

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 28. No. 11.

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

SATURDAY, MAY 10, 1952.

6d. Weekly.

From Week to Week

Some of the more leisurely of our readers may still cultivate gardens and may, therefore, be acquainted with the application of "hormone therapy" to the extinction of greedy weeds trespassing on the preserves of the sedate grasses which should have the lawn to themselves. That genial journalist, the writer of "Scotsman's Log" in *The Scotsman*, describes the effect upon the bountiful daisy as "lulling them into a false heaven of security" and "demoralising their beings with an overprovision of all their needs. So, flaccid and no longer fitted for the battle of life, they will degenerate and perish."

We commend his parallel between this and the Welfare State. But, where are the grasses?

• • •

We note with satisfaction that Mr. A. K. Chesterton, writing in *Truth* for May 2, has discerned what we termed "the involution of forms" which characterises the present phase of propaganda in the South African dispute. He roundly asserts that "The Campaign is being conducted in the interests of world Jewry, but the true design is camouflaged by making the coloured peoples appear to be the intended beneficiaries." He says, interestingly, that "there is no disposition on the writer's part to associate Group-Captain Malan or his avowed associates with any such campaign, but can he be sure that the international campaigners have not been muscling-in on his movement? One has an uneasy feeling that Oriental ways of thought have played a large part in its inception." In what do they not play a large part? The attachment of questionable policies to the all-important Constitutional question is sinister.

We have not been able to see in the edition of *The Times* which reaches us more, since April 30, than a discussion of a point of order by Mr. Strauss, Leader of the Opposition, to ask the Speaker whether the House, sitting alone, was competent to deal with the High Court of Parliament Bill. Mr. J. H. Conradie, the Speaker, has ruled that it is.

For correct information concerning the Constitution of

THE SOCIAL CREDIT SECRETARIAT.

Social Crediters and others are invited to apply for the Statement published in July, 1949 (postage 1d.)

K.R.P. PUBLICATIONS LTD., LIVERPOOL

PARLIAMENT

House of Commons: April 21, 1952.

American Steel

Mr. Gerald Nabarro asked the Minister of Supply what quantities of steel have been received to the latest convenient date against the American purchase of 1,000,000 tons; and what is the anticipated date of completion of shipments.

Mr. Sandys: At the end of the first quarter of this year, about 172,000 long tons of steel, pig iron and scrap for Britain had been delivered at works in the United States or at other sources of supply. Of this 85,000 tons has reached the United Kingdom. It is expected that deliveries at the source of supply will be completed by the end of 1952 in accordance with the agreement.

Mr. Nabarro: Can my right hon. Friend say whether the one million tons of American steel added to the home production of approximately 16 million tons will be adequate to the needs of the defence programme, essential export requirements and other domestic needs?

Mr. Sandys: That is a pretty big question, and it is quite different from the one on the Order Paper. I should like to have notice of it.

Mr. George Chetwynd: In view of the uncertainty that exists in the American steel industry and the effect that this might have on deliveries of steel to this country, will the right hon. Gentleman re-open negotiations with the United States authorities to allow us to purchase ore and scrap direct from Germany and Sweden instead of indirectly through the United States?

Mr. Sandys: That really is the position. So far as we are getting additional ore, for example, from these countries as a result of this agreement we are receiving it direct and not getting it through the United States. What is happening is that the United States buyers are holding off, and so making more ore available in those countries for purchase by us.

Mr. R. Brooman-White: Will my right hon. Friend continue to impress on the Americans the great difficulties of our steel industry at the present time and the benefits of any steps to mitigate those difficulties, such as, in particular, the Americans continuing to make available to us the supplies of raw materials due to them under previous agreements with other European countries?

Mr. Sandys: I think the United States are very well aware of our needs. They have gone a long way to help us in the way suggested by my hon. Friend.

Mr. Sydney Silverman: Is the right hon. Gentleman aware that one of the most interesting transactions recently completed at Moscow was the sale for immediate delivery by the Soviet Union to Pakistan of 100,000 tons of steel? Will he consider whether this might reveal a possible alternative source of supply?

Mr. Sandys: Steel from any quarter is very acceptable.

NATIONAL FINANCE

Burma (Debts to U.K.)

Mr. Thomas Reid asked the Chancellor of the Exchequer what gifts or loans have been given by Britain to Burma since the end of the war; and if he will make a statement regarding the terms of repayment of the loans.

