

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 12. No. 21.

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

SATURDAY, JULY 29, 1944.

6d. Weekly.

The Brief for the Prosecution

By C. H. DOUGLAS

CHAPTER XI*

Speaking in the Canadian House of Commons on February 2, 1944, Mr. W. F. Kuhl, M.P. (Social Credit, Jasper-Edson) quoted from the Speech from the Throne as follows:

"Such a national minimum (of social security) contemplates useful employment for all who are willing to work." The curious resemblance to a P.E.P. manifesto is noteworthy.

Commenting on this paragraph, and others to the same effect, all of which are similar (even in literary style) to official statements of policy appearing simultaneously in every Dominion of the British Empire, as well as in Great Britain itself, Mr. Kuhl said:

"I have yet to hear any individual, either on the Government side or on the opposition benches, indicate what he means by full employment. . . Why do we have an economic system? Judging from most of the speeches I hear both in and out of the House, the complete purpose of an economic system is to keep people at work. . . I wish to dissent completely from that point of view. . . I assert that the purpose of an economic system never was, is not, and never will be that of providing jobs. . . the only sound, sane, sensible, logical and legitimate purpose of an economic system is to provide the maximum amount of goods and services with the minimum of work and trouble. . . it is not "work" that anyone objects to, much; it is being compelled to work either by Government or nature. . . When a Government, whether it be this Government or any other, seeks to compel the people of the nation to work, whether it be on public works or work of any other kind, then that Government is imposing a condition of slavery upon the people. The Work State is nothing less than a slave state.

"I wish to say with respect to private enterprise that I do not consider it the duty or obligation of private enterprise anywhere to provide jobs. . . there is a lot of criticism being made of private enterprise to-day. The only thing I can see wrong in private enterprise is the abuse of it. . . when the socialists contend that the way to deal with the abuses of the private enterprise system is for the nation to take it over, that is equivalent to saying that we ought to abolish freedom lest it be abused." Mr. Kuhl then demon-

strated that the agency through which the private enterprise system was perverted was the financial system, whose defects would remain unaltered by the abolition of private enterprise, and could be rectified without nationalisation.

While to the minority who have avoided the political economy of the London School of Economics in devoting serious attention to the problems which it obscures, there is nothing in Mr. Kuhl's speech to arouse comment beyond its clarity, it is probable that to the general body of the public such sentiments would appear at the best eccentric, and at the worst subversive. The idea that a leisured class is decadent, and therefore, *a fortiori*, a leisured nation is a nation lost, has been so carefully injected into common consciousness, that evidence to the contrary is powerless to inspire reconsideration of the patent fallacy. It is not so much that an inner ring of clear-sighted and immensely powerful men realise that "employment at a fair wage" is the key to the universal serfdom which they are determined to impose on the world, which is dangerous; it is that large numbers, perhaps the majority of the electorate are nearly incapable of conceiving of a better condition in life. There is not a newspaper of large circulation, no matter what its alleged politics, which does not stress "the necessity for full employment" while at the same time either openly or covertly hinting that bare workhouse maintenance, if that, will be allowed to objectors.

The point is one of major importance. It is not work, or even the proceeds of work with which the planners of the Servile State are concerned. It is that everyone shall work *under direction*. The conception is identical with that of the Great German General Staff.

As it has been suggested earlier in these pages, there are sound technical reasons for regarding the large monopolistic structure of industry, with its universal wage and salary system, as being economically defective, and it is therefore all the more significant that, with a technique which, as such, must exact admiration, the whole body of controlled propaganda contrives to ignore the elementary dilemma in which the planners are placed. Either the factory-world and the mechanised farm are effective in producing an immeasurably higher standard of living under more pleasurable conditions, with much less labour, or they are not. If they are, why more employment? If not, why pursue the policy?

When the Archbishop of Canterbury, Dr. Temple, said "We need supremely the control of human purpose" he merely voiced, doubtless without realising it, the views of the world dominator everywhere. The only distinction which can be legitimately drawn in Power Politics, of which the Archbishop's phrase is a synopsis, is the relative degree of progress to the goal of domination, and in this, the Great German General Staff represents the summit of achievement

*The extracts now being published in *The Social Crediter* from Major Douglas's forthcoming *The Brief for the Prosecution*, of which the first appeared on May 13, 1944, are published with a view to the existing situation, and not in the sequence or detail in which they will appear later.

up to the present. To what extent the United States of America is briefed, under the same essential direction, to assume the major role is not so apparent as it was some time ago. There is nothing like the same homogeneity either of race or sentiment as in the case of Germany.

