

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 11. No. 2.

Registered at G.P.O. as a Newspaper
Postage (home and abroad) 1d.

SATURDAY, SEPTEMBER 18, 1943.

6d. Weekly.

The Case Against Nationalisation

By NORMAN F. WEBB

The case against State ownership of land and State control of agriculture is essentially a simple one; it is just that as a claim it is unbalanced. State ownership has other serious defects of a practical kind, of which lack of space precludes mention; but that one should suffice to cover the whole situation.

What is wanted in this world above everything else, and in every situation, is a just balance. And the great virtue of British Constitutionalism in the past, its claim to universal respect, rests on just that particular faculty. As a nation we do not tend either to "raw individualism" or to servitude. The Anglo-Saxon stock represents an organic culture, which in itself implies stability and continuity. Under the British Constitution the function of Government is understood to cover the co-ordination, and even regulation of the activities of the community, *but not their control*. These activities (interests) require a central authority to hold them in equilibrium. That is the obligation of government. When one interest predominates unduly it seeks to exercise controlling power over the others *through* Government; in other words, it seeks to establish its own control in the name of the State. The symptom of this condition of over-balance is what may be termed centralisation; to say which is not to suggest that individuals can associate without some degree of centralisation, or nations exist without a central authority. But common sense can, as British commonsense in the past always has, quite easily distinguish the point at which government co-ordination becomes unbalanced and degenerates into government (departmental) control—although, like the British constitution itself; the point may not be legally definable. Where the term centralisation is used here it refers not to legitimate government, but to that degeneration.

The reasoned case for what we term Private Ownership of land must be largely philosophic. It cannot be satisfactorily proved by statistics. In fact, nothing can. But all centralising schemes of their nature, which is statistical, are advanced under cover of a dumbfounding flight of figures, before which it is essential the plain man should endeavour to keep his head and his balance, otherwise he either capitulates, or finds himself compelled to adopt a false position of blind, negative opposition to every sort of change.

That there is a proper place for everyone and everything constitutes our faith. The Industrialist (and the farmer is the first and original of the species) knows that the proper place in his business for figures and figure-men is in their own department—that of accounting and statistics. The agriculturalist needs what the figure-man can give him—

a comprehensive, but necessarily rather one-sided picture of what has been done, in the light of which he can check up, and to some extent regulate what he proposes to do. He is a fool who imagines there is no place for centralised research and co-ordination of activity in his industry. But the practical man knows that when the figure-man comes out of his legitimate sphere and proceeds to lay his hands on process, all enterprise and science (acquired skill), and finally all self-confidence tend rapidly to disintegrate—along with many other essential elements.

We are passing through violently shifting times—hasty action, followed quickly by reaction. What we need to remember in this present case of agriculture is that, as in the matter of trimming a boat, a list to starboard is no better than a list to port, since the list itself constitutes the trouble. The essential element in the land problem is not that in the last hundred years or so there has been excessive concentration on British manufacture at the expense of British farming, which there undoubtedly has been, but that an unbalanced (unopposed) force of logical reasoning (and it must never be forgotten that thought of some kind lies behind all action)—reasoning built up on a false basis, has been increasingly dominating, and has finally almost completely captured our whole national policy. It is not a question of righting a sectional wrong out of the unfair gains of one of the parties. We could have had centralisation (Nationalisation) of Agriculture long ago, after the last war, for instance, with trustification and mechanisation of farming; in short, the same concentrated attention might have been bestowed upon Agriculture as was in fact bestowed on Manufacture, all indeed that it is now proposed to do for the farmer, instead of the almost complete neglect which he "enjoyed," and still the essential problem would have remained, in an even more inflamed condition—to correct and adjust an unbalanced national system.

For if one dispassionately weighs up the practical results (that is, results in terms of human satisfaction and content,—no other standard is practical) of the "favour" shown to the processing industries, one must surely admit that it has been no more beneficent, in the above sense, than the neglect which has been the farmer's lot. The reason is obvious. A nation is an organism, and it is therefore scientifically impossible to do "harm" to one part and at the same time "good" to another, because organic "good" resides in the degree of balanced co-ordination of the whole. Why then duplicate in the country exactly what has proved such a practical failure in the city?

Let me risk the accusation of over-simplification in order to give as clear an idea as possible of this problem of unbalance as it directly affects Agriculture. We have seen that excessive predominance of one "interest" automatically

leads to centralisation, and to the encouragement of all that tends that way. It follows that the statistical (grouping) mind is fostered by such conditions—the process of thought that runs naturally to combines and mergers and telescoping and all varieties of centralisation for the sake of unified control. As an individual thinks, so he will act—granted he has the power, either personally won, or else delegated to him.

