

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 21. No. 14.

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

SATURDAY, DECEMBER 4, 1948.

6d. Weekly.

From Week to Week

It is symptomatic of the present state of the world that the most significant incident, not merely of the pivotal Presidential election, but quite possibly of world politics, which has transpired during the past month (the slanging match between Mr. Bernard M. Baruch and Mr. Truman, two days before the Presidential Election) has not, so far as we are aware, even received mention in the "British", or should we say "Commonwealth", Press.

That is far from saying that use has not been made of it. The facts, if they are facts, are that Mr. Truman asked Mr. Baruch to join, either as Chairman or as member, the Finance Committee of the Democratic Party; Mr. Baruch refused, Mr. Truman wrote him a personal letter stating that Mr. Baruch was ready to accept favours but not to render service, and Baruch retorted (*vide The Times-Herald* for October 31, Washington, D.C.) that Mr. Truman was "a rude, uncouth, ignorant, man."

It is obvious that this story emits a strong odour of rodents. Its disclosure on the eve of the election appears to have been "White House," *i.e.* Jewish Brains Trust, policy, and Mr. Baruch is the dominant Jew. "Anti-semitism," more accurately described as pro-gentilism, is growing rapidly in the U.S., and Wall Street is joined with "semitism." Mr. Baruch typifies Wall Street in the public idea. Mr. Baruch's power is not even faintly d'markratic; consequently his *open* support would not gain ten votes, but might lose millions. What could be nicer than to have Mr. Baruch working behind the scenes as usual, while demonstrating to the "anti-semites" and Wall Street haters that Harry S. (for Solomon) Truman had broken, once for all (on the eve of the election), with the representative Jew and Wall Street magnate?

The major interest to us on the islands which are to be fixed aircraft carriers for the U.S. in the atomic war, is the close friendship between Mr. Baruch and Mr. Winston Churchill. Let us suppose, for a moment, that the re-election of Mr. Churchill was distasteful to the Plotters. (We believe the present Government to be nearly perfect from this point of view, but have no doubt that the visible alternative is merely a second string). It is elementary that Mr. Churchill is beautifully placed to lose votes *via* Baruch what time the growing alien vote is secretly instructed to vote for Mr. Aneurin Bevan.

Meanwhile the lesson to be learnt is so plain that it is certain to be missed; but to make assurance doubly sure, the *Daily Mail's* correspondent adjures Conservatives to be Socialists. It has no relation to the characters of any of the statesmen we have been discussing. It is that not even an angel from heaven ought to be allowed the powers which have been alienated from the individual in order that they may be at the disposal of any set of charlatans which can seize them.

Nothing is more curious, and in its way, depressing, than the inflexible determination to accept the banker-socialist idea of money as something proper to be manipulated, just as a fraudulent company promoter manipulates a company account. That rather mysterious, but often informative individual, Mr. A. N. Field, in his paper *The Examiner* in May, 1939, states, for instance "A sane money system is one that aims at keeping in circulation the largest volume of money that can be *absorbed* (our italics) without inflation of the price level . . . the principal of control of the currency of New Zealand should be changed from stability of the exchange rate with sterling, to stability of the internal price level."

The most charitable, and probably the true, explanation of Mr. Field's statement is that he does not understand the nature of the problem on which he comments, or the limitless objections to a system based on fraudulent centralised accounting.

This rapturous adoration of the false, this fission between the mind and things, is by far the most daunting feature of our time. The money-and-price nosystem is only one instance; the difficulty is not to find examples, it is to find exceptions.

That, more than any specific difficulty or danger, seems to threaten complete disaster. "If, therefore, the light that is in thee be darkness, how great is that darkness!"

The "B". (or "Commonwealth") B.C. Bulletin of November 19 informs us that free legal aid will shortly be available to all with incomes of less than £8 per week. So the lawyers are going the way of the doctors; and now you know what chance you have of a lawyer pressing your case against a Government Department.

The next step, of course, is to adopt the Soviet conception of Law, that it is whatever is the policy of the Government for the moment.

An American pamphlet, *The Myth of the Post-Office*, by Mr. Frank Chodorov, raises by its title as well as by its contents the problem of Government public services and the distance which separates the facts of them from the carefully fostered picture in which they are presented to a gullible public which pays their losses.

The pamphlet deals of course with the American Post-Office, but might just as well be addressed to St. Martins-le-Grand or King Edward Building. The author points out that the Department is a political institution run for political ends, and only incidentally and decreasingly for service to the public. He asks "Why is the transmission of private messages peculiarly a government function? How can we know that public operation is superior, when private operation is prevented by threat of punishment?" He pro-

ceeds "Where competition is allowed, its inefficiency is glaring and definitely measurable . . ." The inefficiency is financially gigantic, but it extends to all its aspects.

The explanation is of course simple. The Postal services everywhere are the foundation course of the World Dominion Plot.

