THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

"The soul of the nation has been rather grimy for the last hundred years, but it is now becoming somewhat cleaner" (As heard on the "B".B.C. Bulletin, July 15): Mr. Attlee.

You can see what he means by considering the juvenile delinquency reports, Lord Justice Goddard's description of housebreaking as "one of our major industries," the courteous manners of Mr. Bevan-Sieff, God-with-us Shinwell, and Mr. Silkin, together with the scrupulous observance of contracts by the Trades Unionists.

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The "B".B.C. (Vice-Chairman, STELLA, Mrs. Isaacs, Dowager Marchioness of Reading) is beginning to develop its hand. In *The Listener* of July 14 there appears the first of four "talks" by Mr. Alexander Comfort, of which the title, "Is Christianity True?" appears to be answered to Mr. Comfort's satisfaction without waiting for the other three: Christianity isn't true.

We have no desire to chop theological argument with Mr. Comfort, who is described as a Poet and Novelist, is twenty-nine years old, and "refused military service in war of 1939-45." He also appears to possess good medical degrees.

It is the choice of him by the "B".B.C. to attack Christianity which is interesting. Put quite shortly, whether Mr. Comfort knows it or not, the "B".B.C. and its controliers know quite well that an attack on Christianity at this time is a blow in assistance to Communism.

We feel fairly confident that we shall not have a series of talks, "Is Marxism True?" but if we have, the first of the series will contend that it is. Which it *isn't*.

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"Because of the lustre of this genius, the Renaissance is often regarded erroneously as a golden age, whereas, upon reflection, it becomes obvious that such pinnacles of achievement can never be climbed in a single generation. Genius of this order is inevitably a plant of slow growth, the flower of generations of slowly accumulated learning, tradition, and creative power. In the hothouse of the Renaissance the carefully tended mediæval buds soon blossomed, and as soon became overblown. The artistic glories of the late sixteenth and early seventeenth centuries, in fact, represent the final achievement of the Middle Ages, and the expression of the new age is to be found, not in the work of Shakespeare or Ben Jonson, but in the voice of Niccolo Machiavelli."—L.T. C. Rolt, *High Horse Riderless*. p. 57.

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"Every penny America had paid out would be returned four-fold."—Mr. Ernest Bevin in the House of Commons, July 18.

So saying, Mr. Bevin, with a magnificent gesture as though drawing his sword, produced a cheque book, indicating that a sum equal to three-quarters of his salary as Foreign Minister be paid to Mr. Carl Schneider of the "American" Treasury. Closer investigation indicated that you signed the cheque.

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We can well believe that Sir Stafford Cripps will be the better for six weeks in a clinic at Zurich—breaking up an Empire is doubtless exhausting work.

But the popularity of Switzerland with various public figures just now recalls the fact that the Bank of International Settlements, British Directors Lord Catto and Sir Otto Niemeyer, has or had its headquarters at Basle, not very far away. The silence which enshrouds this institution is only paralleled by the mystery which envelops Dr. Hugh Dalton, and the reasons for which he is paid a Cabinet Minister's salary.

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"The best lack all conviction, while the worst
Are full of passionate sincerity."
—W. B. Yeats.

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There is evidently something about the pleasant climate, or some other attribute of New Zealand which renders the population politically ineffective. We are not referring, at the moment, to the astonishing success with which the Social Credit Movement has been sabotaged there, although that is remarkable.

A correspondent has sent us a specimen of the form for making a return of Income from Business and Professional Sources during the Year ended March, 1949. We have become used to the new Government Morality in once-great Britain, but we do not think even here that the following instruction would escape effective comment:

Col. 2 *page* 1:

"Illegal Business. Profits from an illegal business are assessible, and must be returned for taxation purposes in the same way as profits from any other business."

Forward, Mr. Sidney Stanley, source of Government revenue.

But, of course, the instruction is intended to be a conscious repudiation of public morals.

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"As no doubt the more intellectual Gadarene pigs were the first to remark, when in steep places, the logic of events demands a forward and progressive policy."—*The Stumbling Block*, Aubrey Menen.

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There is some gossip in Washington which purports to suggest a change of attitude on the part of Mr. Bernard Baruch, at the time of writing these notes the guest of Mr. Churchill at Westerham. Indisputably one of the real

powers behind the New Deal, which was closely linked with P.E.P., Mr. Baruch is now said to consider the Welfare State, as exemplified in "Britain" and contemplated in President Truman's Fair Deal programme, as a proved failure.

We should require a good deal more evidence than is at our disposal before we accept this suggestion of Mr. Baruch's conversion at its face value. But if it should prove to be correct, it may be one of the most important factors in coming events. Mr. Baruch is a very powerful individual; but he is also well informed on the attitude of powerful world Forces.

PARLIAMENT

House of Commons: July 13, 1949.

Constitutional Proposals, Nigeria

Mr. Sorensen asked the Secretary of State for the Colonies what progress is being made respecting discussions on new constitutional proposals for Nigeria and procedure in respect of these; how many representatives have resigned; and for what reasons.

