

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

Vol. 27. No. 17.

Registered at G.P.O. as a Newspaper.  
Postage: home 1½d. and abroad 1d.

SATURDAY, DECEMBER 22, 1951.

6d. Weekly.

### Black Paper on Korea

by E. MULLINS

Beverly Smith, Washington editor of the *Saturday Evening Post*, publishes in its issue of November 10, 1951 what we may take as the official propaganda version of "Why We Went To War In Korea." Oddly enough, Beverly Smith has the same educational background as Alger Hiss, an A.B. degree from Johns Hopkins University and a law degree from Harvard Law School. Smith has the further advantage of being a Rhodes Scholar (Cecil Rhodes's South African Empire was financed by the English Rothschilds, and in gratitude he set up his fortune to educate Americans in the Zionist plan of world empire). As a Rhodes Scholar, Beverly Smith became an adept at the art of betraying America, and became a Wall Street lawyer with the firm of Chadbourne, Hunt, Jaekel, and Brown, representing some of the more notorious international bankers. With his education, however, he decided to employ his talents as a professional propagandist, and became a foreign correspondent for the New York *Herald Tribune*, noted for the number of Communist sympathizers in its employment.

Smith's account of our commitment to Korea does give the names of the U.S. Government officials involved, but he fails to give their background, an omission which is corrected here. Our Ambassador to Korea preceding and during the outbreak of war was John Muccio, an alien born in Italy who became a naturalized American citizen when he was well past his maturity. According to Smith, on June 24, 1950, Muccio wired the U.S. State Department of the crisis, and the officials directly concerned assembled to discuss the moves of the United States. They were Dean Rusk, the Assistant Secretary for Far Eastern Affairs, John Dewey Hickerson, the Assistant Secretary for United Nations Affairs, and Philip C. Jessup, our Ambassador-at-large.

Rhodes Scholar Dean Rusk had been in charge of United Nations Affairs in the State Department until the matter of setting up the Korean War demanded a good man, when he was put in charge of Far Eastern Affairs. John Dewey Hickerson had been a member of the infamous United States Delegation to the United Nations at San Francisco in 1945. The Secretary General of that Delegation, the Communist spy and traitor Alger Hiss, is now in prison. Hickerson was also on the advisory committee on international law for Harvard Law School.

Philip C. Jessup has such a well-known record of activity for pro-Communist front groups that not a single Senator dared vote for his confirmation as U.S. Representative to the United Nations in October, 1951, but President Truman sent him on as an alternate. Jessup had been a Professor of International Law at Harvard, he was in 1929 assistant to Kuhn, Loeb lawyer Elihu Root at the Hague

Court of International Justice, he was Herbert Lehman's Assistant Secretary-General in the United Nations Relief and Rehabilitation Administration, whose deputy, Laurence Duggan, died mysteriously. Jessup represented the United States at the Bretton Woods International Conference, and he was with Alger Hiss at San Francisco as Hiss's Assistant in Charge of Judicial Organization, that is, how to make the betrayal of America legal.

Jessup was Chairman of the Pacific Council of the Institute of Pacific Relations, now exposed by a Senate Committee as a Communist organization. The International Secretariat of the Institute published a book in 1950 entitled "Korea Today," by George McCune which says on page 180:

The Soviet civil administration kept well in the background and gave the Koreans maximum experience in self-government. Most observers agreed that the Soviet system quite readily adapted itself to the Korean scene, or at least that it was much more easily adopted by the Koreans than was the Western system sponsored by the American command.

This is typical of the Communist propaganda put out by the Institute.

Phillip C. Jessup is a member of the Stotesbury family (Edward Stotesbury was a J.P. Morgan partner), he is a trustee of the Carnegie Endowment for International Peace of which Alger Hiss was President, and his brother John Jessup is a wealthy banker, President of the Equitable Trust Co., of Wilmington, director of Coca Cola of Atlanta and the Diamond State Telephone Co. (American Telephone & Telegraph).

This was the group which gathered at the crisis. America was in good hands. They needed only to call Hiss from prison to make the fraternity meeting complete.

Smith says that this group then conferred with Secretary of State Acheson by telephone at his farm in Maryland. Acheson, who had been law clerk for Supreme Court Justice Louis D. Brandeis when Brandeis was head of the Zionist Organization of America, qualified for the State Department by becoming an international lawyer for J. P. Morgan Co.

The next day, says Smith, a telegram came from John Foster Dulles, who had returned to Tokyo a few days earlier. The telegram said, "If it appears that the South Koreans cannot repulse the attack, then we believe that United States force should be used." This telegram makes certain Dulles's prosecution as a war criminal. He had no official standing with the United States Government, and no one has ever explained the mysterious missions he made to Korea in May and June of 1950, nor why he should order American troops to die in Korea. It is noteworthy that whenever Dulles went to Japan or Korea, the Wall Street Journal noted that lagging Japanese bond issues being

promoted on Wall Street by international Jewish bankers were disposed of at a good profit. Dulles is the senior partner of the international law firm of Sullivan and Cromwell, which represents these Jewish bankers. Dulles ordered our soldiers into Korea to protect the interests of the clients of Sullivan and Cromwell.

