

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

Yaps from Yalta, "Them's my unalterable principles, gents, and if you don't like 'em, we'll ask Uncle Joe to let us change 'em."

. . .

Price-levels are the sum of what you pay "over the counter" plus what you pay to the tax-collector and the Rating Authority. PRICE-LEVELS HAVE GOT TO COME DOWN.

. . .

The present state of the world is directly attributable to increasing centralisation of policy-mono-poly. POWER TO DECIDE POLICY MUST BE DECENTRALISED.

. . .

As an interim mechanism, THE BALANCE OF POWER POLICY IS FUNDAMENTALLY SOUND, and should be pursued. THE WORLD STATE IS THE FATAL ALTERNATIVE.

. . .

One of the characteristics of the bureaucrat, which never varies, is his passion for hoarding. Every Government factory accumulates stores and stock out of all proportion to its legitimate needs, and resists the distribution of it as a child clings to its toys.

During war, "security reasons" provide an all-sufficing umbrella for secrecy as to these stocks, and in consequence the general public can be told any fairy tale as to the necessity for "sacrifice and economy." At the earliest possible moment, however, the actual stocks of petrol, food, clothing, tyres and other civilian requirements should be extracted from the various Departments controlling them. There is no time to lose: the idea that the general public should obtain delivery of anything is so abhorrent to Mr. Pink-Geranium, O.B.E., that the stocks will be buried, if they can't be exported.

. . .

If anyone supposes that the Lithuanian-American-Jew, Mr. Sidney Hillman, delivered the votes necessary to re-elect President Roosevelt out of pure benevolence and looking for no reciprocity, his knowledge of the American Trades Union boss in general, and Mr. Hillman in particular, must be slight. We are not exactly starry-eyed over the British Trades Union movement; but neither it, nor the British workman would tolerate for five minutes the methods which are a commonplace to the C.I.O. which provides Mr. Hillman's private army.

Hardly had the tumult and the shouting died on November 8, than Mr. Hillman left for England and the rigours of Claridge's Hotel. Sir Walter Citrine, who is badly handicapped for Trades Union activity by honesty and a good brand of patriotism, has expressed his opinion both on the

Russian Paradise, and the activities of the Communist control of E.L.A.S. in terms which would not endear him to the C.I.O. and its manipulator, and the course of the present International Trades Union Congress, in which the British section is fighting to retain the control it has always regarded as "its historic right," is no doubt one of Mr. Hillman's objectives. Mr. Hillman ought to be very carefully watched, and his contacts assessed in other than those of wage rates and labour conditions. It will be remembered that Professor Laski replaced Miss Ellen Wilkinson as Chairman of the British Trades Union Conference some time ago. There is almost certainly a close connection between that fact and the prolonged stay of our distinguished visitor.

. . .

When the beauties of Socialism and the dazzling prospects of a world made safe for bureaucrats were merely a theory, there was some justification for tolerance in every country for those eager to experience them in practice. But Socialism is a fact; Europe is the attractive consequence of National Socialism in Germany, International Socialism in Russia, Guild Socialism in Italy, and what-have-you in the Balkans. Under these circumstances we feel that it might be suggested to our more vocal Socialists here—nay, even put with a certain measure of insistence—that their Heaven is, if not within them, easily reachable by boat and train. Perhaps Professor Laski, Mr. Emanuel (God with us) Shinwell, Mr. Kingsley Martin, Mr. Gollancz and Dr. Hugh Dalton (a further selection will be provided on request) will consider whether they would not be more happy in Russia, since we don't propose to have a Socialist England—on the contrary, in fact. If what the small advertisements call a cash adjustment is required by Mr. Stalin, we shall be happy to open a fund at once, to deal with the matter.

They might transfer "Chatham House" to Moscow, at the same time—if it isn't there already.

. . .

The output, from *public supply sources* (the Grid, etc.) of electrical energy in Great Britain rose from 26,400,000,000 units in 1939, to 37,000,000,000 units in 1943. In the face of this, the Central Electricity Board state "there is a danger of a national shortage of electricity in the immediate post-war years, if . . ." etc.

There really is something very queer about this electric power business. During the past five years the factory capacity for war purposes has probably doubled; three shifts instead of one have been worked; and a production output completely unfettered by limitation of demand has been attained; and in the face of all this, it is stated that our post-war power requirements will be still greater.

Either somebody is very mad, or something very important is being kept from us.

PARLIAMENT

House of Commons: January 26, 1945.

GOVERNMENT DEPARTMENTS

German Employees

Sir L. Lyle asked the Financial Secretary to the Treasury how many unnaturalised Germans are employed in Government Departments and the Departments in which they are employed.

Mr. Peake: Under Defence Regulations 60D aliens may be temporarily employed in the Government service if they possess special qualifications, and there are no suitably qualified British subjects readily available for employment in the post concerned. Specific Treasury consent is required for the employment of an enemy alien in any non-industrial post, and that consent has been given in the case of 66 persons of German nationality, or who are now Stateless but were formerly of German nationality. The Departments concerned are shown below. In some of these cases employment has been terminated.