The Minister of State for Economic Affairs (Sir Arthur Salter): Since the war Her Majesty's Government have cancelled debts due by Burma and foregone claims in respect of such things as military administration expenditure amounting in all to £36 million. A debt of £27.8 million is still outstanding which is due to be repaid in accordance with Article 6 of the Treaty of 17th October, 1947, between the two Governments in 20 equal annual instalments beginning not later than 1st April, 1952. As the hon. Member will be aware, the Burma Government have recently requested Her Majesty's Government to agree to the postponement of the repayments due this month.

Mr. Reid: Have Her Majesty's Government agreed to defer repayment?

Sir A. Salter: No, Sir. I think there is a Question later in the week in regard to that matter.

Mr. A. G. Bottomley: Will the right hon. Gentleman agree that these loans have assisted in combating the spread of Communist Imperialism in Asia?

Sir A. Salter: I will not dispute that.

Motorcars (Home Quota)

Mr. Gerald Williams asked the Minister of Supply if, in view of the need to speed up business and save time, money and material in patching up very old motorcars, he will raise the present quota of motorcars allowed to the home market.

Mr. Sandys: The size of the home quota is governed by our pressing need to expand exports. The motor manufacturers have recently suggested that the home quota should not be a fixed figure, but should be calculated as a proportion of the industry's export trade. I am at present examining the implications of this proposal with them.

Mr. Edelman: In the meantime, provided the motor industry fulfils its annual export quota, will the right hon. Gentleman give the industry greater flexibility, particularly during its present difficulties, in order to make, if possible, earlier allocations to the home market?

Mr. Sandys: It was with the object of getting greater flexibility that the motor manufacturers put forward this proposal which, as I have told the House, I am at present examining with them.

Contributions

Mr. W. M. F. Vane asked the Minister of National Insurance whether he will consider giving insured persons the choice between contributing to the National Insurance schemes in one life payment as an alternative to the normal weekly contributions.

Mr. Turton: No, Sir.

Mr. Vane: Would my hon. Friend look into this matter again not only in order to save a good deal of administrative work, but also to give a number of men and women who were under 65 and 60 when the scheme came into force a chance of obtaining the security which they have not at present got, but could get through the payment of a lump sum?

Mr. Turton: My hon. Friend must remember that men and women pass through different insurance classifications in the course of their lives. Sometimes they are employed, sometimes they are self-employed and sometimes they are non-employed. Therefore, a single payment to cover all these classifications, we think, would be an impracticable proposition.

Empire Settlement Bill

Mr. Eric Johnson (Manchester, Blackley): I am very glad to have the opportunity of following the hon. Member for Nottingham, Central (Mr. Winterbottom), because I should like to develop a little more what he said about settlement in Canada. I happen to know something of the great undeveloped resources of that country. Indeed, I should go so far as to say that British Columbia, in particular, is potentially one of the richest regions in the world and, what I think is so important to this debate, is one well suited for settlement by people of our own race.

The attitude of Canada towards immigration from this country is much more favourable today than it has sometimes been in the past; but Canada lacks capital as well as people, and the kind of immigrants she wants are not only those who seek skilled or unskilled work for wages but people who will bring their money as well as their energy and use both for the development of the country. Many Canadians think that the most useful contribution the Treasury can make to Empire settlement is not so much by assisted passages as by allowing people to take more of their own money out of this country when they go to Canada to settle.

We all know that the present allowance is totally inadequate for anyone who wants to set up business of his own, on however small a scale. My hon. and learned Friend the Under-Secretary of State for Commonwealth Relations has told us this afternoon that it is quite out of the question to increase this allowance: we have not got enough dollars. But I am wondering whether we are spending our scarce dollars to the best advantage at the moment, and whether we are making enough effort to earn more dollars by increasing our trade with Canada.

As to the former point, it is a fact that between 1946 and 1951 emigrants to Canada took with them remittances to the extent of £27,300,000; but during that same period we spent £61,900,000 on American films, and I question the wisdom of that form of expenditure. If we take the

question of sales to Canada between 1947 and 1951 we sold machinery to Canada worth £36 million; but during that same period we sold to the Soviet Union, to Poland and Czechoslovakia, machinery worth £51 million. I wonder if that was a wise thing to do. I do not believe it was because we could not have got orders. I am very glad to say that in the last year—1951—the position has changed considerably. We have sold more machinery to Canada than at any other time and, at £13 million, our sales are double those to the other countries I mentioned. But could we not have done something about getting those orders earlier? I believe we could.

I suppose that the majority of people who want to settle in Canada are those with little or no capital of their own. What they are wondering is what are the chances of a job and a house when they get there. That the chances of a job are good is, I think, shown by a speech made last month by Mr. Winters, the Minister of Resources and Development in Canada. If I may quote two short sentences, he said:

“Records of production that have been achieved by the present programme of development of our national resources are merely a step along the way to realising our vast potential. Some of the most spectacular projects are still in what might be described as the tooling up stage as we lay solid foundations for the future.”