There is a 736 page volume entitled "The Story of Panama, The U.S. House Hearings on Panama in 1913," with hundreds of pages of documentation proving Congressman Henry T. Rainey's charge that William Nelson Cromwell, then Dulles's senior partner in Sullivan & Cromwell, instigated and promoted the Panama Revolution for J. P. Morgan and J. & W. Seligman, international bankers, who received forty million dollars in gold from the U.S. Treasury for the Panama Canal, of which thirty-five million dollars was profit. President Theodore Roosevelt sued the New York *World* for libel for printing a few of the facts about himself and Cromwell, and the case was unanimously thrown out of court by the U.S. Supreme Court.

Congressman Rainey called Cromwell the most dangerous man in the United States, a title which John Foster Dulles has inherited. The House obtained a copy of Cromwell's brief which he submitted to the New Panama Canal Co., detailing his activities. In it, on page 206, is this definition,

The law firm of Sullivan & Cromwell occupies a recognized position among the great legal corporations of the Nation. In the course of a very active thirty years the firm of Sullivan & Cromwell had found itself placed in intimate relations, susceptible of being used to advantage, with men possessing influence and power everywhere in the United States; they have also come to know, and be in a position to influence, a considerable number of public men in political life, in financial circles, and on the press.

This is the firm of which John Foster Dulles is the senior partner. He married Janet Pomeroy Avery, of the Rockefeller family, whose interests are now tied up in the General Reinsurance Corporation and the North Star Reinsurance Corporation. Federal law requires insurance companies to be reinsured, so these firms have access to all insurance business statistics and consequently the entire business activity in America. They are headed by David Milton, who also married a Rockefeller, and Ellery C. Huntington, Chief of the Military Mission to Yugoslavia which betrayed Mihailovitch to the Communist, Tito. Huntington is a director of the Yugoslav-American Electric Co., which may explain why Hamilton Fish Armstrong of the Council on Foreign Relations wrote a book favourable to Tito entitled "Tito and Goliath." Yugoslavia may be the site of the next war.

Dulles was secretary to Robert Lansing, our Secretary of State at the Versailles Peace Conference of 1919. Lansing was characterized by Rabbi Stephen Wise, in his book, "Challenging Years," as an ardent sympathizer of the Zionist cause at the Conference. Thomas Lamont, senior partner of J. P. Morgan Co., who with Albert Strauss of J. & W. Seligman protected the interests of international bankers at that Conference, writes in his "Across World Frontiers," "All of us placed great reliance upon John Foster Dulles."

In "Ambassador William Dodd's Diary," Dodd, U.S. Ambassador to Germany from 1933-1938, writes,

December 4, 1933: John Foster Dulles, legal Counsel for associated American banks, called this afternoon to give an account of claims being urged on behalf of bondholders against German cities and corporations, more than a billion dollars. He seemed very clever and resolute.

January 24, 1936: John Foster Dulles, a New York lawyer from Sullivan and Cromwell, reported his difficulties in financial matters here.

John Foster Dulles, is a director of International Nickel, American Banknote Co., and other corporations. He has been widely publicized as the protagonist of the Bi-partisan foreign policy of betraying the United States, which was originated by the Rothschild policy group, the Council on Foreign Relations, of which he is on the executive committee. His brother, Allen W. Dulles, also of Sullivan and Cromwell, is President of the Council on Foreign Relations. Allen W. Dulles was also present at the Versailles Peace Conference as legal adviser to the United States, he was then Secretary in charge of Near Eastern Affairs (Palestine) at the State Department until 1926, when he entered Sullivan and Cromwell. A director of the international banking house of J. Henry Schroeder & Co., he was head of the European division of the Office of Strategic Services during World War II.

Another partner of Sullivan and Cromwell is Eustace Seligman, also a member of the Council on Foreign Relations, and a member of the international banking family Seligman. His father, a famous gold standard economist, was head of the Department of Economics at Columbia University. Eustace Seligman is a director of the billion dollar Marine Midland Trust with the Lehman brothers, which controls the vast Niagara Power Co., properties.

To return to Beverly Smith. "The President landed at Washington Sunday at 7-15. He was met by Louis Johnson, then Secretary of Defence, and Under Secretary of State, James Webb."

Louis Johnson, a corporation lawyer, was then President of the General Dyestuff Corporation, a subsidiary of the I.G. Farben branch in America, General Aniline and Film, of which he also was a director. I.G. Farben was the property of the international bankers Warburg. Paul Warburg of Kuhn, Loeb Co., father of the Federal Reserve Act, set up the American branch as American I.G. Chemical, which later was changed to General Aniline and Film.

James Webb qualified for the State Department as the former Assistant to Thomas A. Morgan of the international banking house of Lehman Brothers. Morgan was also President of Sperry Gyroscope and Chairman of the munitions firm of Vickers, in which the English Rothschilds own a large interest, so that Webb knew all about starting a war.

When Truman met his advisers at the White House for dinner that evening, among them was the Secretary of the Air Force, Thomas K. Finletter, who for years had been a partner in the law firm of Cravath and Henderson, lawyers for Kuhn, Loeb Co. Finletter was a member of the treacherous U.S. Delegation to San Francisco in 1945, and he was a trustee of the Communist-front New School of Social Research in New York.

