

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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## From Week to Week

According to *The Times*, a British Government "does anything to which a sufficient minority does not sufficiently object." Could any description be more devastating?

We think that a situation is evolving in which the Constitutional issue will have to be faced. A House of Lords which is plainly told that if it exercises any initiative a packed majority will be created by an instruction to a passive Royal Prerogative is an insult to everyone concerned. Let the House of Lords defeat the Government; let the Royal Prerogative be withheld; and let the Socialists try to abolish the Second Chamber and the Crown. The result will surprise them.

In view of the general resentment aroused by the terms of the "American" Loan we repeat the paragraph which appeared in our issue of April 21, 1945.

"Among all the entente economists, Mr. John Maynard Keynes, British Economic Adviser at the Peace Conference, is entitled to the palm as the champion blunderer. As will be more and more clearly proved by the force of events, Mr. Keynes made himself the promoter of a formula of economic peace with Germany. This formula was so favourable to Germany's foreign trade that, without a doubt, it is largely responsible for the industrial crisis now [1922] affecting all the allied countries, and particularly, Great Britain."  
— *The Mystification of the Allied Peoples*, André Chéradame, p. 45.

1945: For "Germany" read U.S.A.

It should be particularly noticed that Lord Keynes, in his speech in the House of Lords on December 18, endorsed the American refusal to consider past events and the disproportionate sacrifices of the British people in the war, as constituting any argument whatever. We emphasise this matter. It is part of the technique for the preparation of the next war.

"In their deeper moments, their moments of communion with eternal things that are not of this earth, Americans are inclined to ask their Creator how it is that other nations are not as pure as America, only to find that God, though omniscient, does not know."  
— *America's Place in the World*, p. 85.

Like most other simple-minded folk, we have at times such as these a strong tendency to echo the sentiment "My country—may she always be right; but my country, right or wrong." But, if it is necessary to adopt as part of that

sentiment an expression of approval of British Governments, we ask to be allowed to sit out this one.

Referring to Lord Keynes's speech in support of the American Loan and Bretton Woods, Lord Beaverbrook said that he had heard substantially the same speech in support of Mr. Baldwin's debt settlement negotiations in 1923. Yes. Both Baldwin and Keynes have been given peerages, too.

The "B."B.C. in its 8 a.m. News Bulletin on December 21, announced the removal of all controls on the sale of motor tyres in U.S.A. *except for export*. In the same bulletin it announced "the removal by the Board of Trade of more controls." Yes Clarence, you are quite right. They were controls the removal of which would *facilitate* export, and so maintain shortages and encourage inflation.

Sir Oswald Mosley ought to feel flattered. When, after being kept in prison for four years without trial, he is said to have emitted a few well chosen observations on the situation (we don't know what they were, or when and where he said them) the normal proceedings of Parliament appear to have been suspended while the champions of d'markrazi and the Four Freedoms clamoured that he should be again arrested without trial or deprived of civil rights, or both, and then some. Nervous little cats, aren't they? We have noticed that the only definition of fair play and a square deal is seventy-five for me and twenty-five for you. But with "an overwhelming mandate from the people" for something or other (what?) we should have imagined they would have felt a little braver. However, Mr. Chuter Ede is keeping his eye on everybody.

We almost feel that we ought to apologise for recalling to our readers that "exports" from this country are mainly imports more or less processed, and then re-exported. The obvious result of this elementary fact is that an increase in exports of 75 per cent., which we are now told must be attained if we are to live at all, means that we must import and pay for, as well as transport, free, all the raw material of these exports which is not indigenous, before we have a penny to spend on either maintaining our plant or raising our standard of living. And our competitors have only to put down prices in the competitive market for ten years, to ruin us permanently.

Quem deus vult perdere, prius dementat.

We think that *Truth* is performing a public service in emphasising the antics of the Bishop of Birmingham and the Dean of Canterbury (the first syllable of whose territory

is unfortunate). And we think that it is important to understand exactly why *Truth* is incontestably right, and why the two objects of its aversion, together with many other clergy of the decadent Church of England, are in an indefensible position.

Dr. Barnes and Dr. Hewlett Johnson are just as much entitled to their opinion, even if it is a fatuous opinion, as is anyone else, and *as individuals* they have every right to propagate their opinion by every legitimate means. That is one thing. But the pronouncements of the *Bishop of Birmingham* and the *Dean of Canterbury* are under a strict obligation to be Christian, and, in our opinion, they are reaching the proportions of an ecclesiastical scandal demanding action by whatever authorities of the Church of England retain any sense of dignity. To say, as does the *Dean of Canterbury* that, as a dignitary of the Church, he commends Russia to the imitation of Christians, and, as does the *Bishop of Birmingham*, that "Socialism is in essence an attempt to curb the insensitive tyranny of wealth" [*i.e.*, the tyranny of well-being] is to put forward a conception of both Christianity and Socialism which traverses not merely opinion, but instructed definition. We are inclined to agree with the explanation given by *Truth*—that the Church of England is so broad in its principles that they will include anything, however nonsensical, or even anti-Christian.