In British Columbia there is a colossal amount of development going on, some of it, I am very glad to say, by Canadian companies, although there is a good deal of American capital. If I may give one very striking example, there is the 500 million dollar Kittimat project of the Aluminium Company of Canada. Its purpose is to dam a very sizeable river, reverse its course and send it through a 10 mile tunnel through a mountain, giving it a fall of 2,000 feet and so developing hydro-electric power which will operate what may well turn out to be one of the biggest, if not the biggest, aluminium plants in the world.

I mention that because although there are only some 3,200 people working on the project in the tooling up stage, this little village of Kittimat—a little Indian village which no one had heard of two years ago—will be a town with some 50,000 inhabitants in a very short time. That is not in the least surprising when we reflect that hydro-electric power brought growth and development to the Pacific North-West of the United States which has enabled that region, a far smaller region than British Columbia, to absorb quite easily a million new inhabitants since 1940. I do not think there is any fear of a shortage of jobs. As for houses, although the position is undoubtedly difficult around the cities, that does not apply to anything like the same extent in the interior, where much the best opportunities exist for new and energetic settlers. . . .

Mr. Donald Chapman (Birmingham, Northfield): This is a subject which attracts a great deal of woolly thinking, woolly writing and woolly talking. I shall be bold enough to stir up controversy by saying that I have heard a lot of woolly talking in the Chamber on this subject this afternoon.

. . . Let me give two examples of things we have heard said in the House today. I am sorry the hon. Member for the Isle of Thanet is not here now. He said that if we did not get on with the development of the Commonwealth, we should find American capital going in there. He spoke

of that with horror. Yet one of the problems facing the Commonwealth today is that of attracting American capital, not freezing it out. Then my hon. Friend the Member for Lincoln read, with obvious approval, a telegram suggesting that our textile industries should be taken out to Australia. Whatever good would that do? It would mean dislocation, the impossibility of housing them when they got there, and having to wait five years before seeing any results. Even then, what good would it do?

Let us look at the Australian position at the moment. My hon. Friend obviously had in mind the fact that the Australian Government have had to cut imports of goods from this country, and therefore he thought it would solve the problem if we sent the industries to that country. Nothing is further from the truth. Why is Australia cutting its imports from Great Britain? Mainly because the balance of payments position at present shows that it is not exporting enough to this country and to other members of the Commonwealth to have goods from us in return. If my hon. Friend would look up the facts, he would find that one big reason is the falling agricultural production in Australia.

A few days ago *The Times* had an article on Australian food supplies which said:

“Food production has remained almost at pre-war levels and vital industries such as wheat, meat, and butter production have all been heading for lower output, particularly at a time when the seasons were, for the most part, favourable . . .”

It goes even further and says:

“The Government must play its part. Some things it can do are essential. More men must be placed on farms. No significant increase in production can be secure unless more labour is available.”

In other words, the problem affecting Australia and Britain in this context is that if Australia could export more agricultural production, we would be only too happy to send the textiles. But whatever good would it do to send the textile industry to Australia? It would not solve the problem in any way. It was a pure piece of sentiment. It would not help Australia to feed any more people; it can hardly feed its own population now. What Australia is needing is not a textile industry but people to develop its basic resources, such as food and raw materials. It does no good at all to speak in such sentimental terms. . . .

(To be continued.)

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. 28. No. 11.

Saturday, May, 10, 1952.

Law versus Executive

One swallow does not make a summer. When the swallow nests in the Supreme Court of the United States of America it still does not make a summer. Like the three brief items which follow this note, the news of the 'blow' to President Truman embodied in the Court's injunction forbidding the Government to make any changes in wages or working conditions in the steel industry until it had disposed of the case may be a small matter; but it does not escape our notice that of the nine judges concerned the two who at first dissented but later joined the majority of seven were Justices Frankfurter and Burton. So many disputes now hinge upon a constitutional or quasi-constitutional issue, that we are confirmed in our opinion that this issue is obtrusive, and that a decision is of paramount importance to either side. For our part, we are on the Right side.

The action of the Supreme Court on May 3 upheld that of the Court of Appeals in extending the stay of the district court's order requiring the United States Government to return the steel companies' properties to their owners, but it reversed the decision of the Court of Appeals in which it refused to prevent the Government from granting wage increases to the employees of the seized companies, and enforcing them. For the moment, the United States administration cannot do as it likes with what does not belong to it, and in compromising situations of danger to Americans it comes nearer to compromising itself. That is as it should be—only nearer and faster.