Smith writes that at dinner at eight o'clock at Blair House that fateful Sunday evening, "conversation was general, and no notes were taken." It is surprising to the

historian that at so many of these eventful occasions the participants talk about nothing in particular and take no notes. For instance, the Supreme Council at the Versailles Peace Conference in 1919 took no notes, nor did the historic luncheon of the directors of the European Central Banks and the Governors of the Federal Reserve Board at Washington in 1927 yield a single note, although a Congressional Investigation proved that the Depression of 1929-1933 was planned at this meeting.

Of President Truman's decision to commit American troops to Korea, Smith writes, "Practically every major newspaper in the country approved, with the exception of the *Chicago Tribune* and its affiliate, the *Washington Times-Herald*. Taft later indicated he would have voted in favour of it." Perhaps this was after Taft conferred with his adviser, Rabbi Silver.

Congressional leaders with Truman at this time were Senator Scott Lucas of Illinois, defeated for re-election because of underworld affiliations, and Senator Millard Tydings of Maryland, whose clearing of State Department Communists turned the voters against him.

On the following Thursday, Truman and his advisers again met at the White House at five o'clock including "John Foster Dulles, just back from Korea, Averell Harriman, hastily summoned back from Paris; Stuart Symington, then Chairman of the National Security Resources Board, and James Lay, Executive Secretary of the National Security Council."

Averell Harriman succeeded Philip Jessup as U.S. Ambassador-at-large, a position held during the Roosevelt regime by the J. & W. Seligman employee Norman H. Davis, who was also President of the Council on Foreign Relations. Harriman was accompanied everywhere by the German Jew Walter J. Levy, a specialist in international oil. Harriman's father, E. H. Harriman, was the front man on Wall Street for Jacob Schiff of Kuhn, Loeb Co., when Schiff acquired the great Union Pacific properties from the United States Government for the Rothschilds. Averell Harriman is a partner in Brown Brothers Harriman, investment bankers and agents for Kuhn Loeb. The present Secretary of Defence, Robert Lovett, also a partner in Brown Brothers Harriman, held several directorships in British insurance firms which were controlled by the Rothschilds.

James Lay, also present at the White House during the Korean crisis, is executive secretary of the National Security Council, an organization which is understandably reticent about its activities, for it is a OGPU type group which exists to gauge and undermine American resistance to Communism. Security, whenever used officially today, does not mean the security of the American people, but the security of the international bankers who have promoted and financed Communism, and who are now devoted to its goal of world domination.

Smith's article continues "Senator Wherry said that he thought that the President ought to consult Congress before sending ground troops. Mr. Truman told of the urgent events of the last eighteen hours."

Smith quotes William S. White's *New York Times* report of the event, "The delegation returned to the Capitol in a sombre but elevated mood."

And Smith concludes, "At 1-22 p.m., almost precisely six days after the fighting started, the orders were on the way to MacArthur. We were in."

In some 5,000 words of "Why We Went to War In Korea," Beverly Smith repeatedly states that we went in to stop Communist aggression. From his own account, however, we learn that the State Department officials and military advisers with Truman at this time were the same individuals who for several years followed a consistent policy of turning China over to the Communists, sabotaging the Kuomintang Party of Chiang Kai-Shek, diverting millions of dollars worth of war goods to the Communist forces under Mao, and preventing military aid which had been authorized by Congress from reaching the South Koreans BEFORE the North Korean attack. No card-carrying members of the Communist Party could have been more devoted to the success of Stalin until June of 1950. What was the cause of this sudden about-face on the problem of Communist aggression? Was it the decision that Russia had now been sufficiently strengthened by ECA goods to fight a Third World War? For these same people and their interests promoted Hitler throughout the Nineteen Thirties until he was strong enough to start the Second World War, and suddenly, in 1939 he found his international credits cut off and the bankers allied against him.

With Smith's account in the *Saturday Evening Post* is a picture of John Foster Dulles with the caption "John Foster Dulles was one of the first officials to propose that we commit our troops in Korea." Dulles's capacity as the agent of international bankers is obvious enough but study fails to reveal any "official" capacity in this crisis. He is also a power in the Federal Council of Christian Churches, which has done so much to get Christianity to lie down in the same bed with Communism, and whose sympathies and activities are much more Hebraic than Christian. Dulles is a devout man, and, while planning the murder of a million American boys, he is able to toss off Christian platitudes, which are faithfully reported in *Time and Life*, the publications of fellow-Council Foreign Relations member, Henry Luce.

"Great" Britain has been softened.

IT IS THIS HISTORIAN'S CONCLUSIONS THAT THE KOREAN WAR HAD TWO PURPOSES.

FIRST, THE PROTECTION OF INVESTMENTS BY JEWISH BANKERS IN JAPAN AND KOREA.

SECOND, THE SLAUGHTER OF HUNDREDS OF THOUSANDS OF AMERICAN YOUTHS IN A SOFTENING-UP PROCESS OF THE UNITED STATES FOR A RUSSIAN INVASION.

