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Planning the Earth

By C. G. DOBBS

(IX)

The main origin of that immense failure of faith in mankind, and in the whole order of nature, which characterises the modern world is to be found in the monstrous *object lesson* or *demonstration* which has apparently 'proved' to the whole civilised world that *laissez-faire*, i.e., the will and instincts of the majority of people in a Christian country, left free to operate within the law, results in chaos, misery and disequilibrium, leading to all the troubles which the world is now suffering, including destruction of the soil.

This could not have gained any degree of acceptance were it not for an open conspiracy to ignore or suppress or place in a wrong relation the known and relevant facts which make it untenable; namely, that at all recent times *financial* considerations and anxieties have dominated the minds of most individuals and to a large extent controlled their actions in the economic field; and that banks create the means of payment out of nothing, and as a debt repayable to themselves, thus having in their hands an ideally centralised, anonymous, and all-pervasive instrument of Planning of literally mathematical precision.

In the face of these facts the current political arguments for and against Planning are devoid of reality, and even of common intellectual honesty. The whole case against the chaos and frustration now being brought about by central Planning (i.e., by the abortion of normal individual planning) collapses at the first jeering reference to the even more bitter state of frustration and misery which preceded it, so long as the implication is accepted, as it is, that this was attributable to 'private enterprise,' *laissez faire*, or the lack of central Planning. The facts are perfectly well known; the Depression was a money Depression, not a real wealth depression, the poverty was money-poverty, the frustration was money-frustration, and the ordinary individual had no more control over it, or influence upon it, or responsibility for it than he has now over the ever-current dollar 'Crisis.'

It is not very difficult to pursue these facts a little further, to follow up their consequences, and to come to a definite conclusion as to where the main responsibility lies; all that is required is normal intelligence, and some degree of mental integrity. To fail to do this, to ignore these very relevant facts, or to close the mind to their consequences, renders the anti-Planning position untenable, and leads inevitably to some form of Socialism, such as that adopted quite openly by the Conservatives ("We are all Socialists now!") In doing so they have, of course, sacrificed their integrity and destroyed themselves as a moral force of any strength.

On the other hand the bolder proponents of central Planning, the Communists (and the Nazis in their time)

have gained considerable prestige and following by openly breaking the conspiracy of silence and by making constant and extensive use of a sufficient selection of the truth of the matter to serve their purpose of discrediting rival claimants to power, while suppressing anything which might tend to attach the same, or greater, discredit to their own Group. The confusion of mind wrought by these people is due just as much to the discredit they throw upon the truth they find it convenient to tell as it is to the lies which they mix with it. With so many Power Groups all striving to carry out broadly the same policy and all seeking to distract attention from their own aims by pointing a finger of scorn at their rivals, it is not surprising that their essential unity should be lost sight of; yet it is a fact that the policy of centralisation of power carries within itself the seeds of endless conflict, budding off warring sections everlastingly like the branches of an evolutionary tree. Since a *balance* of equal and separated powers is ruled out, and there is room for only one Group, and ultimately for only one man, at the top, constant conflict is inevitable.

With the example of Communism before our eyes, splitting off Trotskyists and Titoists in bitter enmity with the main body, yet with no fundamental disagreement about the main policy, it is now easier to understand than it used to be that the major Power Groups which have recently been tearing the world with their struggle, and those which are continuing to do so, have all a family relationship. There is such a relationship between the conceptions of the *Herrenvolk*, the Chosen People, and the Conquering Class; between the Welfare State of Germany, Russia, Britain, and New Deal America; between the T.V.A. with its water control, its Great Dams, its power for aeroplanes and 'atom' bombs, and its counterpart in Russia, in part carried out with the aid of T.V.A. experts and advisers, with its 'magnificent' plan for "bringing the principal rivers and water resources of the Soviet Union into one interlocking system under human control . . ." and, incidentally, with its now acknowledged power of also producing atomic destruction.

No better example of the working of the policy of central Planning, aiming at World Government, common to all the Power Groups, could be taken than that of the production of the first 'atomic' bombs. The 'scientific' work was done by a sort of international 'freemasonry' of 'atomic scientists' engaged in 'compartmentalised' research, the object of which was known only to a few at the 'top.' Among these, Italians, Germans, and Jews were given honourable mention by Dr. Julian Huxley.² Here are the names of some of the *British* scientists engaged on atomic research during the late War:³ Drs. Frisch and Rotblat, Professor Peierls, Dr. Fuchs, Drs. Bretscher, Halban and Kowarski; Mr. Churchill being kept informed on latest developments by Lord Cherwell (Professor Lindemann), Imperial Chemical Industries, and The Mond Nickel Co.