It is the nature of such reasoning to see every industry, including Agriculture, more or less in terms of Henry Ford, and every retail establishment like Marks and Spencer. And ultimately (for so his mind quite logically sees his problem, which is to establish centralised control of all interests for his employing interest) he will plump for one single combine in each type of Industry (the I.C.I. is almost that in the Chemical Industry, already, and Courtauld's seems in a fair way to achieving it in Textiles) as the simplest road to this object. In short, the figure-men have been projected by circumstances from their proper sphere and instead of co-operating with process, are taking control of it. The permanent official has swamped the Government proper, which has betrayed its trust to keep the balance, and we find ourselves threatened with the cult of the Supreme State—the condition to which we give the ugly name of Totalitarianism when it makes its appearance in other nations.

Now this is not progress, in the sense of individual betterment, though we have been pretending to ourselves for a greater number of years that it is. It is just increasing dis-equilibrium, arising from continuous logical action based on a process of one-sided thought. And the final, unbalanced claim, as I put it in my first paragraph, is for Nationalisation—a useful vague term, in fact covering and confirming in perpetuity all those "departmental powers," outside and above the law of the land, that so exercised the late Lord Chief Justice Hewart, which Parliament has conceded temporarily, in the interests of the war. It means the surrender on the part of the agriculturalist, who, however limited his outlook may be, is the only *complete* expert at his job there is, of almost all that liberty of action and decision, within reasonable co-operative limits, which is the one known guarantee of efficiency.

Must one apologise for putting this "case" philosophically? That practical men have been philosophers, our great gallery of proverbial sayings goes to prove. Why, the whole situation which I am endeavouring to analyse here is summed up perfectly in the old saying that "to the shoe-maker there is nothing like leather." Yet to-day the practical man, the industrialist, says that conditions give him no chance to think. If that is really so, then it appears to me that what conditions deny him to-day, is the chance to be practical. For the practical philosopher is no more than one who delves deep enough into his subject to reach its permanent, as distinct from its incidental features, and then formulates them. But what appears to be happening with our present civilisation is that practical affairs are rapidly being drained of all philosophical content, and as an inevitable reaction we cease to think about them. After all, if your farm is no longer governed, metaphorically speaking, by a pact between yourself and High Heaven and your immediate neighbours, and instead comes to depend mainly on supplies of "artificial" and feeding stuffs from God knows where, and to be ruled exclusively by orders (in triplicate) from Whitehall, which however well-meant, say

one thing one week and its opposite the next, without even the warning of a red sunrise, to allow of the adjusting of plans,—if the universe takes on that aspect, one is bound largely to cease to be a thinking being and adopt an attitude of mental servility through sheer bewilderment. I defy anyone to construct a positive "saying" regarding Departmental Orders that could be guaranteed valid for ten months, let alone ten centuries.

Now, apart from the lack of balance in this demand for Nationalisation of land, it is not a practical proposition. There is no such thing as absolute ownership of land—though some individual, or individuals own the use (or abuse) of everything, the fruits of control. For our national land-utilisation policy we can decide either that the control and use of the land be vested in a comparatively few individuals through large units, such as Trusts, and Housing Estates, and Commissions, and, under what we call "nationalisation," in the few predominant owners of the National Debt. Or else we can plump for what, with a curious, and as far as I can see, quite unreasonable disapprobation, is termed Private Ownership, which means nothing more than that the same use and control shall be vested in the greater, or greatest number of individuals, through medium-sized and small units.

That is not a particularly confused or mixed issue. And I cannot help feeling it would be quite clear, at least to everyone engaged on, and with the land, if it were not that the figure-mind that has control of Government, and national policy and even avenues of information to-day, and strongly favours statistical centralisation and the big unit, brings such a barrage of figures to bear on the situation that those who favour the small unit are bewildered and silenced. But their final discomfiture, if it were to be achieved, which hardly seems possible, would not necessarily be a triumph for wisdom and common-sense. It would rather be the triumph of dominant, and inadequately opposed vested interest—of the shoe-maker's predilection for leather, enabling him to "take powers" to apply it to our whole person; and the final proof that the Government proper, our representatives in the House, had abandoned their trust, which was to hold the balance as between us all.

What can be done by those who are not convinced in favour of nationalisation? Anything? Surely. The machinery of Representative Government still exists and is at hand. Besides, is it not in Parliament that pressure for the big unit has been, and is being so successfully applied? Certainly action can be taken—the advocacy of the opposite to the centralising process that has been going on for so long. We can begin to press for decentralisation both of control and administration—to have it divorced from the unfruitful pavements of Whitehall, and pushed out into the County Administrations; still further even, out into the rural areas.

Where we have been progressively making matters more and more complex and rigid, we can advocate a simplification and loosening-up. Where we have been more and more subjecting the individual farmer and land-owner to external, applied discipline, we should be able so to contrive things that the farmer would tend to apply discipline to himself and his neighbours. If regulations were realistic, and their benefits obvious to common intelligence, no one could better ensure their being carried out than the farmer himself and his local organisations—and speaking comparatively, for no remuneration. *Deus est Daemon inversus.*

Here, then, "Stripped of all abstractions, 'rights,' moralities, and other complications which make any problem permanently insolvable," as their preamble states, follow eight points in connection with the land that have been put up to me as basic. Perhaps at first sight they may appear rather startling; but I feel sure it is only because in a complex and arbitrary world—one, that is, dominated largely by figures rather than facts, nothing seems so startling (almost indecently so) as simplicity, nor so revolutionary as constitutionalism:—

(1) Absolute security of tenure for life, including complete abolition of land taxation of every description. The imposition of a land tax shall be *ultra vires*.

