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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

If it is true, as we hope, that, during a discussion on the proposed terms of peace during his visit to President Truman at the White House, Field-Marshal Montgomery remarked that it would seem to be a good occasion to bring up the question of payment by the British for the burning of the Presidential Residence in 1814, then the next Ambassador to Washington leaps to the eye. He might be accompanied by a special [Red] Indian attaché who would lead the "Quit America" movement.

The "Canadian" Broadcasting Company, the North American branch of Beelzebub's Brethren Calling, has issued a pamphlet which purports to set forth its objectives and functions. In the course of this, it observes "We are not part of the Government . . . The Corporation is not subject to Government control, and is not answerable to the Government." It does not particularise as to whom it is answerable, but favoritism to Socialism and its close relations with the Bank of Canada perhaps make this unnecessary. The Canadian people are interested to the extent that it levies whatever taxes it considers fit under the name of License Fees, in conformity with its parent institution.

It will be remembered that a feature of all the Central Banks formed during the Armistice in 1918-39 in preparation for large "planning" "in war or under threat of war," was that they were extra-territorial and not subject to the law of any country, and that Mr. Montagu Norman, whose primary business was to form these banks in accordance with his "American" instructions, remarked at a City of London banquet: "If the Government will inform us of their policy, we will endeavour to co-operate as though we were under an obligation to do so."

"He would like to see our exports increase by a billion dollars a year. In this he is following the dictates of orthodox economics, which contains no formula to describe the . . . disappearance of purchasing power. He speaks the language of Wall Street . . ."—*The New Dealers*, 1934.

The reference is to Mr. Henry Wallace, late Secretary of Commerce, U.S.A., (the Cahmon Man).

The technical and doctrinal views of the Roman Catholic Church are outside our competence, but we can say without reservation that we love it for its enemies—a much more reliable indication of character than its friends, and one which it shares with the British people where they remain unadulterated. During the past few weeks an outburst of fury has been directed alike at the Church, the British, the Poles, and General Franco. Its organs of expression stamp it with the unmistakable characteristics of the Enemy of Mankind, and we

are complimented by our inclusion in the attack. It does not imply that any or all of us are in agreement with one another, but it does imply that the forces of evil view us alike with a venomous hatred as impediments to its plans.

Amongst the many trials which beset the people of this realm, the condescending praise of us by General Smuts ranks high in insolence, if not in importance. We date the betrayal of Great Britain in its more open form from the South African War, and the same interests in which that war was fought dominated the Government from 1906 onwards. Anyone familiar with that decisive institution, the Ministry of Munitions from 1916 to 1918, will recall its outstanding characteristic—Jewish control with predominantly South African staffing, much of it, we hasten to add, of great ability. From that Ministry, in turn, we date the wholesale degradation in the character of what is indiscriminately called the Civil Service, a title which, as applied, bears no relation to the distinguished body of incorruptible men who composed the administrative nucleus of the nineteenth century.

General Smuts hates the British and all that is best in the British character. He has been primarily a go-between for the Johannesburg gold and diamond interests and Wall Street.

We should be sorry to believe that we have earned his approbation.

A Washington News Service states that five million dollars has been made available to Mr. Henry Wallace, the Cahmon Man, for the formation of a new political party, with the understanding that it is to be pro-Soviet, pro-Communist, and subordinated to the PAC, the organisation until recently controlled by the late Schmucl Gilman ("Sidney Hillman.")

The leader of the five men charged with conspiracy in regard to the Marylebone "squatting" incident, is Morris Israel Rosen. He is a borough councillor.

It is stated that, compared with 1926, the purchasing power of the U.S. dollar is 38 cents. This is almost exactly (within two *per cent.*) of the alleged ratio of the 1946 pound sterling to that of 1926 or 1939 and confirms the collusion between Wall Street, or if you prefer it, Washington, as represented by Mr. Morgenthau, and the Treasury as represented by Dr. Hugh Dalton. The robbery of the public involved is about 60 *per cent.* of its total resources.

Some years ago, the weekly circulation of the *Saturday Evening Post* (U.S.A.) was over two millions—easily the largest magazine circulation in the world. We have a suspicion that it has fallen considerably since it came under

Jewish control, but it is safe to say that its influence on middle-class American opinion is still considerable, and that its policy is carefully moulded to serve very powerful interests. One of its features since the change of control has been the "building-up" of Mr. Edgar Snow, an Assistant Editor, which, so far as we can judge, means in these United States a salaried contributor.

Whether Mr. Snow has any other names we do not know, and the suggestion of Russia contained in that by which he is commonly addressed may be purely accidental.