Ltd., carried out much of the essential preparational work. The original discovery of the chain reactions was made by Prof. Otto Hahn in Berlin, but, according to Professor Einstein⁴ "It was Lise Meitner who provided the correct interpretation, and escaped from Germany to place the information in the hands of Niels Bohr." (who took it to the U.S.A. during his visit from January to May 1939). Einstein himself writes "my part in it was quite indirect." After the defeat of Germany the German 'atomic' scientists appear to have been divided between the Eastern and Western Powers, a considerable proportion of them falling into Russian hands. Considering that the Germans were reputed not to be very far behind when they were defeated, it is not surprising that the Russians are now able to alarm the Americans with heavy atomic explosions, or that Oak Ridge, Tennessee, now has its counterpart in the new Ural City of Atomgrad.

It is not inappropriate to call these people 'a sort of international freemasonry' because, in a sense, their work constitutes the very essence and end-term of the methods of freemasonry, the purpose of the whole thing being wrapped in secrecy, though understood to be of immense and beneficial importance, the secrets of each grade being unknown to all below it, and the actual outcome known up to the last moment only to a very few of the highest initiates. Equally, the Communist Party with its 'cell' system and its centrally controlled network of agents spying upon each other in secrecy, might be taken as the example, all the more because, for the most part, 'atomic' scientists seem to be 'left-wingers' almost to a man. The significant thing about the writer's former colleague, Dr. Alan Nunn May, who judged it right secretly to communicate the technical information at his disposal to the Russians, is that he seemed to be a very normal and typical example of the type of scientist engaged in his war-time occupation, differing only in his greater pleasantness and competence, and the restraint with which he expressed his not unusually socialistic opinions. The amount of sympathy which was expressed when he was sentenced was very considerable.

Considering that at the top of the tree we have Mr. Lilienthal and his Commission of New-Dealer-Financiers, under constant attack for their appointing of communists and fellow-travellers to technical posts under them, and, on the other side of the world, the only other 'atomic' team to have obtained 'success' is known to be in the U.S.S.R., it is fairly clear that if, as seems probable, a large part of the human race is to be blasted out of life by 'atomic' explosions, it will be as the result largely of the work of 'progressive' left-wing scientists, systematically and centrally Planned, organised and compartmentalised; and whether or not this much-advertised fate is actually in store for us, it is now a fact that the entire world is being systematically terrorised by the threat of it.

The appearance, not long after the massacre at Hiroshima, of an American Committee of Atomic Scientists (followed by an Atomic Scientists Association in London, with similar views) which proceeded to threaten the world with an atomic bomb 1000 times more powerful than those so far used, and to demand a central World Government, (to ensure that the threat should be unchallenged) did nothing to rid these gentlemen of their responsibility; but it is an undoubted fact that the consequences of their secret labours were a profound shock to the majority of them.

It is not here that we need look for the ultimate and malignant evil which is undoubtedly at work in the world to produce such results. Laying aside the wholesale and loutishly indiscriminate nature of the destruction caused by an atomic explosion, the peculiarly obscene possibilities as regards interference with and mauling of the human generative cells go far beyond the extremity of evil purpose or intention among the vast majority of mankind; yet these effects of radiation have been well known to occur for many years. Even if the facts are not as foul as they are painted, it is quite clear that someone is determined that we shall all believe that they are.

Apparently now even the atomic bomb is not at the bottom of the bottomless pit; items such as the following (from the *Manchester Guardian*, Sept. 10, 1949) are beginning to appear in the Press:

Dr. Brock Chisholm, the director general of the World Health Organisation, said here to-day that the atomic bomb had been made obsolete by a biological product, seven ounces of which was enough to kill everyone in the world.

In an address to members of the World Union of Peace Organisations, a non-Governmental body affiliated to the United Nations, Dr. Chisholm said "The atomic bomb is obsolete. Relatively speaking it is child's play compared to biological weapons. . . ."

Dr. Chisholm compared mankind's position with that of the brontosaurus, a prehistoric monster which became extinct because it could no longer adapt itself to its environment. He said:

"Man is now in the same position. He may or may not survive. It depends on whether he can change his behaviour pattern to exist under this new set of conditions."

"Only a few more years of present behaviour patterns will destroy the human race. . . ."

He said that there was a biological product in existence which, if spread extensively, killed on contact or if inhaled. "It can kill all living beings within six hours—and leave the area safe for troops to occupy within the 12 hours it takes to oxydise and disappear." Reuter.

Again, it matters comparatively little whether this is at present a physical fact, or merely somebody's wish-fulfilment, still on the way to becoming reality; the mental poison will work, whether or not the physical one does. What is quite certain is that it is not your wish, or my wish, or the wish of any of our neighbours. We are not likely to cook up this sort of thing in our back gardens; it has to be *planned*. And that means the imposition of the central will of a few people. No one can *plan* without a conscious purpose behind it, but where the Planning is directed towards this sort of thing the purpose is malignant beyond the point of sanity. We are all sinners, but chiefly in our acquiescence to such Planning, and willingness to be controlled in masses for such purposes; we do not, we could not, consciously plan evils of such enormity as are being done in the world; but *somebody Plans them*, and will use us, as many of the atomic scientists were used, as blind ignorant tools to carry them out, that is, if we allow ourselves to be so used.