Yes, Clarence, we have no bananas, but our wondrousful Planned Economy informs us through its agents, Beelzebub's Brethren Calling, that a banana ship will arrive in January.

Yes, you won't get any, because the bananas are green, and on reference to his card index, Mr. Pink-Geranium, O.B.E., informs us that green bananas are allocated to age groups under eighteen. If the little green bananas don't immediately connect with the age groups under eighteen, at sevenpence per banana, they will join the Government surplus which is allocated to Age Group (Centenarians and over). This comprises most of the production of 1945, and it is thought, will eventually be used to fill surrendered submarines to be sunk in the North Sea to give employment to the Wreck Salvage Department off the Strength through Sea-Bathing Ministry, now being organised by Mr. Pink-Geranium's uncle. This is the real justification for the American Loan.

Taxation in Great Britain has increased from £3 11s. 4d. per head in 1913-14 to £65 10s. 6d. per head in 1945. At the same time the purchasing power of the pound left to the individual (not of the pounds taken by "the Government") has fallen from 20/- to about six 1913 shillings.

In thirty years, the standard of living of Great Britain has fallen from that of the highest in the world to that of the lowest, with the exception of Russia, whose standard of living, outside the small inner ring of Kommissars is lower than that of fifty years ago and even the Kommissars live for the most part in houses stolen from Czarists.

The decadence of European countries is almost in direct relation to the transfer of control from individual enterprise to bureaucratic control, and (keeping the financial cause of the 1929-33 slump in detachment) the disintegration of the United States morale, which is considerable and growing, dates from "Mr. Roosevelt's" New Deal, the opposite number of P.E.P. and the outcome of carefully laid plans sponsored by Justice Brandeis, A. A. Berle, Bernard Baruch,

Felix Frankfurter, Benjamin Cohen, Jr., the Morgenthau, father and son, and others of the same circle. This is the circle which brought down Czarist Russia.

We do not always see eye to eye with the Duke of Bedford, but we should like to express unstinted admiration for his conception of the function of a great hereditary nobleman—a conception once common, but of which he now appears to be the chief representative.

It is not an accident that his meeting at the Holborn Hall on December 6 was broken up by foreign Jews who ought to have been dispersed by the police, no doubt afraid of Mr. Chuter Ede, the foreigners' friend. There is nothing of which the Powers of Evil are so much afraid as *noblesse oblige*; and any manifestation of it is sure to evoke howls of fury. The insolence of the scum we are harbouring is clearly growing by the indulgence it is receiving; and it appears to be a short step to the position in which only "refugees from Hitler's tyranny" or "Friends of Russia" are to be allowed to speak in public in this country.

## PARLIAMENT

*House of Commons: December 12, 1945.*

### ANGLO-AMERICAN FINANCIAL AND ECONOMIC DISCUSSIONS

*The Chancellor of the Exchequer (Mr. Dalton):* ... Here I would like to pay a warm tribute to our team of negotiators in Washington. They have had a hard time and they have done amazingly well. They have combined together a great variety of talents and personalities in a very effective team, headed by our Ambassador, Lord Halifax, and including Lord Keynes, Mr. Brand, Sir Percivale Liesching of the Board of Trade, an exceedingly able official whom, I am proud to think, I brought to the Board of Trade from the Dominions Office when I was President, and in particular—last but not least—Sir Edward Bridges, Permanent Secretary to the Treasury, who, when things were very difficult, at the request of my right hon. Friend the Prime Minister and myself, flew at a few hours' notice to Washington, and played a most important part in the last critical and most difficult week of negotiations. All these public servants deserve high praise from this country.

... May I say a word on the second part of the Bretton Woods Agreements, regarding the International Bank? This Bank might be properly described as an International Investment Board, to quote the term employed by the Macmillan Committee—to assist in the development of economic resources in the territories of its members, including the restoration, in particular, of countries ravaged by the war, and the development of backward areas where it is particularly necessary to raise standards of life, purchasing power and productivity. Membership of the Bank is confined to countries which are members of the Fund. Its capital, contributed by the members, is to be rather more than £2,250,000,000, of which our contribution will be £325,000,000. One-fifth, in our case some £65,000,000 can be called up to enable the Bank to begin operations; and of this £65,000,000, £6,500,000 is payable in gold or dollars, and the remainder in sterling. The Bank will conduct its operations only through the agency of the central monetary authority of each member.

It can operate in any of three ways. It can provide a loan directly out of its own subscribed funds; it can sell its own securities in a member country; or it can arrange loans raised in a member country.

