

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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## From Week to Week

Reporting lectures given in *Vancouver* by Dr. J. A. Irving, University of Toronto, and Professor J. R. Mallory, McGill University, Montreal (the "red" permeation of the latter institution in particular, will be recalled) the Canadian Press quotes Dr. Irving as saying, "Manning's realists, [in Alberta] with the support of business in a combined front against socialism, [our emphasis] dominate the party."

Is the lady astride, or inside, the tiger?

Mr. Winston Churchill, we have grounds for asserting, is one of the very few members of either House of Parliament with a grasp of Finance; and his intervention in the debate on sterling balances held by the new Dominions of "India" and Pakistan in London, along the lines of our numerous references in these columns to the scandalous nature of their creation, may, or may not, be of first class importance.

The whole career of Mr. Churchill has been linked with the interests of Jewish-Whig finance, and he has never disguised his support for Zionism, with its far flung ambitions and international affiliations. We suspect, however, that his enthusiasms in these directions have not been greatly strengthened; and there is little doubt that in this subject, he is approaching the core of the plot. The debtor position of the United Kingdom is one of the most astounding attacks on national power and policy which the world has ever witnessed; and not the least astounding feature of it is the conspiracy of silence which has surrounded its establishment.

We reserve further comment until we can judge the extent to which the attack will be pushed.

We notice that the only Member who aroused any enthusiasm in the very apathetic Commons Debate on the so-called Marshall Plan, was Mr. Norman Smith. Perhaps the most significant aspect of the attention and agreement which his speech evoked is the evidence it affords of the extent to which Social Credit ideas have penetrated the *unconscious* thinking of every party alike. Twenty years ago, if Mr. Smith had made a similar speech and used similar arguments, he would have emptied the House and firmly established his reputation as a currency crank.

To the presence of Mr. Bernard Mannes Baruch, we have had added to our temporary population Colonel and Mrs. McCormick of the *Chicago Tribune* whose primary interest in life is to pour contempt upon the British. Provided with balcony seats for the Proclamation of the end of the Indian Empire at the Mercat Cross in Edinburgh, Mrs. McCormick remarked, "There goes the King of England shedding another bit of his Empire." Heartened by the spectacle, they departed in a Rolls-Royce for one of our luxury (for Americans) hotels.

## 'GREATEST LIE IN HISTORY'

"Describing public ownership as "the greatest lie in political history," Air Vice-Marshal Donald Bennett, former Chief Executive of British South American Airways, said at Manchester yesterday that the Government had taken ownership from the too few and placed it into the hands of one man—the Minister concerned.

"Ownership brings responsibilities and privileges. The responsibilities he evades; the privileges are in the hands of this one man. It is complete dictatorship.

"You know there aren't any dividends, but there are profits—substantial profits, in the same form as there are in Russia or any capitalist country. There are big motor cars, aeroplanes, allowances, trips costing £18,000 to Australia at the ratepayers' expense."—*The Scotsman*, July 17.

When the late Lord Stamp, one of the minor casualties of the bombing of London (to which the help given to Hitler by the Bank of England made so major a contribution), remarked, about 15 years ago, that no one would have believed that the British people would tolerate taxation on the current (1934) scale, but it was evident that "with suitable psychological preparation" still more could be squeezed out of them, he was not prattling idly. His was the cold assessment by a political vivisectionist of the tortures which could be inflicted without killing the "specimen", and he recognised that, to vary the metaphor, the most outrageous robbery could be perpetrated through a built-up divinity such as an omnipotent House of Commons, without serious revolt.

The astonishing feature of the situation is that the psychological conditioning has been so successful that all ethical considerations appear to have disappeared, not merely from the minds of the robbers, but from the robbed. Which means, of course, that ethics have disappeared from political life, and the robbers of today will be the robbed of to-morrow.

There are 10,000,000 fewer sheep in Great Britain than there were in 1939, and the number is not noticeably increasing.

## BRITISH AID TO RUSSIA.

"Announcement of British-made machines and equipment which Britain has promised to supply Russia with over the next two or three years in return for 750,000 tons of coarse grains has resulted in a great amount of comment in industrial and business circles here. Russia agreed to send all the grain by September 30, 1948, while Britain has undertaken to supply the Soviet Union with 25,000 tons of light rails and the possibility of a further 10,000 tons. Release of the list coincided with publication of what *goods and equipment Britain* might receive from the United States under the proposed Marshall Plan to aid Europe.

"Informed sources here do not see how Britain can meet this commitment without cutting down the export of goods

and equipment promised to other countries, and especially to hard currency areas. At the same time, no information was released on prices the U.K. is to pay for the grain or what Russia will pay for the goods she gets.