It is not primarily the 'behaviour pattern' of the *planned*

which is threatening the survival of mankind, but the 'behaviour pattern' of the *Planners*, whose power has corrupted them almost beyond the understanding of ordinary people. But in so far as there is some truth in Dr. Chisholm's statement, that 'mankind' must change its behaviour to survive, the change must be in precisely the opposite direction to that urged by internationalists;—*i.e.* away from central Planning and World Government, and towards the planning of our own lives, and the taking of responsibility for what we do. Few of us are afraid of our neighbours so long as they are acting on their own responsibility; but when they become the agents of a central policy not their own, then indeed the prospect becomes terrifying; and to suggest that mankind must adapt its behaviour to the central policy of those who Planned the development of such instruments as the atomic bomb and that referred to by Dr. Chisholm is to suggest that the permanent supremacy of malignant evil is the sole condition for the survival of the human race.

All one can say in reply is that this view of the world is Satanic; that it is the reverse of the truth; but that if it were true the disappearance of the human race would be preferable.

In fact, since the evil nature of the sort of Planning mentioned above is undeniable, the erroneous view is being assiduously spread that there are two sorts of centralised and coercive Planning: the disastrous and wicked sort, and the beneficent sort (as exemplified by the T.V.A., and the Food and Agriculture Organisation) which will make fruitful the earth and bring peace and prosperity to mankind. The argument goes that once a centralised World Government has eliminated the possibility of war by establishing a monopoly of weapons and punishments so powerful and horrible that no one will dare to challenge them, then at last we shall have an era of freedom from Want and Fear and of beneficent Planning of the total unified resources of the Earth.

But as this study has attempted to show, in such a 'total' Planning agency as the T.V.A. the Planning of the land and its resources is inextricably mixed with Planning for war and destruction; it is, as its authors boast, a unified whole. There is only one sort of centralised Planning, and that aims always and everywhere and by whatever means—atom bombs, biological poisons, water-control, electricity control, land control—at the same thing, the permanent overlordship of the Planners over the wills, the behaviour, and the lives of the planned.

The scale of the thing alone gives it away. Only a megalomaniac could entertain the idea that he could adequately plan the unified use of the resources of an area the size of Great Britain, or 'co-ordinate' the food or agriculture of the entire World, and the same applies equally strongly to a Committee which imagines it could do these things. The delegation of details to subordinates has no bearing on the arrogance of this assumption. As it happens the powers of the human mind are severely limited by the location in one place at a time of the human body, and the efficient direction of an enterprise involving, say, 500 people is a sufficient test for most men of exceptional ability. Beyond that the director necessarily ceases to deal with men and with things, but deals instead with papers and with hypothetical units. The nature of what he is doing changes entirely.

The same applies to the scale of the use of natural resources. All the things which are good on a small scale, in which they can strike a balance with their environment,

are bad when the scale is such that they can only cripple and dominate it. This is perfectly well known to ordinary people; it is only the unbalanced who are able to ignore it, but of such are Planners and dictators made.

(To be continued)

¹G. V. JACKS AND R. O. WHITE, *The Rape of the Earth* p. 289.

²The Commemoration Oration, King's College, London, Dec. 11, 1945.

³*The Recorder* (London), September 15, 1945.

⁴*Daily Telegraph*, October 29, 1945.

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by C. H. DOUGLAS

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From Week to Week

"So much that men are attempting to-day was plainly anticipated when in the same document (*Rerum Novarum*) it was laid down that 'the first and most fundamental principle if one would undertake to alleviate the conditions of the masses, must be the inviolability of private property.' This property is something of which the very nature and definition are being subtly changed even by those who imagine they are its champions but who show by the way they write and speak about it that they are really thinking of it as not really belonging to the holders, but as being under constant review, liable to constant redistribution by the State, the only body they really think of as enjoying the right to own in the old and full sense."—*The Tablet*.

The Divine Right of Kings, without a king. MONOPOLY of Power, without responsibility. And so that Christian statesman, Sir Stafford Cripps, accompanying the gesture with a denial that he contemplates anything of the kind, confiscates thirty *per cent.* of the wages value which he has urged his dupes to save, and an additional five *per cent.* of the dividends he has done everything to render useless.

It is really amazing how the same simple pattern repeats in the fabric of our downfall. The Zionist solicitor, Lloyd George, a Welshman with the oratorical and imaginative traits of the Welsh, in combination with a hatred of the honesty and culture of the gentry and a contempt for their stupidity, was picked out by the Monds, Isaacs and Samuels to undermine the Empire on which he had risen to power, and without which his backers would have remained in the ghettos of Europe. It is fairly clear that the process is to be completed by Aneurin Bevan, a Welshman almost identical in qualities even to the gift of "Limehousing," with those of Lloyd George, the same hatreds and the same Zionist backing. How anyone can fail to see this pattern, and the necessity for dealing with it is difficult to understand on any other ground than a steady and almost Satanic conditioning over the past hundred years, which has resulted in the atrophy of the instinctive faculty of "Judgment," once the great strength of the English character.