There are as many explanations of the Truman victory as there were prophets of his defeat, and many of them doubtless contain an identification of contributory factors. But of those which proceed on the assumption that the issue was decided by votes expressing an intelligible policy, we have no doubt at all that M. Bertrand de Jouvenel, writing in the European Supplement to *Human Events* (Washington, D.C., November 17) has isolated the major factor. It is that "the public will not stand for price instability." It will be recalled that Mr. Truman cleverly passed the responsibility for the steady and rapid rise of prices to the Republican-controlled Congress.

Few economic-psychological facts are more curious, and have had more decisive consequences, than the careful separation in the public mind in every country of money policy and its obverse, price levels. To contemplate the subject superficially in the light of rising prices everywhere, it might appear that our economics were the outcome of half-wits, powerless in the grip of irresistible natural forces. Of course, neither of these assumptions will bear five minutes' examination. We are the victims of a conscious, cool, clever policy, intended, in co-operation with the taxation system, to rob everyone except its progenitors of the benefits of real and financial credit (*i.e.*, an individual share of Social Credit).

Even now, the technique of the policy is wholly veiled from most of its victims, but the fact stands out like the angry glow of a rock-perched lighthouse. As M. de Jouvenel remarks in connection with France and Italy, "if prices are not kept steady, there is nothing which will avert popular discontent." Without endorsing M. de Jouvenel's exact prescription, we should comment that the first point to be emphasised is that nothing is further from the wishes of those who sport with us than to "avert popular discontent."

That is why one of the Red Dean's Kremlin friends commented, "Social Credit? Of course we know all about that. It is the only policy of which we have any fear." Fishing in troubled waters is easy and lucrative.

If there were no other evidence that the policy of the so-called Conservative party is dictated from practically the same source as that which exhibits Mr. Aneurin Bevan to an admiring world as an exemplar of "Commonwealth" culture (and there is much) the fact that it is silent on the robbery of every class except the Trades-Unionist ("Turner") and the Cartel-industrialist and banker ("Mond") by devaluation of savings (rise of prices), in addition to taxation for politics, not revenue, would condemn it as a useless booby-trap—unless it is drastically reformed.

But the sands are running out; what will be, will be.

There is mounting evidence that the American Empire, like the policy of the Gadarine swine, has no future. Far more than has ever been admitted publicly, United States, (Yankee and Dutch-Jew) foreign activities have been directed to the penetration and encroaching control of China. How much of the trouble in the Far East derives from the Finance-backed crudities of Mid-West American missionaries, superbly ignorant of the two-thousand year success of the Confucian

civilisation they came to "convert," (and how!), will probably never be known. That there was the closest underground connection between Wall Street and the modern edition of Cromwell's Praise-God Barebones let loose on the Far East, would not be contested by anyone who has worked east of Singapore. The significantly named Dollar Line of steamships maintained an intelligence service not less real because unofficial, which began with the tea-clippers of the immediate post-revolutionary era, and the information thus carried was not wasted.

It is true that a good deal of this activity stemmed from the kind of megalomaniac thinking which envisaged the Pacific Ocean as an American lake. But much of it was cool, calculated plotting by first class brains. And it has crashed in ruins at the hands of the so-called Communists.

It may be thought that, having been successfully driven out of Shanghai (and not merely during the Second World War, but before) the British, if there are any such people left, are not greatly interested in China. That would be a cardinal error of judgment. There is an idea prevalent in certain quarters, which deserves the most serious attention, that the froth and fury of the Washington-Moscow back-chat is "just another of those." It is the provision of "threat of war" because "We have proceeded from the assumption that only in war, or under threat of war, will a British Government embark on large-scale Planning" (our emphasis). Without pausing to speculate whether there is such a thing nowadays as a British Government, we may notice that China is the only large problem which is laid squarely on the doorstep of the United States. The present situation is a major defeat for Wall Street and Washington, and no amount of froth and fury will substitute for the loss of face which American diplomacy has sustained.

For the people of these islands, that may be the gate of salvation.

The hold-up of R.M.S. "Queen Elizabeth" at Southampton provides a cameo of a disordered society. Even the London School of Economics would hardly contend that her primary reason for existence is not to render services and transport to consumers, although Professor Laski might snigger as he agreed. But the only interest not considered in the dispute is that of her passengers; no-one can explain why she should not sail for Halifax; all austerity ends at the gangway; it is not clear why the Cunard-White Star Line should be penalised by a New York dockers strike; and the same strikers who are "showing their solidarity" with them, will no doubt turn up at the next Communist Meeting to denounce the Marshall Plan. What does become plainer with each day that passes is that the rule of policy by function (*e.g.* Labour monopoly) is an abomination.

Once again, we revert to the significance of Mr. Churchill's speech at the Mansion House, in, if our memory serves, 1942. It will be recalled that he said "I have not become His Majesty's First Minister to preside over the dissolution of the British Empire. For such a task, another must be found, and a mandate would no doubt be sought."