"Additional items which the British have promised to supply include: 1,100 narrow-gauge locomotives; 2,400 flat trucks; 2,400 two-and-three-drum winches; 210 excavators; 54 caterpillar loading cranes; 250 automatic timber carriers; 14 tugs; 4 dredgers; 150 mobile diesel electric generators; 24 steam power turbine stations of 500 k.w.; £1,050,000 worth of plywood equipment; £400,000 worth of timber mill equipment; £150,000 worth of scientific and laboratory equipment; 4 pile-drivers mounted on pontoons; 4 sets of winding gear; 1 electric dredger; 18 ball mills for copper ore grinding; 8 ball mills for grinding apatite; 3 rod mills for grinding ore; 3 railway steam cranes; 6 complete distributing sets, and 45 isolating switches, 154 k.v."—*World Markets*, New York, February 2, 1948.

### British Newspaper Comment on Space Sold to Zionists

The *World's Press News* for July 22, introducing the text of a "Petition to Congress" by a United States Zionist committee organised to promote a boycott of Great Britain, says "We publish the matter in this article with regret but feel obliged to do so as a duty to inform readers of the persistent propaganda warfare being waged against Britain by Zionists in the U.S.A., which action is apparently accepted and condoned by their fellows."

The newspaper stigmatises as 'perversions of truth' the statements of the petition and its supporting matter, and points out that at the same time as the petition is being circulated "an extensive advertising campaign is being conducted in the American Press."

"The action of the American Press, in accepting such advertisements," says the newspaper, "is surprising to British minds. American publishers defend it by saying that it means nothing, that anyone is entitled to buy their space and say what he likes in it.

"That policy is not accepted in Britain where the Press refuses to accept 'knocking' copy in which one advertiser can malign or attack another person.

"In view of the bonds established in the late war, we find the preparedness of the American Press to sell the reputation of their allies and friends for silver in this way rather Judas-like."

The names of 21 "members of the Sons of Liberty Boycott Committee" are given.

"The petition is being widely circulated, each copy being consecutively numbered, and each subscriber is required by the petition's terms to contribute one dollar to the funds. The number of the one that reached our hands ran to five figures."

### "Light and Easy"

"Two developments which seemed to threaten intellectual life were increasing regimentation—which meant that things were being done by the State instead of the individual, so relieving him of responsibility and discouraging initiative—and the increasing dissemination of 'light and easy ways

towards something that may look like culture.'

"Radio programmes consisted largely of contributions on intellectual subjects none of which was allowed to last more than a quarter of an hour; and even that quarter of an hour was sometimes broken up with conversation and dramatization, trimmings and superficialities, which necessarily reduced the amount of information or thought. The effect on the minds of listeners was of a cultural atmosphere, but with no necessity of thinking much for themselves and never getting far into any one subject."—Sir Frederick Kenyon (Press report).

## PARLIAMENT

*House of Commons: July 6, 1948.*

### EUROPEAN ECONOMIC CO-OPERATION

*Mr. Eccles* (Chippenham): . . . This Agreement is full of what the Americans call "weazel words." These are words which can bite you later, if it appears to those who have to interpret them that you have not done what you were expected to do. It may well be that six months from now the text of this Agreement will have been given by Mr. Hoffman and his colleagues a quite different meaning from that which right hon. Gentleman opposite honestly believe the text to mean today. I must say that His Majesty's Ministers are adepts at deluding themselves about the facts of international life. They have been all too ready to give the impression that Marshall Aid is now a certainty for four years. If the Chancellor of the Exchequer cares to refer to Column 42 of HANSARD of April 6 last he will find that he, too, gave that impression. Four years is a comfortable stretch in which to play another round of subsidised Socialism.

The truth, however, is very different. Europe has a firm offer of aid for one year only, and a quarter of that year has already gone. E.R.P. is on trial, and next January a new Congress will begin a searching inquiry into the progress made by the participating nations. . . .

*Mr. Pritt* (Hammersmith, North): . . . This American ruling class is like most other capitalist ruling classes, but rather more so. It is highly concentrated; it is, after all, the class which cut off Lease-Lend just at the very moment when, according to the Economic Secretary, generosity was natural and easy, and nobody should have been surprised to meet it. It did apply what I think I may call the good old ordinary commercial trick of lending us a lot of money and then raising its prices so as to make it worth something like two-thirds of what they were lending us. It is worried to death about the Soviet Union and hysterical about Communism—its definition of Communism, so far as I can discover, is anything or anybody anywhere on the left of Mr. Henry Wallace's right hand—and it is naturally, like most other people, concerned to serve its own interests; to sell its surplus goods; to avoid building up too powerful competitors; and above all to contain and weaken the Soviet Union, about which it is so hysterical, and anybody who is linked up with that country.

If it is so generous, why has it taken three years to become generous? We know how it behaved in 1945 over Lease-Lend and since then over the loan. Is it being generous to those who fought with it? A fair share of the generosity is to be lavished on Germany and Italy who fought against

(Continued on page 5.)

### Mr. L. D. Byrne's letter to Mr. Barclay-Smith

Mr. L. D. Byrne, Technical Adviser to the Alberta Government for over ten years, has written the following letter to the Editor of the *New Era*, Sydney, in reply to a request for information:—

Edmonton, Alberta,

March 24, 1948.