The Bank has attracted less attention than the Fund. . . .

*Sir John Anderson* (Scottish Universities): . . . We are almost alone in having been stripped of our gold and dollars. The other countries, that were occupied by the enemy, suffered terrible hardships and privations, but their gold and dollar reserves were put into cold storage, and they are in a good position to carry on trade with the United States of America. So are the Dominions, and the temptation not to support us, but to go their own way, and make the best of their own resources and possibilities, would be very strong indeed. . . .

*Mr. Boothby* (Aberdeen, and Kincardine, Eastern): . . . I submit that the conditions put forward for our approval are far too onerous. It is not untrue to say that comparable terms have never hitherto been imposed on a nation that has not been defeated in war. To get through, and pay our debt, on the admission of the Government, we shall have to increase our exports by 75 per cent.; not 50 per cent. any more, but 75 per cent., over prewar. If there ever was any chance of our achieving this aim, it has been removed by the conditions attached to the Loan which is now being given us. Lord Baldwin has been much criticised for the 1923 debt settlement; but the terms he obtained then were princely in comparison with these terms. And our position was incomparably better then. But we were compelled to repudiate as we shall be compelled to repudiate this time. Look at the inevitable effect of our convertibility undertaking to convert dollars freely, sterling into dollars, on our trade. No doubt hon. Members on both sides of the House have read the extremely able letter of Sir Hubert Henderson in *The Times* this morning. He wrote:

" . . . all incentive to other countries to buy from us because we buy from them will be removed in about a year from now. Moreover, any part of the huge accumulated sterling balances which countries in the sterling area are allowed to spend at all must be made equally available for dollar as for sterling purchases."

I was told only yesterday that some of our engineering firms have orders up to 1950 and 1951 for capital goods and machinery, for delivery two, three, four, even five, years hence. As soon as this process begins, a very considerable number of these contracts will be transferred immediately to the United States. Can you imagine, for example, that India, or Egypt, as soon as they get a convertible currency in exchange for sterling balances, will not go straight to the United States of America; not because they dislike this country particularly, but because they can get the goods more quickly delivered. For the United States are well on the way to complete conversion; in fact, they have already practically converted their industries to a peace basis, and we have a long way still to go in this direction. . . .

I am opposed to gold only because I believe that if you make it a monetary basis, and the basis of credit, as Bretton Woods does, sooner or later it will exercise a contracting influence on the world. I believe it is the greatest obstacle to the one thing which will get the world to its economic goal, which is a continuous policy of economic expansion. Many hon. Members will remember vividly the Debates of 1925, and the old days of the gold standard of the 1920's; this Debate is like living the whole thing over again. We finished the last war a prosperous country, with

a prosperous agriculture. It took ten years of deflation to turn it into a really poor country, with a derelict agriculture, the workers migrating to the United States, factories, dockyards and workshops closed down, and with 3,000,000 unemployed. That is what the gold standard did to us last time.

There is one last point in this connection that I would like to put. Of 28 billion dollars of monetary gold in the world, 23 billion are in the vaults of Fort Knox. If we are going to make gold the basis of credit, in my estimation, we are handing over world economic power, outside the Soviet Union, finally and decisively to the United States. . . .

The third condition that we are now asked to swallow is the acceptance of the principle of non-discrimination in trade, involving the elimination of imperial preference and of quotas on imports. I do not think there is any need for me to dilate on this. I think that if it is persisted in—and I hope it will not be—it will involve the break-up of the British Empire. I say to my hon. Friends above the Gangway, before they abstain from voting, to reflect on the words of Polonius:

"To thine own self be true."

If the Tory Party ceases to believe in the Empire, and in the economic expansion and development of the Empire, it ceases to have any meaning in this country. . . .

We undertake not to restrict our imports of any commodity from the United States, unless we make a corresponding cut in imports from our own Commonwealth and Empire.

. . . when one examines with some care these commercial proposals, to which we are now asked to give our full approval, one finds where America's interest are involved there are explicit exceptions in every case in her favour. . . . if we had appealed to the Dominions and the countries in the sterling area to help us through these difficult years, I believe that they would have rallied to our side. I ask the Chancellor of the Exchequer, did he ever put that suggestion directly to the Dominions, the Colonies, or to other countries in the sterling area? If he had, I do not believe we should have been short of anything except tobacco, cotton and films.

What is the purpose of trade? Surely it is to raise the standard of living by the mutually advantageous exchange of goods. That is a principle that the United States will not realise. They think that trade is the building up of an export surplus, in exchange for debt or gold. That is their idea of trade, and that is the policy they are now about to resume on a colossal scale. There can be only one result of it, and it will be the same as it was last time. Between the two wars, international trade became a ruthless pursuit of gold. But the struggle for export markets did nothing to increase the real wealth of the world. It meant simply that some countries exported their unemployment to others, which got into unpayable debt as a result. That was what international trade between the two wars amounted to. And this, in turn, led to stagnation, and to dislocation of the entire world economy, and ultimately to world war. . . .