But his Communism, which it would be fastidious to call crypto-Communism, is obvious and well-known. It is fair, therefore, to say that his prominence in the *Saturday Evening Post* is worth attention.

In the issue of September 28, Mr. Snow has an article the title of which carries a slight suggestion of the culture of the ghetto, "Mr. Big Nose brings home Britain's Bacon."

There is something very queer about this coal business. Apart from the low output, many industrial undertakings are complaining of low quality, and domestic supplies are a mixture of dross, slate and stone. Millions of pounds' worth of chemicals derived from coal are being "exported", and we hear no complaints of the coal from these quarters, nor very much news as to the destination of the chemicals. The situation may be in accordance with the highest commercial and political ethics; but if it were not, no one is in a position to know what is going on outside a very select circle.

On August 31, 1946, Field Marshal Montgomery and the Archbishop of Canterbury were received in Convocation Hall, Toronto—unique in Canadian history as an Imperial event.

The "C.*B.C., the local branch of Beelzebub's Brethren Calling, did not, according to a letter of protest in the *Edmonton Bulletin*, broadcast the Address.

Against a background of the usual American presentation of British officials ("one colorless ambassador had succeeded to another's stuffed shirt") the reader is presented to Lord Inverchapel, British Ambassador to Washington, in terms which combine nicely calculated fulsomeness, vulgarity, and dreary "cahmon-ness". "Archie" (to Mr. Snow) "was not particularly flattered at joining the mossbacks among the peers, but the Labour Government insisted, in the belief that the title impresses Americans. He agreed, on his own conditions," which he apparently confided to Mr. Snow. Various anecdotes of "Archie" intended to depict him as the sole British exponent of d'markrazi, if not a crypto-Communist; stories of his disobedience to orders and his "moral triumph over Craigie and Chamberlain," all of them of the literary and veridical level of a Hollywood script, and suggesting that origin, together with a steady stream of innuendo directed against Lord Halifax, lead up to "the Bacon", not mentioned in the story, but depicted in a full page illustration of the signing of the American Loan to "Britain". A glance at this picture explains the term, to those who are not familiar with it.

Anyone understanding "American" propaganda will recognise this as the "smear-bund" in reverse. At a time when anti-Russian feeling in the United States threatens to exceed anti-British feeling, it would be difficult to employ a

better tactic than to suggest that the British Ambassador is pro-Russian and nearly a Communist, to restore twisting the lion's tail to its customary ascendancy, and to make Anglo-American co-operation even more difficult. There is the clearest indication of Oriental subtlety at work, and, although we know nothing of Lord Inverchapel which cannot be learnt from books of reference, we are fairly confident that he will grasp its implications in regard to the Middle East.

PARLIAMENT

House of Commons, October 21, 1946.

Detained Nationals

Mr. Paget asked the Chancellor of the Duchy of Lancaster the number of Germans, other than ex-members of the Gestapo and S.S., who are being held in concentration camps in Germany without having been charged with any personal offence; and whether, in view of the acquittal at Nuremberg of the German organisations other than the S.S. and Gestapo, he will take steps to release these men.

Mr. J. Hynd: About 31,000 such Germans are held in the British zone. Their cases are being reviewed individually by British review boards and those who are judged to constitute no security danger to Allied occupation will be released. Figures are not available for the other zones of occupation.

House of Commons: October 22, 1946.

Foreign Affairs

Mr. Boothby (Aberdeen and Kincardine, Eastern): . . . I must say that I am getting a little sick and tired of the phrase so often repeated—and repeated by the right hon. Gentleman today—that "we must restore the unity of purpose of the great Powers." This is a phrase which is now being used on all hands. "We must get back to our war-time unity of purpose." Except for the purpose of defeating Hitler, that unity of purpose never existed. And, in the nature of things, it could never have existed, because between totalitarianism and social democracy there can be no compromise. I have a great respect for the Communists. I respect them for their singlemindedness and also for their power, which is very great in the world at the present time. I do not agree with them because I happen to be anti-totalitarian. I do not think that the ends justify the means, I do not think that one party or one person has a monopoly of wisdom. I abhor dogma in any shape or form; and I do not think that anyone has an ethical right to impose one iota of additional or unnecessary suffering upon humanity for the sake of a hypothetical millennium, either in this world or the next. That is just how I happen to think. The genuine Communist thinks the opposite; he believes all these things, and is fully entitled to his view. He has at least got intellectual integrity. There are others who have not got the guts to join the Communists, who profess the democratic faith and yet fawn in abject subservience on the Kremlin in Moscow. . . .