The former American Ambassador in London, Mr. Lewis Douglas, at a Jefferson-Jackson Day dinner underlined the issue. He said he hoped the Democratic Party "would not lend its support to the recent assertion of the doctrine of unlimited executive power" which was "the highway to limitless tyranny." Talk, perhaps; but over here we don't even that.

A Tale of Four Shillings

At Birkenhead on May 5, costs of one guinea against the Inland Revenue were awarded to Mr. G. A. Craven, of Moreton and a claim for four shillings costs by the Department dismissed. A collector wanted the summons against Mr. Craven withdrawn on payment of costs.

High Court Action Against I.C.I., etc.,

The Times (May 2 and 3) and the *Daily Telegraph* (possibly other newspapers) have given publicity to an action in the High Court against Imperial Chemical Industries Limited, Dr. James Armit, chairman of the company's

Wilton works, and Mr. Harold Octavius Smith and Dr. Cecil John Cronshaw, personal directors of the company, for alleged conspiracy. The plaintiff is Dr. Hubert Bagster Trumper, a medical practitioner, of Cusop, Hay-on-Wye, Herefordshire. As we go to press, the report of the termination of the hearing is not available.

Mr. A. Melford Stevenson Q.C., and Mr. L. G. Scarman appeared for the plaintiff; Sir Hartley Shawcross, Q.C., Mr. Gerald Gardiner, Q.C., and Mr. Harold Brown for the defendants.

Consumer Control

An inquiry for a proprietary brand of packed self-raising flour untreated by agene revealed the fact that there are at least two millers within forty miles of each other who supply and guarantee a pure article.

They are not permitted by "the Ministry" to mark their packets "untreated by agene"; but they may mark them "unbleached." One of the firms cited has overcome monopoly's domination of private enterprise by printing an advertising card with the words "Free from agene" on it. Retailers are allowed to display this near the packets in their shop-windows. The 'incident' is 'not closed,' and readers may follow it up.

Our informant reports his technique as follows:—"I said: 'Look here, I want unpoisoned flour, and if you will not get it for me I shall cease to be a customer of yours.' The grocer, a versatile fellow, obligingly supplied other incentives. His customers, unpoisoned, might live longer, and some of the money they spent at the chemist's might come his way."

The Exodus

Immanuel Velikovsky, in his book "Ages in Chaos," Doubleday, 1951, gives us an exciting new history of the early days of the Jewish people. He tells how the Israelites were driven out of Canaan into Egypt, but does not give the reason, and how they were slaves in Egypt, until they were driven out by the Egyptians and went back to Canaan. For the first time, we learn why the Jews were driven out of Egypt. Velikovsky gives us the true story of the ten great plagues which the Jews brought down on the Egyptian people, and with the tenth plague, the Pharaoh drove out the Jews, and there was peace again in Egypt.

The parallel to our own situation is grim and close. The Jews understood the arts of mass-poisoning. Today, we have chlorinated water which results in arthritis, and to this we are urged to add the rat poison, fluorine. The nationwide fluoridation campaign, which none of us can find out anything about, who are its backers and its beneficiaries, is but one aspect of a terrible situation. The reckless adding of many dangerous chemicals to our foods, such as agene to bread, is not at all a thoughtless process. We must remember that the Jewish people continue to eat their own unpoisoned, nutritious, whole grain breads, pumpernickel and rye and wheat. The fact that they continue to exist in our midst as a closely-knit and well-co-ordinated group, raising unanimous cries of approval to every measure designed to cripple our nations, such as fluoridation, universal military training, and the closed shop for atomic energy processes, must finally awaken our people to the dangers of their alien force.

EUSTACE MULLINS.

A Speech by the Duke of Bedford

During the House of Lords Debate on Foreign Affairs on April 9, and as a principal cause of it, the Duke of Bedford addressed the House in the terms set out below from the Official Report. He spoke for half an hour, and Lord Silkin rose to address the House nearly two hours later.

On account of their exceptional character—every other commentator on the opinions of the Duke of Bedford spoke disparagingly—we introduce the report with the opening sentences of Lord Silkin as follows:—

“My Lords, I regard this debate as one of the most important that has taken place in this House in the present Parliament. I need hardly emphasise that our domestic and economic welfare depends entirely upon the way in which our international difficulties are dealt with by the Government, and therefore this debate, on the eve of the Recess, is a timely one. It has been a remarkable debate. We have had a number of extraordinary speeches. We have had a speech from the noble Duke, the Duke of Bedford, and I should like to congratulate him on the extreme courage which he showed in making it. After all, in this House noble Lords are entitled to say exactly what they believe, and the noble Duke has not minced matters in any way. He has said a great many things which, I can assure him, are in the hearts and minds of a great many inarticulate people in this country.