(2) Abolition of land sales between individuals as of right. Registration of sale to take place five years after payment of purchase price, on petition by purchaser supported by six adjacent neighbours, who are landowners.

(3) County Council Authority to be obliged to purchase at valuation (see 6 *infra*) all land offered for sale, and to advertise for re-sale only to approved purchasers who must obtain support of six adjacent landowners.

(4) No State or Public Body to hold land for which a properly supported application from a private individual is made at the valuation price.

(5) Where a legatee is non-resident on land which he inherits, he shall be given twelve months to take up the occupation of it. If he decides to reside, his title shall be confirmed after five years. If not, his land shall be acquired by the County Authority for re-sale as in (3) *supra*.

(6) All land to be classed as A, Amenity Land. B, Agricultural Land. C, Industrial Land. All land titles shall restrict the land to which title is given, to the class in which it was placed on the grant of first title. No change of Class shall be permitted without the offer of sale as in (3) *supra*.

(7)—The initial valuation of land to be that shown in the last conveyance as consideration. Every five years, a landowner shall be entitled to make a claim, properly substantiated by accounts, in which his own activities shall be included as manager, for increased value. On the admission of this claim by a properly constituted County Authority against whose adverse decision appeal to a Committee appointed by the Land Agents' Society shall lie, seventy-five per cent. of the cost of this increased value shall be refunded to the landowner in County Bonds bearing interest at three per cent., and twenty per cent. of the increased valuation shall be added to the transfer value of the land.

(8) No public official shall have any right of entry whatsoever, without a magistrate's Warrant."

Logic is the mechanism of thought. When we say of this industrial age, as we continually do, that the machine is dominating society, we have a false mental picture of the facts. What is "getting us down" is our own uncompensated, mechanical thought process. The public mind, as in the case of our Governmental machinery and our sources of information, has been captured by a one-sided, unbalanced interest which, particularly because the necessities of the war have effectively removed serious opposition to it, is able to swing everything its own way.

But there are signs even among the figure-men themselves that indicate that they begin to suspect they may be the victims, rather than the masters of their own logic. The demands for nationalisation were never more insistent than just to-day, and yet there is a hesitancy discernible, even a toying with decentralising formulae. And none too soon; for look at it how you will, State Ownership is the last stage of centralised control, which is totalitarianism—the elevation of the Collective, the General Good to the supreme place reserved for God. Surely that is a most dangerous philosophy to listen to? And was it not one of the greatest of the great English poets and visionaries, William Blake, who said, "General Good is the plea of the scoundrel...?"

"These Regulations must be ended"

Members of Parliament for Cumberland attended by invitation a special meeting of Cumberland County Council at Carlisle recently to hear protests against the encroachment of Whitehall upon local government.

In a resolution submitted to the council, the M.P.s were asked to preserve and strengthen local government and to resist attacks now being made upon it by Government departments.

Colonel Burns-Lindow, a member of the Council declared that Members of Parliament should be told that electors were getting angry with the defence regulations.

They had made up their minds that when the war ends these regulations must be ended, not piecemeal, but lock, stock, and barrel.

"Our forefathers," said the Colonel, "resisted a Star Chamber of a King 300 years ago, and the descendants of these men are not going to have Star Chambers thrust indefinitely upon them by Ministers intoxicated by the potent beverage of a little brief authority."

Another member of the council, Mrs. Hepton, declared: "We have regimentation, coercion and interference, and it is now common to hear people in cafés and bus queues talking about a servile State."

Colonel Alan Dower, M.P. for Mid-Cumberland, who with other M.P.s replied to the discussion, told the Council that he had been in the House of Commons for twelve years and had watched this insidious growth of bureaucracy. In Parliament they could not smash a Minister who was becoming autocratic.

"On many occasions," said Colonel Dower, "I should have liked to have attacked a Minister, but my hands were manacled because of the over-riding consideration that a National Government must remain in power until the war is won.

"There is no doubt that the public resent being dictated to by people who have been appointed as minions of a Minister.

"Before long this is going to be one of the greatest and most pressing problems we shall have to face up to."

He thought the Government would know that once this war for freedom was won, the people of this country had no intention of losing freedom at home.

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

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

Vol. 11. No. 2.

Saturday, September 18, 1943.

FROM WEEK TO WEEK

THE INFLATION RACKET: Prices current in Chester in 1740.