Mr. Rees-Williams: Discussions at district level have been almost completed. The Lagos and colony conferences have ended, but their reports are still awaited. Provincial conferences are being or will shortly be held. The procedure being followed is that laid down in the report of the Nigerian Select Committee. The only withdrawals known to the Nigerian Government occurred in Lagos, where 11 representatives from a conference of 54 have withdrawn following a decision by the full conference that its decisions should be recorded by resolutions taken on a majority vote.

Mr. Sorensen: Do I understand that these persons have resigned in Lagos merely because the decision was made that majority decisions should operate in future? If so, has anything been done to acquaint those who have resigned with the serious significance of this?

Mr. Rees-Williams: The facts are as I have stated. I hope the people of Lagos will draw their own conclusions from them.

Strike, London Docks (Emergency Powers)

The Attorney-General (Sir Hartley Shawcross): . . . I do not believe that democracy can be safely rested upon the policemen and the prison; I do not think that is the basis of democracy. I do not think that we can safely maintain democracy on the basis of penal laws. I think we have got to get—and this is what I hope we shall get in this dispute, and generally—a willing acceptance by the individual citizens in a democracy of their mutual responsibilities to each other. That, in my view, is the basis of democracy. The policemen, the Gestapo and the prison are the instruments of the totalitarian State which I have been attacking in the speeches I have made.

Ultimately, as I think—and this is what I said in the Debate on the Trades Disputes Act—movements of this kind cannot be controlled simply by the operation of the machinery of the criminal law. Persuasion is much more effective than coercion in matters of this sort. It is for all people of good will, on whatever side of the House they sit, and whatever their political opinions may be in a matter of this kind, to say that, great and admirable as is the tradition of solidarity which members of trade unions possess, these unofficial strikes in which that quality is played upon by unscrupulous people, are subversive—this is what I said in my speech, and I shall repeat it—of our trade unions, our negotiating machinery, our industrial democracy, and, indeed, of the whole basis on which our society rests.

A democracy, whether in the political field or in the industrial field, depends upon reliance on elected representatives both in Parliament and in the trade unions, in the Dock Board, the Labour Board, and negotiating machinery, and so forth. It is the precious right of people in a democracy—and this is what distinguishes it from other forms of society—to change their elected representatives when the time comes. But if in the meantime they throw them over, discard their authority, disobey their rulings and advice, that is exactly the kind of conduct which itself destroys democracy and which, if allowed to persist, would, in the end, destroy the opportunity for choosing representatives at all.

Mr. W. J. Brown (Rugby): I share the view which has been expressed on all sides that the proportion of the dockers on strike who are Communists is probably an insignificant proportion of the total. I share the view expressed by the Attorney-General that the overwhelming majority of these men are good, honest, loyal citizens who have been misled by a mistaken conception of trade union loyalty. I regard it as of the essence of governmental strategy in this matter to separate that loyal body of citizens from the scoundrels who are manipulating their trade union loyalties.

I listened with great attention when the Prime Minister made his speech. I wish it had been made earlier. I share the view which has been expressed from the Opposition Front Bench that there has been a failure to keep the men informed, step by step, of the facts of this dispute, and of what the Government must know about what lies behind it. I hope that, beginning with the Prime Minister's statement today, we shall leave no resource unused—of the letterpress, the platform and the radio—to inform the men of what are the facts in this conspiracy. I would urge that the most restrained use be made of the powers for which the Government have properly asked us, and which the House will readily give, except in relation to the real criminals in this matter. That brings me to what I most particularly wish to say.

We are a democracy, and in the conception of democracy, certain freedoms are held to be implicit—the freedom of the Press, the freedom of the platform, freedom of organisation, and freedom of trade union activity. No one of us, on whichever side of the House one sits—excluding those who represent the Communist Party, and what have come to be known as the "Pritties"—willingly wishes to diminish those freedoms. But let us make no mistake about it. When a democracy is confronted by the growth within itself of an organised movement, the purpose of which it is to use the freedoms of democracy to encompass the ruin of democracy, a new situation has to be dealt with. I want some assurance if I may respectfully ask for it, that the Government are dealing with this, because fundamentally that is the issue here. There is a group of trained, professional, full-time paid agitators——

Mr. Platts-Mills: That is how Hitler put it from 1923 onwards.

Mr. Brown: I beg the hon. Member's pardon. I ought not to, but I do.

We face a situation in which we have a body of trained,

full-time, agitators whose express purpose it is to use levers within social democracy to break social democracy wide open and to destroy it. Nowhere in the world has Communism come to power as the result of a free election of the people. It has come to power only by the penetration and capture of the instruments of the existing society, and by the use of all those instruments to overthrow the body of which they form a part. When we are confronted with that situation, we have to revise some of our conceptions of what democracy requires. Let me put it this way. If, to deal with the situation with which we are now confronted in the docks, we diminsh any one of the freedoms which I have mentioned, we become to that extent obviously less democratic; to that extent we curtail the democracy of which we are proud. But unless we deal with the Communist conspiracy I have described, democracy itself may be destroyed.