I will not pretend that I agree with everything he said, but I think the noble Marquess [the Marquess of Reading] was rather hard on him in the reprimand which he uttered regarding the statements made by the noble Duke about the United States of America. I do not think that the noble Duke intended to be either ungracious about the United States or unappreciative of what the United States has done. Indeed, as I understood him, he paid a tribute to the altruism of the United States and their motives, but gave voice to the thought that they were perhaps setting about the attainment of their motives by methods of which he did not approve. I little thought that I should find myself in agreement with the noble Duke to any great extent, but I feel it right to say that many of us in this House do appreciate the great courage made manifest in the speech which he delivered. And it does require courage to make a speech which one knows in advance is not going to be popular with the audience which will listen to it. I should like to say the same about the speech of the right reverend Prelate [the Bishop of Chichester]. He also said a number of things which were not altogether acceptable in this House but which I believe needed saying. . . .”

The Duke of Bedford had given notice of a Motion to call attention to the economic dangers of the American Alliance and also to the political dangers especially as these affect Eastern affairs; and to move for Papers. The noble Duke said: My Lords, it is, I think, generally agreed that as the result of the two world wars, and other causes, in the matter of worldly power and wealth the sceptre has now passed from the British Empire to the United States of America. It is not necessarily a bad thing to have to take second place to another country, nor even to defer to the wishes of its statesmen, if their wishes and policy are wise and good. But it is a very different matter indeed if their policy or their methods are not good. Few methods could

be more evil than the atom or napalm bombs, and few policies could be more unwise than the continued American support of Chiang Kai-shek's Government. Noble ends are useless if the means which are employed to further them are not also noble. That is a fact which people are very apt to forget. Bad means can destroy the noblest aims. In what I am about to say in criticism of American policy I do not want it to be thought that I am anti-American. Many of the finest people in the world are to be found in the United States, and some of them, I think, are looking to us for a lead. Unfortunately, the United States like many other countries has not the best and wisest of her citizens where they should be, at the head of affairs.

With regard to the economic consequences of the Alliance, I have always contended that the Loan was a mistake, and that the Loan and its interest would become too heavy a burden. I suggested at the beginning that we should try to develop the resources of our Empire with the aid of a reformed financial and foreign trade system. Briefly, the main features of such a reformed financial system are these. The money supply should be adjusted so that it relates to the output and import of goods. Money should not be created in the form of interest-bearing debt. Revenue taxation should be done away with, and the services of the States should be financed by the annual creation of new non-debt money, taxation being employed solely for the purpose of collecting for cancellation and destruction surplus money in order to prevent inflation. There should be no more State borrowing, and the National Debt should be extinguished as soon as possible. The fact should be frankly faced that, in an age of neighbour-destroying inventions and discoveries, full employment is no longer possible, and the deserving unemployed must be adequately maintained out of the funds for the State's use to which I have already referred. During the inter-war period the faulty financial system was the only important cause of poverty in this country. Now there are other causes—namely, re-armament, over-population, and the sale of our foreign investments to America during the war, making it difficult for us to obtain imports.

But although financial reform can no longer get us out of our economic difficulties, it still remains essential, not only because it could help our economic life very greatly but also because of the effect overseas of our example. Our Dominions are still very much in the position we occupied during the war. By reason of their great resources they are lands of potential plenty, where the financial system is the main hindrance. We need to give them a lead; and particularly do we need to give a lead to Canada, so that she may escape from her unhealthy financial dependence on the United States. We need also to be in a position to say frankly to the United States Government: “We have come to realise that international money lending at interest is not a good plan, as it gives too great power to the creditor country over the life and policy of the debtor country. We intend, therefore, in future to abandon the charging of interest on our foreign loans, and we shall no longer be able to pay interest to you on yours. We will repay the principal, but we shall need a longer time in which to do it.”

One of the main features of sensible foreign trade should be that a country exchanges goods surplus to its own requirements, and receives back only those goods which

it really needs. In our trade with America, however, we are now commonly sending away goods we badly need and, in order to suit American business interests, are receiving back in part exchange goods which we do not really require from America, this being a condition of our receiving goods which we do require. That is not a fair arrangement, and I think it is one which the Americans would resent if the position were reversed. In the same way, we have agreed to sacrifice certain trading rights with non-American countries, again in the interests of American business, in a way which is not altogether fair. In considering the American economy, which has the same fundamental faults as our own, it is always well to remember that it has three main groups. It has to be sustained by war and war preparations, by making gifts of goods to foreign countries, or by a policy of public works so gigantic that America to-day is hardly likely to be able to undertake it.