Beef and mutton, 2d. per lb.; pork, 1½d. per lb.; tobacco, 10d. per lb.; beer, 3/6 per half barrel. The rise in prices very roughly parallels the increase in the National Debt minus improvement in process, and dates from the foundation of the Bank of "England." It has operated to defeat all improvement of process, and invention, resulting in forced exports and war. The mechanism is simply the price "system" of charging the highest the public will pay, and issuing new money as loans, thus reimbursing the financial institutions for taxation and higher costs.

The tactics of the Commonwealth Party in England are identical with those being practised in Alberta, and vigorously supported by the Southam Chain paper, the *Edmonton Journal*. In Alberta a vicious attack on Mr. Byrne is combined with advice to vote for any party which will oppose Social Credit. In order to provide for the voter who has prejudices against the existing opposition parties an "Independent" candidate is provided, with a programme to catch the unattached vote. Once elected, he coalesces with the Socialist opposition to Social Credit. Even if not elected, he splits the electorate.

Where the Commonwealth Party, which stands out a mile as being a Jewish party, cannot elect a candidate, its adherents are advised to vote for a Socialist or pro-Jew Liberal.

This does not mean, of course, that the Commonwealth horse will carry all the money. It does suggest, and other indications confirm, that balance-of-power tactics will be carefully prepared to enable the Communist-Socialist minority to blackmail every party.

Mr. Herbert Morrison bids fair to rival Viscount Snowden as the darling of the City and the international financier. At a love-feast to celebrate the centenary of the *Economist*, which is edited by the ineffable Geoffrey Crowther and commonly considered to represent the views of Sir Henry Strakosch, who in turn represents the South African Gold interest, Mr. Morrison and Mr. Montagu Norman appear to have been the chief guests. Mr. Morrison didn't repeat on this occasion the celebrated dictum of Viscount Snowden acclaiming the Bank of "England" as

the greatest moral force in the world, but just you wait, Clarence.

Analysts have recently been much exercised over the nature of the material contained in two nineteenth century loaves found in an old country house, the vitamin content of which is far in excess of anything with which they are familiar. One theory is that they are an old-fashioned predecessor of what Lord Woolton laughingly calls bread.

The brusque negative reply of Mr. Cordell Hull to an Argentine request for lease-lend facilities may easily prove to be an incident of major importance.

The American Government appears to find it impossible to refrain from addressing every country in terms of moral disapproval. The Argentines are not too fond of their "big brother" anyway, and have frequently stated, in so many words, that their cultural affiliations are European, not North American.

It is a matter of primary importance to expose the affiliations of the C.C.F. (Communist-Socialist) Party in Canada. It may be a pure coincidence that its Parliamentary Leader, Mr. Coldwell, comes from Devon, and might be expected to know Sir Richard Acland, who we do not regard as a person of any importance apart from his function as a shop-window.

The usual pro-Jew, anti-landowning, nationalised, and consequently omnipotent banking system, and discreet silence on the gold standard, are common features of both branches of the movement, of which, incidentally, the Canadian C.C.F. is the older, and possibly closer to its headquarters.

The Canadian Minister of Agriculture stated in July that the expenditure last year on the government programme for reducing the acreage of wheat was \$21,000,000 (about £4,200,000).

Farmers receive payment for each acre of land taken out of wheat production.

It is estimated that this subsidy for NOT growing wheat will this year cost Canada about \$26,000,000 (about £5,200,000).

The London *Evening Standard* of September 3 reported the arrival in this country of Signor Giovanni Fummi, a leading Italian banker from Italy. Signor Fummi is a financial adviser to the Holy See, for which, *The Times* states, he is an authorised emissary.

His wife, Lady Anne Fummi, second sister of the Earl of Crawford and Balcarres, has been in Britain since the outbreak of war.

Signor Fummi returned to Italy from England when war was declared between the two countries.

Signor Fummi had other English connections before his marriage. His brother-in-law is Sir Kenneth Lee, now Director-General of Raw Material Controls, and representative in America of the Industrial and Export Council.

Sir Kenneth has just returned to London from the United States. He is chairman of the Manchester cotton firm of Tootil Broadhurst Lee.

ALIENS IN GREAT BRITAIN

The following passages are from the debate which took place in the House of Lords on July 26, 1918. Extracts from the first part of the debate appeared in THE SOCIAL CREDITER last week.

BRITISH NATIONALITY AND STATUS OF ALIENS BILL

Lord Beresford (continuing): ... In Australia, no naturalised or unnaturalised German can hold a share in any guild or corporation; all contracts with enemy subjects have been annulled; transfers of land have been forbidden; the franchise has been rescinded for both naturalised and un-naturalised Germans; and the British-born subjects of enemy parentage have been interned. A Bill to bring about a similar state of affairs here is what my noble friend Lord St. Davids and I want to see. But, much stronger than we are, the public want to see it, and they are determined to have it; therefore the Government will have to bring in another Bill, dealing with this question of the alien neutral who is really doing more harm than the others, because after all the Germans are pretty well watched.