But in any case, the important point is that the object of Power Politics is Power. It is sheer delusion to suppose that men ultimately mould an organisation. The exact contrary is the case. The *effective* man is moulded by his pursuits, and the only result of a dichotomy between a kindly, tolerant, individuality, and a power social and economic system is nervous instability; a fact of which the Germans are both aware and resentful. The well known remark, "We Germans will never be gentlemen, and you British will always be fools" was, in the sense in which it was intended, a scientific statement of fact.

But it must be conceded that we have been brought to a difficult situation. The wage system could have been quite a good form of organisation if it had not been perverted in two major directions. The first, and for some time the lesser evil of it was that a man became an employer of labour by accumulating "savings," miscalled capital, with which to finance a new production venture, and the "savings" system was and is an economic fallacy resulting in restricted distribution. But a far more serious evil developed with the removal of the guild control of wage rates, accompanied by the systematic debasement of the unit of currency by the financiers. This was the inability of the wage-earner to contract out of a starvation wage. It is this inability to contract out, which has enabled the plotters to staff the police forces, reaching their apex in the Russian OGPU and the German Gestapo. It is by police power that the serfdom of the world, the Socialist State of Sir Ernest Cassel, Sir William Beveridge and the other surprising allies of the submerged tenth, is to be maintained. Everything will bear a façade of legality. It is interesting to notice the resemblance, amounting almost to identity, between the methods of expropriation employed in Great Britain since 1931, under the direction of P.E.P. and those employed by Hitler. In his revealing book, *The Germans and the Jews*, the Jewish writer, F. R. Bienenfeld, remarks "The tactics which Germany has adopted towards the Jews are no longer those of the mediaeval pogroms. . . First it is made clear to the German people that the Jew is the attacker and that the peace-loving German Government is only defending itself. Whereupon, no illegal spoliation takes place, but the law, justice itself, organises robbery. . . The property of the Jew is not confiscated, but under threat of imprisonment he is made to sign an agreement by which he sells it voluntarily for one-hundredth part of its value. . . the fact that the property is sold on the same day to an Aryan at its full value and that the Aryan has to pay two-thirds of its full value to the German State is given a legal justification." (Foreword, p. xi).

That is an almost exact description in essence of the methods employed in the last twelve years to expropriate the ordinary British property owner and is almost word for word the proposal of Lord Hinchinbrooke and his so-called "Progressive Conservatives."

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THE AIMS OF EDUCATION

By Dr. BRYAN W. MONAHAN

1. THE DIRECTION OF EVOLUTION. It is quite possible that, left to itself, science would have exhausted its materialistic aspect, as a point of view, in a shorter time than it has—an observation suggested by the increasing signs of present exhaustion, and some consideration of the development of psychology. It has not been left to itself, for science is manifested through scientists, who cannot help retaining those human characteristics which respond to propaganda, however subconsciously. Science is not, of course, a *thing*; it is a method, and materialism is not inherent in that method. On the other hand, science is implicit in materialism, and materialism has been propagandised; materialism, in fact, is probably better conceived as propaganda than as philosophy.

Science as a method was bound to be applied to the study of behaviour, and no doubt must have revealed quite shortly that while a materialistic description is applicable to the mechanical aspect of behaviour, something else is left over, just as in Douglas's analogy there is something that is not comprised in the description of the towers, wires and machines of an electrical power system. Everyone knew that quite well until propaganda distracted their attention from the obvious; nevertheless, psychology soon rediscovered it. Progress from that point might have been rapid and genuine had not Freud's teaching been propagandised, thus diverting attention from the disclosure, and subsequently the satisfactory exoteric and systematic formulation, of a vast field of occult knowledge.

In the present state of our language, largely the result of newspaper "education," it is difficult to give a name to that "something" without suggesting ideas which one does not intend to convey; but there is an aspect of the "something" which can safely be named, and which is *accessible to the observation of everyone within himself*: Purpose. Quite apart from its manifestations in others, which to some extent lend themselves to mechanistic interpretations, *purpose is also a subjective experience*, the contemplation of which may lead to a comprehension of other aspects of the "something." But whether it does or does not, the perception of purpose alone is sufficient to reveal our bodies as instruments of our purpose.

If one "lines-up" one's *out*-look from this concept, one can perceive a number of relations holding in Reality which perhaps were imperceptible before. Looked at from the point of view of the subservience of mechanism to purpose, the outstanding connection of the facts of organic evolution leading to Man is the development of what I shall call *libility*. From this point of view, genetic evolution, facts of which have been ascertained, has a different importance from its importance in the purely biological (in the narrow sense) point of view. What is impressive in genetic evolution is the remarkable uniformity of structure, for each species, which is transmitted by its mechanism. Such adaptation to environment as it provides is but slow. But adaptation to environment is a negative concept, from the point of view of purpose, and contrasts with *domination* of environment, which expresses purpose. Purpose thus aims to set the individual free of the necessity of mere passive

adaptation at several generations remove.