Admiralty	17
Ministry of Agriculture and Fisheries	1
Air Ministry	2
British Museum	2
Colonial Office	1
Ministry of Economic Warfare	2
Enemy Branch (Foreign Office and Ministry of Economic Warfare)	3
Ministry of Food	2
Ministry of Fuel and Power	3
General Post Office	2
Ministry of Information	2
Ministry of Labour	6
Lord Chancellor's Department (Cambridge)	1
Natural History Museum	1
Postal and Telegraph Censorship	1
Department of Scientific and Industrial Research	4
Ministry of Supply	9
War Office	4
Ministry of War Transport	1
Ministry of Works	1
Department of Agriculture for Scotland	1
	<hr/>
	66

House of Commons: February 1, 1945.

BRITISH BROADCASTING CORPORATION (CHARTER)

Mr. Ellis Smith asked the Prime Minister if consideration has been given to the action that is required over the renewal of the B.B.C.'s Charter; and can he make a statement.

The Deputy Prime Minister (Mr. Attlee): This matter is under examination but I am not yet in a position to make a statement.

Mr. Graham White: Is it proposed to hold an inquiry into the renewal of the Charter, as was done when the Charter was last renewed?

Mr. Attlee: No decision has been come to on that matter. We have the Ullswater Committee's conclusions before us.

Mr. Ellis Smith: Is it not a fact that the renewal has to take place next year, and does that not make the matter one of urgency? If we are to conduct this on a democratic basis, could not some committee be set up to take evidence

from representative organisations and to start public discussion?

Mr. Attlee: That is a matter for consideration. We are going into it, but a great many things are pressing this year, besides those for next year.

Mr. Edgar Granville: In view of the fact that during war time the control is vested in the Ministry of Information, may I ask whether the House of Commons will be given an opportunity of discussing the matter on the Ministry of Information Vote?

Mr. Attlee: That is hardly a question for me. My hon. Friend will no doubt see whether there are opportunities for raising it on a Supply day.

Mr. Gallacher: Will the Deputy Prime Minister give a pledge not to renew the Charter of the B.B.C. unless they abolish that appalling feature known as the Brains Trust?

GOVERNMENT-HELD PROPERTIES (DISPOSAL)

Sir P. Hurd asked the Chancellor of the Exchequer whether, in order to ensure an economical and orderly disposal of Government-held properties and in pursuance of the recommendation of the Select Committee on National Expenditure in their Sixteenth Report, the Government will put at the disposal of Members, confidentially or otherwise, a list of such properties giving particulars of holdings computed by each Department, so that when considering the Requisitioned Land and War Works Bill, the House may know what may be disposed of under this new legislation.

Sir J. Anderson: Such a list would be almost impossibly voluminous and would be of no real help to the House when considering the Requisitioned Land and War Works Bill. The Bill does not apply to properties held on requisition as such, which will in the vast majority of cases revert to their owners in the ordinary course, but to land whether requisitioned or not on which there are Government war works and in some cases to land which has been diminished in value by war work or war use.

POLAND (JEWISH SURVIVORS)

Mr. Silverman asked the Minister of Information whether his attention has been called to broadcasts from Lublin of the names and addresses of Jewish survivors in Poland who desire to contact relatives in other parts of the world; whether any record is made of these broadcasts; and whether such records can be made available to persons and organisations who may be interested.

Mr. Thurtle: These broadcasts are not recorded by the B.B.C. Monitoring Service. Their resources are already heavily taxed, but consideration will certainly be given to my hon. Friend's suggestion.

GOVERNMENT DEPARTMENTS

Public Relations and Press Departments

Sir E. Graham-Little asked the Financial Secretary to the Treasury the number of persons now employed in the public relations and/or Press department in every Government Department, together with the total cost of this provision.

Mr. Peake, pursuant to his reply [OFFICIAL REPORT,

18th January, 1945, Volume 407, c. 388] supplied the following statement:

The following table gives for all Departments, other than the Ministry of Information, the particulars to which I referred in my reply to my hon. Friend on 18th January. The totals given are in respect of whole-time staff, and include Regional as well as Headquarters staff. The figures for the Service Departments include Home but not Overseas Commands. Most of the totals of annual cost are approximate.

Department.	Staff engaged on Public Relations and Press Work	Annual Cost £
Admiralty	109	67,684
Ministry of Agriculture and Fisheries	65(a)	23,200
Air Ministry	192(b)	112,863
Ministry of Aircraft Production ...	29	10,361
Colonial Office	19	8,000
Dominions Office	8(c)	3,370
Ministry of Economic Warfare ...	4	896
Ministry of Education	12	6,520
Ministry of Food	56	22,350
Foreign Office	10	9,510
Ministry of Fuel and Power	20	8,231
Ministry of Health	17	7,683
Ministry of Home Security and Home Office	15	8,712
India Office	20	8,889
Inland Revenue	2	1,945
Ministry of Labour and National Service	24	12,254
National Savings Committee	81	38,901
Ministry of Pensions	3	1,498
Post Office	12	8,839
Ministry of Production	14	7,420
Office of the Minister of Reconstruction	2	1,458
Ministry of Supply	121(d)	48,600
Ministry of Town and Country Planning	12	7,785
Board of Trade	28	9,200
Treasury	1	1,090
War Damage Commission	2	1,218
War Office	280	120,000
Ministry of War Transport	15	6,902
Ministry of Works	5	1,912
Scottish Home Department	9	4,860
	1,187	572,151

(a) This figure includes a staff of 52, costing £17,300 per annum, engaged upon informing and advising the farmers and domestic food producers through all available media as to the best and most efficient methods of food production.

