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FOR POLITICAL AND ECONOMIC REALISM

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## The Great Betrayal

By C. H. DOUGLAS

(I)

In the course of a speech delivered on April 12, 1948, in the Canadian House of Commons, Mr. Norman Jaques, M.P., said:

"Mr. Jaques: Speaking of internationalism and the real purpose and motive of internationalism, I have made a few notes on the social credit analysis of the hidden motives behind this drive for internationalism. It is an essential strategy for world dictatorship. The central strategy is to gain the monopoly of credit and of world propaganda so as systematically and continuously to spread false doctrines and to exploit the inevitable confusion resulting from putting such false doctrines into practice. This exploitation takes the form of centralizing every kind of control, the creation of greater and greater monopolies leading to the police state, and to the final step of world government by world cartels controlled by international financiers. Some of the meshes of this international net are U.N.R.R.A., Bretton Woods, emergency food board and U.N.E.S.C.O., by which nations surrender control of their credit, food supplies and propaganda; in other words, a world cartel of credits, propaganda and food to be used as sanctions against any recalcitrant countries.

"National sovereignty is an obstacle in the way of these international socialists and would-be dictators. An inner ring of internationalists, extending to many countries, repudiate loyalty to the country of their adoption; they give their loyalty to their international ring and its ideals. Through their control of financial policy they are able to exert a controlling influence over the governments of the countries in which they live. Their plan is to replace national with corporate government, the control being within the international ring. This is the empire of international cartels with the international financier as the emperor. With them war is a means to an end. War is 'the pursuit of policy by other means.' These internationalists work to a plan. Let me name some of them. Mond sets up a chemical cartel linked with Germany and America. Samuel recommends state ownership of coal. Isaacs (Lord Reading), negotiates a war debt settlement with Wall Street, binding the British to undisclosed terms. Sieff sets up political and economic planning, using the war as an excuse to overcome opposition. Cassel finances the London school of economics to train the bureaucracy for the future world socialist state. Laski preaches class—that is civil—war. The state assumes the ownership of coal and other real assets, and international finance involves the state in dollar debt. The socialists bankrupt the state, and the international financiers foreclose on the physical assets. In the meantime the people, forced into the factories under the slogan 'Work or Want,' are controlled by quotas and ration books, ticketed and dossiered by social security.

"That, Mr. Speaker, is a brief but, I believe, absolutely

true picture of the real motives behind this drive for international government, and the surrender of national sovereignty to international control."

About the same time, a circular emanating from the publishers of a much advertised Foreign Affairs precis, remarked, "The public is not only ignorant of large facts, as for example the reason why America [*sic*] changed her whole foreign policy, but also of almost all constructive information . . . That we should be in want is fantastic. It is the result of utter incompetence, lack of vision, of Government by managerial mediocrities."

Now it would appear at first sight that Mr. Jaques and the author of the circular in question are putting forward mutually incompatible theories. Mr. Jaques is saying that the disintegration and betrayal of the British Empire is the outcome of internationalists possessing ability of the highest order, as well as immense, perhaps almost unlimited resources. The circular *seems* to contend exactly the opposite, that now, if not previously, "Britain" has come into the control of stupid "mediocrities" whose incompetence is a sufficient explanation of our discontents.

These two aspects of what is only one fact will be familiar, perhaps to the point of weariness, to the more serious students of Social Credit literature, to go no further afield. They relate of course, to the utilisation of the proletariat to destroy the aristocracy for the benefit of High Finance. They can be synthesised in the statement that history is crystallised politics; it is not a string of disconnected episodes. It is not accidental that we are pursuing a suicidal policy under half-baked careerists trained by aliens sneering at patriotism; it was not accidental that such men as Mr. Benjamin Cohen and Mr. Schmucl Gilman (Sidney Hillman) spent much of their very valuable time in "Britain" when we were "in war, or under threat of war"; it was very far from accidental that Mr. Churchill adumbrated the liquidation of the British Empire in 1942, or that Mr. Attlee, who is reported to have said in 1934 "We have absolutely abandoned any idea of national loyalty, and we are deliberately putting a world order before loyalty to our own country," should have become Prime Minister of what we are so anxious to proclaim is a second-rate Power.

Perhaps, least of all, is it accidental that Earl Mountbatten, the son of a German and the husband of Sir Ernest Cassel's grand-daughter, should be the last Viceroy of India. When we examine even cursorily the fantastic financial transactions which have characterised the "defence" of India, the necessity for a Viceroy with the broadest possible views becomes evident, although it is equally evident that the British population "couldn't care less." The Soviet writer, E. Varga (*Foreign Affairs*, July, 1947), claims that "Britain" lost nearly a quarter of her national wealth, a figure he put at £7,500,000,000. These figures do not include war damage or depreciation.