There is nothing in the Bill about patents, or about the banks or about the Privy Councillors. I agree entirely with the view of Lord St. Davids on these matters. Mr. Gladstone once said that he considered the office of Privy Councillor was the most honourable of all offices; that he regarded it as higher in both responsibility and honour than the Peerage. I was told that by one of his greatest friends. All these questions should be dealt with by the Bill, then we must draft another. There is nothing about change of name in this Bill, and that is one of the strongest points the Germans have. If a German changes his name from some unpronounceable German name to a good old English name it should be published in the Gazette, and the person would never be allowed to sign one name without the other. If he calls himself "Brown" and his name is Fritz something or other, he should sign that after the name he has adopted. I think the Bill may be made a fair one, but it will have to be very much amended or it will not be at all in consonance with the ideas of the people of this country. I am sure that our people will be determined to have a stronger Bill.

With regard to what Lord St. Davids said as to our "honourable contract" we did not break the contract; it was the people with whom we made it who broke it. They swore that they would be loyal to us; but how many naturalised persons have been locked up? Any amount of them have been locked up because they have broken their contract with us. The comparison which Lord St. Davids drew between the principle of the naturalised German and the fraudulent borough is absolutely correct. Three or four voters may have done something fraudulent and the borough suffers. But that is a very minor thing compared to the power which these people have of doing harm to this country; and the gradually rising tide of irritation and anger in the country on this question is, I can assure your Lordships, most pronounced. This Bill will not meet that rising tide of irritation and anger. We may amend the Bill in your Lordships' House and make it better, and from what I hear the House of Commons might be disposed to accept certain amendments. Anyway let us try. If we cannot have the Bill amended, let us bring a Bill into this House which will meet

the public demand and put us in a safer position than that in which we are at present with regard to the great danger in connection with the aliens now in our midst.

The Earl of Meath: My Lords, I perfectly agree with Lord St. Davids and the noble and gallant Lord who has just spoken that this Bill does not really meet the situation. It has taken four years for the Government to produce this very small and inadequate Bill and I should be very much surprised indeed if it meets with the support of the great masses of the people in this country. Lord Newton seems to deprecate the agitation which is being conducted against the aliens.

Now I have had some of my best friends who are Germans. I do not want to be fanatical in regard to this agitation, but I say with all earnestness and with knowledge that the majority of the Germans who have come over to this country have come with the intention of doing all the harm they could to the British nation. I do not want to talk about myself, but I have had a good deal of knowledge of Germany, and I have been surprised at what is called the "influence" which has prevented the German alien from being ostracised in this country. It has been a great puzzle and a subject of great thought to me why it is so. I may be wrong but I have come to the conclusion that it is because it is inconceivable to a Briton that a great nation, a great people, should deliberately work for the destruction of another nation under the control of the military party in Germany for years before war was actually declared. Yet I know that this is a fact. I wonder whether your Lordships are aware that even in our Navy we have had Germans. I do not know whether the noble and gallant Admiral knows this fact which I am going to relate and which was told me by an Admiral—namely that we have actually had sent into our Navy Germans skilled in Wireless and in the British language working our wireless system. Is that known to the noble and gallant Lord?

Lord Beresford: I have heard of one.

The Earl of Meath: I heard it from an Admiral, whose name I am not at liberty to give but I will give it in private to the noble and gallant Admiral. I was told by this officer that when at the commencement of the war he was in command of a ship he could never understand how it was that whenever he sent a wireless message something went wrong. He consulted with his next in command, saying, "There is something extraordinary going on here. Try and find out what it can be." Eventually they found out that this operator was a German. The most extraordinary thing is that after this matter was communicated to the Admiralty, although the German was got rid of from this particular ship, he was not got rid of altogether; he was actually sent on board another vessel because we had not enough English wireless operators. As a matter of fact he was sent to a part of the seas where it was not dangerous. Now does not this show that what is called the "peaceful penetration" of Germany is not peaceful penetration at all?

Never in the history of the world have we ever had before not only a Government but a nation deliberately trying in time of peace to destroy another nation. That is what has happened, and we as Englishmen cannot understand that. It is beyond us, and therefore we find even in your Lordships' House gentlemen who will say it is impossible that a whole nation could wish for and work for, deliberately and secretly, the destruction of another.

... We have something entirely new—this penetration, this warlike penetration in time of peace—and that therefore our enemy must be kept out. We shall have to keep out a lot of innocent people, but unless we are prepared for another attempt at warlike penetration in peace we must keep out every alien enemy. I perfectly agree with the noble and gallant Lord in thinking that there is just as much and sometimes more danger from the neutral than from the German. I am going to move in Committee, with your Lordships' permission a small Amendment. I cannot for the life of me understand why the Government, if they think there is danger from the Germans, are going now we will say to take away the naturalisation from an individual and then, supposing that the war ends at the end of this year, leave it possible for that man to come back again at the end of five years. What is five years? It is nothing in the life of a nation. What we have got to do, it appears to me, is to make it impossible for these men to come back again, and that you cannot do except in a generation. I should say the proper period would be twenty-five years, but I am going to move to insert ten years instead of five years, and I hope I shall have the support in Committee of your Lordships.