We observe that the difficulties of visas and and currency restrictions which hamper the ordinary man in his desire to see the world, offer no obstacles to the globe-trotting of the Dean of Canterbury, if we except the *pro forma* delay imposed by the U.S.A. some months ago, which a word from the Higher Powers terminated quickly.

No doubt he travels on important business; but it would be interesting to know on whose business; and whether the Cathedral authorities receive a full account of his successes on his fleeting visits to their domain,

We cannot be accused of the slavish admiration for everything "American" which our masters would wish to be unalloyed, but we concur for once with the tone of the Transatlantic press in its almost unanimous disapprobation, amounting to contempt, for the exhibition put up in the devaluation debate. We had no delusions as to what the outcome would be and said so before it took place, because no intelligent schoolboy can have failed to grasp that Westminster, and its whole dreary humbug, is nothing but a branch sales office for Wall Street and Washington, with a lavishly paid staff primarily charged to see that the British are ready to be massacred when the time comes to protect our "American cousins."

Rather surprisingly, a great deal (not all) of what Mr. Churchill said was sound, and there was present in it that genuine note of patriotism with which his speeches are re-deemed from Masonic humbug. What was missing from the tone of the debate as a whole was integrity, *palabra de ingles*, "the word of an Englishman." Until that note returns, the future grows ever darker.

Ten minutes' honest exposition of the simple fact that this country (whether in order to demonstrate that Socialism means "full employment") is giving away a large proportion of its production in liquidation of "debts" to India and elsewhere and that the money wages paid during that production are pure inflation, would have forced an enquiry as to how these "debts" were contracted, and who were the negotiators of the arrangements. We have a strong suspicion that the American Debt of 1916-18 in a camouflaged form is being paid off, and no suspicion, but a certainty, that the whole economic policy we are pursuing is expressly designed to ruin us; and the agents of that ruin are Fifth Columnists embedded in the Civil Service—probably the Treasury. There is an element of conceited ignorance which serves its purpose in Parliament; but the real work is done by the Back Room Boys.

From "Absalom and Achitophel"

"During his office treason was no crime,
The sons of Belial had a glorious time."

"Plots, true or false, are necessary things,
To raise up commonwealths and ruin kings."

"For who can be secure of private right,
If sovereign sway may be dissolv'd by might?
Nor is the people's judgment always true:
The most may err as grossly as the few."

—John Dryden, (1631-1701).

Life in 1890

The following prices are taken from the advertisement columns of the *Dundee Courier* for a date in 1890. The excursion fares are for journeys from Dundee:—

Saloon passage, Glasgow to New York—£7 7s. and £8 8s.; Men's Tweed Suits—18s. 6d. each; Linoleum—2s. 6d. per yard; Complete set of teeth—£1 1s., single tooth—2s. 6d., stopping—2s. 6d.; Irish Whisky—3s. 3d. per bottle; Cheap Excursion, Dundee Spring Holiday:—Return fare to Stirling or Edinburgh—3s., third class. Return fare to Glasgow—5s., third class; Bent Wood Arm Chairs—10s. 9d. each; Finest Mild-Cured Hams—6d. per lb., Bacon—3½d. per lb.; Carpets—3s. 11d. per yard,

PARLIAMENT

House of Commons: September 28, 1949.

Sterling Exchange Rate

[*The first of our extracts from Mr. Gallacher appeared last week. The Member continued:—*]

There is nothing that we produce in this country that America does not already produce, and does not produce in such quantities that the American market cannot absorb. America is striving with greater intensity than even this country for exports. It is worth noting that in the second quarter of 1949 United States exports rose by £63 million above those in the first quarter, and the imports dropped by £42 million.

Mr. Cook (Dundee): How much of that represents Marshall Aid?

Mr. Gallacher: We are concerned with the fact that America must have exports. Here is what the "Time" magazine said on 19th September:

"Almost every important commodity of our trade is produced better and cheaper in the United States than it is produced anywhere else. This means that if there were no tariffs American buyers would be unlikely to look abroad for a large proportion of what they buy. It also means that there is keen demand abroad for better and cheaper United States goods."

It should be abundantly clear from this that America is not going to provide a market for an unlimited supply of cheap British goods. True, a certain amount of cheap British goods will be taken, but the workers of this country will have to pay for them and they will have to bear the burden of sending those cheap goods to America.

Had there been a proposal for a straight cut of wages under a Tory Government in order to keep up the capitalists' profits and enable them to send cheap goods abroad, then there would not have been a Labour or trade union leader in this country who would not have protested to high heaven against it. This devaluation is the same operation only in an indirect form. It represents the same fallacy. It is the most farcical proposal it is possible to make. We are faced with a dollar deficit, a dollar gap, and the proposal we are now getting to close the gap is to pay more dollars for what we buy and get less dollars for what we sell. That is a typical absurdity arising out of the basic contradictions of capitalism.