(b) The staff of the Photographic Dark Room (numbering 16) and of the R.A.F. Film Production Units (247 at home and 79 overseas) are partly engaged upon work of a public relations nature; but this varies with operational requirements and no estimate of the cost, etc. can be made and particulars are therefore excluded from the above statement.

(c) Includes 3 engaged also on Colonial Office duties.

(d) Includes 58 staff (cost: £21,400) employed in the Publicity and Campaign Branch of the Directorate of Salvage and Recovery.

BY-PASS ROAD, HEREFORD

Mr. Ivor Thomas (Keighley): If hon. Members wonder why I should be raising the question of a by-pass road through the city of Hereford, let me say that it is not due to a misprint, but to the fact that my home is in Hereford and that I have a natural interest in preserving the amenities of that ancient city. I am, indeed, a citizen of no mean city, but

it would be a great deal meaner if the Minister of War Transport had his way. He proposes to drive through the city of Hereford a road that he describes, with a fine disregard for logic and the English language, as an "internal by-pass road." It would cross the River Wye within a hundred yards of the existing 15th-century bridge, and would greatly impair the view of the cathedral and bridge from the river, and the fine stretch of the River Wye from the present bridge.

These views are among the loveliest in England. I do not claim that the view of the river and cathedral at Hereford has the sublimity of Lincoln, or the majesty of Durham, but it is perfect in its kind, surmounted, as it is, by the mouldering grandeur of the square tower of the cathedral. This proposal would seriously impair that view for future generations. As one who feels some responsibility for preserving this view for those generations, I feel it my duty to raise the matter in the House now, while there is still time for action. For, although the Minister's hand is raised to despoil, he has not as yet achieved any physical destruction, and, apparently, this proposal can still be reconsidered. I want very much to urge upon the Parliamentary Secretary that it should be abandoned, for I can see no argument in favour and innumerable arguments against...

The City Council have not, as yet at any rate, approved the scheme, and I trust they will never do so. They have had a discussion on it, but the discussion was deferred. The appearance of the bridge was not even discussed at that meeting and that is the fundamental aspect of the matter to which I wish to refer...

It is proposed that this internal by-pass road should diverge from the Abergavenny-Hereford Road, should cross the Wye within 100 yards of the existing bridge, and then pass into the City of Hereford along the side of the ancient ditch, and run very close to the thirteenth century stone wall, which is built against the face of the Saxon earthwork of A.D. 1055. The greater part of this ancient ditch would disappear, and that does not appear to be contested by the Minister. In the view of the archaeological experts whom I have consulted, the ancient wall would tumble down through the vibration of the traffic...

There is at least one excellent alternative, and possibly two other sites, for this by-pass road... These alternatives are very much cheaper than the proposal of the Ministry of Transport. Clearly, if a large number of houses have to be pulled down in the middle of a city, the cost is going to be very much greater than the cost of a by-pass driven through open fields. The cost of the Ministry's proposed road would indeed be very great to-day. One item alone entailing the pulling down of a church would cost at least £30,000.

Mr. Noel-Baker: Impossible.

Mr. Thomas: It seems clear from the maps that that would be the case... I hope that the Ministry of Transport will not earn the reputation of being extravagant destroyers of beauty.

The Parliamentary Secretary to the Ministry of War Transport (Mr. Noel-Baker): I must start by making an apology to my hon. Friend on a point which he has not raised but which, I think, I ought to explain. The terms of the answer, which was a written answer, were a little unfortunate and might have led my hon. Friend or the House to think that this scheme had been drawn up by the local

(Continued on page 7)

THE SOCIAL CREDITER

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Saturday, February 24, 1945.

"Trahison des Clercs"

It may be an accident having no root in conscious intention that the Chair of St. Augustine of Canterbury has twice in succession been filled by schoolmasters.

But it is beyond question that an era of academic rule in all spheres of government set in with President Wilson—an era having well marked characteristics exemplified in the reply of Sir William Beveridge to Mr. Austin Hopkinson in their recent debate—"Of course I know better than you do!"

Now this contempt of actual, personal, capacity to do the job, in comparison with having read about it ("Them as can farm, farms; them as can't, teaches") is the hall-mark common to President Wilson, schoolmaster-Archbishops and Sir William Beveridge, and is the characteristic of the Clerks. *Trahison des clerics* is a vital component of history, and would appear to be well recognised by the real Planners behind the scenes as a valuable asset to them.