There is another phrase which gets me down—"The democratic peace-loving nations"—when applied both to the Soviet Union and their satellites, and to the western democracies. The Soviets do not believe in democracy as we understand it; and they do believe in the class war. So

it seems to me to be very difficult to describe them as either peace-loving or democratic. They have made all this quite clear. They made it clear at San Francisco, at Potsdam and recently in Paris. This clash between Russian communism and Western democracy is the most important, significant and anxious business in the world today; and I submit that it can only end in the discovery of some *modus vivendi* between the two, or in a third world war. That is what everybody knows, and that is what this Debate and every other Debate on foreign affairs is about. Can we solve this problem or can we not? If we cannot solve it we shall have another world war which may very well end in the complete extermination of the human race. That is the plain risk with which we are confronted, and it is time we faced it.

I have been at some pains, because it is important, to try to discover the motives of the Soviet Government in the present situation. I think it is important to study the views of their writers and journalists who are usually the mouthpieces of the Politbureau. Quite recently, Professor Varga, who is the acknowledged mouthpiece of Stalin, said in a publication called *World Economy and Politics* that the Communist parties of Europe were the backbone of "a new type of democracy," essentially anti-capitalist and anti-reformist; and he went on:

"The fact that the Soviet Union and highly developed capitalist States were in the same camp against Hitlerite aggression meant that the struggle of the two systems inside the democratic camp was relaxed, and temporarily stopped. It did not mean that the struggle was ended. The Allies helped the Soviet Union, but never forgot the difference in their social systems. Now in the post-war period the preservation of capitalism is their main aim, and reformist Socialists are used as useful auxiliaries to this end. The fact that the Labour Party is in office is very convenient for mobilising reformist groups in Europe to serve capitalist aims, such as opposing Communists wherever possible."

That is Professor Varga's view, and it is important that we should know it and think about it. Then there is a paper called *The Bolshevik*, which said a fortnight ago that there is nothing in common between the social democratic parties of Western Europe and Soviet Communism, and made frequent references to "Eastern European Socialism." That paper regards this country as merely a junior partner of the United States of America in their plans for achieving a world hegemony through dollar diplomacy, and more so than ever since the passage of the American loan. There are also constant references in a paper called *New Times* to "the stern struggle for domination over Germany."

In Russia itself there have recently been substantial purges, and an ideological as well as a military mobilisation. Recent directives issued in Moscow to authors and composers have directed them to "disclose in their works the nature of capitalism, to fight its corrupting influence, and explain the character of modern imperialism." Authors like Zoshchenko and Akhmatova have been bracketed in the Soviet Press with Somerset Maugham, who is regarded in the most exalted Soviet circles as the absolute end. Even the composer Shostakovich was hauled over the coals, and found himself in very hot water over his last symphony, which was considered not to be ideologically sound from the Soviet point of view. All this is surely proof that in the minds of the Kremlin the struggle against the West has entered upon a more intensive phase, and we must try to understand why this should be. Marx bequeathed to the Politbureau the sense of being continually at war; and to the proselytising drive of international communism, Stalin has added the whole force and power of Russian nationalism and Pan-Slavism. In

addition to this, there is enough of the Marxist dialectic left in Moscow to convince them that a "showdown" must come with the bourgeois capitalist democracies of the West, because they have no alternative except to go to war. That is the essence of the dialectic, and we must have it fixed in our minds. I am trying to be quite fair, because I want to understand the motives of the Soviet Government. In addition to this, they are painfully aware of the existence of the atom bomb. We ought not to forget that. Finally, they see in the Pacific the strategic bases of the United States of America; and on top of that, and accompanying it, they see the United States reverting to an economic policy of complete *laissez faire*.

I only want to point out to the House that there are elements of very great danger in this situation. What are we to do? I submit our policy should be twofold. First, to try to stop the spread of totalitarianism to a point which makes an explosion inevitable; secondly, to prevent the *Klassen-Kampf* developing into a *Klassen-Krieg*. Those seem to me to be the two most important objectives of our policy so far as this fundamental question is concerned. I am sure we shall not do it by pursuing a policy of appeasement. . . .

(continued on page 7)

SOCIAL CREDIT SECRETARIAT
(Advisory Chairman—Major C. H. DOUGLAS)

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Saturday, November 9, 1946.

Please, What Else Have You?

It is a long time now since Douglas compared the behaviour of a world suffering chiefly from the consequences, immediate and remote, of a progressive shortage of purchasing power to that of a sufferer from *delirium tremens*, who will do anything to effect a cure which does not entail his giving up drink.