No one can suggest that we have any love for Mr. Churchill, and in many ways we view his activities with deep suspicion. Nevertheless, a very wide gulf indeed separates him from the type of Minister who, as we observe with listless eyes, regards our extremities as his opportunity.

We believe that the speech in question was a warning,

(and in all the circumstances, a brave warning), that the degradations now being heaped upon us had already been concocted, and that we should suffer them when our task of decimation and impoverishment in the interests of our enemies had been completed.

The interlocking of this warning with the declaration of Mr. Attlee in 1934 that "we have absolutely abandoned every idea of national loyalty . . .", and Sir Stafford Cripps's recent statement that he adhered to the policy of breaking up the British Empire in the interests of Socialism, must be obvious.

Now, it is the fashion, (or is it just propaganda?) to assert that although of course they are misguided, everyone must agree that Messrs. Attlee and Cripps are men of the utmost sincerity.

Very well. Let us place upon the record that all the same people who say that said, and had the same justification for saying, that Hitler, Goebbels, von Brauschitch, Goering, *et al.* were scheming rascals, and stood by while they were put to a shameful death after a trial which outraged every canon of law and decency.

PARLIAMENT

House of Commons: November 15, 1948.

Dumped Radio Equipment

Mr. Hugh Fraser asked the Minister of Supply whether he is aware that 36,000 pieces of radio equipment dumped by his Department in a disused pit shaft at Cheadle, Staffs, and declared in the House of Commons by his predecessor on 17th December, 1945, to be valueless, have now been recovered after the shifting and replacing of 200 tons of dirt and disposed of by private enterprise at a profit; and whether he will investigate the reasons for the original decision and make a statement on the matter.

Mr. G. R. Strauss: About 10,000 radio transmitters and transmitter receivers were dumped in this shaft. I cannot say how many were recovered, but I understand that no pieces have been removed since September, 1946, when an undertaking was given in an action in the High Court that no further equipment would be taken from the pit, which was then closed. When it was decided to dump these sets the question was whether it would have been economical to break them down for recoverable components. It was not considered economical to do so as they were damaged military types, unsuitable for civilian use, and at that time large quantities of serviceable parts were being sold competitively to the trade. In present conditions no set would be destroyed or dumped unless it was considered advisable on security grounds or unless it had been proved that there was no market for it.

Mr. Fraser: Is the Minister aware that of the so-called damaged sets, not one valve was damaged or had been removed? They were 22 valve sets. Further, is the Minister aware that there was a large number of rotary converters which have been sold at a large profit to industry in Lancashire, and that of the sets so dumped there were 8,000 complete sets which were sold at an average price of £8 or £10 a set? Is not this an extremely incompetent way of managing the country's business?

Mr. Strauss: I cannot accept all these facts. All I know is that there was no new apparatus of any sort put in

this shaft, that all the second-hand apparatus which was put there was found to be absolutely unsaleable, and the space where these sets previously were housed was urgently needed for other purposes.

Air-Commodore Harvey: Why were these sets not put up for sale or tender in the first place, to give somebody a chance to make the profit, which apparently has been done since?

Mr. Strauss: They were found to be completely unsaleable.

Mr. Peter Thorneycroft: In view of the very serious allegations in this matter, will the Minister give an undertaking to have a full public inquiry into the matter to ascertain the true facts so that the people responsible can be brought to book?

Mr. Strauss: No, Sir. I do not consider anybody is responsible for any negligence. This was about three years ago. Most careful inquiries were made to see whether this apparatus was saleable or serviceable in any way. It was only after the most careful consideration that it was found that it was not saleable and that the best thing to do was to dump it.

Mr. Vane: Rather than sell machine tools to Poles, will the right hon. Gentleman follow this precedent and put them into a pit?

Mr. Fraser: Is the Minister aware that his Ministry, or the Ministry of Fuel and Power, attempted to stop the extraction of this equipment, although the rights had been purchased by a man in that Division? Is the right hon. Gentleman aware that this was an effort by the Ministry to hush up what is nothing less than a major scandal? I have seen the sets, the valves and the rotary converters. They were new and undamaged, and they were of considerable value.

Mr. Oliver Stanley: In view of this direct conflict of evidence on what obviously is a most serious allegation, will not the Minister consider referring this matter to some form of public inquiry?

Mr. Strauss: No, Sir. If the hon. Member who raised the Question has some information contrary to that which I have given to the House—

Mr. Stanley: He has given it.

Mr. Strauss:—information which is supported by some evidence, I shall be very willing to look into the evidence and answer a further Question on the matter, if necessary.

Mr. Fraser: In view of the utterly unsatisfactory nature of the reply, I wish to give notice that I shall raise this matter on the Adjournment, and I shall bring some of the machinery to the House to show to the right hon. Gentleman.