Dear Mr. Barclay-Smith,

No doubt, since writing to me on the 8th instant, you have heard that the Alberta Cabinet asked for my resignation last month on the grounds that they took exception to a report I had made regarding the present international and national situation in the light of Social Credit.

Because Mr. R. E. Ansley, Minister of Education, and the best informed Social Crediter in the Cabinet, agreed with the report, his immediate resignation was requested by the Premier.

This development was the culmination of a cumulative deterioration in the situation here over a period of three years, during which the Government has progressively abandoned the battle for Social Credit, and, except for lip service, adherence to Social Credit principles.

The start of the trouble can be traced back to the refunding of the public debt on terms which met with the enthusiastic approval of the financial interests who smoothed the way for the project, and to the so-called Alberta Bill of Rights.

It was apparent then—and it became increasingly apparent—that Manning was being strongly influenced by outside interests, and to the extent that he responded, his popularity was built up by the press and so forth.

That the main influence exerted on him was Zionist in origin I have no doubt—and, as usual, the real H.Q. of the provincial Communist organisation is centred in the local Zionist "brain trust."

A bare statement of some recent events should round off the picture for you:

- (1) Last October at a special caucus of Government members, it was decided to abolish the Social Credit Board this month.
- (2) A few days later Manning issued a statement to the press denouncing "Douglasites," as he termed them.
- (3) At a packed and manipulated provincial convention of the Alberta Social Credit League, which followed (and at which care was taken to prevent any resolutions advocating electoral action or mentioning Douglas, to come before the meeting) Manning made it plain that:
  - (a) the Government proposed to take no further action in the provincial field to continue the battle for Social Credit—the court's decision on the so-called Bill of Rights being the alibi.
  - (b) all effort was to be concentrated in the Federal

field solely on party political lines, in direct opposition to the action policy adopted by the national convention the year before.

- (4) A meeting of the National Council of the Social Credit Association of Canada, followed this convention—and Manning, Haldeman (an ex-Technocrat leader), and certain M.P.'s and M.L.A., not members of the Council, dominated the proceedings at this meeting:
  - (a) Douglas was repudiated, except for the financial proposals—or rather principles—contained in his Swanwick address.
  - (b) The policy of the paper, the *Canadian Social Crediter*, was condemned—and an M.L.A.—i.e., an Alberta Member of the Legislative Assembly—with strong leanings towards Socialism, and a record of having spoken at Communist meetings—was appointed editor-in-chief of the paper.
  - (c) The Quebec Social Credit organisation—the strongest section of the Canadian movement and pursuing a genuine Social Credit policy—was denounced.
  - (d) The writings of Norman Jaques were also denounced.
- (5) When the new editor-in-chief took up his duties he immediately issued a statement to the press announcing a complete change in policy—all articles criticising "isms" were to be banned, particularly the "anti-Semitic"—as he termed them—writings of Major Douglas, and Norman Jaques.
 

The editor, who had been carrying on in hope that a crisis could be averted, was forced to resign—as was the associate editor.
- (6) Next came a news item in the *Jewish Chronicle* claiming that "the purge" in the staff of the paper was the result of conferences with Social Credit "leaders" by the chairman of the Public Relations Committee of the Canadian Jewish Congress.

That is by no means all there is to it—but will give you some idea of the situation. The English *Social Crediter* is well informed on the facts—and, if anything, has soft pedalled. All through the development of this situation, we have been striving to avert a split in the ranks of the movement here—which, of course, is what the enemy wants.

Never has it been more urgent for a consolidation of forces by genuine Social Crediters in pursuit of a fearless and effective action policy. The indications are that Great Britain's withdrawal from Palestine may touch off the explosion.

The events here (i.e., on this Continent)—the influence being exerted by the movement throughout the English speaking world, despite its disproportionately small members—and the growing evidence of a Christian renaissance, provide solid grounds for confidence in face of the hideous carnage which lies ahead.

My warm regards to you all.

Yours sincerely,

L. D. BYRNE.

## THE SOCIAL CREDITER

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### The Movement's Finances

"Yes, most competent economists would now probably agree with Douglas's economic propositions." The admission, which is in line with the American Zionist, Judge Brandeis's: "Well, and what are you going to do about it?" and from a member of the same race, is significant chiefly, but not entirely, because it is an admission of to-day, not a challenge of fifteen years ago, and because, from whatever quarter it comes, it focusses attention upon a peculiarity which the Social Credit movement shares with no one—its position at the apex of militant Right.

One necessary consequence of that position is that, whoever may capitalise its achievements, it cannot do so—it has always something else to do. That is, at all events, one way of putting our situation intelligibly. The edge of a wedge is always in front of the base, and if it is fulfilling its function, which is to pierce, it cannot at the same time be doing anything else.