The real reason for devaluation is not anything that has been served up here today. The real reason for devaluation—and it was discussed at Washington—is to provide American capitalists with the opportunity that was promised to them to buy up British assets and colonial assets at the cheapest possible rate. The Labour movement was brought in to end exploitation of the workers, but instead of ending exploitation it is increasing it. I challenge any Minister to deny that today the workers of this country are experiencing more intense exploitation than ever they have done. [HON. MEMBERS: "Nonsense."] Oh, yes. The Chancellor told us yesterday about the terrific output we were getting from the workers in comparison with what we got under a Tory Government.

Mr. Cook: The workers' conditions are better.

Mr. Gallacher: There is the situation. . . . This country will never be economically free and independent until we say to America, "We will trade with you and take your goods, but just to the extent that you take ours." We can only

say that if we have an alternative source of supply, and the alternative source is at hand. We can get supplies without dollars from the Soviet Union, the countries of Eastern Europe and from liberated China, as well as from the Dominions. Friendship and trade with the Soviet Union and the other countries marching towards socialism is the way to our salvation. . . .

Mr. Crossman (Coventry, East): . . . I think therefore it is possible to be too dispirited about the possibilities of exports. On the other hand, this suggestion that we could and should seek to earn sufficient dollars to pay for all we are receiving in Marshall Aid and to bridge the gap seems to me an insanity and a danger—an insanity and a danger because it means that in the long run we become coolies, sweating our guts out to slip in underneath the higher American standard of living.

As a long-term policy I see that to be a grievous danger to the independence of this country and, I may say, to the future of the full employment policy, and I tell hon. Members on this side of the House at least that our main aim now should be to use this time to cut imports of dollar raw materials and to switch to other areas as the Minister of Food has already done with food, reducing our imports from the dollar area from 37 per cent. to 12 per cent. No doubt that is far more difficult with raw materials. But I say we should be prepared to pay slightly higher prices outside the dollar world for our imports in order to get a sane economic unit in which we can live and work instead of becoming an appendage of the United States. If we want decent Anglo-American relations we should win a position of independence for ourselves and not tie ourselves to form a peonage.

That is the first half of what I have to say about the dollar problem. The second half I would put this way. I, too, am alarmed that the Motion refers to the sterling area but does not refer to Europe. There is no reference of any sort to Europe, as though it does not exist. That is all very well, but they are also recipients of Marshall Aid. I do not think they were very flattered by the method that, no doubt, we had to use in announcing devaluation. I add this. The House may say that the French do not matter, or the Italians do not matter; but there is one European nation that is going to matter—the German.

Within five years, if we allow chaotic national competition for dollars to dominate the life of Europe, every type of British goods on the world market will be threatened by German competition—and a terrible German competition. I have seen something of the standard of living of Germany. The real wages are under half our own, and already the Germans are able to underbid us and cut us out, not because of the fault of the German workers, but because of the struggle for exports, and because those 65 million people have got to export or die, just as we have. If the two of us are to go in for a race for dollars, under-cutting each other, slipping in under the Americans, that will not be sanity. I beg the Government to tackle the German problem before it becomes insoluble. . . .

House of Commons: September 29, 1949.

Sterling Exchange Rate

The Minister of Health (Mr. Aneurin Bevan): . . . The first fact with which I wish to confront the right hon. Gentleman is that the last favourable balance of payment enjoyed

by this country was in 1935. It is an extraordinary thing—1935. In other words, we inherited a bankrupt nation. The years 1936, 1937 and 1938 showed a deficit totalling £129 million—in three years—so that before the war when we were, to use the right hon. Gentleman's expression of yesterday, much richer than we are now, we were bankrupt. Since then we have had a war. In those years the average number of unemployed in Great Britain was two million. In other words, if those two million workers had been at work, consuming imported food and raw materials, we would have had a catastrophic financial crisis in 1936.

That is one fact: the real financial situation that the nation had reached under successive Conservative Governments was masked by the semi-starvation of millions of British people. If those of my fellow countrymen in Wales, and if the miners of Durham and of Lanarkshire, the textile workers of Lancashire and the steel workers had been at work consuming more food, more textiles and more raw materials of different kinds, the Conservative Government of that day would have been unable to live. They perpetuated themselves on the basis of keeping two million people out of work. That happens to be the first fact.

In 1945, we inherited that situation. I have not yet fully described it. I shall return to it. But we managed by the last half of 1948, for the first time since 1935, to show a favourable balance of £30 million—an overall balance of £30 million. This nation had devoted itself with such industry, persistence and skill to the task of national recovery that we had more than made up for the consequences of war. We had already brought the nation back to a more favourable situation than that in which it was left in 1945.

Mr. Selwyn Lloyd (Wirral): With American aid.