That has happened in many countries of Europe. I spent part of this morning talking with a friend from Czechoslovakia, who described to me what happened in February of this year. What happened in February in Czechoslovakia is the classic blue-print for what it is desired to bring about in this and other countries—Communist penetration and then revolution. I rejoice to say that in this country the Communist penetration of the trade unions has not gone nearly as far as it had gone in Czechoslovakia. I rejoice further to say that there is a most welcome, if belated reaction, inside the trade union movement, against Communist penetration today, which I regard as one of the best and healthiest signs of our democracy at the present time. But though it is true that that penetration has not gone nearly as far in this country as it had in Czechoslovakia in February, nevertheless it is intended it shall go as far, if the Communists can contrive it, and it is intended to produce the same results in this country as it has done there.

That is the problem that underlines this strike. The Communists have exploited in the strikes, so far, almost every emotion-laden phrase and slogan with which I and other old trade unionists were familiar in the past. They began by declaring the Canadian ships "black," because that word "black" has a particular trade union connotation and a trade union history behind it, and amongst trade unionists it is one of the most emotion-laden words anyone can conceive. Later on they used the phrase "broken agreement"—another emotion-laden phrase with a lively trade union connotation behind it. At a still later stage they declared this to be not "a strike" but "a lock-out," knowing the reaction in the working-class mind to the very word "lock-out." I have not the slightest doubt that today in the docks they are probably saying that the Government have brought in troops to "break the dockers." They use the most emotion-laden words they can find to impel good, but easily misleadable, men into actions which may be disastrous to them and to the whole democracy of which they form a part. I make no bones about it, and I say very bluntly what I think. I think the time has come to declare the Communist Party in this country an illegal conspiracy.

Mr. Platts-Mills: That will get you into the headlines, brother.

Mr. Brown: If it does get me into the headlines, well and good: it will be a good headline. But you cannot keep out of them. They are your permanent residence. Your permanent address is the front page of the "Daily Worker."

Captain Hewitson: On a point of Order. Does the hon. Member refer to you, Sir, when he uses the word "you"?

Mr. Brown: The first interruption was impertinent. The other is frivolous. I beg both hon. Members to desist. What I am trying to say is that, up to the time of the coup in Czechoslovakia it was possible to say that there had been, perhaps, certain limits to which this process of overthrowing States from within could go. Up to the time of Czechoslovakia, it was possible to argue that the countries that were being dealt with were countries that had never known what real democracy was—little Balkan States that had always been governed by terror and the police. But Czechoslovakia was a modern democracy. It was a modern democracy in which, in spite of its democratic freedoms, the policy of using those instruments of democracy to overthrow the normal state of society was used to the fullest extent.

I say that now a new problem poses itself for every surviving democracy in the world. Now, I hold that a democracy has the duty to extend tolerance to all those people who believe in tolerance. I think it is right to concede to all those who believe in democracy the exercise of the functions of democracy. But I do not believe it is right to give the rights of democracy to those whose sole political purpose is to destroy democracy. I am a political Independent, and it does not matter what happens to me. However, it does matter what happens to this country, and so I say—and perhaps there are few other hon. Members in the House who would take it on themselves to say it—I say that, in my considered opinion, we have got to re-think out the fundamentals of democracy in the light of the situation now in this country, and the existence of an organised minority whose purpose it is to overthrow democracy, and to institute the full rigours of a totalitarian State.

We have come to the time when we should declare the Communist Party to be an unlawful conspiracy against the stability of the State. We should prosecute the Communist Party as an unlawful conspiracy against the security of the State, and, if it should be found guilty by due process of law, we should withhold from it the freedom of the Press, freedom of organisation, and all the other freedoms which they are now using for the express purpose of undoing democracy. One does not like to say that. I hope I am as good a democrat as anyone in this House, but there does come a time when toleration becomes weakness and weakness can become fatal. I therefore hope that, though the Government should exercise their powers with great constraint when dealing with ordinary good men who have been misled, they will take an entirely different view of the people who are using the simple loyalties of simple men to underline democracy in this country in which we live.

Mr. Mellish (Rotherhithe): . . . last Friday week in this House of Commons I and three other hon. Members were lobbyed by men I know personally and for whom I can vouch.

Consequent on the story they told me, and which I did not believe, we were asked to go aboard the "Beaverbrae" and we went aboard that ship. . . . When we went aboard, in the light of the allegations made, this is the first thing we discovered, and it is fundamental to the argument of whether the dispute is genuine or "phoney." . . . After we had heard from the captain of the ship, I asked to see the crew. My trade union training has taught

(*Continued on page* 7.)