We think that most readers of this journal are aware, though doubtless in varying degrees, of a recent increase of the visibility of the influence of Social Credit ideas. We contemplate a period during which such evidences of success will multiply. But this note is not written to support that thesis so much as to point out that should it occur in the absence of expanding financial support for otherwise non-productive work, essential opportunities may be lost. At the present relatively small scale of production, subscriptions to *The Social Crediter* do little more than pay for printing and distributing the paper. The Secretariat needs a secure and sufficient income additionally to such charges. The value of money is falling—money the spending of which is freely determinable by the spender is shrinking rapidly in amount. Those in opposition to us understand these things perfectly. Doubtless our readers generally understand them too, as we have reason to know from their continuous and loyal support. But there is a section of our readership, an increasing proportion, who do not subscribe directly, and we feel justified in asking them to assist us by writing to the Treasurer for details of the self-assessment scheme, and those who have accepted a voluntary obligation but are in arrears to remember us not as friends in adversity but as allies in need. Please address: The Treasurer, Social Credit Secretariat, 7, Victoria Street, Liverpool, 2.

### Publicity for the Dean

It would be easy to exaggerate the importance of the "Peace Conference" organised by the *Daily Worker* and held in London on July 17 and 18. Infiltration by subversive ideas is the chief danger of Communism, and "the pink is

the best friend of the Red."

According to Mr. Douglas Hyde, a recent convert to Roman Catholicism from the executive staff of the *Daily Worker*, the claim that nearly three and a half million people were represented at the "conference" by the 1,054 delegates who attended multiplies the true figure by anything up to seven, but despite the appeal to grand totals in the Party interest, the "broad non-party character" of the meeting will be fully exploited. Mr. Hyde says that "the decision to hold such a conference is taken by the Political Bureau of the Communist Party itself," and "just before the conference the Editor [of the *Daily Worker*] reports to the Political Bureau on the form the agenda will take," and "it is discussed and, if necessary, altered by the Party's governing body to ensure that no matter what 'non-Party' delegates may say, the Party line shall in fact be the one which is accepted by the maximum number of delegates present."

Under the chairmanship of the *Daily Worker's* editor, who is himself a member of the Political Bureau, the chief speaker on both days (vide the *Manchester Guardian*) was the Dean of Canterbury. The following extracts are from the *Manchester Guardian's* report:—

"The Dean of Canterbury was the chief speaker both today and yesterday. He referred yesterday to 'some edict' which had gone forth 'that my voice is not to be heard in the British press or on the British wireless,' and included the Church of England among the organisations which sought to muzzle him. His speech pleased the audience, which applauded him loudly."

"The Dean quoted Mr. Wallace as saying for every line of abuse of the West by Russia there were a thousand lines of abuse of Russia in American newspapers. He attributed the present tension to the new American foreign policy and to the fact that Russia might well feel that the 'mighty forces' of the United States were being directed towards her.

"There were uneasy murmurs in the audience when the Dean said we dared not assume that the Russians were not by now equipped with the atomic bomb, against which there was no defence, and that 'this little island, with its crowded population standing physically between the only two possible antagonists, would be the first to suffer.'"

### For War Only

"No serious person working in the field believes that nuclear energy will make any contribution to world power during the next decade."—Sir John Cockcroft, Director, Atomic Energy Research Establishment, Harwell.

### Social Credit Secretariat

#### Examination for Associate's Certificate (British Isles)

(Second announcement)

An examination for the certificate of Associate will be held in November, 1948. The set books will be *Social Credit* and the *Realistic Position of the Church of England*, both by C. H. Douglas.

Intending candidates should apply to the Director of Lectures and Studies, c/o The Social Credit Secretariat, 7, Victoria Street, Liverpool, 2. N.B. It is necessary that this address should be given on the envelope in full.

## The Slave State

Addressing the Housewives' League at the Kingsway Hall, on June 21, Mr. F. G. Feather gave a vivid picture of the 1930's, a time when there was food and clothing in plenty for all, and only a deliberate failure to solve the problem of the distribution of plenty stood between us and a fairer life than we had ever known.

He continued as follows:—

This was the background. And even at that time the planners had gained such a sway that one of their chief journals could write "Only in war or under threat of war, will a British Government accept large scale planning." It may be mere coincidence that war came, or it may have been willed by the Planners of one country or another. Be that as it may, the "plenty" of goods which we wanted were destroyed; and the plenty of goods we did not want were made, to be sent overseas to be destroyed!

Being engaged in War, we naturally had to win. And luckily we had at hand a Prime Minister admirably equipped to win that particular war—at a price. The price, of course, is by no means paid: but I don't want to go into that.

People with long memories will recall that, in the midst of war, at a time when millions of voters were otherwise engaged, Mr. Churchill promised that no legislation of a contentious nature would be introduced. Plenty was, and this Compulsory Insurance owes its origin to the report of Sir William Beveridge, now Lord Beveridge, late principal of that hot-bed of sedition "The London School of Economics," appointed by the Coalition Government. Then, when the General Election came, we, the voters who have to foot the bill, were prohibited from expressing our opinion by the simple expedient of incorporating these contentious matters in all three party programmes. And now, when we appeal to the Conservatives as the official Opposition, we are informed that they themselves are so committed that they must support those things which we don't want.