In considering the political consequences of the Alliance it is necessary to have a background provided by the recognition of certain facts, pleasant or unpleasant, which are apt to be evaded. The first of these is that there is no reliable evidence that the Russian or Chinese Governments, unprovoked, desire aggressive war. Their people suffered too much in the late war. They are making too good progress in the cultural and economic development of their countries, and their propaganda among their own peoples is not the propaganda of countries that really want war. If they really wanted war, they would represent it as a glorious crusade to create Communism throughout the world, in which every patriotic Communist should join. Instead of that, they declare that they want peace, and accuse the other side of being war-mongers. When you are conducting propaganda among your own people, to make out that you want peace when you really want war is a psychological blunder of which they are not likely to be guilty. It is true that in the past Russia was guilty of aggression against Finland and the Baltic States, but here the motive does not seem to have been the extension of Communism by armed force so much as military security. The attack made on the Soviet Government by British and American forces earlier, and the coming attack by Germany (which may have been anticipated), while it still leaves these attacks indefensible, at any rate makes them in part understandable.

The next point I would make—though I am afraid that it is not one with which your Lordships are likely to agree—is that, in this age of atomic warfare these Islands, for geographical reasons, are placed in an entirely new position. They are no longer capable of successful strategic defence by military operations undertaken from within their own frontiers. So long ago as July, 1948, the Council of the Atomic Scientists' Association made the following statement:

"In the event of an atomic war, owing to the concentration of Industry and the density of our population, no country is more vulnerable than Great Britain to attack by atomic bombs or other weapons of mass destruction. It seems clear if our airfields are made bases for launching attacks by weapons of mass destruction on other countries, we must expect that our cities will be attacked by similar weapons. The most elementary patriotic reasons to ensure the survival of our nation demand that we should do everything in our power to see that this country shall not become the recipient of atomic bombs."

It seems to me that in allowing this country to become one

of the principal American air bases, we are inviting, if international tension should grow worse, a crushing air attack possibly of the Pearl Harbour character, before there has even been a formal declaration of war. And I have no hesitation in saying that in such an attack our civil defence measures would be mere pills for the earthquake. A British army wandering about on the Continent, as part of the European army, would be very little good if the homeland had been devastated behind their backs. Another question appears to me to be the preparation for this atomic bomb experiment in America before any attempt has been made to ease international tension by the establishment of a policy to demilitarise areas, and before really imaginative and intelligent use has been made of recent Russian concessions—which are important concessions.

The next point I would make is that if rearmament is continued it must virtually ruin this country, and probably other European countries as well. One possible result of increasing austerity without the remotest hope of any end in the foreseeable future is that a considerable part of our weekly wage-earning population will turn to the only Party that can promise them deliverance from this burden—that is to say, the Communist, or at any rate the following of Mr. Aneurin Bevan. In regard to the atom bomb, I was rather struck by a point made the other day by a speaker at a public meeting. He said that over here we are all concerned with fears of what will happen if the bomb falls on us, whereas, if we are a Christian nation, as we profess, we should be far more afraid of using that diabolical weapon ourselves.

With regard to American foreign policy. The most disturbing feature about American statesmen and diplomats is their terrible lack of imagination. They seem so filled with a blind hatred of Communism that they cannot realise that it is not a phenomenon of evil without parallel in history, but merely a stage in the political evolution of certain countries. It has its good and its bad features, and it may develop very differently in different parts of the world. In countries which have never known real freedom its bad features are excessively bad, but the remedy is not to kill Communists; it is to set up something better in our own country. That we shall certainly not be able to do so long as our economic backs are broken by rearmament. The policy of negotiation from strength is, in my opinion, a very unwise policy. It may be that some of the statesmen on the other side are of such a character that, while you are attempting to reach an agreement on world disarmament by a sensible policy of give and take between equals, they will be easier to handle if they know you are not prepared to endure treatment from them which they would not endure were they in your place.

But the policy of negotiating from strength goes far beyond this. It really amounts to trying to get such strength that you can always bully the Government on the other side into doing what you want them to do. No Government in a powerful nation will endure such treatment. We should not endure it; the Americans would not endure it. And we and they are foolish if we believe that either the Russian or the Chinese Governments will endure it, even making any allowance that has to be made for the different Eastern mentality. The only result of striving for this superior strength is a ding-dong armaments race end-

ing, if history has anything to teach us, in war. The policy of surrounding Communist countries by a complete ring of armed bases is also likely to defeat its own end by its exaggeration. It may give the Governments of these countries a genuine fear that attack will be delivered against them, so tempting them to strike before preparations have been still further perfected.