Mr. Bevan: That excludes American aid. In the last half of 1948 we were moving in that direction. If we take the whole of 1948, if we had been enjoying the same terms of trade as hon. and right hon. Gentlemen opposite enjoyed in 1937, we would have had an overall surplus, and we were doing that at the same time as we were providing our people with full employment. Those two facts of themselves, without any support, constitute a complete rebuttal of all the flatulent generalities of yesterday's speech. But let us go on. There are more facts.

Let us take another test. These tests are not unchecked generalities and these are not produced only here. These are the reports of dispassionate authorities who are not really fundamentally concerned with our party polemics but with describing the actual objective situation. There are the indices of industrial production. This shows the recovery of the nation in terms of production and, of course, the figures are comparative. Figures do not mean a thing by themselves. They only have meaning in comparison with members of the same family. Even the effulgence of the right hon. Gentleman is not his own personal endowment: it reflects the twilight around him.

Let us take 1938 as 100. This deals with the first quarter of 1949 as a percentage of 1938. The figures are Belgium, 122; France, 124; Italy, 90; Netherlands, 122; Norway, 130—a Socialist Government; the United Kingdom 131; Denmark, 135; Sweden—not involved in the war and under a Socialist Government—147. That is another fact. [AN HON. MEMBER: "What about the United States?"] We are making comparisons between European nations. They are the only fair comparisons to make. We are trying to find out, by looking at the actual facts, which nation, faced

with similar circumstances, has travelled furthest on the road to recovery. I say that those facts themselves are a complete answer to some of the statements that have been made.

Let me give another fact. The "Economist" stated the other day that in its judgment the best single test to apply would be, What nation has done its utmost in these difficult conditions to reduce its imports and to increase its exports? That is a fair test. Let us have a look at it: Belgium and Luxembourg, exports 114—imports 97; Denmark, exports 84—imports 107; France, exports 127—imports 106; Norway, exports 91—imports 109; Sweden, exports 65—imports 103; Switzerland, exports 113—imports 121; United Kingdom, exports 156—imports 82.

There is a further fact. We have already had four categories, each one a crucial test. In each one Great Britain emerges more favourably than any other European country, with the exception of countries representing a very small proportion of production. The next figure is even more interesting. What nation has done its best to reduce its dependence upon dollar countries? The only nation which is plus is Britain. Every other nation is proportionately more dependent upon dollar supplies than is Great Britain. We are plus nine; Belgium and Luxembourg are minus 16. That is a change from 1938 to 1948-49. Other countries are: Denmark, minus six; France, minus 25; Italy, minus 57; Netherlands, minus 31; Norway, minus 17; Sweden, minus 18; and Switzerland, minus 31. Great Britain is plus nine.

Do not let us stop even there. Let us have another fact. The right hon. Gentleman, so I am told, talked in a certain speech about work-shys. Some—not all—of the newspapers of Great Britain have been denigrating British productive effort and have been suggesting that virility and vitality have been undermined by the State doles and state benefactions of various kinds. That ought to be reflected in the output per man. How does the output per man compare with 1938? The figures show: Austria, 55; Belgium, 97; Bulgaria, 115—it will be realised that some of these countries have very small industrial production indeed; Czechoslovakia, 99; Denmark, 98; Finland, 115; France, 99; Germany, 54; Hungary, 107; Italy, 76; Netherlands, 84; Norway, 86; Poland, 99; and the United Kingdom, 108.

... I want now to come to another aspect of the matter. It is true to say that, although this overall picture is one which reflects great credit upon us, nevertheless we are still in the position—and this crisis is, of course, high-lighting it—of not being able to earn enough dollars in dollar countries to pay for dollar purchases. Of course, we are, but is that an indictment against us? Since when have these multi-lateralists come to apply bilateral tests? This is a purely bilateral test. If it be an offence in the British Government to fail to balance their dollar purchases by their dollar sales, then what about Canada? Canada has never done it, neither under a Liberal nor a Conservative administration. If it be a crime to fail to do that, then every nation in Europe has sinned worse than we have sinned. If this is the indictment that the British Tory Party brings against the British Administration at this time, then it is an indictment that lies against every European nation, and has lain against Canada ever since Canada has been a nation. In 1948, Canada had a deficit with the United States of \$488 million, and in the same year a surplus with the United Kingdom of \$401 million.

If we did—I am not suggesting for a single moment that we should—if we could, but we cannot—if we were able

to refrain from buying those exports from Canada, what is a British financial crisis would become a Canadian crisis. But nobody is suggesting that we should do it, because that is a pure bilateral test. Nevertheless, it is surely exceedingly unfair, to say the least of it, to blame Great Britain because, owing to the pattern of international trade having been so badly ruptured by the war, we find ourselves unable to purchase from the dollar areas the raw material and the food we require without having assistance from them in the meantime and without this painful expedient of devaluation.