Let us look at these proposals. If the intention was genuine insurance, under which the insured person paid a premium in accordance with the risks undertaken by the State, the proposals might be swallowed—although I should always battle against the growth in Great Britain of the doctrine of mass compulsion. But it is not genuine insurance. The Industrial Injury premium is the same for a coal-miner as a canary breeder. Compulsion, under threat of punishment is not British. It is an alien doctrine, whose spiritual home was, for many years, Prussia. Have we fought two wars against Germany in order to be conquered by her doctrines? Or are we going to exert our own culture and philosophy of freedom? We must win the right of the individual to contract out: the right to choose or refuse one thing at a time for himself.

If the intention was to collect payment in accordance with benefits available—subject to this obnoxious compulsion the proposals might be swallowed. But on July 5, the full weekly payments are to be forced out of us, whilst Ministers and Professional men are competing with each other to tell us what will not be available on that date. If we don't pay our money, we go to prison. If the almighty State does not fulfil its undertakings, that is just too bad. It is the divine right of centralised bureaucracy. Unidentified drafters of regulations, rules and orders, will wield a power from which Charles I would have shrunk. Charles I lost his head.

Bureaucracy must lose its head; and that head is its power of compulsion.

The real scheme is simple in essence, though complicated in detail. It takes money away from everybody, and returns some of it (what is left after bureaucratic administration has had its picking) under special conditions—the chief of which is acceptance of a still greater measure of control than we accepted even under stress of war.

It is the enforcement of these conditions from which we demand the right to contract out. We pay our pension premium from the age of 15 to 60. But when we reach the age of 60, we only get our pension if we retire from work. If we earn more than the penurious sum of £1, we get our pension reduced.

We pay our premium for widow's benefit: 26s. per week. But if a widow works and earns more than 30s., she loses 1s. for each additional 1s. earned. She is forced to a standard of life not exceeding 56s. per week.

Sickness benefit is dependent on medical certification. The Minister wanted doctors to be salaried servants of his own. Why? So that he could control the certificates they gave. The Government actuary himself stated that a high standard of certification would be essential if the cost of the National Health Service was to be kept down. Sir William Beveridge stated (Para. 437) "The primary interest of the Ministry . . . is in finding a health service which . . . will ensure the careful certification needed to control payment of benefit at the rate proposed in the Report."

The doctors have been forced into the scheme by promises not yet fulfilled. There were other means of compulsion. Regulations are yet to be issued. It is quite possible for regulations to be made which will render sickness benefit dependent upon the certificate only of a doctor who has enrolled in the scheme.

There is before Parliament at the present time a Radio Substances Bill. Clause 3 limits the administration of radio-active substances in the treatment of human beings to doctors and to dentists licensed by one of the Health Ministers, and makes illegal the supply to the public of medicines and toilet preparations containing more than a prescribed quantity of radio-active material except by licenced doctors or dentists or on prescription by them (Hansard 28/5/48). Will a licence be granted to a doctor who stands out from the scheme? Is this British, or is it alien, and did you vote for it, and are you going to stand for it?

This Act is allied to the Control of Engagements Order, and is an integral part of the institution of the slave state.

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PARLIAMENT (continued from page 2.)

it, and moves in the Congress to include Spain expressly were only put on one side when it was pointed out that this was rather tactless and that Spain could be brought in in due course without any necessity for saying anything about it. Everything that it has done up to now is consistent with its one dominant thought of preserving capitalism and opposing what it calls Communism.

Why has the ruling class increased its generosity, shall we call it, from 1945 to 1947-1948. Remember that the Marshall Plan is now 13 months old, although it has not begun. . . .

. . . This readiness to give away large quantities of goods to those who fought against them and to those who fought

with them is due to the fact that if they do not give them away they will be choked to death by the slump, which would start almost at once instead of in perhaps six or 12 months' time. The very curious thing is that if one examines the Act itself one cannot find a trace of the expression of generosity. If one looks at the statements made in America to American business men to try to persuade them, there is not a trace of phraseology about generosity. There is a touch of pleasant altruism in the Agreement which must be passed by this House, but the Act itself, which is what governs in America, has nothing of the sort.

The truth is, of course, that they cannot live and prosper unless they do give this aid. Some people have suggested that they could give it to their own people and raise their standard of living. There is nothing more utterly destructive of capitalism, or more fundamentally contradictory of the very tenets of capitalism, than such a gift. I remember in the tragic years in this country, when hon. Members opposite were really running things, and the place was choked with food and nobody could buy it. A scheme was introduced to give away potatoes for nothing because the growers could not sell them, since those who needed them had no money. They gave them away in the constituency of the right hon. Member for Bishop Auckland (Mr. Dalton), but they found that capitalism could not even give away potatoes. How on earth can it give away vast millions of dollars from the people of America, of whom 20 million or 30 million have a standard of living that would not be tolerated in this country for five minutes? . . .