The tendency to staff the higher ranks of the Church Executive with men of the schoolmaster type would appear to be far less noticeable in the Church of Rome, and may account for the striking divergence between the pronouncements of the late Archbishop Temple ("We need supremely the control of human purpose") and the recent clear-cut condemnation of State control by the Archbishop of Westminster. "Excessive legislation and control will inevitably lead to the servile state, and rob us of that freedom for which all are striving, and many are dying."

It is becoming clearer daily that the Reformation Churches place far too much reliance on pure reason. Dogma as such is naturally suspect; but it is quite possible that there are vital truths which the ordinary individual, in his present state of development, can only receive, if at all, as dogma.

Trespass

We have already suggested that one of the most disquieting features of the present period is the stimulation of "trespass", in the broadest sense—the principle that anyone is free to interfere with, criticise, or damage other people, more especially by quoting "the common good." It is extraordinary that an abstraction has apparently well defined and acknowledged rights, while the individual not only has no rights but is condemned if he suggests that he has. The Agriculture (Miscellaneous Provisions) Act is a flagrantly totalitarian measure, which was to be made still more confiscatory by the Requisitioned Land Bill, now before Parlia-

ment. Suddenly it was discovered that certain common lands were involved, and the question became one of injustice, hardship and high-handed bureaucracy. That action which is unjust and arbitrary when it is taken in respect of "public rights" is of little or no consequence when it encroaches on private rights is again exemplified by the arguments adduced in connection with the Highland Hydro-electric Schemes. Private interests are not even advanced in opposition, although they are real and important; it is only the "collective" interest, which in the main, is the irresponsible interest, which is permitted *locus standi*.

We are satisfied that in this attitude, which is considered and propagated as a policy, is the issue which has to be fought out before the world can settle down; and we are inclined to believe that the first shot has been fired in the United States over the appointment of Mr. Wallace to the Secretariat of Commerce, and the immediate retort of Congress in separating the Federal Loan Department from its jurisdiction. Involved in it is the Parable of the Unjust Steward. If politics is to continue to be the process of acquiring popularity, power, and prestige by making lavish grants of individual property to corporations, the promise of the age of plenty will join the Atlantic Charter and Mr. Wilson's Fourteen Points. Yes, Clarence, we know that you thought that when this cruel war is over (if ever) the restoration of the population (such of it as remains) to the Arts of Peace would soon make good the privations of the past five years. But you don't understand. For instance the Speke Aircraft Factory, a very large plant, has been leased to the Dunlop Rubber Company, "and will be of great assistance in manufacture for export." You don't understand this export business? Well it's quite simple. You see, we are a poor country, and can only support our population, including the refugees from Hitler's tyranny, by exports, and to export we have to import, except coal, which we give away. We require raw cotton so that Manchester can make loin-cloths which missionaries persuade the natives of New Guinea are necessary to salvation, and the natives of New Guinea send us in return wool, so that we can make clothes for the Russians. That predisposes the Russians to ask us for a large loan, having repudiated all the previous loans made to previous Russian Governments, which has the effect of our having built the Russian Railways for nothing. When the Russians get the large loan, they will spend most of it in America which will have the effect of our owing some more exports to America, and the rest of it they will spend here, and so bang goes your Austin Seven to the Kommissar for Red Splitpins. Then they will have another war, and that cancels the loan. When you go home at night after working for the New Guinean brother and the Russian comrade, you grow cabbages on your little allotment, and the sustenance you derive from eating them, gives you strength to do the next day's work Living on our Exports with Full Employment.

You realise now, don't you, Clarence, that it's Full Employment we live on, plus allotment cabbages and that the London School of Economics has thought it all out.

Mr. Will Lawther, who says the Mineworkers' Federation is the strongest political Trades Union Organisation in the world, will no doubt tell Mr. Sidney Hillman where he gets off.

Mr. Hillman doesn't seem to know.

The Whole Hog (II)

By NORMAN F. WEBB

What I have wanted to demonstrate by my treatment of the problem raised by Professor Hayek's book,* is that the philosophical and religious identification of the morally "right" with the personally disagreeable indicates a fundamental confusion of thought concerning our own, and therefore human motives (motive power). I have not gone out dialectically to disprove his argument, for the simple reason that from the Social Credit point of view it is far more right than wrong, and I am concerned with the one *per cent.* (as I put it) in which it fails to conform to Douglas's *Economic Democracy*. I have taken this failure of Professor Hayek's as typical of the general reluctance to recognise the intrinsic realism of the Social Credit philosophy and proposals. He supplies us with a valuable exhibit of what may be termed our "evangelistic" problem, the psychological barrier to Social Credit which still exists to be surmounted, magnified for analytical purposes by the fact of his altogether exceptional intellectual insight.