The circumstances facing us in this field were very much more difficult than they were before the war. In 1914, our net foreign investment income was £200 million and our food imports cost £250 million. Therefore, there was a visible export needed to pay for food imports of £50 million. In 1919-39, the net invisible export was £200 million and the food imports were £400 million, making an increase of visible imports necessary to finance it of £200 million. In 1949, the income from our overseas investments was negligible. Our food imports cost £800 to £900 million, needing an increase of visible exports of £800 million. In other words, the position had changed in the most revolutionary manner against us. The prices of the things we had to buy had gone up much more than the prices of the things we were selling.

Everybody in this Debate talks about the high price of our exports, but nobody says anything about the high price of other countries' exports which are our imports. In point of fact, one of our main difficulties, as I have said, has been that the terms of trade have moved very substantially against us and added to our difficulties. This has been appreciated by people outside Great Britain. The Leader of the Canadian Conservative Party, Mr. Drew, has spoken about Great Britain's plight in these circumstances very much more sympathetically than has the right hon. Gentleman. He said in their House of Commons on 19th September:

"To a very great extent the whole problem has resulted from the enormous sacrifices made by the people of Great Britain in two world wars. It may sometimes be forgotten that the only nation in the world outside Germany which felt the full physical impact of those two wars was Britain, and Britain has paid an enormous price for its contribution to the survival of freedom."

There is, therefore, recognition in Canada, and there is recognition in the United States, that the conditions in which we find ourselves today are not the consequence of the defects of the British administration. On the contrary, they say that they are the effects of two world wars, and that the British recovery so far has been magnificent. . . .

. . . Since 1945 His Majesty's Government have been making efforts to switch from our dependence upon the Western Hemisphere. As my right hon. Friend the Minister of Food pointed out the other day, we have enormously switched our dependence for food, and as we develop the resources of the Commonwealth and of our lands overseas, our dependence will decrease because, whilst we are anxious to enjoy a wholesome division of labour with the North American Continent, we desire—yearn for—a restoration of our economic and financial independence. America is beginning to understand more and more that there is no threat to her in a reasonable expansion of British exports. The friendship which exists between us and the United States of America cannot rest upon a trade war. There is no trade war involved in our finding sufficient foothold in the North American Continent to enable us to pay for what we need

from it, nor is there any need at all to suppose that we shall meet such fierce competition as to cause America to raise barriers against us. As my hon. Friend the Member for East Coventry (Mr. Crossman) said last night, the percentage of American trade that we require to make ourselves viable is a mere fraction of American production. . . .

Mr. Wyatt (Birmingham, Aston): . . . It is on one section of our imports to the dollar area that I wish to base my remarks, and that is our imports from Canada. I believe the time has come when we have to stop being squeamish about Canada. In fact, to a very large extent this country is carrying the dollar deficit of Canada, and that dollar deficit is reflected in our own internal crises from time to time. A short examination of the figures show that whereas the Canadian dollar deficit with the United States now runs at around \$500 million a year, so also does our deficit with Canada. In fact, Canada merely passes on her dollar deficit with the United States to the United Kingdom.

If Canada had been, say, the Argentine; if Canada had not been a member of the British Empire and Commonwealth when we had to come to negotiate wheat contracts and contracts for non-ferrous metals we would have said what we have in fact had to say to the Argentine, which was, "You can either sell us your goods, your meat, for sterling or you need not sell us them at all. You can try to get another market." It may be that when we first made the Canadian wheat contract this was not possible. Certainly the wheat which Canada then had available would have been bought in many other parts of the world, but ever since last June the wheat markets of the world have been entirely different. . . . I believe that one very considerable contribution which could be made by this Government towards solving our dollar problem in the long run is to say to the Canadians that by next year when the present wheat contract comes to an end they must face the fact that, if not all, then a very large part of this wheat will be paid for in sterling—in other words, paid for in goods from this country.

We have had to bear all the sacrifices in this country, since the end of the war, of our joint dollar problem with the United States. We have borne proportionately far more of the sacrifice than Canada. It may be that being a member of the Commonwealth carries certain advantages, but it also carries certain obligations if it is to mean anything. I hope that hon. Members opposite will support me in this matter because they are often very fond of pointing out the obligations that India and Pakistan, say, have towards the Commonwealth. I think that Canada has even as great an obligation towards the Commonwealth to bear some of the sacrifices herself.

I cannot believe, particularly now that devaluation has taken place, that it would be so great a pain and a burden to the Canadian people to switch that proportion of her imports from the United States to this country because our prices by this time must be fully competitive. There could really be no hardship at all. It merely requires a bit of governmental re-organisation and administration. If we could do that with wheat I believe that we should have made a very great stride towards solving our ultimate dollar crisis. In one stroke we would diminish our dollar deficit by \$300 million a year. We could also diminish it a great deal more if we did the same with non-ferrous metals. . . .

Mr. George Wigg (Dudley): . . . one of the quarters which has made a considerable contribution towards building up the atmosphere which led to the attack on the pound,

resulting in devaluation, was the "Financial Times." I hold in my hand articles as far back as last May, written of course in that cautious academic language which one associates with high finance when it is doing something particularly dirty.