In 1939 Great Britain had more (probably considerably

more) than £1,500,000,000 in investments and credits in India. By 1946 she had lost all this and owed India £1,400,000,000.

The English middle classes are ruined, the "workers" temporarily are enriched, and permanently enslaved. We must not, however, make the mistake of assuming that no one has "won."

Even quite small traitors have done nicely.

(To be continued).

## PARLIAMENT

House of Commons: April 9, 1948,

### Exchequer Accounts (Classifications)

*Sir W. Smithers* asked the Chancellor of the Exchequer if he will give a definition in as simple terms as possible of the terms "above the line" and "below the line" in Exchequer accounts.

*Sir S. Cripps*: Receipts and payments in the Exchequer Accounts are classified "above the line" when they are included in, and "below the line" when they are excluded from, revenue and expenditure as defined in Section 4 of the Sinking Fund Act, 1875.

Below the line receipts consist of sums raised by borrowing and such special receipts as are applicable to debt redemption. Payments below the line consist of issues in repayment of debt and such payments as are met from borrowed monies under specific statutory authority. Receipts applicable by statute to the payment of debt interest which would otherwise be payable out of revenue, together with the corresponding payments, are also classified below the line. All other receipts and payments are entered above the line.

House of Commons: April 12, 1948.

### Food Office, Brighton (Allegations)

*Mr. Marlowe* asked the Minister of Food whether he has considered the allegations of bribery and corruption in the Brighton Food Office; whether he is satisfied that his Department's inquiry into these charges was adequate; on what grounds 35 paragraphs of the report on the inquiry were deleted before circulation to the local authority; and whether he will now publish the report in full.

*Mr. Strachey*: The reply to the first two parts of the Question is in the affirmative. The full report of the Committee which I appointed to inquire into these allegations included the names of men and women against whom alleged offences were not proved to the satisfaction of the Committee, and which I am therefore not prepared to disclose.

*Mr. Marlowe*: If, in fact, these expurgated paragraphs exonerate certain people, would it not be fair that they should be published? What is the use of holding an inquiry and sending an expurgated report to those who initiated it?

*Mr. Strachey*: The hon. and learned Gentleman would find that those parts of the report do not, in every case, exonerate all the people mentioned, but they are in the nature of a non-proven verdict in some, and I do not think it would be fair to publish them.

*Mr. Marlowe*: Is the right hon. Gentleman aware that

this has caused intense local indignation and gives rise to the inference that the right hon. Gentleman has something to hide?

*Mr. Teeling*: In view of what the right hon. Gentleman has said, will he be prepared to allow, as the council has requested, certain members of the council to go in deputation to see him, and may they be accompanied by Members for the division.

*Mr. Strachey*: Certainly.

### Political Parties (Published Accounts)

*Major Bruce* asked the Prime Minister whether he will consider introducing legislation making it compulsory for all political parties having, or seeking to have, representation in this House, to publish properly audited annual income and expenditure accounts and balance sheets, and to disclose therein such particulars as will enable the general public to be aware of the principal sources of their revenue and the extent to which it has been provided by personal individual donations or contributions of under £5 in any one year.

*The Prime Minister (Mr. Attlee)*: I follow the point of my hon. and gallant Friend's Question, and there is much to be said for it. I will keep it in mind, but I doubt whether Parliamentary time is available at this juncture.

*Major Bruce*: Does my right hon. Friend agree that these political parties which have nothing to hide might well publish their annual accounts in the meantime without being compelled to do so by legislation?

*Colonel Gomme-Duncan*: In that case, why have legislation for any party which is quite prepared to publish its accounts?

### Budget Proposals and Economic Survey

*Mr. Oliver Lyttelton (Aldershot)*: . . . It is, therefore, in a somewhat cynical and disillusioned frame of mind that I sit down several times a year to read economic surveys and White Papers produced by the present Government. A survey which makes such wild guesses, and gets results which are so wildly out, at least conforms to the guesses and errors of the central planners if it does nothing else. There is not the slightest doubt that similar errors will be disclosed—let us hope that they will be slightly less wide—when we are able to judge the Economic Survey for 1948 in the light of the facts. It is worth the while of the Committee to examine for a few moments what are the causes of those wild errors.

The first cause is that it is impossible to plan, in the way in which that word "plan" is now generally used, the economic system of a modern State. The Committee will remember that the Economic Survey, 1947, was subjected—at any rate this was the popular rumour—to several revisions. At least, it bore all the signs of composite authorship. By an oversight one or two things from the original draft got left in, and they gave the whole show away. One of these things was this sentence:

"Indeed, the task of directing by democratic method an economic system as large and complex as ours is far beyond the power of any Governmental machine, working by itself, no matter how efficient it may be."

What prophetic words. How soon they came out true.