For the hardness of the terms I blame very much the method of approach. I think the hon. Member for Ipswich (Mr. Stokes) will agree with me when I ask, "Why is it that we should always talk about money, and not about goods?" I always said we should approach these matters from the angle of goods not gold. I should like to quote from old Clemenceau—and how wise he was—because his

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### The Unwanted Loan

Two apparently disconnected facts ought to be kept in mind in connection with the American Loan. The first is that it has about as much to do with Americans as the Labour Party has with labour. Both are merely tools, to be manipulated as Messrs. Baruch & Co. desire. And the second is that every single ounce of material exported from this country is in itself a dead loss. Not a single word has been officially spoken as to what we are going to import—we are too busy explaining that we are sending millions of tons to the Continent through UNNRA and otherwise. There is no *automatic* payment for exports any more than for sinking ships. It is obvious that we are repeating, almost without variation the history of 1919-1927. The German-American Jews in New York are once more in control; and Britain is once more losing the peace for their benefit, and with the hearty assistance of Mr. Attlee, successor to Mr. Lloyd George. Socialists have a passion for figures, mostly useless. It will be interesting to see what figures we get of the prices *in dollars* (either direct or by exchange) *for our exports in comparison with the prices at which they are sold at home;* and the prices we *pay in dollars of the present loan, for imports from America, as compared with the prices at which the Americans sell to say South America.* We are completely unconvinced of the necessity for the loan. We do not believe it is true that the Empire is not self-supporting; and we believe that the main object of the loan is not to help us but to hurt us. The nauseating cant which is prevalent on the subject of our receiving “a raw deal” suggests that either the strain of war has been too much for our poor weak heads, or it has some ulterior object which cannot fail to be prejudicial. Anyone of ordinary intelligence who was of adult age in the armistice years knows that we have always had a raw deal from the “United States,” *i.e.*, Messrs. Kuhn Loeb, Warburg, Baruch and Co. What is the use of having a war if “Britain” doesn’t suffer and Wall Street benefit?

### Perspicacity?

Lord Beaverbrook’s observation that “the Bankers and the Socialists” were together in their policy is chiefly interesting because of its possible connection with the technique employed by Lord Northcliffe in building up the *Daily Mail*. Employing a good intelligence service, he obtained information on the popularity of political ideas a little ahead of his competitors, and then “led” public opinion in the direction in which it intended to go anyway. Not only had this method the advantage of allowing someone else to do his thinking, but the credit gained by “perspicacity” enabled the news to be given a twist just sufficiently perverse to deflect

any “undesirable” aim.

Nevertheless, the proprietor of the *Daily Express* is an unpredictable person, and we are prepared to grant him one virtue at least—we believe him to have genuine faith in the British Empire, and a willingness to fight for it. And every indication points to the approach of a situation involving “put up, or shut up.”

### Social Credit in New Zealand

We have received (as, indeed, we expected) protests concerning the severity of some recent observations published in *The Social Crediter* concerning the history and present position of the Social Credit movement in New Zealand. The tone adopted by our correspondents is moderate and, indeed, candid and friendly, and it is evident that an element of misunderstanding, not of what we have said, nor of what our friends in New Zealand have said and done, but of the strategical necessities of further advance in New Zealand is a factor of the position.

We have replied to the President of the New Zealand Social Credit Association, Mr. Jordan, in a letter discountenancing publicity for either side in our correspondence, “since, quite obviously, both sides would be addressing an audience external to itself, and to both, which might or might not be generally interested in a just and satisfactory outcome of our discussion, but probably not, so far as the majority would be concerned.” One feature of the position, now brought to our notice for the first time, surprises us, namely the suggestion that knowledge of *The Social Crediter* “with which we have become more impressed with each succeeding issue” has not for long been general among the rank and file of New Zealand Social Crediters.

### The Natural Sanitarium

A correspondent writes:—

“Here in South Africa we have been sheltered from the horrors of war, and, except for clothing shortages and very high prices due to currency inflation, we have suffered few privations. But the high prices we have to pay for “protective” foods have driven most of the lower middle income group and all below it to live on “denatured” cereal foods with disastrous results.

“Pulmonary tuberculosis has reached frightening proportions. Here in Port Elizabeth (population 133,000) there were 704 deaths from the disease in the year to June 30, 1945. All the larger cities in the Union report an increasing T.B. death-rate. When it is recalled that twenty-five years ago this country was looked upon as a natural sanitarium for patients from Great Britain, *etc.*, it is astonishing to have to record such statistics.”