Mr. H. Fraser asked the Minister of Supply how many sets of radio equipment and of what type have been buried in the Delphouse pit near Cheadle, Staffordshire; and whether, in view of the profitable recovery of sets from the Wonder pit nearby, he will concert with the Minister of Fuel and Power for their extraction.

Mr. G. R. Strauss: About 1,300 radio transmitters and transmitter receivers were dumped in the Delphouse pit, and 30,000 incendiary bombs were dumped on top of them. It would, therefore, be impracticable to recover the sets, which could not in any case be used for civilian purposes.

(Continued on page 6.)

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

SUBSCRIPTION RATES: *Home and abroad, post free:*
 One year 30/-; Six months 15/-; Three months 7s. 6d.
 Offices: (Business) 7, VICTORIA STREET, LIVERPOOL, 2, Telephone: CENTral 8509; (Editorial) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone SEFton Park 435.

Vol. 21. No. 14.

Saturday, December 4, 1948.

The Emasculation of the Universities

Under the title which heads the next page, we published last week the *Protocol of the Learned Elders of Zion* numbered XV, with an introductory note which quoted the previously published opinion of this journal on the place and importance of the document. The ensuing publication of Protocol XVI, on "The Emasculation of the Universities" was promised, and this appears on page 5. The motive underlying the redirection of attention to this Chapter at the present time may deserve a word of explanation.

The universities of Christendom are mainly, though doubtless not entirely, the outcome of a clash, in the thirteenth and succeeding centuries, between the mental cultures of Greek, Arabic and Jewish development on the one hand and Christianity on the other. It is instructive to note that one consequence of this clash was the elaboration of a Trinitarian Constitution comprising the "Nation"*, the College (or School) and the University. The "separation of Powers" was confused, and this confusion has never been completely resolved, otherwise we suggest that the present state of Society would not be in existence to trouble us. We venture this opinion because of the prepotency of ideas (see Protocol XVI), and, if the underlying problem of the Constitution had been explicitly solved in the realm of ideas (the universities), the pragmatic or empirical solution, which is the only solution ever realised, would have had clearer guidance. At least that is our suggestion. Edward Gibbon says the schools of Oxford and Cambridge "were founded in a dark age of false and barbarous science; and they are still tainted with the vices of their origin." That may be; we are even more interested in his opinion that the use of academical degrees, "as old as the thirteenth century, is visibly borrowed from the mechanic corporations; in which an apprentice, after serving his time, obtains a testimonial of his skill, and a licence to practice his trade and mystery." Certification.

We have repeated *ad nauseam* that the governing objective of the National Health Service Act was to gain control over the certification of fitness to work (under the economic compulsion of a rigid work system). Friction would inevitably develop in the exercise of this control, unless there were also control over fitness to certify. Just as it tends to the avoidance of friction in industry if the certified workers believe they are employed upon some intelligible, and preferably necessary task, so it is preferable that the future signators of certificates of all kinds concerning the physical and mental condition of 'the workers' should believe their own certificates (or rather, 'the State's' certificates presented

to them for signature.) This cannot be achieved without a tinkering with the whole education system, the objective of which must be turned from being Truth in any sense, to being 'efficiency' in a narrow sense, and, indeed, in 'the State's' sense. ('The State' in this sense is not an abstraction: it is an interest.) This tinkering has gone on progressively since the Reformation, and recent legislation only puts the finishing touches to a programme of 'emasculatation' already far on the way to completion. But, there is grave danger of a slip betwixt cup and lip if any considerable fragment of ancient liberty is left. It is at this point that the deep significance of Mr. Charles Morgan's statement of his thesis should be taken into consideration. (*The Liberty of Thought and the Separation of Powers*, Oxford, 1948.)

"The cleavage in the world's mind, as I understand it," he says, "is no longer the old one, which statesmanship and law already recognise, between those who wish to extend and those who wish to restrict the overt liberties: the liberty of the person, for example, against imprisonment without trial, or the liberties of writing and speech. All these are still in question, but, whereas in the past they alone have been challenged and the liberty of thought has been considered only in its expressions through them, now the liberty of thought itself is directly attacked . . . If Liberty may be spoken of as a river, then it becomes true to say that, whereas in the past those who have taken a Christian or a humane view of man have assumed that the upper reaches of the river were inaccessible to attack, they have now to look to the source."

We are not pretending that this attack has not been as successful in the universities as outside. The source is not in the universities: what they have been at some times in the past is merely a mechanism for distribution: not the river, if you like, or the source of the river, but convenient banks. Only in certain circumstances can it be assured that a trickle of Truth will not run between those banks, gain volume and retain height, to drive some unpermitted mill of human satisfaction. So the last act of the foul drama is prepared. We cannot see anything to prevent its being played out. But that is quite a different thing from asserting or believing that deep study and resolute action are useless. We shall probably lose every battle but the last. The point is that we shall not win the last unless some improvement is effected in present tactics.