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The "Right" Road to the Left

The Times is of the opinion that the political scene will *look* different when the rival fleets "still out of sight" of one another, fire their salvoes at closer range. Lesser lights among the newspapers of the country may now echo the lead given, which is that Mr. Churchill has infused life ("given life" says *The Times*) to a political struggle which would be lifeless otherwise, because of the broad general agreement between the combatants. Not, perhaps, irrevocably, but at least publicly, the "Conservative" party is the party of the Welfare State, resolutely if unwillingly, unwillingness being the chief visible electioneering asset. Which side will carry the money may depend upon whether the stakeholders have decided that a two-party system is still necessary, and in that case, presumably, the "Conservative" party will "win" in order to prevent its permanent extinction.

Outside party circles (and there is now a considerable outside), the prospect does not raise any enthusiasm, and the few remaining provincial newspapers which are not syndicated carry more and more letters from correspondents who are critical of some at least of the falsely axiomatic propositions upon which current propaganda relies for its successes. The effect of some of these will be to fly a kite for Coalition or "National" government, which are well-known devices resorted to by interests to tie both "sides" to the same strings, unless this point can be turned by just that touch of realism which this journal has been preaching for many months past.

The nation does, we are convinced, not want to take either the "Right" road or the left road to the Left. To cite the letter in the next column, "nothing will stem the trend towards absolutism but . . . " If anything material lies hidden to distinguish the parties, pressure on this point will bring it to light.

Devaluation of the £

The Scotsman continues to publish letters on the Devaluation of the £, following that of Mr. Arthur Birnie, to which Major Douglas replied as quoted in *The Social* Crediter of last week. A further letter from Mr. Birnie, published on July 12, dealt with an inadvertence in his own original letter and did not deal with Major Douglas's argument. Two days later, Mr. S. E. Johnston began a letter as follows: —

"Sir,—In considering any matter of this kind, it is suggested that only general principles can guide one aright. All your correspondents to date simply judge the question in the light of past experience, most of it very recent experience, and adopt this as a guide for the future. The only exception to this is Mr. C. H. Douglas who, dealing with broad general principles, condemns variability in the external value of a currency on the ground that a currency is not a commodity."

Thereafter, the writer proceeded to treat the monetary unit as a unit not of account but of value, from which Social Crediters would dissent.

On July 16, Mr. E. G. Macfarlane referred to Major Douglas in the following sentences: —

"Sir,—There is an important point which has not yet been made in this interesting correspondence. I refer to the fact that nobody has questioned the general assumption that national separation in matters of policy-making should persist. I suggest that this assumption is even more important than the assumption attacked by Major C. H. Douglas."

Major Douglas replied as follows in *The Scotsman* for July 20: —

"Fearnan, by Aberfeldy, July 16, 1949.

"Sir,—While it would not be difficult to demonstrate that 'national separation' is not incompatible with sound and realistic finance, your correspondent, Mr. E. G. Macfarlane, is justified in raising the question of political finance at a time, such as the present, when practically every subject is distorted by politics. His suggestion of a world State ('a policy-making centre') with a uniform currency is unfortunately vitiated by certain fundamental objections, some highly technical.

"In the first place, the general argument appears to be that since quarrels between individuals could be eliminated by abolishing individuals, *a fortiori*, divergencies of policy between nations can be suppressed by, forcibly or otherwise, obliterating their characteristics. Neither historical fact, nor the present existence of separatist bodies such as the Scottish Nationalists, prevails over the skilful propagandising of this aspect of collectivism, perhaps the most operative factor being the lure of such phrases as 'common ownership' and 'public control,' which are merely devices intended to bring the individual under the sway of a bureaucracy, uncontrolled and uncontrollable by any 'democratic' system, but easily amenable to high-level pressure.

"Resistance to totalitarianism is possible only where the lieges keep control of their 'own' money, where the Executive never gets control of the purse or the attributes of it. That was the root of Parliamentary success, not the voting system. Nothing will stem the trend towards absolutism but the substitution of an irresponsible vote by a vote which pins any loss resulting from the exercise of it on the voter, not the nation or political opponents. This once achieved, the way will be cleared for a reasonably incorruptible money of account.—I am &c. "C. H. Douglas."

The Secret Ballot

The following appeared in the *New Zealand Herald* of July 5: —

"Sir,—The Prime Minister and leading politicians everywhere venerate and defend the secret ballot. It is the bulwark of democracy we are told. The electors' right to vote secretly is said to be of supreme importance.

"How, then, does it happen that in Parliament the secret ballot is not permitted? Is it to keep the party members at heel? If, on the other hand, it is thought best to have an open ballot for Parliamentarians as more responsible and honest, why not the same thing for those who elect the members to Parliament, for the same reason?

"E. W. Flint."

Breaking Up?