Underlying the stretch of evolution of which Man is the present product, we see a "catching-up," as it were, of purpose over mechanism. Genetic evolution in the man-line (but not in all evolutionary lines, if in any other) has produced an increasingly labile organism, so far as potentialities of behaviour are concerned. There is hardly an item of behaviour which does not have to be learnt by the developing human individual; indeed, some infants even have to be taught to suckle—*i.e.*, how to make use of their suckling reflex. To say that all men walk alike means little, because walking is one of the least of the things a man can do. The perfection of the acrobat is a measure of what man can achieve in one direction, and the tensor analysis in another.

Evolution means, for man, the setting free of the individual from the slow certainty and sporadic accidents of genetics. Individual purpose has been progressively emancipated by the provision of an increasingly flexible instrument. What a man is and becomes, depends on purpose—his own, or another's. But *this whole trend of evolution can be understood, has meaning, only from the point of view of immanent sovereignty*, whether or not this has a transcendent component; sovereignty of purpose as an aspect of a more comprehensive reality.

The evolution of man, therefore, is almost the opposite of what is generally assumed. The human individual, as born, is hardly adapted to his environment at all; for years he cannot even exist without the assistance of others. Practically speaking, only his vegetative functions work automatically, to begin with; what other abilities he achieves, perfects, and relegates to a condition of relative automaticity ("the unconscious") depend on purpose—his own or another's. It is at this vital (living) point of acquisition of abilities that free will operates. What a man is at any moment he has just become; he is, at each instant, the latest integration of a continuous series of decisions between alternatives.

That the problem essentially is not one of adaptation to environment is clear from the fact that other animals, perhaps without exception (unless man has interfered), are far more perfectly adapted, with a perfection that ties them all the more to their environment. The biological problem was—and still is—to produce a material structure in which the physico-chemical properties of matter, which of course must be accepted as given, increasingly serve purpose, just as the properties of concrete and steel serve the purpose of the engineer, for example. In other words, the explanation of evolution is not adaptation to environment, but adaptation of environment. The perfectly adapted creature is, in fact, from the point of view of purpose, a failure; it is to the creature with a problem (*pace* Freud and Adler) that we must look for progress.

Purpose is served by the genetic mechanism especially as regards structure; but there is another mechanism parallel to it, and in man of immense importance; it may be called External, or non-genetic, inheritance, in contrast to internal, genetic, inheritance. Probably it is synonymous with what is called the cultural tradition, in the comprehensive sense of these words. The cultural inheritance exists among animals—though to what extent we do not know—so that we are not dealing with anything specifically human; but in humans its significance is so much greater that it amounts

almost to a difference in kind. And that is why lability is such an important achievement—it allows culture to superimpose on the genetic structure greater and greater modifications *within the life-time of the individual*.

Probably the most important embodiment of external inheritance is language, and perhaps the shortest way to grasp the significance of external inheritance in relation to internal, or genetic, heredity is to consider the difference between normal man, and the untrained, and trained, deaf-mute.

The existence of this external inheritance is the reason for the differentiation of various human groups, far more rapidly than can be accounted for by any genetic changes. It is also the reason why writers such as Julian Huxley and such geneticists are able to pour scorn on "racial" theories. On the genetic basis they are right; on the cultural they are wrong. In man, it is cultural inheritance that is decisive. That this is so is apparent if one considers the development of which negroes are capable in, for example, America. Genetically the negroes are different enough from other groups to be classed as a distinct race; yet the *effective* difference between the American negro and the native negro is far greater than between the American negro and the American white. Again, Americans have differentiated into a type, almost into a race, despite their genetic impurity, and in a much shorter time than would permit of genetic stabilisation.

It is important to realise that external heredity is just as *real* a thing as genetic inheritance; it has a definite mechanism, and this mechanism has its own laws. It is, further, interconnected with the genetic mechanism, and together these mechanisms subserve purpose. Now, *the direction of evolution is shown by the progressive shift of emphasis to the external heredity, with a correlated increase, through the genetic mechanism, of lability. The direction is towards an increasing mastery of individual purpose (it is manifested in individuals) over mechanism.*

(To be continued)

"NeVer Again"

The "NeVer Again" Association, of which the Secretary is M. Sturdy-Smith, 13 Wanstead Road, Bromley, Kent, has chosen an appropriate moment to institute the publication of a series of booklets explanatory of the Association's objectives:—(1) Victory, (2) Peace and Security, (3) The Retention of Complete Sovereignty for the British Isles and the Empire, and (4) Punishment of War Guilt.

Their aims are stated in a slightly amplified form inside the cover of the present booklet. (4), for example, reads: "Punishment of War Guilt. To obtain information that will permit the identification and punishment of individuals primarily responsible for the emasculation of British Military power, and the financing of National Socialist Germany, in the years 1915 to 1940, and under all Governments."