### “The Social Crediter” Index

We are anxious to ascertain the probable demand for printed copies of the index to which reference was made in *The Social Crediter* for November 17, prepared by Mr. M. R. W. Lee, and covering the period February, 1940 to December, 1944. Will readers willing to purchase copies for not more than 1/- each, please inform us when next they correspond with either the Secretariat or the publishers of *The Social Crediter*? Volume indices will in future be issued regularly, covered by subscription to the paper.

## Key Men of Governments

By JAMES GUTHRIE

It has been known for quite a long time that the chief work of government is carried out by permanent chiefs of the government departments and by high officials in key positions; also that Parliament passes more or less blank cheques to the government departments to make their own laws and regulations. The powers of the Australian Federal bureaucracy have increased enormously of recent years, and keeps on increasing.

The policy pursued by government departments does not vary in important matters even with a change of government. We also find that the policy of government departments varies very little even in different countries. As these government policies have been increasingly disastrous in every country, and are much resented by the taxpayers, it would be interesting to find out where these key bureaucrats come from and who inflicts them upon the government.

We have little difficulty in seeking the source of our troubles; we find, for example, an important man anticipated the needs of governments, and took it upon himself to subsidise a school for training directors of government departments. This was Sir Ernest Cassel, millionaire and international financier, who financed the London School of Economics.

According to the *Quarterly Review* for January, 1929, the London School of Economics was founded by Mr. Sidney Webb and his Socialist Fabian Society with money obtained through Lord Haldane from Sir Ernest Cassel. Asked why he "persuaded" the financier to assist, Lord Haldane told Mr. J. M. Morgan, K.C., that "our object is to make this institution a place to raise and train the bureaucracy of the future Socialist State." Well, it is now the bureaucracy of the present Socialist State.

One of our principal bureaucrats is Dr. H. C. Coombs, Director General of Post-war Reconstruction in Australia, recently graduated from the London School of Economics, and perhaps may be put in charge of the Commonwealth Bank.

His assistant, another Socialist, Dr. Lloyd Ross, also graduated from the London School of Economics. When Otto Niemeyer came to Australia to advise us to have a depression Dr. Guggenheim Gregory, Professor of the London School of Economics came with him to help do the dirty work.

In nearly every university in Australia our future administrators are having their young minds doped with the poisonous rubbish pumped out by the London School of Economics for the training of the Socialist Bureaucracy.

That Australia is not the only country that suffers from the attention of specially trained super-planners is seen by the fact that the architect of the Post-war scheme for organised poverty for England was Sir William Beveridge, the Principal of the London School of Economics. The Beveridge Plan for Canada was designed by Dr. Marsh, from the London School of Economics; The Beveridge Plan for the United States of America was designed by Dr. Burns of the London School of Economics.

According to the *American Mercury* of June, 1943, Mrs. Burns wrote a pamphlet entitled "Socialist Planning and a Socialist Program," and "she had been a student under

Laski at the London School of Economics."

We see, therefore, that the millionaire armament king who planned to inflict socialist bureaucrats on all countries has had his plans carried out very precisely.

But it is one thing to train socialist bureaucrats; it is another thing to get them placed in key positions in every country. How was this done?

Another wealthy internationalist throws some light on this subject: Israel Moses Sieff, Chairman of Political and Economic Planning, declared, in 1932, "that only in war, or under threat of war, would the British Government embark on large-scale planning." But this statement of Israel Moses Sieff becomes more interesting if you re-write his statement at the same time remembering what millionaire Cassel said and did. We could say that they said: That with the British people threatened with annihilation and with Europe reduced to starvation and chaos, we, the planners, will be able to force upon the world our own terms and place our own men in every key position. Well, haven't they?

The powerful Socialist Bureaucracy which runs every country has become a menace to civilisation. That the government has ceased to be able to control this bureaucracy is obvious enough—and bad enough—but when this bureaucracy is indoctrinated from abroad and evidently has powerful international backing from wealthy men, then we begin to see that we are up against something pretty nasty.

It is obvious that Parliament, for all practical purposes has ceased to exist. Each country can be looked upon as being under the control of an army of occupation, an army that is commanded by bureaucrats trained and instructed at the London School of Economics. And it is very obvious that the commanders of this army of occupation look upon the natives of this country as on an inferior race, to be moulded and shaped under the direction of superior beings. The contempt and ruthlessness with which the bureaucrats treat the taxpayer is ample proof of this statement.

When you look at the records of the socialist planned States of the world, and when you get behind the tissue of lies and propaganda, you will discover a record of militarisation such as the world has not previously known; a record of bloodshed and cruelty that would fill Genghis Khan with envy, a record of bribery, corruption and inefficiency that has rocked civilisation to its very foundation. And out of the millions who have been killed and tortured not one single problem has been solved.