The phenomenon is evidently about to be illustrated lavishly in face of such "portents" as the Pontiac victory, and the pressure of events. "Race, creed and colour" offer no obstacles to the ventilation of remedies of this character, and there is nothing peculiar, therefore in the admission of Robert Eisler to the pages of the *Nineteenth Century* in exposition of Ludwig von Mises, or *The Tablet's* sympathy with the "Conservatives" because it believes they are about to embrace Distributism. There is a wide dissimilarity between these two expositions. The first is perplexing rather than dangerous, for the simple reason that it is, so far as we can see, unattended by sanctions of any tangible kind; the second is dangerous rather than perplexing because of the immense power, as we conceive it, which the Church might wield at the present juncture, and which, as we conceive it, its leaders are disposed to wield. The forces which are driving the world to the destruction envisaged by Eisler and *The Tablet* alike are completely satisfied with an attack upon their foundations which is right on ninety-nine points and wrong on one; and, within limits which are much wider than anyone would believe who does not know the technique of political error, it does not make much difference where the attacker goes wrong, provided that all the attackers collectively do not agree about an essential. It does not matter to them, for example, how often Dr. Eisler repeats his dictum that all Ministries of Finance are offices which function "for the perpetration of legalised fraud, which redeemed every broken pledge to pay by giving a greater one instead," so long as he couples this with the assertion that the cure for a fraudulent credit system is to abolish credit, and firmly believes that "it is impossible to fix a price-ceiling in a country without preventing the export of goods to a more profitable market abroad." Such a man has not correctly apprehended the real nature of costs and prices, and, if he understands anything about money, he has still to learn the nature of credit. When they read that "the criticism accusing the present pseudo-liberal system of creating untold misery . . . is valid, not against *laissez faire*, *laissez aller* capitalism itself, but against the fraudulent system of 'credit creation' which could not survive a day if the state ceased to protect the creditor against the effects of his own folly," they must surely grin.

Admittedly the enthusiasm of *The Tablet* for the suggestion that "Mr. Eden's speech at Plymouth is further evidence that the Conservatives have now heard of Hilaire

Belloc" (the suggestion of *The Observer*) may be strategic. Even if Mr. Eden hasn't yet heard of Mr. Belloc the notion that he has may help to popularise Mr. Eden. On the one hand that is not a safe strategy, though understandable and capable of development in certain circumstances. "If we do not restore the institution of property, we cannot escape restoring the institution of slavery." They are Belloc's words, and are certainly right. But the planning of "an effective 'small man' policy," which *The Observer* believes to be Mr. Eden's intention need do scarcely anything which Belloc would recognise as the "restoration" of the institution of property.

The Tablet is on sure ground when it says: "It is easy for articles and lectures on the Church's social teaching to amount to little or nothing at the end owing to the lecturer's desire to keep in with everybody; and we have the impression of a good company of people who are saying one lot of things but letting themselves be carried all the time with the tide in a different and contradictory direction. It cannot be too emphatically reasserted that the pattern being imposed is the fruit of a *false philosophy* and not any *technical necessity*; and that it is no good Catholics becoming technicians in sociology if their technical proficiency is to be harnessed to serve this false but dominant philosophy." The words italicised are so in the original. We suspect that a considerable hindrance to the harnessing of technique to wrong ends is the development of true proficiency in the technician.

Mr. Harold Macmillan

In a letter to *Truth*, Captain Arthur Rogers asks why Mr. Harold Macmillan says such harsh things about Mr. Morrison. He says:—

"In 1936, when the *Front Populaire* was paving the way for the demoralisation and defeat of France, Mr. Macmillan was active as chairman of the Industrial Reorganisation League and as an advocate of the political and economic planning of the 'Next Five Years' Group. I have before me a copy of the *Star* newspaper for June 25 of that year, in which the 'feature' article bears the caption: 'Mr. Harold Macmillan suggests a leader for the British Popular Front.' His suggestion was Mr. Herbert Morrison, and he said in its support:

"Leadership would be there and effectiveness. The Government could govern to its heart's content. It could plan, so long as its planning was unseen; in other words, planning from the centre."

"Is Mr. Macmillan's rejection of his *quandam hero* due to his own preference for the unseen—or Sovietism by Stealth?"

The Co-operative Ramp

In small print in the *Liverpool Echo* for October 28, under the words "Transfer of Food Registrations" in larger type, appeared the following notice:—

"In consequence of a change of ownership, persons registered with R. G. ROGERS, BENTY FARM, THURSTASTON, WIRRAL, for milk will have their registrations automatically transferred to the new proprietors, ASHFIELD FARM DAIRIES, LTD., MILNER ROAD, HESWALL. Consumers who can prove that they are members of a Co-operative Society at the date of this Notice may apply at the Local Food Office within 14 days of this date to have their registration transferred to the Co-operative Society at present delivering milk in the area. No other transfers of milk registrations will be allowed.—Announcement by the Ministry of Food."