Douglas Reed, Eric Kempson and B. M. Palmer are the authors of the first instalment and deal with *Sovereignty* in a manner of which we heartily approve. The booklet costs sixpence, and it is hoped to cover the whole field of national and personal sovereignty in later booklets suitable for binding in one volume.

THE SOCIAL CREDITER

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: *Waverley 435.*

Vol. 12. No. 21.

Saturday, July 29, 1944.

FROM WEEK TO WEEK

In *The Times* of July 18 there were letters from two correspondents, one at Durham, and one at Lincoln, complaining of the proposed large power stations at both places.

The complaints were based on aesthetic and artistic grounds; but, as will be seen from a forthcoming chapter of Major Douglas's book, *The Brief for the Prosecution*, the whole question of the unexplained expansion, to gargantuan proportions, of the electric power industry demands a radical explanation.

There are three which are possible:—

- (1) It is a racket of the international electrical interests.
- (2) It is simply preparation for the next war.
- (3) It is a preparation for "forced exports" which will make the next war certain.

Whatever the reason, it is certainly not the successful prosecution of this war.

• • •

So far as our knowledge of history will carry us, there is no instance of a supposedly sovereign institution being brushed aside so contemptuously as is the case with the present House of Commons. Not once, but several times in the last year, assurances have been given that no major commitments on monetary policy would be made without full discussion by Parliament. Unless the following cable, which appeared in the Australian Press at the end of April, has been more modified than we have been permitted to learn, the function of the High Court of Parliament has been reduced to that of the Fuzby-on-the-Mud Debating Society:—

"The U.S. Treasury has announced that the 34 nations which are participating in the currency stabilisation conferences at Washington have agreed to the basic principles of an 8,000 million dollar (£A2,560 million) international stabilisation fund based on gold.

"The United States, Britain, and Russia would be the chief contributors to the proposed fund, the United States contributing between 2,500 million and 2,750 million dollars (£A800 and £A880 million, Britain contributing 1,250 million dollars (£A400 million), and Russia 1,000 million dollars (£A320 million).

"The American Associated Press says that the agreement is a clear-cut American victory over the British Keynes

Plan to relegate gold to a minor role in favour of pre-war trade quotas as a basis for voting power. It is understood that Russia supported the American stand.

"The major points proposed in the plan are:—

"(1) Voting power will be distributed in close relation to the quotas;

"(2) Members are to subscribe at least 25 per cent. of their quotas in gold, except for small gold-holding countries who may put up 10 per cent. in gold and the balance in local currencies, and the United States, which will pay its quota exclusively in gold;

"(3) The par value of member countries' currencies will be determined when the member is admitted, and will be expressed in terms of gold;

"(4) Members will be permitted to retain wartime exchange controls, with the understanding that they will gradually be relaxed;

"(5) Members agree not to buy gold at prices higher than the parity of their currency, nor sell at lower prices, nor engage in discriminatory currency arrangements or multiple currency practices without the approval of the fund;

"(6) The fund will buy and sell gold and currencies in order to prevent undesirable fluctuations in relationships between currencies and in order to promote trade.

"The fund also could provide one member with the currency of another in exchange for its own currency or gold, and could also offer gold to a member in exchange for currency if a member needed gold to maintain confidence in its money.

"The purposes of the fund as stated in the experts' announcement are:—

"(1) To provide a permanent institution for international consultation and co-operation on monetary problems.

"(2) To facilitate the balanced growth of international trade, and contribute in this way to the maintenance of a high level of employment and real income.

"(3) To make the fund's resources available to member countries under adequate safeguards, thus giving time to correct maladjustments in their balance of payments without resorting to measures that would destroy international prosperity.

"(4) To promote exchange stability, maintain orderly exchange arrangements, and avoid competitive exchange depreciation."

CENTRALISATION OF ELECTRICITY

According to the *Liverpool Daily Post* for July 19, Liverpool was brought "to a dead stop" the day before between 11 a.m. and the middle of the afternoon by a fault, not in itself serious, "at a place which affected both the city's own electricity supply and that carried into the station by the grid system."

The whole city was affected almost at once. Trams stopped. The Overhead Railway stopped. Machinery stopped. Lifts stopped. Cooking equipment stopped. Cinema performances stopped. Women's hairdressing stopped. Lights went out. X-ray and other hospital plant failed, and examination of battle casualties from Normandy had to be postponed.

GOVERNMENT POLICY

House of Commons: July 18, 1944.

NORTH OF SCOTLAND HYDRO-ELECTRIC BOARD (FINANCE)

The following Question stood upon the Order Paper in the name of Captain W. T. SHAW:

To ask the Secretary of State for Scotland if he has given authority, or proposes to give authority, to the North of Scotland Hydro-Electric Board to raise money to finance their first constructional scheme.