What it amounts to psychologically is this, that a point is reached in Professor Hayek's thought—this close area of the mind that I have already alluded to—when his *desire* for the Truth, as revealed in facts, fails him. At that point he stops thinking; by which I do not mean that his mind stops working, but it begins to work wrongly, faithlessly, lacking the true motive. Thus it comes about that Professor Hayek, who on the whole has steered such an un-deviating and confident course through all the subtleties of his book, when he comes in his Preface, which an author always writes last, to the core of the matter in his own personal motives, displays confusion and inconsistency, refusing through fear of what they may lead to, to face the facts. For where desire for Reality, which I have defined as faith in facts, begins to wane, Fear sets in, and *vice versa*. I contend that Professor Hayek has begun to fear the trend of his own thought, which is as much as to say that the conditions of fear and doubt are antagonistic to realistic thinking.

I propose here to quote from what I regard as one of the self-revealing passages of this book, which explain the pessimism of the whole. But its startling contrast to the general spirit is quite lost without the brilliant background context, against which it appears like an ink-stain on a white cloth. Referring on page 73 to the indubitable fact that Nature exacts a price for everything, Professor Hayek points out the false reasoning of the Socialists, who condemn the competitive system for its resemblance to Nature in that under it almost anything can be had, at a price, sometimes, no doubt, cruelly high. And he goes on to observe that it is only natural that people should want to be relieved of the bitter choice between the gratification of their desire and the price exacted. Then, suddenly descending from the general to the particular, he continues, "And they are only too ready to believe that the choice is not really necessary, that it is imposed upon them merely by *the particular economic system under which we live*. What they resent is the truth that there is an economic problem." The italics are mine. "In their further wishful belief that there really is no longer an economic problem people have been confirmed

by irresponsible talk about "potential plenty"—which if it were a fact would mean that there is no economic problem which makes the choice inevitable. But although this snare has served socialistic propaganda as long as Socialism has existed, it is still as palpably untrue as when it was first used over one hundred years ago. In all this time not one of the many people who have used it has produced a workable plan of how production could be increased. . . The reader may take it that whoever talks about potential plenty is either dishonest or does not know what he is talking about."

My contention here is that Professor Hayek is not thinking. Instead he is excusing, finding excuses for his own unwillingness to realise the fact of plenty. There is no such thing, he says. And then with the object, it would almost seem, of excusing himself to himself for overlooking the work of Douglas, he deliberately attributes the familiarising of the public with the idea of Potential Plenty to Socialism instead of Social Credit. Professor Hayek must be fully aware of the fact that the fundamental plank of Socialist policy—as it were, the reason for its existence—has always been the need to re-distribute the Scarcity proclaimed by the Bankers, which is the basis of all discriminatory taxation. It is only quite recently, since this present war got into its stride in fact, that Socialists, recognising the idea of Potential Plenty as a useful stepping-stone to the issue of costless credit, which they begin to see will be needed to implement Full Employment, have shown a tendency to appropriate it from Social Credit, just as they have done in the case of Douglas's Compensated Price, for their own peculiar uses.

It is just here, at the point where Professor Hayek's courage and logic both desert him, that there emerges the practical weakness of his whole book. For if his philosophic plea for the cultural necessity of leisure and the economic independence for individuals in the interest of human development, and even existence, is correct and justified—and it seems to me irrefutable,—then in combination with his disbelief in potential plenty, this dispassionately-intended treatise of his takes on the form of an ingenious piece of special pleading in the interests of the existing privileged classes at the immediate, if not the ultimate expense of the under-privileged classes. Whether intended or not—and I feel sure it was not Professor Hayek's conscious intention—this amounts to "giving the green light" to the de-flationists and all the back—(to 1939)—room boys, and the merry axe-grinding activities of the Bretton Woods-men. So that a work which as to its greater part is so finely dispassionate, because of this fatal blemish, looks like being employed as a propaganda medium in the old political game of Have and Haven't. I am told by a member of it that the Tory Party "already regard the *Road to Serfdom* as a text-book." On what, one might ask? It certainly cannot be on the distribution of Plenty, so it must be on how philosophically to reinforce one's conviction that one should have the lion's share of whatever fraction of the nation's potential production prevailing Banking Practice may judge it prudent to sanction.

But it must be obvious to all Social Crediters; to all those, that is, whose minds have not stopped working at the confines of our present monetary system—that the combination presented by Professor Hayek's book is not practicable, philosophically or socially. Either there is potential plenty or there is not. If there is, we have Douglas's Proposals, which can implement all Mr. Hayek wants—if *he really wants it*. If not, then nothing anyone of us can

**The Road to Serfdom* by F. A. Hayek: Geo. Routledge & Sons, Ltd., Popular Edition 5/-.

do or say can, or should avail to prevent the Planned Economy with which we are threatened, since in a self-conscious and humane society such as ours has become, it constitutes the only reasonable and tolerable way to deal with Scarcity.

It appears to me that Mr. Hayek, who has written this book with the openly avowed intention of refuting both the policy and philosophy of the Socialist Left, upon this decisive point descends entirely to his opponents' level, even laying himself open to a change of rank inconsistency, should they wish to make it. While at the same time, as we have seen, he puts himself at the mercy of the Tory Right, as is proved by their celerity in recognising and exploiting in the interests of Party his philosophic plea for "individualism"—at the expense of the "working class."