. . . I remember being told the other day by an English visitor to Italy that he was in Italy when the first Marshall Aid shipments reached that country. They had been selected by the United States, and they consisted of automobiles, refrigerators and marmalade—three of the principal products of Northern Italy. If one was not aware of the facts, one might think it was an accident, but, if one knew the American ruling classes, one would not think that at all, but would see that it was a deliberate attempt to destroy competitors. The effect of it was to cause a rise of unemployment in Milan of 140,000 in one week.

I am very tempted to consider the very great extent to which the United Kingdom—which includes the Colonies—is to have its production directed in accordance with the Schedules of the United States. I do not want myself to see the Colonies administered in our interests; I want to see them administered by themselves in their own interests; but I certainly do not want to see a Socialist Government agreeing that they are to be administered in accordance with the interests of the American ruling classes, and that is what plainly comes about under this Agreement. Think of what might happen to our production if the United States can take every single item and say that we must increase our production of all sorts of things, taking our efforts away from the production of other things, and, when we have produced them, the American ruling classes will not want them and we shall be completely ruined. We shall be subordinating our whole Colonial structure, and, in effect, our whole economic future.

. . . I object to English people being described as tender plants. It is rather sad to have it suggested that this great people cannot live without Marshall Aid, when so many people in Eastern Europe, who started with a lower standard

of living and who still have a lower standard of living than ours, although a better standard than they had, are able without Marshall Aid to improve their standard of living and their production month by month and year by year. . . .

*Mr. Beverley Baxter* (Wood Green): I understand it is the decision of Mr. Speaker not to call any of the Amendments which appear on the Order Paper. I am sorry because I should have liked to go into the Division Lobby for the Amendment which is down in the name of myself and some of my hon. Friends, to leave out from "House," to end, and insert:

"while recognising the generosity of the United States in devising and financing the European Recovery Plan, and while desirous of co-operating to the full in attaining world recovery, cannot agree to terms which tend to weaken the bonds of Empire and take from the British Commonwealth of Nations the initiative and responsibility for its own development."

As it is, I intend, unless argument convinces me otherwise before the end of the Debate, to vote against the Government's Motion. I realise that, as in the case of the Debate on capital punishment, I shall find myself in somewhat strange and unusual company. . . .

. . . What was the situation at the end of Hitler's war? When victory came our gold reserves were roughly the same as they were at the end of 1918. There was not very much difference. It is true that in the recent war we had had to dispose of over £1,000 million worth of foreign investments and I shall have something to say about that a little later.

At the end of this war we had no debt to America. Thanks to Lend-Lease, and to paying first with our overseas investments, we ended with no debt to America. What then was the situation? Why was it so terrible? I have said that our gold reserves were about the same. We drew from our foreign investments before Hitler's war £170 million per annum. Our sale of them brought that down to £60 million per annum—a drop of £110 million. That was the loss which came to us as a result of having to part with a large amount of our overseas investments. But against that £110 million we can put the £38 million which we promised each year under the Baldwin set-up. I do not consider that that difference constitutes such a national tragedy as we have come to believe. I agree that our country had its industries and towns badly damaged, but the Americans will not rebuild our cities and towns—

*Mr. Ellis Smith* (Stoke): While agreeing with the hon. Member's outline up till now ought he not to say that our productive capacity and manpower was strained this time very much more than it was last time, and that we ended the recent war with far less resources than last time?

*Mr. Baxter*: I would say that our productive capacity in the recent war increased, and not decreased. . . .

I ask hon. Members in all parts of the House to consider for a moment the spectacle which we present to the world to-day. With all our Colonies and with our close association with the Dominions we say that we cannot support life in this country without the American dollar. To my mind that is a shameful thing for us to say because it is not true. America was never our natural source of foodstuffs until we went on the dole. It is not even today our natural source of foodstuffs.

*Mr. Anthony Nutting* (Melton): Not until Europe was split in two.

*Mr. Baxter*: That happened as well. We can reconstruct

in both Europe and the Empire. The Empire can feed us and supply us with almost every essential that we need. If we had not mis-spent the tragic years when the loan was available which resulted in this Government going to sleep, and if we had developed our resources under successive Conservative Governments a united Empire would have come to our aid now. There are no bouquets to be handed round in regard to Empire development. We have not had Governments which have risen to the greatness of the heritage left to us by our ancestors.

Now we are going to hand over the control of our trade not absolutely but dangerously to the United States, and to a gentleman named Mr. Hoffman. If anyone doubts Mr. Hoffman's intentions and how seriously he takes his job let me quote what he said in answer to a question in New York. He said this with the intention that it should be published:

"Our function comes more closely to that of investment bankers for recovery than any other function. In other words, we have the perfect right, if a programme of a given country in our opinion will not produce results in terms of recovery that makes worth while the investment of American dollars, to refuse to invest the American dollars, which we will."