SOURCES: *Poor's Directory of Directors*, 1946; *Who's Who in America*, 1950-1951; *Council on Foreign Relations Handbook*, 1946. Other sources as given.

## THE MONOPOLY OF CREDIT

By

C. H. DOUGLAS.

The Revised and Enlarged Edition published in 1937  
is again on sale.

12/- net.

"The standard literary instrument for the correct information of the public concerning the technical aspects of Social Credit"—*The Social Crediter*.

K.R.P. PUBLICATIONS LIMITED,  
7, VICTORIA STREET, LIVERPOOL, 2.

## THE SOCIAL CREDITER

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

SUBSCRIPTION RATES: *Home and abroad, post free:*

One year 30/-; Six months 15/-; Three months 7s. 6d.

Offices: (Business) 7, VICTORIA STREET, LIVERPOOL, 2, Telephone: CENTRAL 8509; (Editorial) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone: SEFTON Park 435.

Vol. 27. No. 17.

Saturday, December 22, 1951.

**WE WISH ALL OUR READERS  
A HAPPY CHRISTMAS**

### Lord Canute

"It is a question that may help to work towards a clearer understanding of the sanction that lies behind political power, and, on the other hand, to find *at what point one can say to authority, 'Stop: you can go no further.'*"

What question this is, which offers so remarkable a choice, is really immaterial; but we state it in order to eliminate the possibility of anyone's suggesting that we are taking things out of their context. The question is, how far ideas, such as public opinion, the will of the majority, the will of the people, are "artificial"—*i.e.*, we understand, how far are they—an artifice? The emphasis in the quotation is ours.

Lord Radcliffe, in the sixth of the seven lectures he is giving over the B.B.C. Home Service, has reached, *via* British Rule in India, discussion of "The Individual and the State" as a chapter in the series "Power and the State." Throughout our comments on these lectures, we have dwelt protestingly upon the current determination, abundantly illustrated by Lord Radcliffe, to assert, by any but direct means which would reveal the propositional nature of the assertion, and thus expose it to direct examination, that Power and Authority are identical. The above quotation is yet another instance. Does anyone believe that Rousseau really "made fun of all authority"? Lord Radcliffe says, "made fun of all *established* authority." What is the difference between Authority and 'established authority' unless it is the difference between something 'you may' discover, but which you cannot invent' and something which someone has invented, *i.e.*, 'established.' Established authorities of this sort have gone down like nine-pins. It is the fate of established authorities to become disestablished. The disestablishment of the Church of England was the disestablishment of a previously established authority. The ball which scatters the pins is always power. Lord Radcliffe remarks that "there is a strong Puritan flavour in [Benthamism's] rejection of state authority and its elevation of the individual judgment above that authority . . . State authority was to be suspect and looked down upon, for the individual judgment was paramount. In fact the best service that *power* [our emphasis] could render to the country was to be feeble." In other words, Benthamism had power over some other power, or claimed to have such. It could make or unmake authority, if not at will, by process. Lord Radcliffe is talking not

of something which man cannot invent, but of something he can and does invent. He is talking not of Authority but of Power. In an aside, he discloses more positively than hitherto his own moral attitude to the political result which the group of 'general will' phrases cited above has had. He says "their true outcome is to exalt the authority of the State over the individual and to support the notion that an individual finds his moral significance in obedience to the State." He is "not now concerned with the triumphs or disasters of that doctrine, which, basically, is no ignoble one, because I think it never had any great effect in this country."

Remarking that Bagehot's picture of "the Constitution" is, "I think, the work of an artist who is both confident and complacent," Lord Radcliffe skims the surface of recent constitutional perversions, muttering an occasional 'hear hear!' to them, *e.g.*, "But the secret of the English Constitution's merit consists in its nearly complete fusion, through the Cabinet, of the executive and legislative powers." Also, "a pure theorist of politics might be rather taken aback by all this, and might explain that what was being described to him was the classic definition of a tyranny. But Bagehot says No, in fact it works very fairly and reasonably." This is the reasonableness of government by "sensible men of substantial means," the "heavy, sensible class," which made England "a happy instance of the type of 'deferential' country, in which the general public takes pleasure in finding that it is ruled by people unlike itself."

But what if people give up their taste for being ruled by heavy sensible men? Lord Radcliffe asks the question himself, and proceeds to Mill saying of Mill's rationalisations that real life has been squeezed out of them, but, "here is something at least which belongs to the permanent structure of English thought, words which should be scrubbed into the minds of all the petty tyrants of our fields. Liberty of conscience, thought, and opinion; of expression, taste, or pursuit; of association and combination. He lists them all, and then 'No society in which these liberties are not—on the whole—respected is free, whatever may be its form of government; and none is completely free in which they do not exist absolute and unqualified. The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not deprive others of theirs or impede their efforts to obtain it. Each is the proper guardian of his own health whether bodily or mental or spiritual. Mankind are greater gainers by suffering each other to live as seems good to themselves than by compelling each to live as seems good to the rest.'"