Captain Shaw: This Question was addressed to the Chancellor of the Exchequer as it deals with the authorisation of loans and new issues. At the request of the Secretary of State for Scotland it was transferred to him and I have been told by the Treasury that the Clerks at the Table have been informed of this. Can you tell me, Mr. Speaker, if there is any protection which can be given to Private Members against the wiles of the Executive and the bureaucracy?

Mr. Speaker: This is an old complaint. A Question is put down and the Minister most responsible is always called upon to answer it. Private Members cannot say that certain Ministers shall answer their Questions. They ought to see that they put their Questions down to the right Ministers.

Captain Shaw: Am I to understand that the Secretary of State for Scotland is now responsible for financial issues in this country?

The Secretary of State for Scotland (Mr. T. Johnston): I will answer the Question first. Public notice was given on June 30 that the Board's first constructional scheme, covering projects at Loch Sloy, Loch Morar, and near Kyle of Lochalsh, has been approved by the Electricity Commissioners, and that any objections to the scheme may be submitted to the Secretary of State during a period of 40 days ending on August 11. The scheme will then be considered together with any objections received, and if it is confirmed, with or without amendment, it must lie before Parliament for another period of 40 days before it can come into effect. No application for consent to the raising of the capital required for the scheme has meanwhile been submitted.

In reply to my hon. and gallant Friend's other Question the responsibility under the Act of 1943 is mine.

Captain Shaw: Can the Secretary of State raise the money without the consent of the Treasury; and have the Ministry of Works and Buildings and the Ministry of Labour indicated that material and labour will be available for these schemes?

Mr. Johnston: To the first part of the supplementary, the answer is, "No, Sir." It must be done with the approval of the Treasury. As to the question whether materials have been made available, the answer is in the affirmative.

Captain Shaw: Is the Secretary of State aware that on September 10 he said that the Ministry of Labour and the Ministry of Works and Buildings said that no labour or material would be available for this work for the duration of the war; and has the right hon. Gentleman changed his opinion now?

Mr. Johnston: No, Sir.

PEACE TERMS (GERMAN PEOPLE)

Mr. Rhys Davies asked the Prime Minister whether the Allied Powers, in deciding upon the policy of unconditional surrender for the enemy, envisaged the possibility that rather than submit to the consequences of such a policy, the workers in Germany before or after the conclusion of hostilities, might overthrow the present Nazi Government and establish a Communist régime instead, following the example of the Russian proletariat against Tsarism at the end of the war of 1914-18; and are the Allies prepared for such an eventuality.

The Prime Minister (Mr. Churchill): Yes, Sir.

Mr. Davies: If the point was considered by the Allied Governments of the possibility of the emergence of a Communist Government in Germany with the overthrow of the Nazi regime, may we take it that His Majesty's Government will not act, towards a Communist Germany as the right hon. Gentleman and his Government did when the Bolshevik regime emerged in Russia at the end of the last war?

The Prime Minister: I should not like to go into this matter, but I am quite sure that German criminals have no right to escape merely by suddenly embracing the Communist faith.

Mr. Austin Hopkinson: Can the Prime Minister tell us the exact difference between a Nazi and a Communist regime?

The Prime Minister: I really could write quite a short brochure on the subject.

Mr. Davies: Would His Majesty's Government and its Allies' Governments welcome the emergence of a Communist regime in Germany?

The Prime Minister: I think it is not at all helpful or useful to put a number of complicated hypothetical questions on these matters. I think we had better get on with our work.

EMPLOYMENT POLICY

Commander King-Hall asked the Prime Minister whether His Majesty's Government is taking any steps to continue the National Government which is necessary if the economic ends, mentioned in Cmd. 6527 on Employment Policy, are to be achieved.

The Prime Minister: I am not thinking of bringing the system of compulsory service, or even the power of direction to civilian work, into the political theatre.

Commander King-Hall: Is not my right hon. Friend aware that it is impossible to separate the economic ends, set out in the White Paper, from certain political means to bring them about? Will he give the House his opinion on whether, as a result of experience—

Mr. Speaker: Opinions may not be asked for in a question, but only facts.

SUPPLEMENTARY VOTE OF CREDIT, 1944

During the Debate *Mr. Pickthorn* (Cambridge University) said: I had not meant to trouble the Committee to-day, and I do not now wish to make a formal speech—hardly

even a connected one. On the other hand, much of what has been said has tended to come from a particular angle of criticism, and I think it would be unfortunate if some attempt were not made to balance it. I would not say that, in these distinguishable matters, the discrimination which I make is the right one, but I do think that there is a discrimination to be made on some of the points most vehemently made from the other side, and it is one that, I think, can usefully be made from this side. I wish to say how much more I agree with the last speaker [Mr. Davies] than I might, normally, be expected to do. The thing on which I most disagree with him is his curious assumption, which he made from the beginning, that a member of a Christian community must regard death as the most decisive of all considerations. That seemed to me a very odd assumption. I disagree also with his assumption that we thought Hitler was universally popular in Germany. The hon. Member derided us for thinking so. I think that until recently, Hitler was very popular in Germany, and I think it is probably true, even in these days, that he is as popular in Germany as our Prime Minister is here. I think we make a great mistake if we are not aware of that. I was glad to know from my hon. Friend that, in the German tongue, the Atlantic Charter means something, because in English, I have never succeeded in getting very much out of it.