That is understandable from an American standpoint; it is not agreeable from ours. . . .

*Mr. Michael Astor* (Surrey, Eastern): My hon. Friend raised one important point which he did not clear up. Is he suggesting that without American aid the British Empire today could feed this country?

*Mr. Baxter*: That is what I have been trying to suggest. I have said that the Americans are not the natural bread-basket or meat supplier of this country and I say that it would be possible to replace their products. There cannot be bad crops all the time. There are difficulties at the moment, but the United States is not the natural provider of food for this country. We could develop our own agriculture as well as that in the Dominions and Colonies as we should have done long ago. . . .

. . . I want to see the Government of this country keep its own control over its own destiny. That is why I have put down the Amendment. They are proposing to hand over the control of the Empire, and our responsibility for Empire development, to somebody else. The Financial Secretary to the Treasury shakes his head. In the disastrous American Loan and in the Bretton Woods Agreement there was a clause saying that Empire preference should be scaled down and finally eliminated. Has that point been overlooked?

*The Financial Secretary to the Treasury* (*Mr. Glenvil Hall*): We are talking about the Agreement. Where in the Agreement are those terms?

*Mr. Baxter*: That is an answer. On the other hand, will the right hon. Gentleman say whether the Bretton Woods Agreement still holds good? Are we still committed to the elimination of Imperial Preference? Would the right hon. Gentleman answer that question? Are we committed to the gradual elimination of Imperial Preference or not?

*Mr. Glenvil Hall*: Surely the hon. Member was present when we discussed the Geneva Agreement. He must know what the situation is. It is not for me now to go into that matter.

*Mr. Baxter*: I know there was a hard fight but I do not believe for one moment that the Americans have lost their objective in their minds. . . .

. . . Where is the leadership here? Tonight, if we

carry this Motion, we shall open the sluice gates. Already the United States is offering a Customs Union to Canada. Here in Britain we have a government of abdicationists. Burma has gone. India has practically gone. The Government do not seem to bother about Newfoundland. Are we quite sure that Canada will not go into the dollar economy—I mean the American dollar economy—not by the will of her people but because we here say that we will only adhere to one idea, that the pound must look the dollar in the face? I say that this House sometimes has to look history in the face. I believe that tonight is one of those occasions.

. . . Question put.

The House divided: Ayes, 409; Noes, 12.

. . . NOES—Aitken, Hon. Max; Baxter, A. B.; Darling, Sir W. Y.; Dower, E. L. G. (Caithness); Gallacher, W.; Hutchinson, H. L. (Rusholme); Marlowe, A. A. H.; Marsden, Capt. A.; Piratin, P.; Platts-Mills, J. F. F.; Pritt, D. N.; Solley, L. J.

TELLERS FOR THE NOES—Sir Stanley Holmes and Sir Thomas Moore.

Resolved:

"That this House re-affirms its report of the objectives of the Convention for European Economic Co-operation signed in Paris on 16th April, 1948, and having regard to the need for the achievement and maintenance of a satisfactory level of economic activity without extraordinary outside assistance, approves the Economic Co-operation Agreement between the Governments of the United Kingdom and the United States of America initialled ad referendum in Washington on 26th June, 1948, and the draft exchange of notes between the Governments of the United Kingdom and the United States of America on most favoured nation treatment for Western Germany and Trieste."

House of Commons: July 19, 1948.

### British Nationality Bill

#### THIRD READING

*Sir D. Maxwell Fyfe*: With one point with which the right hon. Gentleman dealt we have no quarrel and we entirely agree. It is that the Bill is of great importance and demands most serious consideration at this time. . . .

The second point, which again I want to make clear, is the general thesis of our opposition in this matter. I cannot put it better than in the summary of my own argument on the Second Reading, as it appeared in *The Times* of July 8, because it goes to the heart of the present form of the Bill. It was there stated:

"The local citizenship, being in law the primary nationality, will everywhere become the real determinant of practical status, and . . . the derivative British subjecthood, on which in the last resort the unity of the Commonwealth rests, will gradually lapse into an ornamental embellishment."

That is the danger of this approach. It is perfectly true that, rather than have that danger, I should myself be prepared to let symmetry go and to acquiesce in the maintenance of the two systems, the second system being only apparent in the Canadian Act of 1946. I do not see the necessity for us, having had to take the lead, in continuing the alteration into a system which has the danger which I have pointed out.

I am fortified in that opinion by two matters. In the first place . . . If the right hon. Gentleman can see no harm in Commonwealth citizenship being introduced in order to give a name for the genus, I cannot understand why he sees so much wrong in our suggestion that the words "British subject of the United Kingdom and Colonies" describes the actual position, based on an allegiance which does obtain, and which we desire should remain obtaining in this country and in the

Colonies.