The events of the third week of July suggest that an acceleration is occurring in the machinery of events, leading to a situation which may present not dissimilar features from the present so much as the same features in an aggravated form. The tone of the argument in the hearing of the public is, in all probability, correctly forecast by a study of the political gossip articles which contemplate the rushing through Parliament of a Bill to remove Lord Ammon from the Chairmanship of the Dock Labour Board. What the tone of argument is elsewhere may be suggested by the fact that the relative merits of economic and military war (civil, not international) are being discussed almost in the same breath as the relative merits of Sir Stafford Cripps and Mr. Bevin or Sir William Darling as economists competent to be or to "advise" a Chancellor.

Lord Ammon (formerly a postal worker) says he has had a fan mail as big as a film star's, and "letters from all sorts of people expressing relief that 'someone has spoken out at last.' " The incident has overshadowed the exchanges in the House of Commons on July 21 concerning the non-reference to the British Cabinet of the fateful "unconditional surrender" decision which Mr. Churchill accepted from Roosevelt. Since the normal delay in our reproduction of chosen extracts from Parliamentary Debates is of some duration, and the topic has some urgency, we reproduce below, out of turn, passages from the Debate on Foreign Affairs: —

House of Commons: *July* 21, 1949.

Supply: Committee—Foreign Affairs

Mr. Harold Macmillan (Bromley): . . . what they should have seen in Central and Eastern Europe is that social democracy has been a prologue to Communism.

Sir Richard Acland (Gravesend) *rose*——

Mr. Macmillan: Perhaps the hon. Baronet will allow me to develop the theme and then I will give way. He will have noticed, except as far as the C.D.U. is concerned —and that is predominantly a Catholic Party—that there is no responsible party of the Right which has been allowed to come into being.

Sir R. Acland: The Free Democratic Party.

Mr. Macmillan: I think that is very dangerous and it is not to be wondered at that less respectable forms of nationalist revival are forming themselves underground and unrecognised and nonetheless dangerous on that account. It is perhaps worth noting—I am only stating the importance to Germany which alarms me—that one of the most successful pamphlets which has swept over Germany is Colonel-General Halder's thesis. That is the old cry that it was not the professional army which lost the war, but the political follies of Hitler and his officers, which is another form of the excuse which became so dangerous after the first war. There is the Right Wing Nationalist "League of Independent Germans" to which I think the hon. Baronet may have been referring. It has not yet been licensed as a political party but it is not on that account to be disregarded; it may on that very account grow in strength.

It is reported that a union has been or is about to be made between this movement and the movement of the German refugees from Eastern Germany which is sponsored by Pastor George Goebel. This gentleman made a formidable declaration which is of great importance. He, the leader of this great party of refugee Germans, said:

> "Do not drive us into desperation, as otherwise we could become the torchbearers of Asia. The Asian flood once put into motion will not halt at the English Channel."

Those are sinister words. My mind goes back to the Rapallo Conference. It was the agreement between Stresemann and Chicherin which was the precursor of the Stalin-Ribbentrop Pact.

That is really the true danger to European peace, because if Germany cannot in some way or other be attached firmly to the West I fear that nothing can prevent her from sliding, either by purpose or by mistake, into the power or control of the East. Some may think that Communist aggression is the greatest danger that threatens the world today; others may think that the revival of Nazism in Germany is the greatest danger, but I think that everyone would agree that the greatest danger of all would be a combination of the two.

I go back to the ordinary German man whom I have been discussing. He may not be attracted by our form of democracy; he cannot learn it out of text books. He sees his country in the hands of a bureaucratic control, which however well meaning has had many faults. He sees perhaps little chance of reconstituting his country by peaceful means amid the quarrels of the great Powers. As I say, he is at the same time subjected to an immense nationalist propaganda, not only by these unlicensed movements I have mentioned, but by the natural tendency of all the official parties at the time of the election to rise again upon the nationalist cry. At the same time he is told that the Allies are wantonly dismantling his factories, not only for security but for competitive reasons. Is it to be wondered at that this ordinary German whom I have tried to picture is in a state of some uncertainty and confusion? . . . the trial of war criminals should be swift as well as just. I know that it is very easy to arouse passion on either side on this matter. I would only say, and I profoundly and sincerely believe it to be true, that I do not believe that there is any British man or woman, however much they or their families may have suffered in the war, who can see without distaste the spectacle of an aged German general being brought to trial four years after the total surrender of Germany. I know nothing about his guilt or innocence, I know nothing of the facts, but I say that justice too long delayed is not true justice. Nothing could be more unfortunate than the effect of these two controversies, of which dismantling is of course the more important, at a time when the Russian system in Eastern Germany and their behaviour in Berlin have done so much on the other side to swing German opinion and German hopes towards the West. . . . By itself, the German problem is insoluble. Indeed, it is worse than insoluble, for mishandled it will only be solved in this fatal way—a new Russo-German coalition. But within the broad unity of Europe, Germany might find at once peace and hope. . . .

The Secretary of State for Foreign Affairs (*Mr. Ernest Bevin*): The main burden of the speech of the right hon. Gentleman the Member for Bromley (Mr. H. Macmillan) has been in regard to Germany. I did not detect or discover any general attack on the policy of the Government in relation to this very vexed and difficult problem. . . .