I wish to comment on the remarks of the hon. Members for Ipswich (Mr. Stokes) and Ebbw Vale (Mr. Bevan). The distinction which I would make between policy and propaganda is this. I believe the hon. Members to be wholly mistaken in their views about propaganda, even if you call it political warfare. Warfare is political killing, and, by doubling up the epithets and calling it political warfare, you do not get any further. In my judgment, propaganda is a vulgar and undignified activity, and also an ineffective one. If I may give my credentials for expressing that opinion, I would say that I spent 1918 as the assumed expert in the War Office on the internal condition of Germany, and I did, then, know everything that anybody knew about it. I have no doubt at all that our propaganda had no effect at all on the course or finish of the last war. That was a legend which was invented; it suited the Germans and a great many people here. I would not withhold any of the money of this Vote because the Government are not doing more in the way of propaganda, but I think we are entitled to criticise, and likely to be a little more dissatisfied on the ground that the Government are not doing enough in the way of explaining their policy—which is not the same thing as propaganda. It is true that, in the early part of the war, we fought because we had to fight. It was a purely defensive war. The only war which we may be sure is right is the purely defensive war, but now, when we have got to this stage, we ought to be able to explain some of the advantages of a positive kind, for which we are fighting.

...I think we should distinguish with extreme care between armistice terms and peace terms. I agree in disliking the phrase "unconditional surrender," and I did not learn to love it any more, when it was explained to us that it was synonymous with "honourable capitulation." That seems to me a most gratuitous way of spoiling language. As to the armistice terms, they should be based on a surrender. I would not use the epithet "unconditional." It is easier to sign on the dotted line if the dotted line is there first. Above

all, I ask the Government to consider this point. The armistice terms ought not to be the subject of the binding peace settlement.

Mr. Stokes: I never mentioned armistice terms in the whole of my speech.

Mr. Pickthorn: I have already apologised. I am pretty sure I am right about the hon. Member for Ebbw Vale. My point is that it is a modern technique of democracy that no great question shall be decided except by popular consent, and also that no great question shall be put, until the terms of it, and the conditions in which it is put, are such that only one answer is possible. One of the technical forms of this new democracy is this business about White Papers and so on. It is the technique of saying (a) "The time is not ripe" or (b) "We have sold that pass." I am afraid that technique might be carried into foreign affairs.

The Deputy-Chairman: I am afraid this is becoming far too much a lecture, rather than a speech dealing with the actual vote.

Mr. Pickthorn: I am sorry if I am too logical. There was once a proposal to endow a Chair of Logic in my university, and a member of the Senate suggested that, instead of spending the £1,200 on that, it would be better to split up the money, and give £50 to each of the other professors, on the condition that they were logical. He was very much laughed at at the time, but I have always thought that he was in the right. If I can do so without offending your Ruling, Mr. Williams—which I would be the last man to do—I think we ought not to go on indefinitely voting sums of money, even in such small packets as a thousand millions at a time, without being aware of the positive policy of the Government, and I believe that there could be a policy, quite simple, quite honest and clearly expressible, in which almost everybody would agree. I believe that such a policy would very much shorten the war. Indeed, if there had been, all along, such a policy, the war might now almost be over. I would advise the Government not to listen to the siren voices opposite asking them to spend now a larger proportion of this money upon propaganda than they have already spent.

There is one other point which is, perhaps, not in Order, but which is in reply to points raised from the other side, and I hope I may get away with it. It was assumed a great deal on the other side, and most of all by the hon. Member for Ebbw Vale, that there had been interference with the strategic conduct of the war in order to favour parties of a particular political complexion. That may, for all I know, have happened here and there. . .

Sir J. Anderson said: I was about to observe that the Debate had ranged over a very wide field. From my point of view it has been a very interesting Debate, perhaps all the more because many of the points raised are not points on which hon. Members would expect me to comment in any great detail; but I have one or two observations of a perfectly simple character to make on that part of the Debate which has been concerned with foreign affairs, armistice terms, and so forth. First of all, let me say just one word about the subject of propaganda to which, in the earlier part of the Debate, so many hon. Members referred.