What is the use of scrubbing *words* into minds, if the owners of the minds retain all the sanctions? Perhaps, when these lines appear in print, Lord Radcliffe will have told us. His subject is "On the nature of power and the problem of its control." Substitute "On the nature of Authority and the problem of *its* control" and what have you? A problem indeed. They love 'problems.'

T.J.

### On Planning The Earth

By GEOFFREY DOBBS.

K.R.P. Publications, Ltd.

6/- (Postage extra).

## PARLIAMENT

House of Commons: November 21, 1951.

### Raw Materials

*Mr. John Grimston* (St. Albans): . . . . The right hon. Member for Vauxhall (*Mr. G. R. Strauss*) will not be surprised that I am speaking again on non-ferrous metals in which, I should tell the Committee, I have a private interest. The Minister claimed, as is quite true, that the bulk of the £18 million for which he is asking in the revised Estimate represents the further financing of stocks. But a very significant amount of money is also represented by the margin in that metal for refining and subsequent processing which can be performed both in this country, in the United States and elsewhere.

Part of the policy of the former Minister of Supply and the former Minister of Materials was to average the prices charged in this country for non-ferrous metals. That policy had two very serious results which I hope the present Government, and particularly the Chancellor of the Exchequer will investigate, for the following reasons. By averaging the prices in this country the home manufacturer is today being charged about £7½ million above the price which a corresponding range of American manufacturers is being charged for the same metals, thus inflating our costs in this country. We are consequently put at a disadvantage in the export trade.

There is an even more serious objection, as I see it. There are certain processes which can be performed in this country and can equally be performed in the United States. I refer particularly to the refining of copper. Under arrangements made by the former Minister, long-term, or fairly long-term, arrangements have been entered into for the refining of this metal to be done in America. The effect of that is to force our refineries to work shorter hours than they would otherwise work, and to have work done in America for which we have to pay in dollars, and which could perfectly well be done in this country.

I believe that the cost to this country for every year on this one point alone is between one-third and one-half a million pounds, almost entirely payable in dollars. I do not expect the Minister to know the details in the same way as the right hon. Member for Vauxhall ought to know them, but I am convinced that by this arrangement we are having to pay between one-third and one-half a million pounds worth of dollars every year unnecessarily. By altering our arrangements, by introducing an added measure of flexibility into our over-rigid system, we could save those dollars quite easily. This is the kind of saving which I am certain free enterprise trading would make, were it allowed to do so, and I ask my hon. Friend to look into that particular matter.

*Mr. G. R. Strauss*: Before the Minister replies, I would ask him to deal with two points of criticism made by the hon. Member for St. Albans (*Mr. J. Grimston*). He suggested that the consumer in this country has to pay more than is necessary because of the policy of the late Government in averaging the price of non-ferrous metals, the consumer being charged the average cost price plus a certain amount for distribution and expenses. The hon. Member alleged that, as a result of that policy we are at a disadvantage compared with the American consumer.

I do not know whether the Minister has yet had time to go into it, but if he has I would ask him to comment on whether it is not the fact that, because of our shortage of materials, we have had to buy a number of parcels from abroad above the normal standard price of these various non-ferrous metals; and that the alternatives were for the Government either to subsidise the price and allow the consumer to have the metal at the world standard price, or the basic standard price; to pay the additional cost which these European and other parcels entail; or to average the price of the purchases and let the consumer have those purchases at that average price. I would also ask the Minister if he considers that that was the sensible and proper thing to do; and that the only alternative, a subsidy, was really quite out of the question?

*Mr. J. Grimston*: Would the right hon. Gentleman say whether the argument he is now advancing applies to copper as well as zinc? I know that it applies to zinc, but in regard to copper these special purchases were not made. The extra charge in this country hitherto is represented by freight increases over the Atlantic of these lots sent to America for refining.

*Mr. Strauss*: I was coming to the refining point in a moment. I was dealing merely with the suggestion that we should not have averaged the price of purchases and so put the consumer at a disadvantage. I do not think that is true and the alternative would have been to make a substantial subsidy, which would have been unjustified.

With regard to refining the copper in the United States, the hon. Member suggested we had done wrong and it was unnecessary. I would like the Minister to say whether it is not a fact that the metal was refined in the United States, because it was not possible to get it refined anywhere else. We did not want to send metal out there to be refined, because it cost dollars and was altogether inconvenient. We went into the matter very carefully on a number of occasions with the various interests concerned and there was no other way of dealing with the matter. If there were some other way out at the moment it would be very desirable and we should be very pleased to hear it. Perhaps the hon. Member will say if there is some new method of getting the copper we want in this country without sending it to the United States to be refined and if it is not a fact that up to now there has been no alternative and that we have had to incur dollar expenditure much against our will because there was no other way out?

*Mr. J. Grimston*: Will the right hon. Gentleman confirm that on 4th July his Ministry, as it was at that time, wrote a letter, which I have here, saying that they were very concerned at the rate of refining in this country and asking for it to be reduced?

*Mr. Strauss*: The hon. Member will not expect me to check a letter sent by my Ministry on 4th July without some reference to my Ministry, which I am not able to do now, and without looking into the whole circumstances of the letter.