This seems to me a very sad affair—an unfortunate conclusion to a courageous and promising undertaking. And the reason for it is, as I have suggested, that the logical flow of Professor Hayek's individual thinking is checked at this point by lack of impulse, and loses itself in the sea of popular propaganda and special pleading (persuasion and excuse) which passes for thought to-day, especially in Socialist circles. I can perceive only one, just possible platform from which to plead material poverty to-day, either collective or individual, with any show of consistency, and that is the Land—Agriculture. As far as I can see, in the problem of soil-erosion exists the only material cause for apprehension on the entire economic horizon. Yet Mr. Hayek, who up to this has sought the Truth with such signal success, dragging himself from under the shadow of this Left-winged Fear that hovers over society to-day, now that he has reached the limits of his will, his impulse, his desire to think objectively, looks round the "modern" world and sees it in exactly the same light as do the propaganda-crammed Socialists, who have always been innocent of the least desire for objectivity. He is able to survey this once-Great Britain of ours and the loyal Empire of which it is the heart, with all its inherited and war-developed plant and skill, the present activity of which, omitting the Dominions altogether, has reached the daily measurement of over fourteen million pounds—he is able to note all that and yet cry Scarcity!

How does it come about that a mind which, up to this, has criticised and exposed the Collectivist fallacies with such clearness, should succumb to the "popularised" view of financial poverty so completely? Why does it cease to function just here? I say it is because at this point it has ceased to want to; the "profit motive," which Professor Hayek analyses so acutely in his book, has dried up. He has lost the faith in factuality, in the profitable and practical efficacy of facts, which has propelled him so far so brilliantly, and in consequence his thought has abandoned its responsibility to Truth.

Professor Hayek is at the door of that small locked compartment of his mind; but he lacks the impulse to open it and look in. Fear leads him to doubt the value to him personally of whatever facts it may contain. On the other side of the door lies—not the Millennium certainly, but material Abundance; yet, like so many others he fears to look in. "In their wishful belief that there is really no longer an economic problem, people have been confirmed by irresponsible talk of 'potential plenty' . . . What they resent is the truth that there is an economic problem." But that is not the truth of the matter. The truth is that in the material, technical sense, which is what I take Professor Hayek to mean there by the term economic, there is no problem—

such, for instance, as existed pre-war in Russia, undoubtedly a problem exists—Social Crediters would be the last to deny that, having been up against it since the start—but they know that it is psychological, or metaphysical if you like, originating in that close area of the mind shared by all those who, by one means or another have allowed themselves to be robbed of their faith in Reality and in consequence don't want the Truth, because they are fearful of its effects.

So the door stays closed—for the present!—and the fact of potential plenty remains for Professor Hayek. . . "still as palpably (sic) untrue as it was over a hundred years ago."—presumably before the discovery of steam-power, let alone electricity! And Douglas's *Economic Democracy* shares with factuality its incarceration. "Not one of the many people who have used it" (the term Potential Plenty) "has produced a workable plan of how production could be increased. . ." Which is to contradict his own previous statements, and commit the very mistake of the Economic Planners Professor Hayek has written his book to refute; for the need is to increase consumption, and as he says to allow the Consumer to dictate (plan) production.

(Concluded.)

Banker and Red

(From Our Correspondent)

Canberra, January 24.

The *Daily Telegraph* (Sydney) on Saturday reviewed two books under the heading BANKER AND RED AGREE. The books are *Foreign Policy Begins at Home*, by James P. Warburg (New York: Harcourt, Brace) and *Teheran—our Path in War and Peace*, by Earl Browder (New York: International Publishers.) The reviewer says:

It is something to chalk up when a leading Wall Street banker and a leading communist reveal complete identity of views. . . In separate studies of the path ahead of America and the world, Warburg and Browder reveal complete one-mindedness on American foreign and domestic programmes in the post-war. . . It is certainly singular to see a Wall Street banker and a revolutionary Marxist arguing for Labour and Capital to come together as more or less equal partners in the post-war to ensure continued stability of the American system of free enterprise, or capitalism. . . Warburg. . . declines to outline a detailed plan for his post-war people's capitalism. Browder, on the other hand, goes deeply into figures to prove his contention that by the expansion of foreign and domestic markets American capitalism can maintain and even raise the high standard of employment and living attained in war economy. Browder estimates, for instance, (most reviewers declare his figure impossible to attain) that America must find £12,000,000,000 worth of new foreign markets, and must at least double her domestic purchasing power by increasing wages. Both Warburg and Browder argue for continued, even extended, Government intervention, if and when private enterprise fails to meet the national needs. But in this field we come up against a strange contradiction between banker and Communist. Banker Warburg argues "We must abolish monopolies altogether or else allow certain monopolies to exist under Government control, or even Government ownership." Browder insists that the monopolistic character of American capitalism will be accentuated after the war, and adds:

"This concentration and centralisation of national economy will not and cannot be undone. To propose and discuss breaking up this development is an occupation only for chatterboxes." Browder wants Government responsibility in the task of securing the necessary new world markets and in ensuring full domestic employment. Banker Warburg goes further and argues that many public service corporations should be "socialised," that is, taken over by the Government, presumably as transport and communication services are in Australia. It is on the subject of combating native Fascism that Warburg and Browder seem to find most complete accord. Both agree that color, racial and anti-labor prejudices which are so strong in America, provide powerful ingredients for Fascism and must be eradicated. Warburg says, indeed, that the Allies are fighting two wars—a military war for survival against Germany and Japan, and a war against Fascism. And the second war, says Warburg, is raging just as fiercely at home in the United States as it is in Europe or Asia.