I agree with my hon. Friend the senior Member for Cambridge University (Mr. Pickthorn) that it is very important to distinguish between propaganda and policy. Some

of the criticism of propaganda, when you come to analyse it, was really criticism of fundamental policy. I would say, however, that, so far as propaganda is concerned, I do not share with certain hon. Members the view that the word "propaganda" is an unpleasant one from which one should shrink. It had a very dignified and even noble origin—the spreading of faith—of which no one need be ashamed. But if it has not succeeded, for example, in eliminating from the minds of those fighting on the German side the ridiculous idea that if they are taken prisoner, they are going to be maltreated, of course we must go on and try and do better, because ideas of that sort ought to be eliminated.

When you come to the question of policy a very different field is opened up. A good deal has been said by speakers in this Debate about the implications of unconditional surrender, and questions have been asked as to what we were doing—whether we were doing anything at all, whether we were doing it alone, or in conjunction with our Allies—towards settling the details of the armistice terms. Here, again, one must avoid misunderstanding. There is all the difference in the world between armistice terms and the terms of peace. Armistice terms have to be determined in advance, but you can take more time about the terms of peace, and much time will be occupied after this war in settling the terms of peace.

[Interruption by Mr. A. Bevan.]

Sir J. Anderson: The terms of surrender are what I mean by armistice terms. I am going to say a word about that presently. It seemed to me, listening to hon. Members who took this opportunity of giving to the Committee and to the Government their views of these wide topics, that very little account had been taken of what my right hon. Friend the Prime Minister had said on two quite recent occasions. The first occasion was on February 22, when he dealt at some length with the implications of the term "unconditional surrender," and the second occasion was on May 24, when he dealt further with the same subject and gave a general indication of the kind of post-war organisation which the Government had in mind. I wish to assure the Committee that a very great deal of attention has been given to the working out of detailed terms of surrender. In conjunction with our Allies, and at the proper time, public statements will be made on that subject. This is not the time now when discussions are proceeding, but very great attention has been given to that matter. . .

Perhaps I might be permitted to pass to some of the matters raised in the Debate which are more particularly my concern as Chancellor of the Exchequer. [Interruption.] I suggest that hon. Members might very reasonably refresh their memories, as I have done within the last half hour, by referring to what my right hon. Friend the Prime Minister said covering most of the ground which has been covered in to-day's speeches.

Mr. A. Bevan: We do not agree.

Sir J. Anderson: That may well be. . . May I tell my hon. Friend [Mr. O. Lewis] of a talk I had with an Indian dignitary who was speaking about public affairs? He said that in his opinion—and I quote his own language—there were two bloody words; one was "efficiency" and the other "economy," and the less he heard of either the better he would be pleased. I hope there is no hon. Member in this

Committee of that mind.

Mr. Cocks (Broxtowe): What did the right. hon. Gentleman say to the potentate?

Sir J. Anderson: My language did not match his. . .

Now I come to a point made by my right hon. Friend the Member for East Edinburgh (Mr. Pethick-Lawrence) in his opening speech following my initial remarks. I always pay very close attention, as he and the Committee know, to anything that may fall from him. He referred to the request which the Government put forward for a Vote of Credit of £1,000,000,000 as a request for something in the nature of a capital payment. I should prefer to call it a non-recurring payment. Then he went on to say that he hoped that if Governments had occasion to make similar requests after the war, the money would not be grudged when it was no longer required for war purposes. My hon. Friend the Member for Westhoughton raised something of the same point, but I think he was called to Order, perhaps because of the way he put it. I would like to make this observation. As the Committee well realises, we are spending on the war and other public purposes at approximately twice the rate at which tax revenue is being collected. Now we are able to do that because there are savings available which are sufficient to bridge the gulf. If it were not—

Mr. A. Bevan: Priorities—the same thing.

Sir J. Anderson: —that those savings were there, we could still raise the money, but the result of our raising the money would be to create ever-increasing inflation. Now after the war, when money is required for whatever it may be—for capital purposes—we shall still have the same problem, to ensure that the money is there. There may be a limit, there will be a limit, to what can be made available without inflation—I am sure my right hon. Friend will agree with me—for post-war purposes, and where that limit is put depends upon the wisdom of the Government and the discipline and restraint of the people of this country. To the extent to which they are prepared to refrain after the war from unnecessary—perhaps wasteful, but I would say unnecessary—consumption expenditure, to that extent will the amount available for rebuilding our shattered equipment be increased. That is the consideration which we must always have in mind in approaching our post-war problems. Subject to that observation, which I offer in order to avoid any risk of misunderstanding, I certainly agree with the observations of my right hon. Friend. . .