*Mr. Grimston*: I was merely asking the right hon. Gentleman whether he thought the letter bore out the argument he has just put forward.

*Mr. Strauss*: The policy about which I have just been speaking was the policy which my Department had been pursuing, and I cannot possibly defend or explain a certain letter which was sent. I agree that a sentence taken out

of it would appear to lead in some other direction, but it cannot really be so because the policy which I have stated was the policy pursued by my Department throughout.

... *Mr. Hopkinson*: ... My hon. Friend the Member for St. Albans (*Mr. J. Grimston*) raised some very technical questions about copper refining and the averaging out of prices. I have not had very long to familiarise myself with the work of the Department and I should hesitate to dive into the argument on these very difficult points which is going on between the right hon Gentleman the Member for Vauxhall and my hon. Friend. However, I will study the matter and I hope that on a future occasion I shall be able to take more part in the discussion.

### Royal Air Force: M.I.G. 15 Aircraft (Engines)

*Mr. William Shepherd* asked the Under-Secretary of State for Air what opinion has been formed as a result of examining the engines of M.I.G. 15 fighters as to what technical benefits have derived from our sale to the Russians of Nene engines.

*The Under-Secretary of State for Air (Mr. Nigel Birch)*: Examination of captured parts of M.I.G.15 engines has shown that M.I.G.15 fighters are powered by engines which are copies of the Nene. Some of these have been developed to give increased thrust. It is thus reasonable to suppose that the Russians have derived substantial benefits from the sale to them of the Nene engines.

*Hon. Members*: Shame!

*Mr. Shepherd*: Is it not the fact from my hon. Friend's answer that the sale of those engines was not merely an act of foolishness but that it struck a real blow against the free world?

*Mr. Birch*: I think it was certainly unfortunate.

*Mr. E. Shinwell*: In view of the disclosure made by Minister about the benefits alleged to have been derived from the sale of the Nene engine, will the Minister disclose the whole of the facts which have now been made available to the air experts?

*Mr. Birch*: What facts has the right hon. Gentleman in mind?

*Mr. Shinwell*: If the hon. Gentleman will make inquiries and sees fit to make the necessary disclosures he will discover that his statement is a travesty of the facts.

*Hon. Members*: Withdraw!

*Mr. Birch*: The right hon. Gentleman will be aware that this answer has been most carefully vetted and prepared by the Ministry.

*Mr. Shinwell*: Is the hon. Gentleman aware, and is the Minister of Defence who is now present aware, that the statements made to me by the intelligence experts are contrary to the statement made by the Minister?

*Mr. Birch*: I say that my answer was based on information supplied by our intelligence experts.

*Mr. Woodburn*: Has the hon. Gentleman communicated with the Ministry of Supply, which was the Department responsible, and is he aware that the experts of the Ministry of Supply stated that it was quite impossible that the Russians could learn from these engines anything that they did not already know?

*Several Hon. Members* rose—

*Mr. Speaker*: We cannot debate this matter at this moment.

### New Ministers (Salaries)

*The Chancellor of the Exchequer (Mr. R. A. Butler)*: ... I now turn to the last head, which is the office the present Paymaster-General is setting up to enable him to carry out his duties. At the outset, I would remind the Committee that the Paymaster-General has decided not to draw any salary at all, so there is a saving to be set against this additional cost. This decision is in accordance with the character and sense of public service of my noble Friend, of which again we had full evidence during the war. Those who have had the opportunity of working with him since can equally pay tribute to that sense of public service which motivates all his actions.

I noticed that the right hon. Gentleman the Member for Huyton (*Mr. H. Wilson*) made an unfortunate statement on 7th November when he referred to a

"... miscellaneous crew of astrologers and economic charlatans..."—[OFFICIAL REPORT, 7th November, 1951; Vol. 493, c. 259.]

These, he said, were going to assist the Government. I can only say that that observation should be treated with the contempt it deserves, and that the right hon. Gentleman's familiarity with the Sunday Press is no doubt causing him to confuse Lyndoe with my noble Friend.

As the Prime Minister informed the House the other day, the Paymaster-General will in future be responsible for advising him on atomic energy research and production. The Prime Minister is now considering what adjustments should be made in the statutory responsibilities of the Minister of Supply in this important respect. In addition, the Paymaster-General, with the assistance of the staff which is now to be provided, and which will only be a small one, will undertake the analysis and interpretation, for the benefit of the Prime Minister, of the statistical data on which, in these days, so many of our most important decisions must be based, particularly those concerned with our military preparedness.

The Committee may be interested to know—though it may disappoint some critics who may speak later that this new staff will not supplant the Central Statistical Office which, as the Committee knows, is part of the Cabinet secretariat and is responsible not for advising on policy but for ensuring that the statistics collected by Departments are kept on a common basis, as well as for the regular publications, such as the monthly Statistical Digest.

... The Paymaster-General's small staff therefore will take material from the Central Statistical Office as well as other information available to the Government and will assist the Paymaster-General in interpreting it and in basing his advice upon it. I hope this gives the Committee a sufficiently clear and short account of why these arrangements have been made and the advantages we expect to derive from them. . .

