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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

It is being said in London that the British Empire has only another two or three years to live. *De jure*, we suppose.

It is also being said that *The Social Crediter* and the Social Credit Movement should get busy and do something about it. Since (as a discerning wit on the staff of *Punch* saw clearly, and stated in that quarter of England that 'Never was') the Social Credit Movement has already taken on the burden of many sins very far from being its own, why so? Any neglected duty which lies heavy upon a critic's conscience is seemingly, at the moment of its perception, a duty of Social Crediters—as though they had no proper business of their own! They assume a Social Conscience, and finding it lying sick and wounded have perforce to set to to revive it. They assume a land of their fathers, and straight-way have to clear it of invaders, the sons of their fathers for the most part resolutely opposing (duly elected 'representatives' not excepted, nor Ministers of Her Sovereign Majesty). They assume Authority in the Seat of Authority, and find the seat empty even of a definition of what Authority is in substance and fact. Which things, as *Punch* said, are really not their affair. Kipling should come again amongst us and indite a line about folk who mind your business when all around them are not minding theirs (and couldn't).

Hither, Friend; and prithee bring House-tops, a Wall of Jericho or two and assorted Trumpets.

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The Times reported the sermon preached in Westminster Abbey by Dr. Edwin Morris, Bishop of Monmouth, on November 16, to the extent of five-sixths of a column, under the heading: "The Coronation Oath." Dr. Morris's own title for his address was "The Catholic Nature of the Church of England." He quoted the text of the Oath:—

"Will you to the utmost of your power maintain the laws of God and the true profession of the Gospel? Will you to the utmost of your power maintain in the United Kingdom the Protestant reformed religion established by law? And will you maintain and preserve inviolably the settlement of the Church of England, and the doctrine, worship, discipline, and government thereof, as by law established in England? And will you preserve unto the bishops and clergy of England, and to the churches committed to their charge, all such rights and privileges as by law do or shall appertain to them, or any of them?"

He said it did not follow from the solution effected by the State of the problem presented by there being also a Presbyterian Church of Scotland in the United Kingdom that members of the Church of England ought to accept the phrase, 'the Protestant reformed religion' as an accurate description of their own faith.

We are not a party to this discussion, but draw attention to its existence, awaiting the point of its development at which it begins to impinge upon the recovery of the shattered Constitution of this country.

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Those arbiters of policies in strange places, the 'students,' have again been mobilised to lead 'the mob' and all study in Iraqi colleges has been suspended. Martial law was proclaimed last Sunday throughout the province of Baghdad. One wonders what part in these troubles is played by the alleged expulsion of Jews from Iraq some time ago. The 'students' clashed among themselves—Communists and Nationalists; but both sides shouted anti-British and anti-American slogans. The Iraqi students in this country show little sign of being anti-American, and still less of being anti-British. Some of them have a quite intelligent contempt for politicians.

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Assisted by a member of the "B." B.C. Czechoslovak Service, Mr. Zilliacus, former Labour M.P. for Gateshead, was to broadcast last week in Czech, to the Czechs. He was to "give his own views on what is being said about him."

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"It appears likely that by the end of the current fiscal year the province of Alberta will have in hand, in cash and investments, a sum greater than the total funded debt. The provincial auditor reports that the funded debt represented by Debentures and Treasury Bills outstanding at September 30 stood at slightly over \$95m. (approximately £34,545,000), a decrease of nearly \$3m. compared with the previous year. Total cash and investments in hand at the same date stood at more than \$88m., an increase of \$22m. over the previous year." (Calgary correspondent of *The Times*, November 23.)

The correspondent describes the position as 'unusual' and reminds readers that when the Social Credit Party took office the funded debt of the Province was \$168 million. The position is unusual. It is incidentally not Social Credit, but the "Cancellation of Credit" favoured in anti-Social Credit quarters.

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The alternative "Unemployment or War" (though we should call it *Dis-employment*—which might as well be endowed leisure) receives confirmation in the following from the *Church Times*:—"It is of the essence of Soviet policy to shift its ground constantly, so that an opponent never has time to learn how to live with a particular problem. Russia would certainly like to keep Western forces tied down in Korea. But an end to the Korean war might have economic effects on the West, which the Soviet leaders may consider more important than the tying down of military forces."

PARLIAMENT

House of Commons: October 30, 1952.