I must go back for a moment to the declaration of unconditional surrender made at Casablanca, on which neither the British Cabinet nor any other Cabinet had a chance to

say a word. It was in the middle of a war and it was just made. But it left us with a Germany without law, without a constitution, without a single person with whom we could deal, without a single institution to grapple with the situation, and we have had to build right from the bottom with nothing at all. We have had to build a state which has over 20 million displaced persons scattered about it, and we had to build it while something like 5 million people were being driven out of one part of the country into the other. Believe me, although I do not want to go into it now, on looking back, although I cannot raise my hat to them in this House, I cannot pay too great a tribute to the military commanders and political advisers who were left with a shambles out of which they had to create a new Germany.

Mr. Michael Foot (Plymouth, Devonport): May I interrupt my right hon. Friend? Is he saying that, on the subject of unconditional surrender, the position was that the British Cabinet never had notice of the matter at all?

Mr. Bevin: The first we heard about it was in the Press.

Mr. Churchill (Woodford): The first time I heard that phrase used was from the lips of President Roosevelt.

Mr. Bevin: That justifies what I am saying. I do not complain, I assure the right hon. Gentleman, and he will admit that I took my share of every decision of the Coalition Cabinet whether I thought it was right or not. I say that I never heard of that phrase until I saw it in the Press, and that, if it had been put to me, as a Member of the British Cabinet, I would never have agreed to it. I do not complain about it; I took it as it was, but it is rather hard for leaders of the Opposition to criticise me now when they left me with such a shambles to take on.

Mr. Churchill: The statement was made by President Roosevelt without consultation with me. I was there on the spot, and I had very rapidly to consider whether the state of our position in the world was such as would justify me in not giving support to it. I did give support to it, but that was not the idea which I had formed in my own mind. In the same way, when it came to the Cabinet at home, I have not the slightest doubt that if the British Cabinet had considered that phrase, it is likely that they would have advised against it, but, working with a great alliance and with great, loyal and powerful friends from across the ocean, we had to accommodate ourselves. I am by no means inclined to think that great harm flowed from this particular phrase. [*Interruption.*] It is indifferent to me whether hon. Gentlemen agree with me or not; I am only telling them that, in my own mind, I have not at all satisfied myself that it did in fact produce some evil consequences, although I do not think it was the phrase which we or our Government would have used.

Mr. Blackburn (Birmingham, King's Norton): On a point of Order. It is quite apparent that certain matters are being discussed in this House when hon. Members have not had the opportunity in advance to realise that grave issues of this kind were likely to arise. In view of the very possible international repercussions, may I submit that it would be preferable if this matter could be left to be discussed later as a specific matter?

The Chairman: That is not a point of Order, or a matter for the Chair.

Mr. Sydney Silverman (Nelson and Colne): Before my right hon. Friend resumes his seat, as I think I am the only hon. Member in the House who spoke about these matters except the occupants of the Front Bench, would he bear in mind that a small group of us who used to sit on those benches on the other side raised this question of unconditional surrender, its implications and its dangers for the future, but nobody, neither the Prime Minister or anybody else ever said anything about the British Government never being consulted.

Mr. Bevin: I am making no complaint about this. In a war, all kinds of problems arise. My only complaint now is that, when I get criticism of what we are doing in Germany now, of the way in which the terrific task that has been imposed on my Department and the Government is being handled I only wish that hon. Members of the Opposition would take these facts into account. That is all I say. When the matter was reported, I realised the difficulty, and I made an honest statement when I said to the right hon. Gentleman who is now the Leader of the Opposition, "Well, it is done; we have got to make the best of it," and that is my way of working in any committee. I was not going to split the Government on this issue and was not going to cause any trouble.

Mr. Churchill: Or the alliance.

Mr. Bevin: Or the alliance; not at all. What I am suggesting is that, when I listen to the rather supercilious attitude on this problem of the right hon. Gentleman who opened the Debate—and I think he knows the facts, because he was a Member of the Government—I think he should have taken these things into account. It was left to us to try to overcome many of these great difficulties, which have affected policy ever since.

Mr. Churchill: But you assumed responsibility.

Mr. Bevin: Certainly, I do not object to that. I am making a very straight statement. I assumed responsibility, when the right hon. Gentleman was the Leader of the Government at that time, for the decisions that were taken. When the right hon. Gentleman reported to us that it had been done, I accepted responsibility, and I never went back on it, but I think it is rather regrettable, seeing that those responsible in the days of the Coalition Government had reached that decision, and that we have to reap the whirlwind, that the representatives of the Opposition do not take that into account. That is all I have to say. Really, many of the difficulties that have arisen, in re-modelling Germany have unfortunately come in part from that very grave decision.