The next reason for failure is because the exact meaning of planning is a matter of opinion. It means one thing to the

production engineer, another to the economist, another to Field-Marshal Montgomery, another to the present Chancellor of the Exchequer and something quite different to the Minister of Health. Such complete confusion, both about the confines and the objectives of planning, and in explaining away the guesses, not surprisingly leads to failure. To-day, nobody has the least idea what is meant by planning. The Prime Minister on November 18, 1946—I would ask the Committee particularly to notice that date—said in this House:

"In matters of economic planning we agree with Soviet Russia."—[OFFICIAL REPORT, November 18, 1946; Vol. 430, c. 580.]

Three months later, out comes the White Paper for 1947, with a foreword by the Prime Minister, written in very different tones. Paragraph 8 of the document says:

"There is an essential difference between totalitarian and democratic planning. The former subordinates all individual desires and preferences to the demands of the State."

How does that statement accord with the other statement made two and a half months before, that in matters of economic planning "we agree with Soviet Russia"? Or did the Prime Minister really think, in November, 1946, that economic planning in Soviet Russia was democratic?

If the Prime Minister does not know what is meant by planning, is it surprising that very few of the rest of his colleagues, or the Civil Service, or industry, know what it means, either? Professor Jeukes said in a recent book that some planners apparently believe in free planning—I think this was his classification—others in close planning, others in flexible planning, others to planning through dislocation and causing bottlenecks, and others in what Professor Jeukes calls "guess" planning. There are some kinds of almost metaphysical planning which I find very difficult to follow. Mr. Durbin is quoted by Professor Jeukes as saying:

"Planning does not in the least"—

[HON. MEMBERS: He is a Minister.] I am sorry. I apologise to the Committee. I should have referred to him as the Parliamentary Secretary to the Ministry of Works. This fact makes it much worse than if he were just a private individual. I really do apologise to so distinguished a Member of the Government. He is quoted as saying:

"Planning does not in the least imply the existence of a plan"—[Laughter.]

He went on:

"in the sense of an arbitrary industrial budget."

[HON. MEMBERS: "Ah."] Being a Minister he is experienced in putting in a contingency clause as well. It shows that one of the causes of failure is that the planners, headed by the Prime Minister, do not know what they are trying to do.

I now come to the next reason. Another main cause of the failure is that a modern industrial and commercial system is far too complex to submit readily to central planning. Even in war it is extremely difficult to plan what percentage of the national resources is to be devoted to this purpose or to that, although the Government in war are themselves by far the biggest buyers, and they are often the only buyers, of what the Americans call the "end product of industry." We are now dealing with a peacetime economy in which the needs and wishes of other countries, the fashions of others, the course of markets, the success or failure of crops in primary countries, the political pressure which determines whether this or that country should protect its infant industries, and the wide and deep effects upon the rest of the world of the

economic policy of the United States, are so interlinked that they make it impossible for any central body to possess the foresight or the data in time to mould a detailed plan.

If that were not hard enough by itself, the central planners, over a wide field, seem bent upon destroying the guider, the compass, the navigational aids, and the charts. Free market prices and free dealings in currency are the barometers by which impending changes in the economic cycle can be foretold and either turned to advantage or their worst effects mitigated, as the case may be. Unlike barometers, those free market prices have the additional advantage of bringing with them many of the correctives of the weather which they have foretold. Nearly all those barometers have been destroyed, either by systems of bulk buying, for which the taxpayer one day will have to pay an enormous price, or by price ceilings, minimum prices, artificial and obviously false rates of exchange, and so forth.

The last reason why each Economic Survey in turn will show each year, the complete failure of central planning is because an essential of any central scheme of planning is that labour, that is, men and women, should be planned as well. The present Chancellor of the Exchequer, who tries, I think, to face and not ignobly to evade difficulties, went so far as to say in February, 1946:

"No country in the world, as far as I know, has yet succeeded in carrying through a planned economy without compulsion of labour. Our objective is to carry through a planned economy without compulsion of labour."—[OFFICIAL REPORT, February 28, 1946; Vol. 419, c 2211.]

In still plainer English this means "We are trying to do something which is manifestly impossible." We as the House of Commons, are at least entitled to know where the Chancellor stands, and where we stand in this matter now. Are the Government proposing to direct labour, or are they to continue to have powers to direct labour and then not use them? I see there are words on page 42 of the White Paper which seem to show that they are now to proceed to a much wider direction of labour and a much larger demand for industrial conscription. They say:

"By the use of the new labour controls, where this will contribute to the manning up of essential industries."

These words are used in connection with reducing the numbers of those engaged in distribution and other consumer services.