The University of Oxford, which we should say has been at times in its tortuous history pre-eminently the closest approximation among its sister establishments in Europe to the type of a truly Christian institution for Learning and Teaching, had two parents. One was the culture represented by the ancient British schools of monastic origin. The other was the alien stream of culture which may have originated, so far as this phase of its dissemination was concerned, in the University of Bagdad *circ.* A.D. 800. Balliol College, itself reputed to owe its foundation to an act of penance for the desecration of sanctuaries, was a Synagogue before it was a Christian College. Between the wars, it was still 'Belial' to students who were not members of it. Among the books most difficult to obtain at the present moment are Neubauer's essay on *The Jews in Oxford* and Friedman's *Robert Grosseteste and the Jews*. The word 'University' first gained currency in Germany, and since it did so, the universities have been the instrument for the centralised control of *reputation* (hence our 'reputable' economists.) We view with considerable suspicion the growing practice,

(Continued on page 5, col. 2.)

*At Glasgow the matriculated students are still divided into four nations, Natio Glottiana, Natio Transforthana, Natio Rothseiana and Natio Loudoniana, according to place of birth. A majority of nations (three to one) is necessary for the election of a Rector.

A Protocol for the Day

(A short article on the previous page gives some of our reasons for republishing at the present time the following *Protocol of the Learned Elders of Zion*, Protocol XVI, and No. XV which preceded it last week. In Marsden's translation, Protocol XVI is headed "The Emasculation of the Universities.")

XVI.

THE EMASCULATION OF THE UNIVERSITIES

1. In order to effect the destruction of all collective forces except ours we shall emasculate the first stage of collectivism—the *universities*, by re-educating them in a new direction. *Their officials and professors will be prepared for their business by detailed secret programmes of action from which they will not with immunity diverge, not by one iota. They will be appointed with especial precaution, and will be so placed as to be wholly dependent upon the Government.*

2. We shall exclude from the course of instruction State Law as also all that concerns the political question. These subjects will be taught to a few dozens of persons chosen for their pre-eminent capacities from among the number of the initiated. *The universities must no longer send out from their halls milksops concocting plans for a constitution, like a comedy or a tragedy, busying themselves with questions of policy in which even their own fathers never had any power of thought.*

3. The ill-guided acquaintance of a large number of persons with questions of polity creates utopian dreamers and bad subjects, as you can see for yourselves from the example of the universal education in this direction of the *goyim*. We must introduce into their education all those principles which have so brilliantly broken up their order. But when we are in power we shall remove every kind of disturbing subject from the course of education and shall make out of the youth obedient children of authority, loving him who rules as the support and hope of peace and quiet.

4. Classicism, as also any form of study of ancient history, in which there are more bad than good examples, we shall replace with the study of the programme of the future. We shall erase from the memory of men all facts of previous centuries which are undesirable to us, and leave only those which depict all the errors of the government of the *goyim*. The study of practical life, of the obligations of order, of the relations of people one to another, of avoiding bad and selfish examples, which spread the infection of evil, and similar questions of an educative nature, will stand in the forefront of the teaching programme, which will be drawn up on a separate plan for each calling or state of life, in no wise generalising the teaching. This treatment of the question has special importance.

5. Each state of life must be trained within strict limits corresponding to its destination and work in life. *The occasional genius has always managed and always will manage to slip through into other states of life, but it is the most perfect folly for the sake of this rare occasional genius to let through into ranks foreign to them the untalented who thus rob of their places those who belong to those ranks by birth or employment. You know yourselves in what all this has ended for the goyim who allowed this crying absurdity.*

6. In order that he who rules may be seated firmly in the hearts and minds of his subjects it is necessary for

the time of his activity to instruct the whole nation in the schools and on the market places about his meaning and his acts and all his beneficent initiatives.

7. We shall abolish every kind of freedom of instruction. Learners of all ages will have the right to assemble together with their parents in the educational establishments as it were in a club: during these assemblies, on holidays, teachers will read what will pass as free lectures on questions of human relations, of the laws of examples, of the limitations which are born of unconscious relations, and, finally, of the philosophy of new theories not yet declared to the world. These theories will be raised by us to the stage of a dogma of faith as a transitional stage towards our faith. On the completion of this exposition of our programme of action in the present and the future I will read you the principles of these theories.

8. In a word, knowing by the experience of many centuries that people live and are guided by ideas, that these ideas are imbibed by people only by the aid of education provided with equal success for all ages of growth, but of course by varying methods, we shall swallow up and confiscate to our own use the last scintilla of independence of thought, which we have for long past been directing towards subjects and ideas useful for us. The system of bridling thought is already at work in the so-called system of teaching by *object lessons*, the purpose of which is to turn the *goyim* into unthinking submissive brutes waiting for things to be presented before their eyes in order to form an idea of them. . . . In France, one of our best agents, Bourgeois, has already made public a new programme of teaching by object lessons.