Now we get to dismantling. I am speaking from memory now, but perhaps the right hon. Member for Woodford —for whom I have a great respect—will agree that at Quebec the Morgenthau plan providing for the pastoralisation of Germany and for the restriction of German industry was accepted. I think that was signed at Quebec. I do not think that can ever be saddled upon me because, in the Armistice and Post-War Committee—I am sorry to have to hit back, but I am really not going to take these cheap gibes——

Mr. H. Macmillan: It was not Quebec.

Mr. Bevin: At least it was agreed at Quebec.

Mr. Macmillan: It was not agreed.

Mr. Bevin: The pastoralisation of Germany was accepted and agreed to.

Mr. Macmillan: It was not agreed.

Mr. Bevin: All right, let me carry on. This Morgenthau policy was accepted either at or after Quebec, and in the Armistice and Post-War Committee of which the right hon. and gallant Member for the Scottish Universities (Lieut.-Colonel Elliot) was, I believe, the chairman, I stuck hard and fast. I think he will agree with me that there was no

possibility of Germany living and not being a burden upon us with a steel production of under 11.1 million tons. The Committee agreed to that, and that is the basis of our settlement today. I had to oppose the Americans who wanted 5.8, the Russians who wanted 3.8, and all the others which are now called the I.A.R.A. countries; I had to resist them with all the arguments I could advance, and I went to Potsdam when we took over after the Election of 1945, sticking to the 11.1 million tons. Now I am accused of being responsible for dismantling. I agreed at Moscow in 1947 that I would try to do this in the British zone, which, remember, has the difficult task. It is all very well for our United States friends, who I do not think are involved to anything like the same extent—certainly the French are not—since practically all the plants involved are in the British zone; that is where the difficulty is.

After being opposed for nearly two years after I became Foreign Secretary for trying to raise the standard to 11.1 million tons, there was then a complete switch in policy, and the Humphreys Committee and the Steel Committee were appointed. I had to hold up all this dismantling for months while those committees toured Europe to decide what to do. This also became involved with the European Recovery Plan, though it really had nothing to do with it. I promised Moscow—and this is where I think the Russians have a grievance—that I would clear what were called the Number 1 war plants by June, 1948. I can say to the House that I tried my hardest to do it, but I was held up owing to differences among the Allies. America took one view at one time, then altered it and after these inquiry committees put up an entirely different proposal. In the end, after protracted negotiations agreement was reached. I doubt, however, whether this is really a matter of great importance, except in regard to the plants which affect security.

It is all very well to write Germany off as never being a potential aggressor. I am not ready to do that yet. I do not believe that any person with responsibility in the Foreign Office in the last 30 years and who has knowledge of the subject is prepared to do it either. I want to see whether the passage is really going to be worked, and what is really going to happen. Security for France and the rest of Western Europe is a vital concern as far as I am concerned, and I hope it is to the whole House, because many people were misled in 1918, 1919 and 1920. Germany again became the aggressor, and what policy she may adopt in future is a question that only time and experience will answer.

I assert that the dismantling scheme which is being worked out now is far the best as regards security. I have agreed to it on behalf of His Majesty's Government, and, since those negotiations, the Cabinet has approved it, and I do not think it is right to ask us to go back on a signed agreement of that character. We have our responsibilities to the other Allies—Belgium, Holland and France—which were all over-run, and I do not think this sloppy sentiment about the business is a right approach.

Mr. Emrys Hughes (South Ayrshire): Does the right hon. Gentleman dismiss as "sloppy sentiment" the considered opinion of the trade union movement in Germany that further dismantling would lead to unemployment and greater economic and political difficulty?

Mr. Bevin: The trade unions tried to get as much as they could. I do not object to that; . . .

(*A later contribution to the Debate by Mr. Churchill and other extracts will be continued next week.*)

PARLIAMENT (*continued from page* 3.)

me not to believe that what the employer says is always right. Although it was a wonderful story, which seemed to be genuine, I thought I would find out what was the point of view of the people who were down below and I therefore asked the captain that my colleagues and myself should be allowed to interview the seamen on their own, without the captain being present. He agreed to that.

The first point I want to make is this: these seamen were not what we call "scabs." . . . They told us, on the question of this agreement, that when they had met the strike leaders they were not told by the strike leaders that there had been a meeting on board ship. All they were told by the strike leaders was that there had been a meeting with the High Commissioner for Canada and that this had been arranged through them. These men said that when they came aboard ship they were shocked to learn that in actual fact there had been a meeting with the captain which was entered in the log book. They said they were perfectly satisfied with that entry in the log book as it was the official log book, and I understand it is the bible of the sea. They were quite certain that there would be no victimisation in Canada, because they went on to say that they did not know of any instance where the State would prosecute them if the owners did not proffer a charge.

They then brought out the question of the allegations upon which I had written to the Home Secretary. I will give the men's view on this—and this is what these crews tell us now, and it may be asked why did they not tell us before; and the answer is that the men have been afraid to say anything. They said that this ship, the "Beaverbrae," had on board, when it left Canada, at least one man, named McNeil, who had no right to be a member of the crew in any way, but because the Canadian Seamen's Union operate a rota system by which men are placed aboard ship and given a specific job, they had insisted that McNeil should go aboard the ship. There was a row, an argument, and eventually he was taken aboard ship.