Particularly unwise is the rearmament of Germany. About the only good thing achieved by the late war was the pronounced aversion to war that it created in the German and Japanese peoples; and now even that is being thrown away. In war there is one factor more important than any other, and it is the fighting morale of the people. Now we are making a present of this factor to both the Russian and Chinese Governments. It is very unlikely that German troops, as part of a European Army, or the Japanese, will fight on our side with any very great spirit, since they will know that, whoever wins, in the end their country is bound to be devastated by being turned into a battlefield. If, on the other hand, the price of their possibly being on our side was the granting of complete independence to Germany and Japan, it might suit them, as it would undoubtedly suit the Communist countries, to enter into an alliance with the Communist Governments against ourselves. I cannot help feeling that if some years ago, when I advocated a negotiated peace with Germany (a policy which would have saved those of your Lordships who believe in German rearmament a great deal of trouble) I had gone on to advocate the future rearmament of Germany, the noble Lord, Lord Vansittart, might be no longer with us. His indignation might have caused him to explode like an atom bomb, with shattering effects on this House and its occupants. Germany should not be militarised. Germany should be demilitarised under the protection of the United Nations, to which Russia and China should be invited to join. By an arrangement of that kind each of the prominent Powers would become a watchdog on the other, which would be a very healthy arrangement.

What I have said with regard to the rearmament of Germany applies equally to the rearmament of Japan, and its effect on the fighting spirit of the Chinese people. Japan should not be remilitarised. It should be demilitarised under the protection of the United Nations, including Russia and China. The same policy should be pursued in regard to Formosa, and the people of Formosa should be allowed to choose whether they will remain under Chiang Kai-shek or join China or become independent. Under such an arrangement, neither the American nor the Chinese Government would have any legitimate ground for complaint. A similar arrangement should be suggested with regard to Korea, which should be united under a new Government, again as a demilitarised area. In regard to Egypt, although I am glad to hear that tension is now relaxed, I feel that on balance it would be far wiser and more honourable to cease trying to force Egypt into an anti-Russian war alliance, and to keep our many times repeated promise to withdraw all troops from Egyptian territory.

With regard to such countries as Malaya and Indo-China, it is important not to be in too great a hurry to attribute all the trouble to the Communists. No doubt there are Communist agitators and no doubt there are also bandits. But I have heard, on reliable authority that a great deal of the trouble is due to the fact that lavish promises were

made to the Resistance Movement during the war but have by no means been generously kept. Moreover, there is in these parts of Asia a growing Nationalist movement. It is generally agreed that, in spite of certain very unhappy consequences, it was wise to give her freedom to India. What is sauce for the Indian goose may well be sauce for the Malayan and Indo-Chinese gander, even though it may mean considerable sacrifices for French and English statesmen. Such sacrifices, unhappily, are sometimes inevitable where there has been pursued a Colonial policy which has not commended itself to many of the native inhabitants. A very dangerous error in American diplomacy is to regard wars as a kind of panacea for every kind of apparent Communist aggression. War is not a panacea. By reason of its own nature and of human nature, it is now the clumsiest, most dangerous and most uncertain instrument of policy that it is possible to employ. It should therefore never be used, even by those who believe in it, except when certain conditions are strictly fulfilled. It is better to appear to give way to aggression half a dozen times than go to war on a weak and confused issue.

The conditions that should be fulfilled are, first, that every legitimate grievance of the other side should have been fully met, not merely in propaganda theory but also in fact, and that absolutely nothing of a provocative nature should be done by our side or by our protégés. The latter should be plainly warned that if they indulge in inflammatory speeches they will receive no support from us. One of the greatest curses of the age in which we live is what I would term the idolatry of abstractions—that is to say, the pursuit of noble aims by evil means. The airman who would shrink with horror from the idea of throwing a baby on the fire does not hesitate to throw fire on babies, because he is too far away to see the consequences of his action, and because his head is filled with idealistic notions about serving his country. In the same way, American statesmen, their heads filled with idealistic notions about upholding the authority of the United Nations and checking Communist aggression, cannot see that they have made a far worse hell of Korea than would ever have resulted if the civil war had been allowed to take its course; that by that war, and especially by advancing beyond the 38th Parallel, they have made a Third World War not less likely but more likely. In the same way, military chiefs of staff, consulting maps and forming strategic plans, are apt to forget that the international relations psychological factor is sometimes more important than military strategy; also that there are such things as men and women with bodies capable of suffering agony.