However, whether the Government decide to use the powers they now possess to direct labour, or whether they do not use them, will, in the long run, make no difference at all, because the country is not going to submit to the direction of labour, or, if it submits, it will not submit with that readiness or willingness or alacrity without which the redistribution of labour will not be successful. If the Government do not direct labour, what on earth is the good of talking about central plans, national priorities, plans for increase in production in wool and cotton textiles and a detailed plan for this industry or that? Without the labour of man's hands and brain all the materials collected, the factories space allocated, the site cleared and the bricks piled up will remain a dump. It requires men and women alone to turn these inert materials into real products. The Socialist general in the Socialist-run battle commands everything, except the troops. To them he cannot say, "Come" or "Go."

In the peaceful economic field the dilemma is acute. It is the canker which eats into the damask rose of Socialism.

(continued on page 7.)

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Saturday, May 1, 1948.

### The Demoralisation Habit

There is something akin to the drug habit in the developing deterioration of reaction of individuals to an increasingly dangerous situation. That is what we should expect, since the essence of the drug habit is loss of control, and the essence of the political situation is loss of control. It does not, on the surface, seem so evident that in both cases the loss of control is loss of the individual's control of himself. Politically, the loss is represented as one of control by the individual of the individual's government—*i.e.*, not of himself. It is just as true to regard it as the passing of the individual's control of himself to someone else, a process whereby he loses it.

Insofar as the arrest of the process is possible, the future depends upon it, and Social Crediters should do all they can to secure it. Insofar as it is not possible, our effort should be directed to something else, upon which also the future depends, something possible of accomplishment. Life rarely or never depends on one thing alone.

The effect of the process (of deteriorating resistance to loss of control) is difficult to estimate; and we can, at the moment, only record a fragment of evidence. We submitted the letter republished in the next column to the first nine people we encountered after ourselves reading it. Their reactions were as follows:—(1) "Strange: I expect someone else will write to *The Scotsman* and explain it (away)." (2) "That's only one place (Lisbon). Is it the same in other places?" (3) "Yes, but what about other more important things: for example, cotton?" (4) "I heard that before—about their being all blistered in the sun. Terrible. If it had been a business manager, he'd have been fired." (5) "Preposterous. It's getting worse. It's always been the same in a way; but it's getting worse." (6) "It's all part of the 'set-up.' I know it's true. It's one way of throwing things away." (7) "I'm surprised, and in a way I'm not. You can't just put things down in someone's back garden and expect him to buy them. What make were they, I wonder?" (8) "Too much of it going on. It's the same in other things." (9) "I should think it's right [*i.e.*, a correct report]. Too bad."

We make no attempt to disentangle the inner meaning of any of these opinions, some of which are obscure—*e.g.* What is *it*, that is 'getting worse'? We note that the first two seem to close the mind to a state of apprehension, the nature of which is not disclosed. Answer (6) is the only one which suggests any clear idea of connection between cause and effect. Not one suggests a state of mind which is not, in one way or another, one of acceptance, not of acquiescence in a moral sense, but acceptance in an addict sense.

This condition *could* be met by the development of a genuine interest in doing something about it; but such an

interest can only develop where there is a belief that there is something which can be done about it. More than ninety-nine *per cent.* of the population does not believe there is anything that can be done about it. This in itself should determine our attention to the remaining one *per cent.* (or fewer). A tenth of one *per cent.* of our island population is 40,000—a 'grain of mustard seed.'

### How Much More Do We Stand?

Mr. Francis A. R. McNab contributed the following letter to *The Scotsman* of April 23, under the heading: "Car Exports: 'Decaying' Vehicles at Lisbon":—

"Sir—The report in to-day's issue that British motor manufacturers smashed all previous export records in the month of March is interesting. There is, however, another side to this picture in which, I think your readers would be equally interested.

"In the middle of February this year I went by sea to Lisbon. On the quay at which we docked there were some 200 British motor cars lying in various stages of decay. Many of them had flat tyres and most of them had been dented in various places and were rusting. They were completely exposed to the elements.

"I asked a dock official why these cars were lying there and he said in rather broken English that it was something to do with our laws in England whereby we had to send a certain number of cars abroad before we could sell any at home. He said that the agents in Lisbon had informed the manufacturers that they were unable to sell these cars but still more cars arrived.

"I asked him what would happen to the cars eventually. He shrugged his shoulders and said he did not know; and then, pointing to one group in worse condition than the rest, said that these had now been nine months on the quay and when they had been there a year they would be sold to meet the dock dues.

"Following this matter up, I stood for 30 minutes at a very busy crossing in Lisbon in the middle of the day and took note of the cars passing. The striking difference in appearance and power between the British and American products selling at approximately equal prices was reflected in the ratio which this poll showed. Of every 20 post-war vehicles which passed 18 were American, one was British, and one was either European or unknown to me.

"When I read now that all previous export records have been smashed I do not know whether to be more sorry for the people in this country who are paying such high prices for second-hand vehicles because they believe that the new ones are bringing us hard currency or for the dockmaster at Lisbon.—I am &c."