McNeil is a Communist and a paid agitator, which can or cannot be proved by my right hon. and learned Friend the Attorney-General, who should know all this information. These men have put this in writing and they say this is true. Immediately the ship berthed in London, McNeil left the ship and took over complete charge of this strike. He had never been on a deep-sea ship in his life and had no right to be aboard the "Beaverbrae." Now, the Communists say this is all nonsense; this is a red bogy. After the ship had arrived in England and had been here only a short time, two days as a matter of fact, Doucette told the men that rather than stay aboard ship 200 homes were available for the men. Every one of the homes to which the men went were homes of people who were Communists in this country. An elaborate organisation had been set up to receive these strikers. Honest, genuine Canadian seamen who were on strike over a particular issue do not come ashore and find equipment available for them like this, telephones, offices, homes available, the whole rig-out, the whole machinery. We know what it is like in our local party organisation when we run anything and how hard we have to work. Let me tell the House that the Tory party, with all the millions they have, are nothing to the Communist Party so far as organisation is concerned. They work when most of us are sound asleep. They certainly organised this issue on behalf of the Canadian Seamen's Union in this

country.

The question is, why does it happen over here? We have heard from the hon. Member for Finsbury the history of the Canadian Seamen's Union in Canada. It is extraordinary to me how hon. Members of this House know so much about other countries but do not know very much about their own. This is the paramount argument: if only half of what the hon. Member said about the C.S.U. is true, why in heaven's name are not the Canadian longshoremen on strike today, every man jack of them?

I saw the London dockers and I asked this question: is there a single London docker who would get up and say he was a better trade unionist than the Canadian longshoreman? Not one got up and said he was, because they are decent, honest men and they would not suggest that. I then asked them this question: if that is so, why is it that the Canadian longshoremen are not on strike— Why, in Canada, are they still loading these ships? The answer is that the whole thing collapsed in Canada. There was no strike in Canada. These ships were loaded by legitimate labour and sent here, and because the C.S.U. saw the thing had failed in Canada they and the Communists could not perpetuate it, they tried to perpetuate the problem over here; and they came and involved our men in this strike.

My own people are resentful here; they do not know what has happened to them under this Labour Government. Ninety-nine per cent. of them vote Labour. They do not know where they are because they believe their principles are affected. They say this is a lock-out and not a strike. What we must do is make this perfectly clear; we have got to get into the minds of our men that this dispute is a "phoney." How in heaven's name can we do that? . . .

Mr. Pritt (Hammersmith, North): . . . There are only two or three general things that I want to say. The first is that in trying to examine the merits of this dispute it is a curious thing to find that the workers attend day by day, the employers say "Unload the 'Beaverbrae,'" the workers say "No, we cannot do that," whereupon the employers say "All right. Then you shan't unload any ships." Then in come the troops—and, incidentally, the workers have displayed great restraint—in come the troops, and go to every ship except the "Beaverbrae." When the people who bring in the troops are asked why they are not unloading the "Beaverbrae" they say "Oh, its cargo is not urgent."

So that, at one and the same time, the people who want to blame the dock workers for the loss of production and work are saying to the dockers "The 'Beaverbrae' is so important that you must unload that at once or you don't do anything," and the people in charge who are sending in the troops say "Oh, the 'Beaverbrae'—it is quite unimportant. It can come at the bottom of the list while we do the others." Of course, everybody knows the reason. The reason is that they want to have a show-down with the dock workers. If anybody wants to have a show-down with any section of the workingclass, I am on the side of that section of the workingclass, even if it has broken a million contracts. . . . I think it seems very odd for a large number of people to say "Of course, the dock workers are splendid and loyal people," and then to add "But, you see, they are all being fooled by the Communists. They are being so successfully fooled by the Communists that we, speaking in this House and telling them what splendid fellows they are, cannot persuade them of the truth!" Now, dock workers are reasonably intelligent people and so far as I know there is no magic about a Communist—and I have met a few of them. A Communist tells one something, and one can weigh it up, and believe it or not. A member of the Labour Party tells one something, and one can weigh it up and believe it or not. I may be a bit provocative, if a Tory tells one something, one can weigh it up and disbelieve it. I say let us get away from this hysterical notion that dock workers are believing something that is wrong, and that nobody can persuade them to come out of their trance.

Let the House present to itself the possibility, which I believe to be the fact, that the dock workers are exercising a very level-headed judgment in the matter. They know just as much about it as we do; they are hearing the case from people on one side and the other—I do not know whether or not they are Communists—and arriving at their decision. I should like to say, not so much to the whole House as to members of the Labour Party, that if they go on listening to the "Red bogey" story . . . if they go on listening to these stories—and they are most absurd stories—about the Communists this, the Communists that, and the Communists the other, they will never smash the Communists, but they will smash themselves.

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