Mr. Austin Hopkinson (Mossley): I wish shortly to deal with the remarks made by the hon. Member for Nuneaton (Mr. Bowles). When the hon. Member was denouncing with the utmost bitterness something which he called "vested interests." He said they were the reason why we were not conducting this war properly and would not get a real peace. I interposed to ask him whether industrial insurance was a vested interest, and he was good enough to reply that it was. In the opinion of the hon. Member and his colleagues, I am the representative of a vested interest but, at any rate, it has in my case morally forced me to become a poor man, whereas in the hon. Member's case his vested interest has been extremely fortunate for him—

Mr. Bowles: Is this in Order, Mr. Williams?

The Deputy-Chairman: I was listening closely. The

hon. Member was answering a point made earlier, and I was waiting to see how far it would develop. . .

Mr. Hopkinson: I had finished the remarks that I had to make. The hon. Member for Nuneaton had made certain definite statements and I interposed by his permission. He then said I had only interposed to create prejudice. I certainly interposed to create prejudice. It was my intention to create prejudice, and I did create prejudice in the mind of the Committee. But that is enough of that.

With regard to the hon. Member's argument, probably the Chair will agree with me that we have transgressed the bounds of relevance on several occasions and the Chair has had to take action but, if I am not mistaken, the hon. Member was quite in Order in his argument. It amounted to this, that it is not worth while spending this large sum of money, unless we can have a Labour Government immediately after the war and that, if we were to have a Government of any other party, except presumably the Communist Party, the money would be wasted. I submit that the hon. Member is quite in Order in arguing that point, and that I shall be in Order in endeavouring to refute his argument. We are, I suppose, fighting the war for one purpose, to prevent the Germans imposing upon us by force of arms a certain way of life and certain political institutions which to our mind are revolting, and we think it worth while to fight to the death to prevent them imposing those institutions upon us. Let us see how Germany came to fall under the domination of Herr Hitler, and how Italy came to fall under the domination of Mussolini, and how Russia came to fall under the domination of Mr. Lenin—three political dictatorships. It came in each instance as the inevitable result of having a Socialist Government before. Not one of these dictators would possibly have attained power unless there had been a Socialist Government before.

The Deputy-Chairman: Here we seem to be getting into an argument on Socialism.

Mr. Hopkinson: May I put this point, Mr. Williams, for your decision in order to show that this is relevant to the argument adduced by the hon. Member for Nuneaton. The whole of his argument was this. "We will not grant this money because we do not think it is worth while to continue the war unless we have a Socialist Government afterwards because, if we do not, we shall not get what we are fighting for and we shall have another war in a very short space of time." That argument ought not to go out from the Committee without some refutation, if refutation is possible. I submit with the greatest humility that I might be entitled within limits to refute that argument.

The Deputy-Chairman: What we cannot discuss are the types of Government and different peoples' ideas of how to govern in these countries. I imagine, if the argument has already been used, that it is not worth while spending this money unless there is to be a particular type of Government, it would be only right to put the reverse side.

Mr. Bowles: I was arguing that this is not purely a military but also a political effort as well, and I do not believe in a secure world peace without a Socialist policy being pursued.

Mr. Hopkinson: By your favour, Mr. Williams, I will proceed a little distance further along that path of refutation. I put it that we should produce exactly the same state of

affairs in his country which inevitably resulted in dictatorship in three other countries, and this £1,000,000,000 might thus very well result in our getting a state of affairs which is the exact opposite of what we went to war to produce. Accusations have been thrown from this side of the Committee at the Government for not being Socialistic enough. What can they expect the Government to do? It has 18B, it has the direction of industry and the control of prices, it throws people from one place to another, breaks up families and removes them from their homes. What more in the way of Socialism could you possibly have?

Mr. McEntee (Wathamstow, West): Is it not true that the majority of the Members of the Government who have imposed this policy are Tories?

Mr. Hopkinson: It is rather difficult to say offhand whether they are or not. There is such an enormous number of Socialist Ministers and Socialist hangers-on of one sort or another that it is almost impossible to say which particular party has a majority. It is most unfair to charge this Government with not being Socialistic enough. Their supporters above the Gangway, who are always saying they want a Socialist regime, are getting a Socialist regime. What more do they want? All the "vested interest representatives" have objected to Parliament being superseded and to laws being made and carried out by Ministers. Every Member of the Labour Party says "the more of these orders the better." Therefore I say it is most ungrateful of that Party to attack the Government. I am attacking them for being too Socialistic, that is to say, for introducing exactly the same system that we are endeavouring to fight against in Germany, and it would be a most tragic thing, after all this expenditure of blood and treasure that we should find ourselves under a Socialist or totalitarian regime such as we are supposed to be fighting against. I hope the Government will pull itself together and, if we grant them all this money for carrying on the war, at least see that, having won the war in a military sense, we have not lost it in every sense that matters.

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Published by the proprietors K.R.P. Publications Ltd., 49, Prince Alfred Road, Liverpool, 15. Printed by J. Hayes & Co., Woolton, Liverpool.