Royal Assent

Mr. Speaker: I have to acquaint the House that the House has been to the House of Peers, where a Commission under the Great Seal was read, giving the Royal Assent to:

1. Insurance Contracts (War Settlement) Act, 1952.
2. Marine and Aviation Insurance (War Risks) Act, 1952.
3. Irish Sailors and Soldiers Land Trust Act, 1952.
4. Cockfighting Act, 1952.
5. Agriculture (Poisonous Substances) Act, 1952.
6. Prisons (Scotland) Act, 1952.
7. Agriculture (Calf Subsidies) Act, 1952.
8. Housing (Scotland) Act, 1952.
9. Intestates' Estates Act, 1952.
10. Licensed Premises in New Towns Act, 1952.
11. Defamation Act, 1952.
12. Visiting Forces Act, 1952.
13. Cinematograph Act, 1952.
14. Hamilton Burgh Order Confirmation Act, 1952.
15. Lerwick Harbour Order Confirmation Act, 1952.
16. Rochester Corporation Act, 1952.

Trade and Commerce (Bankruptcies)

Mr. Edwards Evans asked the President of the Board of Trade the number of bankruptcies that have occurred in England and Wales since 1st October, 1951, and the number for annual periods ending 31st August, 1951, 1950 and 1949.

Mr. P. Thorneycroft: From 1st October, 1951, to 30th September, 1952, there were 2,034 bankruptcies. For the annual periods ended 31st August, 1951, 1950 and 1949, the numbers were 1,948, 1,809, and 1,432 respectively.

Ministry of Food (Eggs)

Mr. Lewis asked the Minister of Food if he will give the reasons for his refusal to have eggs date-stamped when grading.

Major Lloyd George: Because the date of grading would not indicate the age or condition of the egg.

Mr. Hurd asked the Minister of Food the cost of administering the egg control scheme; what are the numbers of staff employed; and to what extent compensation payments for loss of business are still being made to egg importers and distributors.

Major Lloyd George: The cost in my Department of administering the egg control scheme, including administrative overheads and an allocation in respect of the cost of regional and local food offices, is currently estimated at £1,226,000 per annum. The number of staff employed in the Eggs Division is 157, of whom 47 are industrial workers.

No payments have been or are being made to egg importers and distributors as compensation for loss of business.

At the inception of control the pre-war importers of eggs formed the National Egg Distributors Association Ltd. to act as purchasers of home-produced eggs and first hand distributors of all eggs on behalf of the Ministry. The total payments to the Association, including reimbursement of expenditure and a profit element, are currently estimated at £656,000 per annum, which represents just over $\frac{1}{2}$ per cent. of current turnover.

The number of staff employed by the Association is 911, of whom 682 are industrial workers employed on work in connection with the supply of boxes to home egg packers and the testing of egg supplies.

Hydro-Electric Works, North Wales

(Capital Expenditure)

Mr. Nabarro asked the Minister of Fuel and Power what is the final estimated capital cost, at current prices, for the extensions to the Dolgarrog and Maentwrog hydro-electric establishments in North Wales; and the respective increase in installed capacity of these works.

Mr. Geoffrey Lloyd: I am informed by the British Electricity Authority that the estimated capital cost, at current prices, of the extension at Dolgarrog is £538,000 and of the extension at Maentwrog £565,000. At Dolgarrog there will be an increase in installed capacity of 10,000 kilowatts. There will be no increase at Maentwrog, the extension being intended to allow more units to be generated from the existing plant.

Mr. Nabarro asked the Minister of Fuel and Power what sums he has now sanctioned for capital investment in 1953 in respect of hydro-electric works in north Wales and Snowdonia, excluding Dolgarrog and Maentwrog; and whether his permission has now been given to the British Electricity Authority to introduce further private Bills to give legislative effect to the proposals.

Mr. Geoffrey Lloyd: I do not sanction capital investment separately for individual power stations, and therefore the first part of the Question does not arise. I understand that the British Electricity Authority have not yet decided whether to proceed with further legislation at present, and therefore the question of my giving consent has not yet arisen.

House of Commons: November 4, 1952.

Queen's Speech

Mr. Speaker: I have to acquaint the House that this House has this day attended Her Majesty in the House of Peers, and Her Majesty was pleased to make a Most Gracious Speech from the Throne to both Houses of Parliament, of which I have, for greater accuracy, obtained a copy, which is as follows:

My Lords and Members of the House of Commons:

On this first occasion when I speak to you in person as your Queen I gratefully acknowledge the sympathy which has been extended to Me and My Family from every part of the Commonwealth. By His selfless devotion to His

duties as your Sovereign My Father set an example which it will be My constant endeavour to follow. I am well assured that My peoples everywhere will accord Me that same loyalty and understanding which ever supported Him in the service of His peoples.

I look forward with deep pleasure to fulfilling at the end of next year My long cherished hopes of visiting, in company with My dear Husband, My peoples in Australia, New Zealand and Ceylon.

I earnestly pray that In Korea an early armistice will be arranged. Until this is accomplished the continued participation of My Forces in this conflict will be clear proof of My Government's whole-hearted attachment to the ideals of the United Nations.