In *Wings*, the official R.A.A.F. fortnightly magazine, a serving Sergeant has published a letter of protest against the previous publication of an article entitled "We May Be On The Road to a World Federation." (This was a long article reviewing a group of books which described post-war plans.) The sergeant says that the League of Nations "was born in conspiracy and nurtured in corruption." "Clarence Streit's plan of Union Now, which later became Federal Union, has already been exposed as an international bankers' plot, not a people's plan." . . . "The essence of all plans for World Governments, States, Police Forces, etc., is the abrogation of sovereign rights and the subjugation of His Majesty the King, and His Dominion Governments, to an international clique. . . The Oxford dictionary defines *treason* as a 'Violation by a subject of allegiance to the Sovereign.' . . . I must protest at your action in publishing articles which aim at handing over the King's supreme authority to an international organisation. . . I beg of you to publish an emphatic denial that neither you nor any member of your staff were responsible for this traitorous and disloyal suggestion which in my opinion is High Treason."

Wings replies, "We hasten to deny that our intentions were treasonable! But the real point at stake is—should *Wings* publish material which is argumentative? Many of our readers are out of touch with post-war ideas and we believe they want to know what is being suggested for the post-war world, particularly if those ideas are debatable.—Ed." *Wings* is published by R.A.A.F. Directorate of Public Relations.

There is steady news about banking. Recently the Government has been considering the matter, and is reported to contemplate abolishing the Commonwealth Bank Board, replacing it by a Governor to be appointed by the Government, and an advisory board. The Press and the banks refer to this as political control of banking. The banks are issuing leaflets, but the Bank of N.S.W. has not been able to secure a release of paper to print what they want to say.

A Liberal Party has recently been formed, and is intended to unite opposition to Labour Government. Their propaganda is largely anti-socialisation, restoration of Parliament's functions and rights, etc. The *Sydney Morning Herald* recently published a full page article against Communism. But behind everything there seems to be the promotion of civil disorder. In an industrialised society, an

absolute pre-requisite of revolution to take over control is the prior construction of a trained administrative organisation. The correlation of unrest and administrative centralisation is evidential.

PARLIAMENT

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authority. Of course that was not so. It is a trunk road. The responsibility rests entirely with my Ministry. The scheme is ours; we plan, we decide and we pay. . .

I would like to end by making this offer to my hon. Friend—he can take it if he likes, as a formal pledge. Before anything else whatever is done, I will ask my Chief Road Engineer, Mr. Lyddon, to go down to Hereford, and have an informal conference with all concerned, in order to ventilate and discuss every aspect of this proposal, and to see whether some agreed proposal cannot be found.

House of Lords: February 7, 1945.

NEUTRALS AND AXIS WAR CRIMINALS

Lord Vansittart had given Notice that he would move to resolve, That "the rights of neutrality" do not extend to the granting of asylum to Axis war criminals. The noble Lord said: My Lords, I do not propose to-day to endeavour to elicit any inconvenient information; I am here rather to register a widely-held point of view, and I hope that its timely expression may avoid some subsequent and possibly dangerous misunderstandings. Some time ago His Majesty's Government sought from the Government of Eire an assurance that they would not give asylum to Axis war criminals. . .

The chameleon took on a different colour and semblance, indeed the ink was hardly dry on the Treaty before some of the members of the new club, by sheer force of bad habit, were again back at the old game and were in fact assisting the aggressor of the past, the aggressor of the future, to evade the disarmament classes [*sic*] of the Treaty of Versailles.

At that time, too, the Kaiser took refuge with the Dutch, who refused to disgorge him, and the eyes of the world were upon us to see whether we should stand firm. We did not stand firm, as your Lordships are well aware. . .

The Governments of Eire and Argentina must certainly bear some responsibility for the loss of life among our merchant seamen by the fact of having maintained, in the name of neutrality, the spy nests disguised as Axis Legations. Never has such a medley of dereliction been collected in one threadbare doctrine. The neutrals, with their own hands, have very largely destroyed the ancient edifice, and if we are going to rebuild it nearer to our hearts' desire, that building must certainly not contain any room or even an attic which would shelter Axis war criminals. We can never again run the risk or court the certainty of a third world conflagration by letting the guilty live, intrigue and prepare in the safe refuge of countries that have not shared our sufferings, and in the light of this hard reality the claim of the Government of Eire, or any other neutral, that the right is not in dispute, or that it can be exercised in the name of charity or any other noun, simply disappears, in my submission. The interests of mankind still have a priority over any changing paper theories.