This is a matter which will have to be decided by the masses of the people. Your Lordships' House may discuss the matter, but the real people who are going to decide this question are the masses, and I think the Government would be wise if they reconsidered this Bill and withdrew it and brought in another far stronger than this one, because if they do not, allow me to say that when the election takes place I am perfectly certain that the whole country will be swept clean of these aliens.

Lord Wittenham: ... the public feel immensely, deeply, and passionately upon this matter, and it is no answer for the leaders of either this House or the other House to say that the public are needlessly alarmed. The public have taken the matter to heart, and if you do not give them what they want, the more difficult will the *impasse* become.

... You have got to go to the biggest poppies in the field and not be switching your stick among the lesser weeds. The Home Office—and I said so a year ago in the presence of the present Home Secretary—has been suspect in this matter ever since the beginning of the war. I do not mean that the Home Secretary himself has been suspect (I would not say anything of the kind) but the Home Office has been suspect. I have been a Civil Servant myself at one time of my life, and I know how its permanent officers run the offices, and not the political heads. It is the men who spend their lives there who run the Departments. I am not going to say anything about the "hidden hand" although I have my strong view upon that matter; but I do say that the Home Office, ever since the beginning of this war, has shown an extraordinary reluctance to grip this matter, to understand the intensity of the feeling that there is in the country upon it. See what Mr. McKenna did as Home Secretary when the war began. During the first five months he made between fifty and sixty naturalisations of enemy aliens. I think I am correct; I am speaking from memory. During the first year there were no less than 150. After he went Sir John Simon came. Well, I will only say of that right hon. and learned gentleman—for whose intellect I have the greatest possible respect—that in the matter both of the internment of Germans and the naturalisation of

enemy aliens he was really as bad as his predecessor. Some noble Lords and people outside may say worse. It was during his regime that there was that strange case of the German maid of the Headmaster of Eton. I see the noble Marquess, Lord Lincolnshire, sitting there who took a strong part in that matter, and has strong opinions on it.

Then came Sir Herbert Samuel, who began to draw the rein tighter; and then came the present highly, gifted occupant of that post. When Sir George Cave became Home Secretary—I hope I am not offending against any unwritten law of your Lordships—I said to him, "I am thankful you have come. Now we are going to have the real article." Again there was this subtle, indescribable influence which, whenever he wanted to be bold, seemed to paralyse him. Instead of him playing the man he really and truly is, he became in this business—I do not like to say it—apologetic and aenemic for want of that backbone which he has had in every other thing that he has touched in life.

Let me go from that to special instances during Mr. McKenna's time. There is the extraordinary case, I am not going to be particular about mentioning it—of Baron Bruno Schroeder. As I understand he had been in this country for years before the war. He was a very notable prominent business man, a great discounter of bills, a great foreign banker. He had never taken the trouble to go through the solemn form of naturalisation, which to the lawyers means so much, and to the person who wants naturalisation often means so little—just a coat that he puts on with much less trouble than he would put on a coat for which the tailor was fitting him... He did not take the trouble to go through the form. War came and suddenly Mr. McKenna discovered that Baron Bruno Schroeder was absolutely necessary to the financial stability of this country.

Well, I am a banker—a country banker that is all, but still I know some little bit about finance,—and I have always been astonished how it was that Baron Bruno Schroeder, who had been here all these years before the war without taking the trouble to be naturalised, suddenly, in a few days after the war had broken out had to be naturalised in order to save the financial stability of this country. A week ago I saw in *Through German Eyes* in *The Times* this extract from a German paper which told me, and I will also tell your Lordships if you happen to read it, what the real state of the case was. The *Neue Freie Presse* said:—

"Among the naturalised was the German banker Schroeder, England's greatest private discounter. If he had not been naturalised he would have been shut out of the support action of the Bank of England at the beginning of the war, and although perfectly solvent would have had to declare himself unable to pay—"

I stop there for a moment, if I may my Lords. Therefore it was to save Baron Schroeder and not to save British finance. Of course the Bank of England stood at the back of all great bill discounters; the bill discounters would have gone down—we all know that—to the tune of millions every one of them, and would have precipitated a terrific financial crisis in this country. What is the good of Mr. McKenna telling us that Baron Schroeder was necessary for British finance? Naturalisation was necessary to Baron Schroeder in order that he might come under the wings of the action of the Bank of England. Otherwise he would have gone down. Let me finish the quotation from the *Neue Freie Presse*—

"and although perfectly solvent would have had to declare himself unable to pay; that again would have meant a shattering upheaval of the whole City."