*Mr. Richard Adams (Wandsworth, Central)*: . . . I want to turn to the Prime Minister's explanation of the functions of his own statistical office, to be run by the

Paymaster-General. Again, I think that his explanation showed how completely lacking in real co-ordination this new Government will be. Let us see what the set-up is to be.

We have, first of all, the Central Statistical Office. They, presumably—and I shall be glad to have the Chancellor's attention, because this is a point which he has to consider—will get their figures from the Departments; in other words, the Ministry of Transport, the Ministry of Fuel and Power, and so on. They will pass through their statistical figures to the Central Statistical Office. That office will prepare statistics which will be used by the Chancellor and the economic planning unit. Where do the co-ordinators come in? Are the co-ordinators to prepare a separate set of figures to do the co-ordinating for us, or are they to use the figures prepared by the Departments and take them on trust?

What is this new statistical office, set up in the back room for the personal use of the Prime Minister, going to do? From where will they get their figures? It seems to me that at any Cabinet meeting in the future Ministers will be confronted, and confounded, with at least four or five sets of figures. The Chancellor will produce a set of figures on which he will base his economic arguments, to put before the Cabinet. Then the Prime Minister will turn round and say, "I do not accept your economic arguments because my Friend the professor has prepared another set of figures which enable me to repudiate the figures which you have given us."

. . . I was referring to a lesser known professor who is, of course, Lord Cherwell.

What is to happen at the Cabinet meetings? The Chancellor will come forward with economic proposals based upon statistics which presumably he will get from the Central Statistical Office. He will correct me if I am wrong. When he gets to the Cabinet meeting he will be confronted by the Prime Minister with another set of figures, and those of us who have had experience of statistics—and I may claim modestly to have had some experience—well know that it is possible to go on producing sets of figures none of which will ever correlate with another set.

I can assure the Chancellor that it will be quite easy for the Prime Minister to produce a set of figures which will make his look stupid and confused. It does not end there. If they are to discuss transport of fuel and power any morning, the Ministers concerned will have their own set of figures. . . . If they are to discuss fuel and power or transport, are the Ministers concerned to have the opportunity of presenting a paper showing their figures? Even if they can use their figures, the set-up of the noble co-ordinators at the Cabinet table will have another set of figures which will agree neither with the Chancellor's nor with the Departments concerned.

. . . One can imagine that, after looking at all these figures, the Prime Minister will sweep them on to the floor and probably send for Lyndoe and, no doubt, get as good an answer as he would from this mass of confused figures and statistics. The only chance of sound government, based on proper statistics, is to have a functional line leading through to the Chancellor of the Exchequer's Department.

*Mr. Cyril Osborne (Louth):* Would the hon. Gentleman claim that the late Government had a proper system of

statistics, giving reliable information, because, if so, and if he cares to go through the Economic Surveys for the last five years, he will find that almost every group of forecasts given in the Economic Surveys were falsified by events?

*The Deputy-Chairman:* It would not be in order for the hon. Member to answer that question.

*Mr. Adams:* I have no objection to the interruption. I see that the hon. Gentleman confirms what I was saying. It is true that when one is dealing with masses of figures, errors can creep in, due to the different calculations being made, and it is also true that there were errors in the Economic Surveys. But look at what is going to happen in the future. These margins of error will be doubled, trebled and quadrupled, because all these figures will be coming in from different sources, which are completely unco-ordinated. It really is confusion worse confounded.

I thought that the Chancellor looked very sympathetic when my right hon. Friend was speaking, and I think that he is fully alive to the criticism which we have been making that, in order to get a satisfactory Government system, it is necessary that the figures and statistics should be properly co-ordinated. That is all we are asking. We are asking for proper co-ordination of the statistics, and the only hope of getting that is for them to be fed through the Central Statistical Office, as in the past, and for the Chancellor to take them and draw his economic conclusions from them and make a proper report to the Cabinet.

I urge the Chancellor of the Exchequer—and he will have our support if he needs it—to try and persuade the Prime Minister to do away with this professor from Oxford and his private statistical office which will make confusion worse in the counsels of the Cabinet. . . .

*Mr. R. A. Butler:* . . . There has been some further confusion about the duties of the Paymaster-General. In particular, the hon. Member for Gloucestershire, West (Mr. Philips Price), asked questions about the Paymaster-General and his alleged supervision of scientific development. That was also pursued by the hon. Member for Edmonton (Mr. Albu). Those questions deserve an answer. I intervened because I thought that the hon. Gentleman's reference to the Parliamentary Secretary to the Ministry of Works was nothing to do with the Supplementary Estimate, and I think I proved to be correct; but it is not incorrect to ask questions about the duties of the Paymaster-General.

If I may repeat my opening remarks, the duties of the Paymaster-General do not consist of anything which would take away from the responsibility of the Lord President of the Council. That was the subject of one question put to me. The duties of the Lord President of the Council remain substantially the same in respect of scientific, industrial and other research as they did under the late administration. Nor does the Paymaster-General either aim or hope to control scientific developments *in toto* in this country. Nor does he aim to control and absolutely supervise the whole of atomic energy and development.