The second point which is again beyond argument, is that there will be exactly the same anomalies as obtain at this moment because the conditions of primary citizenship, primary nationality or whatever words one cares to use, are bound to differ in different parts of the Commonwealth. That is the essence of the proposed scheme—that each part will erect its own gateway, and the size and the shape of the gateway may differ. Therefore, the anomalies in obtaining the primary citizenship on which the secondary citizenship depends will be bound to continue in this way.

... no one desires in any way to infringe the rights of these separate realms or States of the Commonwealth to state as clearly as they like in their own terms what person shall be regarded in what light under their law. All that we say is that, that being the case, the United Kingdom must equally have the same right to say what person shall be regarded in what light under our own law. The third objection which we still maintain is that this approach which has been substituted of the separate citizenships infringes, in the case of the Colonies especially, on the conception of allegiance, and we regard that conception as of practical importance in the Colonies as corresponding with the ideas which millions of its inhabitants hold.

The fourth of our objections is one which I developed on the Committee Stage, and I intend only to summarise it today. I say that the new citizenship of the United Kingdom and Colonies is an artificial legal category to define an involuntary residue. There is no homogeneity or special community of interests which includes a citizen of these islands and an inhabitant of a distant Colony and excludes a citizen of, say, New Zealand or another Dominion. That emphasises the artificiality to which we object. Again I merely repeat my point that it is wrong to create the machinery of discrimination when we do not intend to discriminate. The Attorney-General said that it was no more the machinery of discrimination than other statutory provisions. With the greatest respect, I cannot agree with him. I say that if we create a special citizenship, then it will require a more than usually sustained fight to prevent someone at some stage attaching some meaning to that citizenship by giving it special rights and privileges, and that is the danger which I envisage.

I still say that this Bill in its present form necessitates the exclusion of Eire from Clause 1. Therefore, wrap it up how we like, treat it in the words of the *Economist* as an unmentionable, though we may care to do, it recognises the secession of Eire and cuts off from this country those of her people to whom the connection meant so much, except in the case of those who make application as under the Act. I have merely summarised the reasons, but they are the reasons why I advise my hon. Friends to vote against the Third Reading of the Bill. . . .

*Viscount Hinchinbrooke* (Dorset, Southern): By this time the Chamber is somewhat empty, and I am not surprised. After listening this afternoon to the speech of the Home Secretary my head is ringing, not with praise, not with blame, but with pain. I think it was in "The Economist" last week that I read—and I hope I do not misquote the author of the paragraph—that the speeches made by the three right hon. Gentlemen on the Front Bench throughout the course of this Bill,

"were not three incomprehensibles but one incomprehensible," to which I would add, for my own part, that the four stages

of the Bill have been not four reprehensibles, but one reprehensible.

I am deeply suspicious of the attitude of the Government towards this Measure. The reasons for this Bill have not been fully explained to the House. I have listened throughout and nothing that has been said by the Home Secretary or the Attorney-General to my mind justifies such far-reaching effects—tampering, as they do, with the status of the Briton all over the world and with allegiance to the King. The right hon. Gentleman's speech this afternoon did not take things any further; it made them worse. His speech was a kind of crossword puzzle of officially inspired phrases that pealed together like bells in a belfry with maddening repetition—doctrinal, abstruse and meta-physical.

I want to know what are the practical political issues behind this Bill. We are not, after all, the Council of Nicea devising a creed or a concourse of early Christian Bishops deciding how many angels can dance upon the point of a needle. We are the House of Commons, in the 20th Century and legislation ought to be practical and political, not theoretical and doctrinal. I have not heard one convincing practical argument in justification throughout the course of the Bill. On the contrary I suspect that doctrine has been concentrated on in order to cover up an ulterior political purpose. The Bill is inspired either by fear or by hope—by fear that, unless we do something, the forces behind the Empire will be weakened; or, worse than that—and I am not one of those disposed over much to trust Left wing governments and their supporters with their ideas of republicanism behind them—inspired by hope—hope that the forces behind the Empire will be weakened and that republicanism will come in with all convenient speed.

We have been told that no one has asked for this Bill. No positive request for it has come from any country. What then about negative understandings behind the scenes? It was, after all, an inter-Imperial Civil Service that framed this Measure. We have not been shown the reports of their deliberations. No Government spokesman at any stage has revealed the line that was taken. Perhaps they do not know. It is quite possible, at the rate things are going, that the Civil Service has now become so arrogant that they do not bother to brief their Ministers on what they do—enough to produce a Bill, supply the Attorney-General with a few casuistical points and rely on the Lobby fodder to do the rest.

I should like to say, in parenthesis but in some seriousness, that concentration of power in the Civil Service has now reached such a stage that the Conservative Party is fully justified in neglecting hon. and right hon. Gentlemen opposite altogether and attacking the Civil Service as such. We should do it more and more until that Civil Service has been shaped and moulded to a reasonable size and to a reasonable influence. Ministers are going to find it much more difficult to defend the actions of their masters the civil servants than to defend themselves.

(To be continued).

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