turn down this thing which has no reason but is a mere dogma which happens to have been thrown in at the last moment, as I happen to know, something which just had the luck of the draw. . . .

A selection of K.R.P. Publications is obtainable from:—

MR. KEITH G. CATMUR, 2, STEPNEY GREEN,
Phone: STE 3025. LONDON, E.1.

BOOKS TO READ

By C. H. Douglas:—

The Brief for the Prosecution.....	8/6
Economic Democracy	(edition exhausted)
Social Credit	3/6
The Monopoly of Credit	(reprinting)
Credit Power and Democracy	6/6
Warning Democracy	(edition exhausted)
The Big Idea	2/6
Programme for the Third World War.....	2/-
The "Land for the (Chosen) People" Racket.....	2/-
Money and the Price System.....	7d.
The Use of Money.....	7d.
The Tragedy of Human Effort.....	7d.
The Policy of a Philosophy.....	7d.
Realistic Constitutionalism	6d.
Security, Institutional and Personal.....	6d.
Reconstruction	6d.
Social Credit Principles	1½d.
The Republican Victory in the U.S.A.....	1d.

From K.R.P. PUBLICATIONS LIMITED,
(Please allow for postage when remitting).
7, VICTORIA STREET, LIVERPOOL, 2.