### Grand Orient

## FREEMASONRY UNMASKED

by MGR. GEORGE E. DILLON, D.D.

From K.R.P. PUBLICATIONS, LTD.

5/-

## Authority

The Editor, *The Social Crediter*,

Sir,

It occurs to me that the difficulty experienced by some of your readers in locating Authority may be due to a confusion between type and the Prototype. It does not seem feasible that we can possibly be in disagreement with Major Douglas's definition of the 'Canon' as set out in *The Fig Tree*, June, 1936; its further elaboration in *Realistic Constitutionalism*, (the rules of the Universe transcend human thinking—and must be ascertained and obeyed); and the use of the word 'Prototype' in the Social Credit chart, published at intervals in *The Social Crediter*.

This confusion might have been promoted by your use of a small 'p' for Prototype and on occasions a small 'a' for Authority, e.g., *T.S.C.* 23/6/51; whereas the capital is consistently used in the issue 8/12/51. I would suggest that when speaking of the Absolute we should always use a capital letter: [\*] Thus, the authority of the type must have reference to the Authority of the Prototype. The authority of the type such as the Papacy, temporal government and parents is valid when it reflects the Divine Authority. The abuse of power does not invalidate these types because they exist in reality. In the family a natural check on power is provided by there being two parents, but there are so many parents acknowledging no authority outside themselves that here in England we have a N.S.P.C.C.

The sort of authority I can imagine a Social Crediter wielding[\*] when faced with the fraudulent balance sheet can be expressed in biblical terms, "Thus saith the Lord God, Thou shalt not bear false witness." Call it a whisper or an echo, it is the Voice of Authority.

Yours etc.,

PASCO LANGMAID.

Ross-on-Wye, December 13.

## University Harmonics

"In considering what changes might be advisable and practicable, we have to remember that nearly two-thirds of our students live at home; to offer the kind of 'comprehensive student health service' which is advocated in some quarters would be an unjustifiable duplication of the National Health Service. Nor could we in the immediate future provide the facilities in the way of accommodation and equipment which such a scheme would demand for its proper working. Furthermore, we have come to the opinion that the obligations of a University towards the health of its students can be adequately discharged by a much less ambitious scheme. We accept the view that since the education of a student, even if he pays his own fees, involves a considerable expenditure of public funds entrusted to the University for that purpose the University has some responsibility

[\*] One cannot, of course, use a capital letter when speaking and, moreover we are far from sure of the results of employing a code of this kind. Often, a capital initial has the effect of converting a common into a proper noun, which itself removes its meaning a stage further from the reader. The effective part of the word authority is *author*. "Wielding" (*vide infra*):— In our understanding it is not for us to *wield* authority: we may, if we will, be the channel for its voice, as when we refer back to it or recognise it.—Editor, *T.S.C.*

to assure itself, within reasonable limits, first that when he is admitted the student appears mentally and physically fit to embark on his chosen course of study, and secondly that during his course he is continuing to be fit. This responsibility cannot be satisfactorily discharged by a voluntary scheme which may fail to secure the co-operation of just those students who would benefit most from it. On the other hand, a too elaborate scheme of compulsions would not be in harmony with the sense of freedom which should characterise University life. In accordance with these simple principles we have formulated a new scheme for a student health and welfare service which is briefly outlined in the following paragraphs."

This charming paragraph appears in the "Annual Reports of the Council, the University and the Vice-Chancellor" of the University of Liverpool published in November, under the section, "Report of the Vice-Chancellor." Does a certain air of self-consciousness invest the phrase "the sense of freedom which should characterise University life," or is it a current form? A sense of education, we notice, still characterises all universities in spite of the invisible writing on their certificates:—"We certify (1) that this man knows sufficiently for your purposes what you require him to know. (2) He has received this knowledge in such form and with such well-understood reservations that he can by no means convert it to his own use, but only to yours. (3) HE DOES NOT KNOW THIS, NOR IS HE LIKELY TO SUSPECT ITS TRUTH, WHICH WOULD BE REPUGNANT TO HIM."

## BOOKS TO READ

By C. H. Douglas:—

The Monopoly of Credit .....	12/-
The Brief for the Prosecution.....	8/6
Social Credit.....	3/6
Credit Power and Democracy.....	6/6
The Big Idea .....	2/6
Programme for the Third World War.....	2/-
The "Land for the (Chosen) People" Racket.....	2/-
Communism in Action	
U.S.A. House Document No. 754.....	2/-
The Realistic Position of the Church of England.....	8d.
The Tragedy of Human Effort.....	7d.
Money and the Price System.....	7d.
The Use of Money.....	7d.
The Policy of a Philosophy.....	7d.
Realistic Constitutionalism .....	6d.
Security, Institutional and Personal.....	6d.
Reconstruction .....	6d.
Social Credit Principles .....	1½d.

ALSO

Introduction to Social Credit	
by Bryan W. Monahan.....	5/- (cloth 8/6)
Elements of Social Credit, 6/-.....	(Cloth Edition) 7/6

(Please allow for postage when remitting).

From K.R.P. PUBLICATIONS LIMITED,  
7, VICTORIA STREET, LIVERPOOL, 2.