It is perfectly true that many of the neutrals have given assurances in this respect, but in assessing the value of those

assurances we have to remember that a good part of the loot is already there. Apart from personal loot, a whole network of device and entanglement has been built up to conceal industrial theft, and on the purely personal side there has also been dereliction. I personally have the names of certain, as I think, very sinister Germans who have been getting out lately with false passports, and I happen to know not only the names on those passports but the identity of the creatures that they conceal. I suggest to your Lordships that that fact alone shows that we are in effect at the crossroads. If we are going to admit any neutral right in this particular sphere, these men and others like them will use neutral countries as cover and bases for organising sabotage, political assassination and subversive activities, not only in Germany but elsewhere, and they will also use those countries as bases for the organisation of a new German war potential.

On that point I would like your lordships, if you will, to listen to the very uncomfortable words of so high an authority as Mr. Sumner Welles. He writes:

"The majority of the agents of the German General Staff are being trained to appear as men of large commercial or financial interests who will be able to dispose of considerable amounts of capital derived from the reserve which the German General Staff has already, during the past years, deposited under one guise or another in neutral countries."

Now, we shall be wanting not only the German General Staff but the agents of the German General Staff. These are the men who have prepared two world wars; they are the worst of the war criminals, and if we are not prepared to be stern and explicit at this stage we shall find them, as I have already indicated, quoting the concrete cases, slipping through our fingers. . .

Now I would like to quote, as a further reason for some doubt in assessing the value of these assurances, an extract from one of the many reports of a Sub-Committee of the United States Senate, which runs as follows:

"The Germans have made careful preparation to continue and rebuild their industrial domination as a preparation for another war. When the German guns are silenced in Europe, the principal German industrial combines plan renewed activity from bases in the Argentine. There are plain indications that the Nazis have planned to use Argentina as an industrial base of operations in the Western Hemisphere."

The Senate Sub-Committee's report continues:

"Members of the Thyssen family are now established in the Argentine. German interests have been placed at the heart of the country's economy. In all a dozen Thyssen representatives have been acting as technical advisers to the Government of Argentina."

That is all an extract from the report of a Sub-Committee of the United States Senate. And I ask myself—I do not ask the Government because I want to give the reply myself—what value, what confidence can be reposed in the promises of countries already riddled with German penetration, in some cases enjoying a near-Nazi régime and in others having already broken their word? And I give my answer. I think it is this: that we ourselves must be prepared to reinforce those assurances or, where we have not received assurances, to reinforce our requirements, by suasion if possible and by more direct measures if necessary.

In contemplating those measures, I submit to this House that we need not feel ourselves to be handicapped by any of the old conceptions—although to-day I am speaking on one issue and one issue only—by old conceptions which have been very largely, as I have shown to you to-day I hope, self-slain. At the Moscow Conference the three great Allies

pledged themselves to pursue the war criminals to the uttermost ends of the earth. Those were the words used, and I submit to you that if words have any meaning, and we are not to be mocked again, those words mean acquiescence in the Motion I have brought before this House to-day, and I think an explicit declaration in that sense may save a lot of trouble later on. In our contemplations and actions we must be guided by one clear fact. It is this. The Germans are not only cannon fodder, they are war material when deliberately exported, and exports of German war material must be as strictly controlled as imports of German key war materials like copper and nickel. On that latter phase I think we are all agreed. I submit we should also be agreed on the former.

If your Lordships will be so good as to cast your minds back over what has actually happened during our lifetime, I think you will see that these points emerge very clearly. Firstly, as admitted by the Government of Eire, these neutral rights repose on no fixed foundation; secondly, that in the course of this century those rights have been distorted beyond recognition; thirdly, that this distortion is due—and I want to lay special emphasis on this point because to my mind it is the explanation of the whole business—to the fact that Germany has been allowed to start both these world conflagrations with an overwhelming initial preponderance of force; fourthly, that has, in consequence, driven the neutrals, or some of them at least, to consider that their interests—not their rights, their interests—entitled them to strengthen the side of the unjust cause, to strengthen the aggressor until he became clearly the loser; fifthly, this rather sorry tale points in my mind to the necessity of a redefinition of neutral rights. . .

Viscount Samuel: . . . The noble and learned Lord Chancellor, Viscount Simon, appears to have given conclusive reasons for the inadvisability of passing this Resolution, and reasons also why it would be very inconvenient to allow it to be voted against and negatived. In these circumstances I would appeal to the noble Lord not to press his Resolution now, or to endeavour to deal with it in the manner which he suggests. If he does so, I think it probable that the House would prefer to pass a Motion for the previous question, which I believe is in accordance with the rules of this House, although a course which has been very seldom used of recent years. Perhaps the noble Lord, on reconsideration, will not put the House to the inconvenience and disability of being compelled to adopt that course.

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