To-day there is a large body of honest and sincere men and women who wish to see a large variety of reforms instituted which are long overdue. But this move for reform has been canalised and controlled by a small group of men who are using the occasion to impose surreptitiously the very brand of National Socialism which so many young men have given their lives to destroy. In the name of Freedom and of Democracy we are having the foundations of freedom and democracy permanently removed.

This devilish attack on the foundation of civilisation has been aptly described by Lord Tweedsmuir (John Buchan) when he said that we are witnessing a "world-wide pseudo-intellectual attack in every department of art and letters, on the fundamental principle of ethics and religion, as well as on the most elementary codes of good faith and decency in ordinary human life; and this attack had preceded and prepared the way for the new savagery in the

political world. There is a real and vital connection between these phenomena. The European tradition has been confronted with an Asiatic revolt, with its historic accompaniment of Janissaries and assassins. There is in it all, too, as ugly pathological savour, as if a mature society were being assailed by diseased and vicious children."

### "Object Lessons"

"What is there subversive in teaching by object lessons? They create the illusion of understanding, substituting a visual image of the concrete, the true nature of which is to be understood, including the true nature of the policy embodied (incarnated), for the idea. And they substitute nods and gestures for language, the distinctive instrument for the transmission of the cultural heritage. . . .

"Teaching by object lessons is a bare-faced appeal to the vanity in alliance with the cupidity of the underprivileged, now an overwhelming majority in society.

"... we would liken education to a Yale key. The Yale key is notched on its upper edge, flat and smooth on its lower edge, and grooved on both sides to secure its accurate adjustment to a system of cylinders of varied height, rising and falling under pressure from the notched edge of the key. The little cylinders are so cut that when their ends are all level with the surface of a larger cylinder, turning smoothly in the lock, no obstruction is offered to the effective action of key and larger cylinder together. The key 'works.' All Yale keys are alike in their possession of a notched upper edge, a smooth lower edge and guiding grooves. The slightest difference in the depth and position of the notches, without compensating adjustment of the heights of the little moving cylinders, makes any key unsuitable to the lock in which it is inserted.

"Within the limits specified in this description, true education may be likened to a key of this kind, infinitely adaptable to the needs of the individual to open all ideal doors (not, of course, all walls without doors), at will, through not merely the adequate construction of the parts, but primarily through the communication to him, somehow, of a sufficient, if not a perfect knowledge of the principles which govern the construction and use of the instrument. False education, the 'proficiency industry,' welded into its place in the Mond-Turner alliance, is indistinguishable to the uninitiated, though doubtless it has demonstrable differences in detail. It is the fixed-quantity-standard-specification-constant-formula 'Education' of political propoganda; one 'dose' one 'cure' of individual unemployment; a double 'dose' distinction if not affluence. It is a key to selected locks desired by Monopoly to be opened by the individual in the interest of Monopoly. By a subtle adjustment in its design it is unserviceable for any purely personal purpose. We surmise that the necessary feature omitted is a knowledge that there are such things as strictly personal purposes, so completely is the individual subordinated to the Group."

— *The University Digest*, December, 1945.

### Mr. Priestley

"... Mr. Priestley, I repeat, I do not like your manner. You seem to assume that I am unfastidious. Your tone in addressing me is one of patronising but 'matey' vulgarity. . . ."

— E. O. Siepman in *The Nineteenth Century*.

### PARLIAMENT

(Continued from page 3)

words show clearly the point to which we have arrived:

"We have come to such a pitch that, for want of a Government, we blindly entrust our most vital interests to so-called independent experts, that is to say experts free from governmental responsibilities; with the result that we take haphazard resolutions that will be a heavy burden on us to the end of our days."

Every word applies to the present situation. I should like to put my alternative, but I am not proposing to occupy the time of the House any longer. [HON. MEMBERS: "Go on."] It is the alternative of the sterling bloc, based upon the British Empire, and fortified by the countries of Western Europe.

There was a great chance, for a middle unit, standing between what my hon. Friend the Member for Chippenham (Mr. Eccles) and I call the knock-about Capitalism of the United States of America on the one hand, and the rigid, Socialist, closed economy of Russia on the other; free to expand, by multilateral agreement within that economy, with like-minded nations. That arrangement might have provided a balancing bloc which would have been of very great value in the world. I do not want to see the world divided into two, and only two, opposing systems. I think there is great danger in it. . . .

My description of Lord Keynes is, "A siren, beckoning us to our doom from the murkier depths of Bretton Woods." That is the danger. He is a siren, with his persuasive tongue. In defiance of all the teachings and precepts that he has told to us for years, he has now driven us into this position. . . . It may be that the Government have a mandate to nationalise the gas works. I do not deny it. And on the question of whether this will be good for the gas works, or the public, I would not venture to dogmatise. But there is one mandate which His Majesty's Government never got from the people of this country, and that was to sell the British Empire for a packet of cigarettes.