### Black Magic

Readers may have noticed the increasing references to Black Magic in the newspapers which, while suggesting that Black Magic persists, do so in a manner which induces the opinion that it is (a) an anachronism, (b) unimportant, or (c) somehow ridiculous. Such references are those to the funeral of "the worst man in the world" (*Daily Express*, April 4) who wrote "Collects from The Gnostic Mass" (recited at the funeral) and to the late Mr. Harry Price (*Daily Telegraph*, March 30) who "declared that black magic, sorcery and witchcraft were . . . practised in London on a scale and with a freedom undreamt of in the Middle Ages." (You don't say!).



1920

## Dips Into the Near Future

*These imaginary scenes of 1920 are reproduced, with a few small alterations, from issues of The Nation published in the last quarter of the year 1917, and the author desires to express his thanks to the Proprietors and to the Editor of that paper for permission to collect and present them in this new form:—*

## D.O.R.A. IN 1920.

I found Roxburgh of the Home Office quite ecstatic about Dora. "I confess," he said, "that when she first came to us, I didn't think she would be equal to the work. But when we'd fed her up with Orders in Council and two or three Amending Acts, she turned out a perfect treasure. Why she can put her hand to almost anything! She looks after the correspondence, gets rid of all sorts of inconvenient people, sees that the lights are turned down, tells us how much bread, sugar, meat and coal we may have, shuts our public houses and does all sorts of philanthropic work.

"And yet, would you believe it? At first Dora was not really liked. People actually complained that she was interfering though it was entirely for their own good. They said they didn't like her reading their private letters and licking up the envelopes; they didn't like her listening to their talk on the telephone, and they said that sticking people in prison without telling them what for wasn't playing the game."

"But surely she didn't do that!", I remarked. "Of course she did nothing of the sort. This is a free country, and when anyone is charged with committing an offence he is entitled to be tried by his peers in public court according to the law of the land. It follows, therefore, that when a person is not charged with an offence, he has no claim to such a trial."

"Then why did they complain if Dora didn't do it?"

"Well, you see, it's this way. There were troublesome people knocking about whom Dora thought oughtn't to be left at large. Some of them were suspected of intending to do something calculated to interfere with military discipline, others of speaking disrespectfully of the Government or even of saying spiteful things about Dora and her 'carryings on.' Then again, others were guilty of a thing called enemy associations."

"And what," I interposed, "does that exactly mean?"

"Why, don't you understand?" Roxburgh replied. "The conspicuous merit of the term depends upon its not meaning anything *exactly*. It is one of Dora's masterstrokes in semi-legal linguistics. You see it can cover everything, from the possession of a German dictionary to plotting to deliver Woolwich Arsenal to the enemy. And the best of it is that since it isn't an offence against the law, no charge can be brought, and so no evidence is required, no legal trial follows, no cross-examination or other defence and, above all, no publicity."

"And therefore, I suppose, no imprisonment, no punishment,!"

"Certainly not," was his reply. "Persons against whom such reasonable suspicion lies may be 'deported' from their homes and kept in 'detention' but they are never subjected to imprisonment."

"And where are they kept?" I asked.

"Why, usually in buildings otherwise employed for persons under legal sentence but in this case described as a 'place of detention.'"

"But does it really matter what they are called?" I broke in.

"Why, you surprise me," said Roxburgh. "Of course it matters everything. It would never do for a nation like ours to stain its glorious traditions of liberty and justice by imprisoning people without trial."

"Of course it wouldn't," I replied. "Pardon the clumsiness of my suggestion. But there is one other word you used, on which I would be glad to have some light. You spoke of 'reasonable suspicion.' And who decides whether the grounds of suspicion are 'reasonable or not?'"

Why Dora, of course; and the impartial persons she appoints to look after her interests. These important matters cannot be left to the hazard of conflicting counsel and the eccentricities of juries. But as for grounds or reasons, they are strictly out of place. For, since you only suspect in cases when you cannot prove, the demand for evidence becomes irrelevant as well as inconvenient.

"I may tell you that one of the most valuable achievements of this war for liberty has been the liberation of the nation from the network of juridical and constitutional niceties in which she was in danger of being strangled. A free nation requires a free Government—that is, a Government free to make and to unmake its laws and constitution as it goes along."

"And who are the persons that exercise this freedom? For in the last resort, it is always persons who do things. And even Dora, I gather, doesn't do everything off her own bat."

"Indeed she does not. She frequently employs, to carry out her orders, what, with her dry humour she describes as 'the competent military authority'. But the Privy Council is also of great help to her and even the Legislature chips in occasionally."

"Yes, but that doesn't quite answer my question. These are machinery, for you don't suggest that Parliament or Privy Council Acts *proprio motu*. Who then are the persons that move them?"

"Well, I suppose that in the last resort, it is the members of the Government—I mean the Cabinet, that is to say, of the War Cabinet."