As I have already suggested, one of the worst errors of American authority in the Far East has been their obstinate, continued support of the corrupt and discredited régime of Chiang Kai-shek, whom even the anti-Communist Chinese do not want back. The present Government of China is still doubtless anti-European and anti-American, and it is also quite ruthless in dealing with what it regards as subversive elements—Chinese Governments always have been. But I have heard from reliable and non-Communist sources that in the economic and cultural development of the country the present Government have done more than any other Government and are less corrupt. I have no hesitation in saying that we should state quite frankly to the American Government that they have bedevilled negotiations in Korea

all these long months, mainly by their refusal to recognise the Chinese Government and by their support of Chiang Kai-shek; and that if they continue in this error we shall withdraw our troops from Korea. I know that it would be said that this would destroy the unity of the United Nations, but unity is not in itself necessarily a virtue; it is only unity in wisdom which is a virtue. Unity in folly is far worse than disunity. There was unity of a kind among the Gadarene swine.

With regard to the behaviour of American diplomats at disarmament conferences, an intelligent American recently gave it as his opinion that they seemed to be trying to impress Congress at home with their speeches rather than trying to make any progress towards a settlement. They seemed to be imbued with the idea that if the other side were untrustworthy there could be no hope of making any progress. Untrustworthiness, however, is only a fatal obstacle if two parties want different things. If they both want the same thing (as, in this instance, freedom from the hazards of atomic war) there is always a chance of reaching an agreement based not on verbal promises but on rights of inspection. If the other side put forward apparently reasonable proposals, it is a fatal diplomatic blunder to sneer at them, quote past failures and bring charges of insincerity. Such proposals should be received with cordiality, and suggestions put forward from our side and the American side calculated to carry the matter further. In making those suggestions we should be careful not only never to ask the other side to do anything we are not ready to do, but never to ask them to do anything we should not be ready to do if we were in their place, which is not necessarily at all the same thing.

During these negotiations, a full report should be published without comment, so far as possible throughout the world, and if negotiations did break down we should take the utmost care to see that they broke down solely and obviously through the unreasonableness of the other side. If two or three such breakdowns took place in succession, the other side would be virtually compelled to behave reasonably in order to save face with their own people, for not even a Communist Government dare go to war if its war propaganda is unconvincing by reason of the lack of real grievance, because it knows that if it did so its people would fight with so little spirit that they would quickly be defeated. It was most unwise and unreasonable when, not long ago, Russia suggested a conference on Germany, after we had said that the agenda of the conference was not wide enough and Russia had agreed to our additions, then to refuse the Russian suggestion that the Atlantic Treaty should also be considered. In the circumstances it was a perfectly fair proposal. It is unfortunate that give and take, which are the essence of true negotiation, are apt to be dismissed contemptuously by American statesmen and diplomats as "horse trading."

Recently, too, the Russian Government made a number of concessions on the all-important question of rights of inspection. They received a very chilly response. The Americans have hardly budged at all from the Baruch plan, which even that wise, impartial body of people, the American Quakers themselves pronounced to be not entirely fair to Russia. One learns that there are a disturbingly large number of people in the United States who have taken the

line "We are bound to have a war, let us get it over." Americans who think like this appear to forget that when they have "got it over" it may be that it will be all over with some of their Allies—including ourselves. Some very prominent men in America in public life have made some most disturbing statements. Mr. Foster Dulles said recently that the United States should let it be known that they would not stand idly by while any part of the world remained under Communist or Fascist rule. Senator Taft has claimed that the only way to stop a Communist attack in South-East Asia is by a Chinese Nationalist invasion of the mainland. Mr. Harold Stassen takes the same line and advocates the use of Chiang Kai-shek's troops immediately for an attack on China, and the restoration of General MacArthur as Commander in the Far East. These, my Lords, are not policies of defence. They are policies of blatant aggression, and with those policies we should have neither part nor lot.

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/-
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 (<i>Reprinting</i>).....	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
Report of the Royal Commission on Soviet Espionage...	7/-
On Planning the Earth, by Geoffrey Dobbs.....	6/-
Communism in Action U.S.A. House Document No. 754.....	2/-
Odlum v. Stratton (Verbatim Report of Proceeding).....	2/6
Protocols of Zion.....	2/-
The Rulers of Russia by the Rev. Denis Fahey, C.S.Sp.....	1/6

(Please allow for postage when remitting).

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