The Pontiac Victory

The following informative article is taken from *VERS DEMAIN* for October 1, 1946.

The Pontiac victory is the first electoral victory of the Union of Electors of the Province of Quebec.

The Union of Electors is organized by the Institute of Political Action, and it is the Institute's victory as well as that of the Union of Electors.

The standard bearers of the Union of Electors, all who spoke for it in Pontiac, demanded the gradual abolition of taxation, the immediate abolition of controls, and a dividend of \$20 a month for every man, woman and child, from the cradle to the grave, unconditionally, inalienably, and without increase in taxation. These are Social Credit demands. The result of Pontiac is therefore also a victory for Social Credit. This does not detract in the slightest degree from the courage and merit of the hero of this first victory, Réal Caouette. Réal fought vigorously and intelligently from the beginning of the campaign. But he only continued the propaganda and organization which had been habitual with him for a long time.

Even his political opponents have paid homage to his personality and platform talent. They have only forgotten to mention what Réal was the first to proclaim—that personality, talent, and many other qualities are the fruits of a culture acquired in the school of Social Credit. Réal Caouette's majority over his closest opponent, the Liberal candidate, was officially declared to be 1,063 votes.

In order properly to assess this majority, it must not be forgotten that it covers a large county, comprising several county divisions; all of Rouyn-Noranda, all of Témiscamingue, an important part of Abitibi East, part of Abitibi West, and the whole of Pontiac itself. But the latter, which counts more than 10,000 electors, had not been touched by the organization of the Union of Electors before the campaign; *Vers Demain* had only thirteen subscribers there: that is to say, the northern areas contributed a very large majority for Social Credit.

Moreover in the whole county of Pontiac the vote of 1946, in comparison with the vote of 1945, shows an increase of more than 4,000 for the Social Crediter, and a loss of 4,000 for the Liberal. Who goes up and who goes down?

Remember that it is a bye-election which is under discussion. In every bye-election the party machines pull their maximum weight. The Red machine is out in full force; the Blue machine also; and in spite of that the Union of Electors, which had not mobilised its provincial forces, gained the pass.

A Federal Minister, M. Fournier, led the Liberal forces in person in the contest. Other Liberal Ministers from Ottawa, MM. Abbot, Martin, Chevrier, St. Laurent himself, lent the support of their prestige and their eloquence. Sore pressed, the people gained a signal victory over their politicians, for this has been a victory for the people, a people at last concerning itself with political affairs.

Throughout the whole campaign, the big newspapers systematically ignored both the Union of Electors and Social Credit. Save for a passing reference here and there, they

spoke about the election as though only the Liberals and the Conservatives were in the field. One of them declared ingenuously (election sleight of hand) that the return of a Social Crediter was a 'surprise-result'. Surprise?—Yes; for those who read only the selected news and correspondence of the controlling agencies. But whoever has set foot in Abitibi or Témiscamingue knows that the whole region is thick with Social Crediters.

The explanation of the vote of September 16 lies wholly in this: the people of the northern areas are Creditist. Of all the districts of the Province of Quebec, it is they in which subscription to *Vers Demain* is highest—2,634 in the county of Pontiac.

For all those who take an interest in the cause of the Union of Electors, we would underline this remark: the vote for an electors' candidate against the party candidates is a function of the subscriptions to *Vers Demain*. Those who will to win their county should begin by subscribing their county.

Vers Demain has been read, widely read, in Abitibi since 1940 and in Témiscamingue since 1942. It becomes more and more difficult there for the politicians to *stuff* the electors.

Because they have been reading *Vers Demain*, the people of the north see clearly. But they do not content themselves with seeing clearly, they have learned to act. They were the first to organize their counties on the lines of the Union of Electors laid down in April last.

Also, from the declaration of the election, they were ready to enter the fray without hesitation or delay. They actually outstripped the Liberal machine and the Conservative machine. It was the Creditists who held the first election meetings, the largest number of meetings, and the best attended meetings. That is how the Union of Electors grows into a permanent organization, continually fed, by the Institute of Political Action, with propagandists, teachers and activators of men.

So, if the Creditists were the first to throw themselves into the battle, they also knew how to increase their efforts and how to sustain them to the end, right up to the election.

Under the competent direction of M. Laurent Legault, the district commandant everyone stood to his task and acquitted himself as though the result depended upon him alone.