"And who," I asked, "appointed the War Cabinet, and conferred upon it this freedom?"

"Forgive my apparent rudeness," he replied, "but you are evidently out of touch with the spirit of our times, or you wouldn't ask such a question. The War Cabinet could only come into existence in one way, by virtue of that power of self-determination which is the essence of true freedom."

"And what," I said, "about the rights of the electorate—the representative principle and all that?"

"Oh! the representative principle stands exactly where it did and so do the other democratic principles. As principles they are quite innocuous, even praiseworthy, so long as they don't get themselves entangled with the practices of government. Indeed it is essential to the smooth working of the New Plan that the people shall think and feel themselves

associated with the Government. For we know they like to think that they are 'doing it.' Like all children, you know! For from the standpoint of Real Politics democracy is a child's game. They have their children's parties, with lovely caucuses, mottoes, songs and badges, electoral sports and famous games of follow-my-leader."

"But surely," I said, "when they do get into Parliament they are liable to use the powers they find there to 'get entangled with the practices of government' as you put it."

"That doesn't happen," he replied, "for the powers they find there are not real powers. They find plenty of pleasant enough recreations, excellent theatricals are arranged for them, house matches, paper chases, cross questions and crooked answers and what not. There is plenty of fencing with buttoned foils and body guards, plenty of shouting and horse play. But all the dangerous tools and weapons have been put out of sight. Their noisy play has no real significance and stops at once when they hear the master's voice. Nobody knows better that we officials how Government is really run and just where the connections have been severed between the so-called will of the people and the operative powers of State. But, of course, it is our business not to tell."

Here I could restrain myself no longer.

"Why Roxburgh," I exclaimed, "your story is most disconcerting to one like myself, brought up on the old Liberal traditions. The Parliament that you describe is not a Parliament of British Freemen—it is a Diet of Worms. They cannot be so abject as you pretend. And even a worm—"

But Roxburgh broke in with his derisive laugh "Oh, yes, at first they squirmed and wriggled, but we soon got them past the turning-point. The troublesome ones were 'taken over' by the Government, lucrative or honourable jobs were found for them. Dora put lots of them in what she calls 'Controls.' And so the wicked ceased from troubling."

"And the weary?" "Oh, the obedient majority stood at rest, and took every dose of nasty medicine given them with obsequious gratitude. I tell you, Charteris, it was at times a really pitiable spectacle to see a gathering of respectable old gentlemen reduced to such a pulp. I felt, sometimes, a sort of shame at helping to impose upon such naked innocence. But there was nothing else to be done. The safety of the country and the continuance of the war were paramount considerations. It would have been wanton cruelty to saddle such a gathering with any real responsibility or to entrust it with any real initiative. Anyhow, they didn't want these things, they were too thankful to be told what they were to do, what laws to pass, how much money to vote. Recognising this, the War Cabinet decided to let Parliament have its way, and, however reluctantly, relieved it of the work it was no longer disposed to undertake. Moreover, it was a duty which they saw England expect of them. Besides, Dora, as you see, ever bright and resourceful, has taken over most of their domestic duties. She and her two sisters-in-law, the one that goes after the soldiers and the other that works in munitions, between them do nearly everything that is wanted to keep the country quiet and busy, and to tell all people what to do."

"But" I interrupted, "does everybody like to be told what to do?"

"They didn't at first, as I told you. They got quite angry with Dora when she started interfering with their home-life, their diet, their free ways of talking, their treating

of their mates and their claim to choose for themselves the work they were to do. But their irritation soon settled down and, now they have got used to her ways, she is quite popular. You see, it relieves them of the intolerable effort of thinking and deciding for themselves."

"But" I interjected, "I had always been brought up to regard this effort as the very pulse of British freedom."

"Well you know," said Roxburgh, "speaking strictly among ourselves, when we first took our Dora and her sisters, all of us were subject to the same delusion—how that Britons stood for personal freedom, every man to be arbiter of his own fate, and for something called civil liberty, the right to have a voice in making the laws one was called on to obey, the consent of the governed, and all that sort of thing. Do you know that it took us at least four years to discover that all this was nothing but the rhetoric of sentimental self-esteem—that it had nothing behind it."

"No!" said I, "you don't tell me so."

"Yes," he drove on, "it was this delusion that explains the ridiculous timidity of Dora's first advances, and all the stupid fumbling of our steps towards military and industrial conscription. You see, we were always pulling ourselves up to think 'How much will they stand?' When we began numbering the people, we thought we had to conceal what it was all for. We didn't succeed of course, for we were then novices in the art of war—truth, but it didn't matter. Then we lost two good years before we got full military service—and several more before we dared put industry on a sound compulsory footing. All this compromising temporising and needless mendacity were due to the single error about British freedom."