EMASCULATION OF THE UNIVERSITIES (cont'd from p. 4)

which will continue to grow unless it is stopped by some shrewd stroke of detection or enquiry of co-opting social 'scientists' to committees set up to engineer the foundation of new professorships in Medical Faculties. The title of Professor of Snooping can easily be camouflaged. It is so 'psychological.'

But the 'shrewd stroke' will not develop on this plane of criticism. It is altogether too 'frontal', and frontal attack will not succeed in the present circumstances of practically universal corruption. *Pour qu'on ne puisse abuser du pouvoir, il faut que, par la disposition des choses, le pouvoir arrête le pouvoir.*

Let us see, from the convenient example of the M.P.A., how far we have gone towards disposing a power to arrest power. The reputation of the M.P.A. is still growing. It is "the lot who predicted all this down to the last detail." That is something which should be capitalised. Its near-success was the work of three individuals unsupported by funds apart from day to day payments for value delivered. That also is evidential. The information it succeeded in disseminating among an audience selected only by itself, along the lines of attention or indifference to matters which directly affected it, was immense, and made the M.P.A. at once the only activity of which the Plotters had any fear. That information was basic to a hundred sectional differences and to the over-riding difference between the British public and its usurper masters at the present time. Such activities should be carried on from stage to stage, carrying with them the aristocracy of will and understanding which has disclosed itself at each successive stage. In our opinion, this can be done, and the financing of it affords no insuperable difficulty at the appropriate level.

PARLIAMENT (continued from page 3.)

Sir Wavell Wakefield: Was the wireless trade given any opportunity to purchase these sets before they were dumped, in order to secure the component parts which are in such short supply and so urgently needed in this country and for export?

Mr. Strauss: These sets, and certainly the sets mentioned in the previous Question, were offered to the trade but they were unsaleable. These sets were not suitable for civilian use.

Mr. H. Fraser: The right hon. Gentleman said that the sets were offered, but is he aware that tenders were received in this country from Poland, Holland and France, and that they could not be taken because the sets were not put on the market?

Iron and Steel Bill (Second Reading)

Mr. H. Strauss (Combined English Universities): . . . I have given reasons to show that very serious grounds of objection to this Bill can be directed to the question of timing. But apart altogether from the question of timing, is the thing which the Bill proposes to do the right thing to do? Why do the Government now propose to take over this supremely successful industry, which is consistently reaching the targets set for it, and so consistently doing so that new targets are constantly being set, which the industry then reaches. It enjoys excellent labour relations. Here I might say to the hon. Member for Brigg (Mr. E. L. Mallalieu), who mentioned one or two things to modify that view about the excellence of labour relations, that as he spoke I thought that at any rate the labour relations were at least as good as those which now hold in the coal industry between the coalminers and their present employers.

The steel industry is working efficiently for a moderate reward. In Press interview after Press interview, and official document after official document issued by the Chancellor of the Exchequer, he holds up this industry as a shining example, and offers very serious criticism of the nationalised coal industry. I say that in these circumstances, at this moment, to decide to nationalise this industry, with all the attendant risks, is irresponsible to a degree which it is scarcely possible to describe.

One could conceive of such a Bill being introduced if it were necessary to carry out some policy which the Government desired to carry out. That would at least provide an argument for it, although I think that such an argument could be destroyed. But neither in the Bill nor in the speech of the Minister in moving the Second Reading today has there been given the slightest indication of a policy or plan for the industry. I know there are many Socialists in the country who think that they can prove that they are planners by saying that they are in favour of nationalisation. Nevertheless, the well-informed in this House, in whatever part of the House they sit, know that one of the earliest signs of the fact that the Government have no plan whatsoever for running an industry is an announcement of their decision to nationalise it.

What is the effect of this Bill? As my right hon. Friend the Member for Aldershot (Mr. Lyttelton) pointed out, it will produce the most fantastic division of the industries of this country—apart altogether from the basic operations which it is primarily desired to nationalise—between those

industries, say in engineering, which are to be nationalised and those which are not; between the State-owned section and the private section. Let me take engineering as an example. There will be a State-owned section and a private section. That will be true of many other industries also. It will be within the power of the State, with no limitation imposed by this Bill, to starve out the private sections simply by the refusal of raw materials, or by supplying the raw materials only at higher prices. In his speech, the Minister said that of course they would be fair. Then why on earth has he not put in his Bill a simple obligation compelling him to be fair? There is not a single obligation dealing with the question of fair trading or not charging differential prices. Is that chance or is it deliberate? It is either deliberate and wrong or negligent and culpable.

Things are taken over or not taken over according to the size of the concern; in so far as there is a distinction it is a distinction by size, exactly the distinction that was made in Czechoslovakia, preparatory to the enslavement of that State. There are plenty of precedents for nationalising in that manner, and with that object and with that end ultimately in view.