The fascinating thing was not only the constant discussion and cogitations about devaluation in the "Financial Times," and in the columns of its second cousin, the "Economist," but what is more interesting is to note when they got cold feet, because they did. On 30th August the "Financial Times," which had been running the devaluation line for all it was worth, wrote:

"For some reason, most countries have decided that there is dire need for cheaper sterling. This dictum is supported by little or no logical reasoning other than it is necessary to increase British exports to hard currency areas. It can be said at once that the great majority of financial circles in the City are still resolutely opposed to the devaluation of sterling per se." That is what they wrote on 30th August when they had turned about.

Right hon. Gentlemen should have a look at the "Economist" for 13th August, 1949, and see what they say. They say this:

"They say (the American critics in particular) that Britain's woes have a simple origin in the Socialist doctrines of the Labour Government—which is untrue. They say (the European critics in particular) that the British people are making less effort to get out of their troubles than the other people of Western Europe—which is not only untrue, but unfair and grossly insulting."

Note the dates—13th August in the "Economist" and the fourth week in August in the "Financial Times." And why? What was it that made devaluation absolutely certain? Nothing other than the speech of the right hon. Member for Woodford (Mr. Churchill) at Wolverhampton. That did it. [*Laughter.*] . . .

Mr. Hopkin Morris (Carmarthen): . . . Can we have any better plan than there is at the moment by way of an economic system? On the one side there is a great totalitarian system closed to the outside world, and, on the other the dollar system which can be independent and can live independently. The third is the sterling area. Many of the things said in the speeches delivered in this House in defence of the sterling area made it appear as though it was a good thing to be defended. But what is the sterling area? It was never in existence before 1940. It was the creation of an Order in Council in 1940 under the Defence of the Realm Act. That Order in Council has been amended time and time again. The sterling area has changed; countries have been in it and out of it. Egypt has been in it and is now out of it; Palestine has been in it and is now out of it; Hong Kong has been in it and is now out of it, and so we go on.

What is the next step to which this Government have resorted? In 1947 they made permanent as part of the statutory law of this land the Exchange Control Act, making permanent in peacetime an order devised for our protection in war. It is not an accident that a Government that had instituted conscription in peacetime had also to safeguard the exchange control. The sterling area cannot maintain itself. I have just said that Liberalism cannot live except in time of peace. Can we hope for the peace of the world when we have these three divisions.

Mr. George Thomas (Cardiff, Central): That is nineteenth century.

Mr. Hopkin Morris: The hon. Gentleman speaks about the nineteenth century. That was when, under the British flag, we freed the ports of the world. We used our Navy

to free the ports, and every other nation could trade on the same basis. The nineteenth century was the longest period of peace this country has ever known; there were only minor wars. But in this century there have been two terrific wars. How can we hope to solve the problem of full employment and maintain our social services in that world? Why did the Chancellor of the Exchequer raise this flag in his first broadcast speech? Nobody attacked them. It was he himself who drew attention to the Health Services in his Budget speech. It was he who warned about abuses. Note this—and it is a very important fact. When we begin to mix morality with law and talk about the rights of the subject in terms of morality, we are then losing our freedom. What is the point of talking to the people of this country and saying, "Do not abuse this system"? If they have the legal right to use it, and we think they are abusing it, then there is something wrong with the law, because if there is a law-breaker he can be prosecuted. This doctrine of morality is pressing against liberty. That is what we are coming to.

When we are pegging the pound at the present level, what is the next result on the trade union? It is the freezing of wages at as fictitious a figure at that of the pound. We do not know the values of wages. We are changing the character of the trade union. Surely the object of the trade union is to find what is the level of wages in the give-and-take of the market; that must be the object of the trade union. [An HON. MEMBER: "Not necessarily."] Not necessarily? I am seeking to state the object as fairly as possible and this must surely be one of the objects—to find out what is the level of wages. If we are fixing them, without knowledge, on a pre-conceived basis we are doing precisely what we did with the pound. The character of the trade union is then changed from a duty to find out what the true level of wages should be to becoming defenders of the arbitrary judgment of the Government.

Note the next result which follows that. We step into the sphere of law. We set up arbitration tribunals. But once the trade unions are the defenders of the arbitrary standard of the Government then we mistrust the judicial machinery and no longer believe in the arbitration body or the fairness of the arbitrators at all. We are reaching that position, and we are reaching it through the planned State.

I have the greatest respect for both the intellect and integrity of the Chancellor of the Exchequer, but the Chancellor of the Exchequer made a speech in this Parliament in February, 1946, about the direction of labour. He admitted, quite fairly, "I know of no planned State that has been able to attain its end without direction of labour," and he said, "But we are not going to resort to direction of labour in this country; we are going to be the exception." He failed to hold that. He said, "I will not devalue the pound." He failed to hold it. This time he had said, "Never again." If hon. Members go on with their planned system, however well intentioned they may be, they will again not hold it.

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