I suppose the *Neue Freie Presse* means this—Baron Schroeder, a great bill discounter, a great German bill discounter in London; war came and the Bank of England said: "We will stand behind the British bill discounters." Baron Schroeder was not a British bill discounter. He was a German. So, Mr. McKenna naturalised him. Then he came under the aegis of the Bank of England. If he had not, the Schroeder ninepin would have gone down; and I suppose the *Neue Freie Presse* means that the Schroeder ninepin would have brought down a lot of British ninepins besides. That is all. It does not mean that Baron Schroeder was necessary to British finance. It means it was necessary for Baron Schroeder to have the protection of the Bank of England. In those circumstances—and I can see in view of this quotation, that is the real meaning of Baron Schroeder's naturalisation—ought he to have been naturalised? I say emphatically to your Lordships, "No." Recently he has been before the public by his exploits in the coal direction. He has almost become the coal king, considering the amount of coal he has been allowed to purchase where we poor ordinary British people have had to go without. We have been apologetic to him in the matter of his nationality—"Please Baron Schroeder come and be naturalised, and save British finance, and please Baron Schroeder have as much coal as you like, the more the merrier, you are so necessary."

May I take another case in a different connection? It is the case of quite as big a man, perhaps more dangerous—Sir Edgar Speyer. Has he got one nationality or two? As I understand and I believe it to be the fact, until the Delbrück Law came in—the present Home Secretary is quite right in his explanation—you could have two nationalities. In fact, every German who was naturalised before January, 1914, had a German nationality and a British. Well, Sir Edgar Speyer had two nationalities, and after the war began, your Lordships will remember with pain—everybody will remember with pain and shame—that he metaphorically, almost actually, threw his Privy Councillorship into the Sovereign's face—this man with two nationalities! Imagine if you can the views and sayings of Sir Edgar Speyer at the beginning of the war. Where did his sympathies lie? Let us judge him by his actions. He throws his Privy Councillorship in the Sovereign's face, and his Baronetcy as well; and are we not justified in saying that his sympathies, by that very action, showed themselves to be German and not British.

I take another case from another angle. It is interesting to look at them from different angles in view of our knowledge now...

And last, but not least. Here I speak, not with any doubt and I do not want to bring in names unnecessarily, but I must; I feel it is my duty, and I am here to do my duty. I must mention Sir Ernest Cassel—*must*—although his course of conduct has been admirable since the war began. He, like Sir Edgar Speyer, is a German undiluted, nothing but German blood in his veins. Ought he to be a Privy Councillor? If I were addressing your Lordships in private conversation I am perfectly certain that every one of you must have the same opinion that the man in the street has—namely, that a man of undiluted German blood ought to find no place in the councils of the Sovereign. Here

again, there is this double nationality. "Once a German always a German." He has got a German nationality and a British nationality, but the great call of the blood must come in. In this great world struggle the whole fate of Germany depends on the issue, just as the whole fate of ourselves depends on the issue; and in that terrific series of moments which have made up the last four years do you suppose Sir Ernest Cassel's breast must not have been torn with a conflicting duty. Perhaps he wants to do his duty to this country, but the great call of the blood has come in. He is a German first and last, and all the time, and education is never going to stand against that. We have been wrong in ever putting him in that position... It ought not to have been possible for him to have been a Privy Councillor. I do not blame him; it is not his fault. It is our law. We have been so lax, and so negligent, such friends to every country except our own.

But now the time has come when we must draw the reins tight, yet you bring in this nerveless and apologetic Bill. Sweep the slate clean. Let every German naturalised make his case good. Length of time in this country makes no difference, neither does age. There is a case in the Courts at this moment. Naturally I do not mention it, but it is in all your Lordships' minds. It must be. It does not matter if a person has been naturalised fifty years if the call of the blood is there. I must not trespass upon your Lordships' indulgence longer than a few moments.

I do not know whether this Bill is open to improvement. I see one of the great pillars of the law sitting immediately opposite, the noble Earl, Lord Halsbury. When I was Registrar of the Privy Council many years ago I conceived for him that veneration which I still hold for him, I need hardly say, to-day. The noble and learned Earl will tell us perhaps whether this Bill is capable of real amendment in Committee. It has been so wrongly conceived, so wrongly cast, in my opinion, that it is almost impossible to amend it adequately without turning it topsy turvy. But half a loaf, a quarter of a loaf, an eighth part of a loaf, or 90 per cent. of dilution is, I suppose, better than none at all... The other House comes and goes. At this moment it does not represent public opinion and everybody in the House knows it. They have overstayed their welcome. They are not the mirror of the nation. You my Lords have your splendid independence, and if on the whole you feel that you ought not to alter this Bill at this eleventh hour and fifty-ninth minute of the Session, then I hope that you will make it clear that this must only be the first instalment, and that something virile is demanded by the people and by your Lordships.

The Earl of Halsbury: My Lords, I desire to express my entire concurrence in what the noble Lord has been saying,...