*Mr. Norman Smith* (Nottingham, South): . . . What is it that the House is asked to do under this Bretton Woods plan? I invite the attention of the House to Article IX, and to the Fund which it is proposed to create. My whole case against the policy is this: it abdicates control of our internal finances by this House in favour of an irresponsible, non-elective body known as the Fund. This Fund will consist, no doubt, of human beings. They will be located in the United States of America, not here—that is part of Bretton Woods. They will enjoy complete immunity from all judicial process. They cannot be sued, but they can sue. Their archives will be immune, nobody can look at them; but they will have access to the archives of the Government of every member State of the Fund. Even in regard to taxation, their governors, executive directors, officials and the rest will not only be immune from legal process, but will enjoy complete immunity of every kind. . . .

The Labour and Socialist movement in this country completely failed then to understand that, if there is a class war, it is not between employers on one side and workers on the other, because neither employers nor workers have the real power when it comes to an economic showdown. The real class war is between, on the one hand, the few people who control finance and, on the other hand, the rest of the community, in which category I would include anybody who works for a living in whatever capacity. This party, not understanding anything about these questions in 1925, and having a completely false financial ideology, raised

no opposition to the proposals of the right hon. Gentleman the Member for Woodford. Within 18 months those proposals had brought about two coal lockouts and a general strike. The return to gold in 1925 brought about widespread misery, particularly in the mining areas. Many of us on this side of the House took part in the struggles of 1925 and 1926. I invite my hon. and right hon. Friends on this side to ponder this fact, that never during the whole of those bitter struggles did Labour speakers refer to the 1925 Budget or to return to the gold standard. The mineowners were represented as being responsible. It was quite the exception for any Labour speaker to refer to the return to gold as having been the cause of that struggle. [HON. MEMBERS: "No."] It was quite the usual thing to represent the conflict as being between employers and workers, and the real cause was left out.

I come now to 1931. The same ideology was still at work, the same accepted belief that finance may be something outside of the economic system, a set of rules which have to be obeyed and according to which the economic system must be worked. The crisis of 1931 was very largely a crisis of shops and warehouses being packed with unsaleable goods, while the people had not enough money to buy them. The obvious remedy was, and it ought to have been applied, for the Government to create more money and hand it to the consumers in one way or another, so that the consumers might take the glut off the market. That was the obvious remedy, but it was not adopted, because the orthodoxy of Mr. Philip Snowden stood in the way. The party on this side of the House was put in the invidious position in 1931 of admitting the alleged need of economy as propounded from the other side, and differing from the other side only as to whether the economy should be at the expense of the rich or of the poor. The result was that this party crashed in 1931, and had no effective financial alternative to the monetary policies which the National Government proceeded to enact.

From Mr. Philip Snowden we come to my right hon. Friend the Chancellor of the Exchequer. . . . I was rung up by an editor who wanted me to write 1,500 words about the personality of my right hon. Friend. Genuinely delighted with my right hon. Friend, I wrote the 1,500 words and said 1,500 nice things about him. That was how I felt about him. But if, when I go to tea this evening, another editor rings me up—

*Lieut.-Colonel Sir Thomas Moore* (Ayr Burghs): The hon. Gentleman will return the money for the first article?

*Mr. N. Smith*: I shall have to explain to that other editor that I am unable to accept the assignment, because there is in this country a very harsh operation of the law of libel. My right hon. Friend has one inherent defect which he will never be able to live down. It is found in *Who's Who*, that marvellous crime sheet of right hon. Gentlemen, and there it is in black and white. It is not his fault, it is just that he had the appalling misfortune, after the war, to become, as *Who's Who* says, Sir Ernest Cassel Reader in Commerce, at London University. My right hon. Friends on this side of the House may not know that the late Sir Ernest Cassel, although he was not a Socialist, was a very broad-minded man. He was in fact a millionaire international banker who believed essentially in two things: one, that the business of creating money out of nothing was the business of bankers and not of Governments; and, two, that

there was profit to be had out of overseas loans. The world was his parish and to make money his religion. He was not a Socialist but, as I have said being a broad-minded man he did not object either to nationalised industries or to a Socialist Government, provided that those industries and that Government played the political game according to the rules prescribed by the bankers. Unfortunately, my right hon. Friend is still addicted to that belief. It is a terrible thing, but there it is. Then there is the London School of Economics, with which he was long connected; and hon. Members on this side may not know that the London School of Economics was rescued from perishing about 1920 by a very munificent gift of £472,000 from Sir Ernest Cassel, with the result that you still have that institution corrupting and poisoning the minds of young Socialists who are led to believe in socialisation and in the policy of the Labour Party while still supposing that it is quite all right to leave finance in the hands of irresponsible authorities whose rules you have got to obey. . . .