"I am afraid that I don't even now quite grasp your meaning."

"I mean that it took us all these years to make the great discovery about the limit of Governmental interference. Some put it at this point, others at that. Even long after the nation had taken military compulsion like a lamb there still came up the big 'Beer Bluff'—let not the Government tamper with the holy Cup!—the 'Right-to-Strike Bluff'—British workmen would never give it up!—and several other Bluffs all based upon the superstition that there *was* a limit. There is no finer illustration of the hypnotic power of words. Here was a Government, with all the necessary Prussian absoluteness in its hands if it only knew it, held up for years in the performance of its most vital duties just because it took for earnest the rhetoric of British liberty! At last, experience brought home to us the surprising truth, that there was *no* limit."

"And how," I asked, "did the discovery dawn upon you?"

"Well," said he, "some of us began to suspect it long before we had any clear assurance of it, and we waited for the tide of politics to throw up a really crucial test."

"What was it?"

"Why, what do you think?—the appointment of Sir Edward Carson to the War Cabinet. It was recognised by all of us that if the nation would take that stroke lying down they would take anything. And when we saw it raised not a ripple of effective protest, we knew that the country was ours and that we could give Dora her head. And experience has shown we judged aright, that Britons either didn't know what they meant by 'liberty' or didn't care. And it was

all one to Dora and us.”

“And you actually mean to tell me that you find no bottom to the popular servility, just as Paxton claims to find no bottom to the popular credulity?”

“Servility! Credulity! You choose harsh terms, my friend, to describe what we have all agreed to call patriotic submission to our country's needs. And, after all, we do the thing quite handsomely, preserving the graces and amenities of the old political order. Just as we keep up the forms of Parliamentary procedure, even to the ludicrous degree of voting money that has been long ago expended, so our public men still go about with serious faces consulting and conciliating public opinion and pretending to give their grave attention to the voice of a free electorate—an electorate just generously extended to the full figure of democracy. You see it doesn't matter how many have votes, nor who they are, nor how many use them, now that we know we have the levers of real government firmly in our hands.”

“We don't of course, talk like this *coram populo*. But plain words are all right between you and me. Now all this fuss about popular campaigns to win the whole-hearted support of the democracy is quite unnecessary and a little farcical. They might just as well leave the whole business to us and Dora. For Dora can do anything she likes with them. There are now no discontents because there are no agitators. She has seen to that. If occasionally some wrinkle or crease appears in the smooth surface of public opinion Dora just passes an iron firmly over it and it disappears. Why the People is now so tame, it comes and feeds out of Dora's hand. I mean what I say. There isn't a week passes but some well-signed memorial or petition comes up, begging for another regulation or reporting the discovery of some little surviving liberty that needs stamping out. The incomparable Dora, who gives us all our weighted and diluted bread, reads our letters, curbs our unruly tongues, checks our comings and goings and keeps us from bad company! However, I must not let myself run on in rhapsody.”

“But,” I broke in “what about liberty and making the world safe for democracy? Is there no loss of liberty in the doings of Dora?”

“Not at all,” was Roxburgh's answer. “There is just as much liberty as ever—only it is concentrated at the top. It is, as the poet sang: “Of old sat Freedom on the heights”:

There in her place she did rejoice,  
Self gathered in her prophet mind,  
And fragments of her mighty voice  
Came rolling down the wind.

“That is our Dora launching her Controls, her Prohibitions and her Permits. And in her service there is perfect freedom.”

#### PARLIAMENT—continued from page 3.

This is the dilemma in short and plain words, “If you do not have direction of labour, or industrial conscription, then you cannot have a central detailed plan of the present variety or vintage. If you do have direction of labour, then goodbye to freedom.” Which is it to be? What is the answer to the question which the Chancellor of the Exchequer asked himself a couple of years ago? We are entitled to be told, and I hope we shall be. Until the Government faces up to this question which I have repeatedly put to them, and I make no apologies whatever for repeating it, all the figures, targets, and abracadabra of economic planning are a waste of breath—

Mr. Mitchison (Kettering): I wonder if the right hon.

Gentleman would favour us by telling us what, if any, departure from complete anarchy in this respect, he and his hon, and right hon. Friends would favour?

Mr. Lyttleton: This raises a new question—[An HON. MEMBER: “A most embarrassing question.”] Not at all. I cannot go into it all but the rough answer to the question is using the price mechanism, restoring freedom and making the price mechanism work for it.

Mr. Shurmer (Birmingham, Sparkbrook): Tell us what freedom?

Mr. Lyttleton: I am now discussing the Economic White Paper and the hon. Gentleman, who comes from a very excellent seminary, is only trying to draw a red herring across the trail. The answer is by the use of price mechanism. . . .