What does this Bill do? My right hon. Friend the Member for Aldershot was completely right in saying that the Government had designed the Bill so that they could be all things to all men and advance whatever argument was convenient. They are leaving the boards of the various companies unchanged. The right hon. Gentleman truly said that on the morrow of taking over not a single board would be directly affected. That is a lot of comfort is it not? What is to happen a few days later? I should like to put this dilemma to the Minister who is to reply to the Debate. Are the Government to leave the boards substantially as they are, and, if so, what happens to the argument of the Minister of Health, who says that those who are controlling the industry are intellectually bankrupt? Is the industry to be left in the hands of the intellectually bankrupt, or are the existing boards to be sacked in order that rather tired and inefficient Socialists who cannot pull their weight in this House may, in extreme old age, be given jobs in the nationalised steel industry?

I must say something about compensation, a subject which I understand will be dealt with mainly in the Debate tomorrow, both from the Front Bench on this side of the House, and no doubt by the Chancellor of the Exchequer. I wish to refer to this subject, as I shall have no further chance of intervening in the Debate, and I feel that it is not improper for a lawyer to feel some concern with justice. The compensation provisions are outrageous and I wish to say a few words about them. I do not think that they can be summed up better than they have been summed up by a man who is not a Tory. Again, I quote from the "Economist":

"To rig the market first and then to make compulsory purchases at the market price is more than sharp practice, it is plain dishonesty."

Those are severe words. They are amply justified and they will be proved to the hilt when this Bill goes into Committee. . . . I say that the effect of this Bill on confidence is absolutely disastrous in the case of everybody who desires to maintain a free society. When this Bill has gone through, the accession of power to the State will be so great that there is no sphere of private enterprise that will have any security of continued existence at all. I think that the sections of industry, and of those employed in industry, who

dislike that are very much greater than the hon. and gallant Gentleman believes.

I believe that nationalisation threatens efficiency and I believe that it threatens freedom. By that I am not thinking of the freedom of employers, but of another freedom which I regard as of great importance—the freedom of a workman to change his employer.

... If, as I say, this Bill has all the disadvantages of timing and effect; if in fact by giving no guarantee whatever that there will not be unfair discrimination against private industry; by giving no guarantee whatever that prices will not go up, as they have gone up to the consumer in other nationalised industries and services; if by all those methods it threatens our survival, what is the real explanation why it is now brought forward? I can tell hon. Members. It is perfectly simple. I do not pretend to feel the least surprise that it is brought forward. It is brought forward because the whole principle and preaching of the Marxist says that it must be. The Communists have made no secret of the fact that an industry of this sort must be nationalised. We know from the Socialist Party's own introduction to the Communist Manifesto, Centenary Edition, which they recently brought out, that in what they have already achieved or are about to achieve they claim a common inspiration with the Communist Manifesto. They say so in so many words.

I have no doubt at all that on Communist principles this Bill can be absolutely justified. It does not give the Communists everything they want at once—nor did the preliminary steps in Czechoslovakia—but they can look upon it with every confidence that, as worked, it will in due course, unless the Bill is reversed, give them everything which they seek. On Marxist principles it is absolutely right. That is why it is not at all a matter of chance that those members of His Majesty's Government who have been most prominent in backing this Measure—the present Minister of Supply, the Minister of Health and, as we shall no doubt hear tomorrow, the Chancellor of the Exchequer—are precisely those members of the Government who were once expelled from the Socialist Party for desiring or making a common front with the Communists. They at least have been consistent. Once more the "Economist" is quite right when it says:

"The introduction of the Steel Bill is the clearest example west of the iron curtain of the way in which a minority within a minority can achieve its aims."

House of Commons: November 17, 1948.

Iron and Steel Bill

Colonel J. R. H. Hutchinson (Glasgow, Central): ... That is the acid test of the justification of this Bill. Will steel be produced any better, which means, in the long run, any cheaper? What attempt has there been to show that this will be so? None at all. As the "Economist" said in its recent article, the balance of evidence is that it will not. How does the Government hope to produce cheaper steel under this nationalisation scheme? Let us for a moment examine the possibilities which are open to it. Past prices were not high. My right hon. Friend the Member for the City of London showed today that we were, throughout, competitive. In 1937, for example, our prices for joists, plates and bars were dearer than those of Belgium, but cheaper than those of the United States and Germany. In 1939 our plates were cheapest and our joists were dearer than those of Belgium and France but cheaper than those

of Germany and U.S.A. Today, throughout a large range of steel products we are the cheapest producers in the world, and that is still a fact even when we make allowances for the subsidy which the subsidy on freight and the subsidy on scrap represents. Throughout the whole range at the present time we are competitive. Is it expected that we are going to show even cheaper prices under nationalisation?