None will say of the Social Credit victory in Pontiac that it was a victory due to money. The Union of Electors had put in the field an important number of teachers and a considerable force of workers. But this army formed by the Institute of Political Action cost not a tenth of the salaries bill of the party machines.

The Liberals began with \$60,000, and that was not their ceiling. With them, as with the other party politicians, money is necessary to mobilise men. And one knows where they get the money!

The Creditists, for their part, have staged an election in which the costs did not exceed \$4,100 in the north and a little more than \$300 in the south. And, excepting a part of the cost in the south, it was the local Social Crediters

themselves who furnished the money in shillings and pennies. The election chest of the Union of Electors is a coat cut according to the cloth. The institute of Political Action addresses itself to the task of turning out the men; when the time comes, the men find the money. Furthermore, a good part of the cost figures neither in bills nor in receipts. The Creditists in large number give their time and labour without presenting a bill.

Also, the day's elect, Réal Caouette, has no return to make to the financiers or to trusts. He is the freest of the deputies of the Province of Quebec at Ottawa. He is indebted to no one but the electors. He is proud of this debt and has every intention of paying it.

Devotion breeds devotion. Réal knows what devotion is, for he practiced it himself in the service of the cause while he was an elector. He will practice it more fully now that he has more ways to do so in his hand.

If the newspapers did not know or feigned ignorance of the efforts of the Union of Electors in Pontiac, the Liberals on the spot could not ignore it. More than a few of their speeches were designed to disparage Social Credit, a crude method in a district swarming with Creditists.

Admittedly the Liberals had something to make them angry when their briefed orators fell in with the modest exponents of Social Credit in the same parish on the same day. It was the hall of the Liberals that was empty. In many places their speakers, their candidate himself, the barrister Labelle, went away without opening their mouths for lack of listeners. Elsewhere they began to speak to eight or twelve people, went on before two or three, and came to a stop without a peroration in front of empty seats.

It also befell the party politicians to find themselves in meetings they would have preferred to pass by: innocent questions posed by simple farm workers or miners put them in the wrong.

Confronted with the irrefutable arguments of the Creditists, the Liberals resorted to the manoeuvre which had served their turn so often. Albert Leury, the Liberal agent, reprinted and distributed by post throughout the parishes of the County, a four-page leaflet, reproducing certain statements by Cardinal Villeneuve dated 1941, with comments by the Red Dandy of Quebec, Guy Bousquet.

Strange that the disgraced politicians should have permitted themselves to inflict this on His Eminence whenever they felt their power menaced by the creditist wave as the election day drew nearer.

The people were less and less impressed by this sudden accession of religious zeal, which only seized upon the party actors when it was necessary for them to gain votes.

If Social Credit is a menace to religion, why is it that Guy Bousquet, Albert Leury and the other Liberal party rats only don the armour of the Cross during an election campaign. The answer leaps to the eye: that it is neither the cultivation of religion nor to ingratiate themselves with bishops but fear of losing the election which inspires them.

Social Credit was the same thing three days before the vote as it was all the years before. Social Credit was preached day in and day out in every diocese of the Province

for six years, and the Bishops have never objected.

There are, on the contrary, plenty of authorised judgments in its favour. Political hypocrisy, therefore, should leave the Bishops alone to exercise the vigilance which belongs to their function; they have no need that politicians should relieve them of it. Let the politicians stick to their job, which will occupy their attention increasingly, and if they should find it too filthy or too ill-paid let them change their boss.

Perhaps also Albert Leury thought to provide the clergy with material for a sermon. Thank God the clergy, even those who like the Liberals better than they like the Creditists, have too much regard for their high mission to subordinate it to an electoral trick; and five fingers are more than enough to count the priests who used M. Leury's leaflet in the sense desired by its author.

"Threshold of Events"

The following letter by Mr. Norman Jaques, M.P., appears in the *Edmonton Bulletin*:—

Sir,—The mere promise of increased old age pensions does not explain Social Credit's victory in Pontiac, Quebec, or the crushing Liberal defeat in spite of mothers' allowance. A key to the political situation in Quebec is the heavy drop in C.C.F. votes following consistent C.C.F. support of Liberal policies during the recent session. The facts show that the tide of Socialism is on the ebb. The truth is coming out, in spite of all the propaganda by Communists and their Socialist fellow-travellers.

It is common knowledge in Ottawa's corridors and lobbies, that the Liberal party itself is threatened with revolt against the ever increasing flood of legislation to centralize power, and the planned economy directed by the Socialist London School of Economics which has trained all the chief economic experts of the Liberal government.

It is true that the Progressive Conservatives protest in vain against this Liberal drift toward Socialism, but their progressiveness can be measured only by the extent of their own drift to the Left.