My Ministers are determined to make ever closer that co-operation with the other Members of the Commonwealth and with the Colonial Empire which must be the keystone of our policy. To this end they have invited Commonwealth Prime Ministers to meet together this month to confer on vital problems of finance, commerce and economic policy:

My Government will continue to take their full share in the work of the North Atlantic Treaty Organisation as the bulwark of Western defence and the embodiment of the common aspirations of the Atlantic Community. Within that Community and in every other way they will seek to maintain the closest and most friendly relations with the Government and people of the United States of America.

It will be My Government's aim to strengthen the unity of Europe. They will work in close association with our neighbours in Western Europe and give all possible support to their efforts to forge closer links with one another.

My Ministers will continue to work for the conclusion of an Austrian State Treaty and for a fair and equitable settlement of the problem of German unity.

Active measures will be taken to strengthen the long-standing ties of friendship and of mutual trade between the United Kingdom and the countries of Latin America.

Further consideration will be given to the draft scheme for federation in Central Africa. For this purpose My Government have invited the three Central African Governments to a further conference in London in January.

My Ministers will continue the rearmament of My Forces and the development of the Civil Defence organisation, with due regard to the need for maintaining economic strength and stability.

Members of the House of Commons:

The estimates for public services will be laid before you in due course.

My Lords and Members of the House of Commons:

My Government will proceed resolutely with the task of placing the national economy on a sound foundation. They will not hesitate to take any further steps necessary to hold and improve the more favourable position now reached in our overseas payments.

My Ministers will encourage all engaged in agriculture, mining and industry to co-operate in increasing productive efficiency and thus to produce at lower cost the goods needed at home and by the export trades.

In the interests of the employment and the standard of

living of My people, My Government will persevere with measures to curb inflation and to reduce the heavy load of Government expenditure.

A steadily increasing number of houses will be built under My Government's programme.

Bills will be laid before you for the reorganisation of the Iron and Steel Industry and to provide for changes in the Transport Industry.

Further measures will be promoted relating to the Town and Country Planning Acts of 1947, to Local Government superannuation and to the date for depositing new rating valuation lists.

The question of the supply of electricity in Scotland is being attentively examined with a view to legislation.

A Bill will be introduced to make certain changes within the framework of the Education Acts in the law affecting voluntary schools.

My Government will continue to give every encouragement to the fishing industry. A Bill will be laid before you to provide financial help for the building of fishing vessels.

Proposals will be made to you for improving the maternity benefits of the National Insurance Scheme and also for the further amendment of the National Insurance (Industrial Injuries) Act.

My Ministers will propose an extension of the existing temporary Acts on leasehold property in England and Wales and in Scotland and will seek an opportunity of making known their policy on this subject.

Other measures will be laid before you in due course.

I pray that the blessing of Almighty God will rest upon your counsels.

Queen's Speech—Debate on the Address

Mr. Beresford Craddock (Spelthorne): When I listened to the Leader of the Opposition this afternoon I gained the impression that the gravamen of his charge against Her Majesty's Government, and indeed his main criticism of the Gracious Speech, was that it did not fore-shadow a great deal of legislation. I should think that was the most commendable feature of the Gracious Speech, because we are suffering today, and have suffered for many years, from far too much legislation. . . . It is a feature of modern life which had been going on for a long time. I remember that the Lord Justice Hewart wrote a book in 1929, entitled "The New Despotism," in which he dealt with this very subject. I think everyone would agree that since 1945 the process of legislating has been accelerated far too much. I believe that the country is suffering from legislative indigestion.

Mr. Emrys Hughes: The hon. Gentleman is an anarchist.

Mr Craddock: Then I am in good company with the hon. Member himself.

There is one paragraph in the Gracious Speech which delights me and would satisfy me even if no legislation at all appeared in the Speech. It is this:

"My Ministers are determined to make ever closer that co-operation with the other Members of the Commonwealth and

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Elements of Social Credit

During the 1914-18 war, phase one of the World War now raging, the late Sir Henry Head, at that time a physician at the London Hospital, received, by arrangement with the War Office, officer patients of known competency who had suffered brain injuries of a certain nature leading to defects of speech. The cases were very carefully chosen and were limited in number by this choice in conjunction with the time available to give each case personal, continuous and prolonged attention. The conditions were that they must be men of high and known aptitudes, whose relatives and friends were competent to report faithfully and fully concerning these aptitudes as they existed before the men were wounded and whose wounds, upon expert examination, consisted in no more, essentially, than the shaving of a thin slice of the 'grey-matter' of their brains in precisely definable situations. These men became greatly attached to their physician. Some may still be living. Most of them were continuously under observation for more than seven years. Their restoration to health and function, to the extent that it occurred, was partly due to the interest taken in them. In the hope of understanding what it was that really afflicted them and thus of being of some service to them, Head began with a question in his mind: "What is it that these men cannot do now which they could do before they suffered their several injuries?" This was, of course, a question which received a different answer in each case. He began, that is to say, by an exhaustive examination of each patient, and in consequence made several discoveries of great importance.