Earl Grey: ... This Bill does not lay it down that "suspects shall" be so treated... The Secretary of State is given power "if he thinks fit." He "may" do certain things "when it appears to the Secretary of State that." It is purely optional all through. And therefore the effectiveness of the action which this Bill is intended to ensure, depends entirely upon whether the Department entrusted with its execution is going to follow the line, which has apparently become customary, of demanding accurate and sustained proof of malignity, and that until it gets

it everybody is to be looked upon without suspicion. It is not the individual character of aliens that is the real ground for our suspicions, it is the known policy of the German Government. We know that the German Government does not hesitate to use its subjects in whatever country they are; it uses them as its servants, as has been proved over and over again. The more upright we may consider an alien, as long as he is under the influence of the German Government the more dangerous he is to this country. I hope sincerely that we shall be successful in strengthening this Bill, otherwise the suspicion which undoubtedly exists, and with very good cause, in the country will not be allayed, and the Government cannot afford to create suspicion against us at the present time.

Lord Stuart of Wortley: My Lords, I recognise that this Bill is brought in really in consequence of popular pressure which has in the end, and after a long time overcome what, putting it at its lowest, I will not call by any worse name than the *vis inertiae* of the Government. We have to thank previous Governments for the existence of much of this popular dissatisfaction, because at the beginning of the war I remember that the Home Office issued on the subject of espionage a manifesto that was ridiculous and fatuous in its optimism, about all spies having been absolutely annihilated so that everybody could sleep in their beds, and all the rest; but the public, having had the best of all reasons to see that that was a ludicrously sanguine misdescription of the state of affairs has been very much dissatisfied ever since...

Lord St. Davids remarked that this state of naturalisation was not to be described exactly as a state of contract. Probably he is right as a matter of accurate definition but nobody would deny that it gives rise to a situation which is analogous to a state of contract. The true description of the relation would be to say the analogy to a state of contract is certainly not an analogy to a unilateral contract. It is a contract of bilateral and reciprocal obligation. It is a contract in which the value given is value of the very highest kind. We all remember what it availed to a certain Jew of Tarsus when he was able to say *Civis Romanus sum*, and we can recognise that there is one merit in this Bill, that at all events it aims at uniformity of legislation between this great country and the great Dominions which with this country, form a family of free nations.

It is right that the Bill should surround the grant of this privilege with every protection that is right and every protection which is deserved. But deserved by what? Deserved by loyalty to the terms of the arrangement into which the state has entered. Obviously it is right that, where there has not been the loyalty there should be withdrawal of the privileges. That we have been slow to withdraw them is certainly not to our discredit as a great free nation, claiming to be of the most civilised of all the nations. Now let us look at the state of civilisation of the country with which we are at issue. The Home Secretary in announcing the policy of the Government with regard to aliens said that there were new circumstances which made the situation more acute, and one of these was the tendency of aliens to supplant in their businesses Englishmen who have gone to the war. My noble and gallant friend Lord Beresford remarked that there appears to be a growing practice on the part of the Germans to seek naturalisation not in the United Kingdom but in neutral countries, and thereafter to

pose as Swiss, or Danes or Swedes and to get hold of the businesses of Englishmen who have been called up for service and take their goodwill from them.

This gives me the opportunity of pointing out what I think is the direction in which it is most important that this Bill should be amended. I intend to put down an Amendment in Committee to sub-clause (f) on page 2 which recognises at last—I say advisedly—at last—that a man ought not to be naturalised or continue to enjoy naturalisation who remains a subject of a State at war with His Majesty which does not regard naturalisation within the British Empire as extinguishing his original status. I should prefer to move out of that sub-clause (f) the words “at war with His Majesty,” and for this reason. We ought to claim that this practice on the part of Germany of trying to set up a divided allegiance is an uncivilised practice of which an unneighbourly use has been made all through the period of this war, and for many long years before...

... Our doctrine is that there should be the greatest freedom in these things; that foreigners who come to seek naturalisation from us should encounter no difficulty or obstruction save what they create by their own ill-conduct; and if we have a foreign state which, as a means of controlling the conduct of people who have accepted another citizenship, tries to maintain what I have described as this unneighbourly kind of law, I hope that this legislation will make their efforts useless.

Lord Sydenham: ... But what astonishes one so much is the ignorance of the Government of the things that are going on. My noble and gallant friend alluded to the Mertons. The Merton's branch in Australia has been entirely broken up, I believe; but the Mertons as everyone ought to have known, before the war was the greatest of all the branches in Frankfort which were getting control of the metal trade of the world; and I think I am right in saying that for a year and a half after war was declared the Mertons were the Government brokers. ... However, whenever you try to follow up a case you come up against an impalpable something, which you cannot describe, but which means that no steps can ever be taken. It is perfectly true that there is protection of Germans in this country—I trust that some day we shall know—where that source of protection is...

(To be continued.)

RECONSTRUCTION

The "Glasgow Evening Times"

Articles of May 1932

on Social Credit

By Major C. H. DOUGLAS

Price 6d. (Postage extra)

From K.R.P. PUBLICATIONS LIMITED,
49, PRINCE ALFRED ROAD, LIVERPOOL, 15.