These are negative reasons for Pontiac's upset. Positively and fundamentally Social Crediters in Quebec are more numerous and more enthusiastic than they are anywhere else, including Alberta. For years Quebec Social Credit leaders with the faith and zeal of missionaries, have been spreading the philosophy of Social Credit in every corner of the province. The ground has been prepared for political action. This teaching has stood the test of time, its truth has been established and confirmed. Social Credit is the Christian answer to Marxian Socialism, Communism and totalitarianism.

Under other names the fundamental truths of Social Credit are spreading in the U.S.A. and elsewhere, in spite of Communist controlled propaganda. Inevitably these movements will co-operate across national boundaries in the spirit of the Atlantic Charter and in opposition to Potsdam, Marx and Morgenthau.

We are at the threshold of great events through a revival of Christian faith in individual security and freedom.

PARLIAMENT

(Continued from page 3)

... Some kind of integration must come in Europe, politically and economically, or Europe will perish. If it does not come voluntarily, another attempt will be made to impose this integration by force, just as it was in 1939. That is the real and fundamental danger—that history will repeat itself, that Stalin may make the same mistake as Hitler, and regard the present paralytic impotence and division of the Western democracies as evidence of total and fatal weakness. This is the real danger. He would have every excuse for thinking so, as well as the authority of Marx. Yet nothing is more certain than that an attempt at Communist domination over the whole Continent of Europe would lead directly to the third World War. And that is what I am so deperately anxious to avoid.

There is only one way, in my view, to secure a *modus vivendi* between us and Communist Russia—that the democracies of Western Europe, including Germany, unite. Let them define their essential interests. Let them stand firm in defence of them, and prove to the ruler of the Kremlin, by deeds rather than by words that they are not going to attack them, because they do not have to. And let them make it perfectly plain that there is a line beyond which it is impossible to go. . . .

... But I would say to the House tonight, that when two men of the experience, the vast experience, of the right hon. Gentleman the Member for Woodford and Field-Marshal Smuts speak with the same voice, it is time for tormented and tortured humanity to listen. There is something to be said for the United States of Europe. If we are to have it, let us begin small, and build from the bottom upwards; because, if we do not build from the bottom upwards, we shall be likely to find we have not constructed any building at all. . . .

Anglo-Soviet Agreement

Major Lloyd asked the Secretary of State for Foreign Affairs how many times His Majesty's Government have suggested to the Soviet Government the extension of the Anglo-Soviet agreement of mutual assistance; and what have been the replies.

Mr. Bevin: This proposal has twice been put to the Soviet Government, once by myself and once through His Majesty's Ambassador in Moscow. I also referred to it in speeches in this House, notably on 21st February and 4th June. We have not received a favourable reply.

Brigadier Fitzroy Maclean (Lancaster): . . . I have just come back from a visit to Korea, and I must say that I found the situation there singularly disquieting, even by present-day standards. Korea has been the occasion of at least two wars in the last half century and it is now, in my opinion, well on the way to becoming, once again, a powder magazine which the slightest spark will set off.

It was decided at the Yalta Conference that Korean independence should be restored as soon as possible. At the Moscow Conference, last year, as it appeared that the Koreans were not yet in a position to stand by themselves, it was decided to establish, for a period of five years, a four-Power trusteeship. For the purpose of implementing this, a Soviet-American Commission was established in Korea with the task of bringing into being, in consultation with the democratic parties and organisations of that country, a

provisional Korean Government. Meanwhile, the Red Army had occupied Northern Korea as far as the 38th parallel, and the Americans had occupied the rest of the country. Allied troops came, not as conquerors, but as liberators, and immediately representatives of the two High Commands met in order to establish a provisional Government. The Commission, however, ran into difficulties almost immediately on a question which has given a good deal of trouble elsewhere, namely, the definition of "democracy." They were authorised, by their terms of reference, to consult only with democratic parties and organisations. The Russians immediately proceeded to exclude all parties which actively opposed the Moscow decision. As it happened, that covered with one exception, the whole range of Korean political parties. When the Moscow decision was announced in Korea there was an immediate and quite understandable outcry—considering that Korea had only just emerged from four years of Japanese domination—against the idea of establishing a trusteeship. They thought that the word "trusteeship" had a rather sinister ring about it, because the Japanese, I understand, had used a similar term.