*The President of the Board of Trade* (Sir Stafford Cripps): . . . So it is laid down that the attainment of approximately full employment by the major industrial and trading nations, and its maintenance on a reasonably assured basis, are essential to the expansion of international trade on which the full prosperity of nations depends. The mere acceptance of such a declaration and principle by all the nations of the world would certainly be a step in advance of anything that gained currency during the period between the two wars. After setting out these general principles as regards full employment there follow a series of undertakings by the signatory nations to the effect that they will take action within their own countries to maintain full employment within their own jurisdiction, and that they will regularly consult internationally upon the problems which arise from full employment. . . .

*Mr. Boothby*: Did His Majesty's Government ever ask for a straight commercial loan to tide us over the next two or three years, on the same lines as the French got one? If they did, was it refused?

*Sir S. Cripps*: One cannot go back into the whole of the negotiations, but I can say that that policy was very carefully considered indeed.

*Mr. Edgar Granville* (Eye): . . . the right hon. Gentleman the Member for the Scottish Universities (Sir J. Anderson)—I would say that he is the father and the step-father of these Anglo-American discussions. To the best of my recollection, it was the Chancellor of the Exchequer's predecessor who told us first of all from that Box of the Bretton Woods Scheme, and I imagine that he had something to do with the beginning of these negotiations which we are debating. Either that, or it means that our experts and negotiators went to Washington with no preparation at all. . . .

The Liberal Party gives its support because it believes that this is a step towards a well established Liberal policy . . . I would like to correct the Chancellor of the Exchequer on one point. He said he thought the International Investment Board was first suggested in the Macmillan Report. It was not. It was, with an International Works Scheme, first suggested in the Liberal Yellow Book which was produced by the late Earl Lloyd-George. . . . What do the critics say in the United States of America? . . . They say in the United States press that again the imperialistic diplomats of Britain have outsmarted the inexperienced Washington

negotiators. They say with a good deal of repetition and emphasis that this is merely subsidising British Socialism, and they say—I heard it over and over again when I was there—that, in effect, this is a case of the American dollar promoting world Laski-ism. . . .

*Mr. Kendall (Grantham):* . . . The Chancellor of the Exchequer, I think it was he, quoted one example about business over here, and mentioned the machine tool trade. I know something of that. He said we should need to import machine tools from America to re-establish our industries. The President of the Board of Trade and his Parliamentary Secretary know that in this country to-day there are some hundreds of thousands of machine tools in either Government factories or storage. If they were let loose on to-day's British market it would ruin the machine tool manufacturers of England for a long time to come, and perhaps for all time. And the Government talk about importing more American machine tools. We are perfectly capable of making machine tools here for ourselves providing—and I say this to the Chancellor of the Exchequer—that we throw away E.P.T. altogether—the 60 per cent.—to stimulate the industry and get more labour back into industry. Just those two things, nothing else. . . .

Let us not go begging cap in hand to anybody—we, a great nation, the hub of a great Empire—and saying, "In exchange we will give you the only real asset we have." Let us say, "No, we would like to borrow that money from you, but without all those strings attached, to help us, to help you and to help the world." But let us not push ourselves down by borrowing the money under the terms of this Agreement, because it will do us harm and will not do us any good. It means we are going to import things which will mean unemployment over here.

. . . Last week I voted with the Government on the Motion of Censure, because I did not want this Government to be overthrown. They have not had a chance; they have not been in office long enough. But on this matter I am going to vote against the Government because they are wrong, and the majority of their supporters know they are wrong. I say to them, "Do not do it. Reject the American loan before it is too late."

*Squadron-Leader Hollis (Devizes):* . . . We have not heard much about the Bank. But what is the second main purpose for which the international bank has to be set up? It has to be set up:

"To promote private foreign investment by means of guarantees or participations in loans and other investments made by private investors."

Have hon. Members opposite got a mandate for that? What is the policy of the Government? The policy of the Government is simply this, to knock out the domestic capitalist, whom we can tax and control, and put in his place the foreign capitalist whom we cannot tax and cannot control. That is the policy of this Government, and nothing else is now its policy. . . .

. . . before the war a large number of people made speeches about collective security and passed resolutions to resist aggression, but when all the batteries of Hell came against us there were four nations alone, and those geographically furthest removed from the scene of the battle,

who voluntarily came to our aid, and they were the four great Dominions of Canada, Australia, New Zealand and South Africa. So we will have our first friendship with our first friends. . . . When the Chancellor said to-day that if we had turned down this loan that would have been the end of another chance of Anglo-American co-operation and friendship, I venture to think that he was saying exactly the opposite of the truth. I think this will be the most dangerous enemy to Anglo-American friendship there ever has been. . . .

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