I want to raise one or two more general questions. The first is this: it really is necessary for the Government to make up their minds whether an income drawn from investments is a naughty or a disreputable thing or not. If it is anti-social in Socialist thought to draw an income, large or small—it does not matter about the size: it is the principle which counts—from investments, then the Government have no right to urge people to save, and no right to open “Silver Lining” campaigns. But if what they say during the Savings Weeks is sincere, if they believe in it, then it is their duty to protect the saver. Instead, they have despoiled and defrauded him. They have used two ways to bring this about. In the first place, they have taken a large slice out of the capital of the small thrifty investor by inducing him, by all the instruments of publicity, for which by a curious irony he himself pays—and that is not the last insult—to invest his money when the rate of interest was artificially depressed and when the market had been rigged by the Treasury. The result of this artificial rise was the inevitable fall and the loss in some cases of just over a quarter of a man's savings. His savings have gone the way of so many other Socialist promises.

Not content with this, the Chancellor is now seizing other savings, perhaps bigger savings, by his capital levy. A moment's reflection will show that the levy contributes nothing to the real objective of a large Budgetary surplus. It merely represents a transfer of immobile capital from the saver to the Government, in whose hands it becomes more or less mobile. Since one saver must sell, what he sells must be bought by another, and the value of new savings *pro tanto* must be reduced by the amount of the levy. Incidentally, the idea that money from investments is, even in the Socialist Government's sense, always unearned income is quite false. What about the man who has built up a business and turned it into a company, but who does not pay himself a director's fee but takes his earnings out by way of dividends instead of salary? Is that unearned income in the Government's sense?

Let me be quite blunt. The Special Contribution, falling as it does on 140,000 out of 50 million, and on an even smaller number of voters, is naked class warfare of a type to which I hardly thought the right hon. and learned Gentleman would descend. Many of these people are already being taxed at 15s. in the £, and their estates are subject to a 75 *per cent.* duty when they die. I derive some sardonic amusement from the fact that such incomes are described by the Government as investment income. Hon. Gentlemen opposite, whose reason is so apt to be bemused by heady slogans, would get a truer perspective of this particular Budgetary proposal if they described investment income as income from savings,

and if they then asked themselves whether they should penalise savers, because that is what they are doing. Let them think about that before they mount the platform at the next Savings Week.

I would like to leave the details to make a slightly broader appeal to the Government. Although it has many merits, the Budget has no message for the country. There is no sign that the Government intend to lead, or to give us hope of survival and prosperity. There is no sign that the Government and their supporters are going to cease snarling and girding against that half—and now more than half—of the nation who happen to disagree with them politically. Do hon. Gentlemen opposite really believe in their heart of hearts that the policy of this party on these benches is aimed to reduce the standard of living of the workers? Do they really believe that? [*Interruption.*] If they do believe it, their credulity is almost fatuous. Let me put it another way. I myself detest nationalisation in every one of its manifestations, but I do not want to see any nationalised industry fail and lose a packet of money. After all, I am one of the people who have got to pay for it, and Lord Nathan has a very large bill running up against me already.

It is really useless to speak of great nations trying to regain their places in the world by taxing themselves into prosperity. Great industrial companies cannot build up their business on losses, or at a time when profits are regarded as the fruits of Satan; they cannot thrive if at one moment the Government urges them to plough their money back into the business, at another urges them to a still-stand in dividends, and at another fines them if they capitalise reserves. But, running through all the Budget, is the hatred of whatever is outstanding in our national life. There is nothing clever or even profitable in despising and fining success wherever it rears its ugly head above the norm.

If hon. Gentlemen want analogies, they will find that progress in art and science, and also in trade, has in the main come from those whom their fellow men have described as either eccentric, abnormal or just plain mad. These people require incentives just as much as ourselves, and I beg the Government sometimes to be large-minded enough to recognise this, and sometimes to remember that a man who is not a Socialist, and who may even be immoral enough to enjoy something from his fathers' savings, may possibly make a contribution to the national effort.

Let the Government lose some of their inferiority complex about success. . . .

### Food Supplies (Enforcement Officers)

*Colonel Ropner* asked the Minister of Food whether he is satisfied that all food enforcement officers are carrying out their duties in a courteous and reasonable manner.

*Mr. Strachey*: Yes. But I also trust and believe that they are carrying out their important duties with zeal and firmness. If the hon. Member has any case of alleged failure in either respect, I shall, of course, be very willing to look into it.

### National Health Service (Health Centres).

*Major Lloyd* asked the Minister of Health what proportion of the total Health Service contribution is meant to cover

the provision and running of health centres; and whether he will reduce the contribution by that proportion until health centres are established.

*Mr. Bevan*: Although there is a relatively small contribution from the National Insurance Fund towards the total cost of the health services, those services are independent of the insurance scheme. The contribution is in no way based on the cost of the health services and no question of reducing that contribution can arise on the ground that expenditure on any particular part of those services is delayed.

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