Where else can we look for more efficiency—under the Government's proposals—for cheaper prices? Is it to be in increased production? Much appears to be expected from that. In the inter-war period the demand never at any time reached the potential supply. From 1924 to 1934 the capacity of the industry was 12 million tons. Demand never approached that figure. The capacity rose in the period 1934 to 1938 to 14 million tons and demand succeeded in reaching, for one moment, 13 million tons. The 1945 plan—and may I point out that the original thoughts behind this plan were going on in 1944, and I myself saw a draft of the plan dated December, 1944, so that the allegation that this is a death bed repentance scarcely squares with the fact that there was a plan in existence in December, 1944, six to eight months before there was a Socialist Government—the 1945 plan set forth, as is well known, a capacity of 15 million ingot tons, a capacity which has now been raised by consultation with the planning authorities and the industry to possibly 18 million tons. We hear a clamour for even higher figures. We heard it from Mr. Cole, who advocated 26 million tons and quickly reduced it to 24 million tons, while others advocated 20 million tons.

This constantly expanding capacity is just the sort of trap into which inexperienced dabblers in international trade are liable to fall, owing to a temporary and clamant demand. ... This habit of using an insistent and clamant temporary demand to build the whole of the programme for the future is the most dangerous gambler's habit. This has happened before, as the hon. and learned Member for Kettering (Mr. Michison) has said, and it is of the greatest importance to the country that it should not happen again. What is going to happen if the demand for our motor cars falls in foreign countries? What is going to happen if the demand for shipbuilding falls? There is not a shipbuilder in the country who imagines that the present high and insistent demand will be a permanency.

Have the Government calculated on the increased capacity of foreign countries? Is it realised that the Canadian output has already been trebled? Is it realised that the European countries, with the exception of Germany, are approaching their pre-war figure, that Luxembourg, Poland, South Africa and Sweden have passed it? Is it realised that the United States of America, with its enormous production figures, is in the course of doubling them? What is going to happen when all these come into operation and play on the international market? If we double the inter-war demand, as it was experienced, we find a total demand of 16 to 17 million tons, which will be taken care of by the existing plan. But is a permanent doubled demand likely? This is the most acute problem which faces every businessman when he is calculating what he is going to do in the future. But mark this: if the businessman miscalculates, it is he who makes a loss. But if the Government miscalculate it will do great damage to the whole of the public.

There is another aspect to this. If this calculation goes wrong and the demand falls how are the Government to succeed in maintaining their production and fill their capa-

city? Surely, the only thing they can then do is to cut prices. What sort of international complications are to arise if the British Government, who own all the steel production here, start to compete in that way? How will it be received by the nationals of foreign countries who realise that they are in a cutting campaign against the British Government? What, for example, is the new and expanding industry in India and Australia to say then? If the Government cut prices they automatically tend to make losses; but they cannot make losses under the Bill; they are charged not to make losses. Therefore, what are they to do in order to keep up their production and their profits? The only one thing left to do is to increase prices to the home consumer. That is very likely to happen. It has happened on the Continent—home consumption subsidising exports time and time again. What happens then to the aim outlined by the Minister in 1946, that the consumer would benefit out of all this? . . .

Let us examine for a moment the third of the trilogy of noble objectives which the Minister outlined in that peroration to his speech—freedom: the greater freedom the Bill is to bring to British men and women. I do not think it has been contended, and I do not believe anyone would seriously contend, that by buying from a Government corporation the ordinary consumer can have more freedom than if he were able to pick one of the ordinary competing companies at the present time which, admittedly, are linked together. I do not think anybody will claim the consumer is going to have more freedom under the new system. Therefore, the freedom policy must apply to the workers. How is the worker to stand? The Minister yesterday made a most interesting, a most illuminating, and, I think, most dangerous remark when he was talking about the necessity of having more control of a non-negative kind. He said, for instance, that he had not been able to prevent the Steel Board resigning. Consequently, by implication, he said that under the new dispensation people who are under contract—and whose contract was finishing anyhow—could be prevented from leaving Government employment. That seems to me to be a most dangerous theory.

. . . That is a very curious theory, because it means that he wants to use this Bill in order to prevent people from being able to leave their employment [HON. MEMBERS: "Rubbish."] Does that extend to the workers in the industry? Well, I think the Minister should have used different words, or should have made the words he used very much clearer.

There is a profound evil inherent in nationalised industries, and that is that the worker has only a single employer, an employer who is distant, intangible and impersonal. If he quarrels with that single employer he is virtually a lost man. The facade of this Bill will not disguise from anybody the fact that at the pinnacle of the structure of the industry there is a single employer. No one will be deceived into thinking that the worker will be able to move from one employer to another more freely. . . .

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Published by the proprietors K.R.P. Publications Ltd., 7, Victoria Street, Liverpool, 2. Printed by J. Hayes & Co., Woolton, Liverpool.