All over the country very active opposition was organised, and this was led by a party which has had a good deal of experience of opposition—the Communist Party. The opponents of trusteeship made very good progress, but once opposition got under way they suddenly found themselves deprived of their leaders by one of those sudden inspired revelations to which Communists in every part of the world are subject. The Communists suddenly decided that instead of being 100 per cent. against trusteeship they were 100 per cent. in favour of it. Therefore, by a strange coincidence the only party which were not by the Soviet ban excluded from consultation were the Communist Party, which, on 1st January, 1946, had suddenly seen a great light, indeed, one might almost say, had felt a great heat. The Americans did not accept the Soviet definition of the word, "democratic." In their view, any measure restricting the right of self-expression, as this would have done, was thoroughly undemocratic. The result was that in four or five weeks from the time the Commission first met they came to a complete deadlock, and adjourned *sine die*. Since then, the Russians have retired to their side of the 38th parallel, and the Americans have stayed in the South. There has been a complete iron curtain between them. The two powers have proceeded with the process of democratisation in their own zones according to their own lights. The Americans have had very considerable trouble with the Communists in Southern Korea. The Communists have organised strikes, opposed the collection and distribution of rice, and have done their very best to upset American attempts to establish a legislature based on a broad coalition of all parties.

On the Soviet side of parallel 38 things have been easier. The Communist Party, strangely enough, has disappeared altogether. There has appeared, on the other hand, a coalition of Left Wing parties which bears the reassuring name of "Labour Party"—a body which, incidentally, is now completely controlled by the former central executive committee of the Communist Party risen like the Phoenix from its own ashes. Economically, the division is equally complete, and equally disquieting. All the rice is grown in South Korea, all the fertilisers are produced in North Korea; all the industries are situated in South Korea, while all the coal comes from North Korea, with the result that, economic-

ally and politically, there is a complete cleavage between the two halves of the country. The military situation is also very disquieting. The Americans have some 50,000 troops on their side of parallel 38—parallel 38, incidentally, was one of the things about which the Russian-Japanese war of 1905 was fought—and on the Russian side of parallel 38 there are no fewer than 250,000 troops today. Korea is thus divided into two armed camps.

I should like to ask what steps His Majesty's Government propose to take, as one of the trustees, to remedy this very disquieting situation. . . .

Securities (Government Holdings)

Mr. Nigel Birch asked the Chancellor of the Exchequer what increase has taken place during 1946 in holdings by Government or Government-controlled institutions and agencies in British Government, municipal, dominion and colonial securities having a currency of more than one year.

Mr. Dalton: I do not propose to add further to the information already regularly published regarding the securities held by Government Departments.

Mr. Birch: Does the Chancellor not consider it desirable that he should give the same information to this House as he gives to the City of London?

Mr. Dalton: If the hon. Member will put down a Question on the subject I shall be very glad to repeat here what I said to the bankers and merchants. That is quite a different thing from giving information which would be contrary to all precedent. In that matter I am a good Conservative.

Mr. Eccles: Will the Chancellor give us an assurance that he will tell us what proportion of the local loans is taken up by the public and what proportion is taken up by Government Departments.

Mr. Dalton: None of my illustrious[*] predecessors would have revealed such information. Neither shall I.

Food Subsidies

Mr. Hurd asked the Chancellor of the Exchequer the proportions of the total sum of £369,000,000 to be expended on food subsidies during the current financial year which will be applied to home-produced and imported food.

Mr. Dalton: £187 millions on home produced, and £182 millions on imported supplies.

Mr. Hurd: Does the Chancellor mean that higher prices are now being paid for imported produce than for home produce?

Mr. Dalton: No, Sir. The hon. Member will appreciate that this figure does not cover the whole of our foodstuffs but relates to subsidies, which vary according to different articles.

* So in Official Report.

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Government Hospitality Fund

Major Guy Lloyd asked the Chancellor of the Exchequer what stocks of food are held by, or for, the Government Hospitality Fund; and whether the regulations concerning meals in restaurants are applied to meals provided from the fund.

Mr. Dalton: "The answer to the first part of the question is "None, Sir"; and to the second part, "Yes, Sir."

Major Lloyd asked the Chancellor of the Exchequer what stocks of wine are held by, or in trust, for the Government Hospitality Fund.

Mr. Dalton: These stocks vary from time to time. The present stocks should last for three years, at present rates of consumption. Expenditure on replenishing these stocks is shown in the annual Appropriation Account.

Major Lloyd asked the Chancellor of the Exchequer what procedure is adopted in presenting applications for, and reaching decisions upon, expenditure from the Government Hospitality Fund.

Mr. Dalton: The Department concerned applies to the secretary of the Government Hospitality Fund, who submits the proposal for decision to my right hon. Friend the Minister of Works, who is in charge of the fund. Treasury concurrence is also sought for the larger items of expenditure.

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