The examination itself followed lines adapted with foresight and precision to the information it was desired to elicit. A man could talk properly while he was at Eton or Sandhurst, but after he received his wound he couldn't—that wasn't enough. What was it *really* that he could do before but not after? Talk? That was too vague and general. Head started at the beginning of education, with the sounds of the words 'cat,' 'dog,' 'one,' 'ten,' 'add,' 'multiply'; with coloured pictures of cats, dogs and figures prominently printed on cards; with wood blocks or flat cards bearing the letters, 'c,' 'a,' 't'; with a pencil and a piece of paper and a little sum written on it. He soon found that some of the men would add up 37, 11, 2, 4, and write down the answer as 444 or 414 or 514. In each case the first figure to be written down was right, the second wasn't and the third was not required in any case. They could add 7, 1, 2, and 4; but the notion of 'carrying one' in conjunction with adding together three and one presented too much difficulty, and at that point the man broke down.

In order correctly to add up a column of figures generating a sum larger than 9 or 99, as the case may be, a recognised technique must be employed into which more than one *kind* of operation enters. One must hold together in the mind two kinds of things at once; in the case illustrated, an absolute value and a value which varies characteristically as one passes from one vertical row of figures to the next.

By the sort of drill employed to teach a dog to 'beg,' many people are taught to perform such operations without knowing what they are doing. So Professor Whitehead has protested that many able mathematicians do, in fact, produce results without their having any notion at all of what their results are or 'mean.' They can use 'mathematics,' without understanding what 'mathematics' is all about. This is the state of 'thought' to which Francis Bacon's "levelling of men's wits" (*Novum Organum*) has brought us; the performing of "everything by the surest rules and demonstrations"—the performance may or may not be adequate; but behind the performance is no recognised policy at all. Policy, purpose, has been banished from human ken. So, in our society, the mathematicians (and some others) observe their own rules and don't know where they get to, while the rest of us don't observe rules and go to Hell. Whether we know where we are doesn't seem to matter much to us.

Concerning Economists, there is all too little evidence bearing upon their condition in this matter. They're coy. But their press agents, their camp followers, their sales department (and a salesman is one who knows—or doesn't know—just enough to sell the goods), the anti-Social Credit journalist and newspaper letter-writer, like a pack-man with his foot in the door, is obviously in a condition not dissimilar to that of the patient with an ablated cerebral cortex. He can't hold it in his mind that the figures in the second row from the right are not compounded of ones but of tens. So he gets a variety of results, and concludes that the results got by anybody are matters of opinion. He thinks the Social Credit answer is just another opinion like his own, and, if Social Crediters were only more human and friendly they would stop to argue with him about it, thus adding to the gaiety of nations. If they don't, they are wayward eccentrics and proper material for a shower of abusive postcards. The unhappy disputant gets cross with the physician.

"The cost of Production is Consumption." If you estimate the cost on any other basis—by confusing consumption with production, for example, to some variable degree, and get a varying result, or if you keep the proportion arbitrarily steady and get a constant result, the result you get is the wrong result, shown in the modern economic case as mounting debt, and complete loss of individual control over production.

The Lectures now being given a wider distribution through the generosity of a supporter were constructed with clear understanding of the legacy of intellectual ills generated by a conflict of standards in society. So they were written to a prescription, the prescription enjoined by Francis Bacon. They carry the subject matter of Social Credit to the inductive conclusion proper to the method employed. They end with a reminder, which virtually is the reminder that something has been assumed. What has been assumed is the *existence* of a coherent policy common to all who associate in 'Society.' Events since *Elements of Social Credit* first

(continued on page 8.)

McCarthy's 'Mistake'

By FRANK CHODOROV.

Now that Joe McCarthy has been returned to the Senate, one can point out a tactical error in his campaign to rid the government of Communists without being lined up with his enemies. It is because I admire Joe (we met at a cocktail party, and that, in Washington, is sufficient basis for a first-name relationship), and count myself on his side, that I indulge an urge to lecture him. I hope that this bit of gratuitous advice will be taken in the spirit in which it is given, toward the greater effectiveness of his gallant fight. Even he will admit, I am sure, that so far he has done little more than prove the ubiquity of Communists in this monstrosity called government; very few have been driven out.

Joe could not have done more than he did simply because he assumed that it is possible to rid the bureaucracy of Communists. That was a mistake. Had he looked into the nature of bureaucracy he would have seen that it is the proper habitat of Communists, even as fleas belong in a dog's fur. Also, had he taken a closer look at Communism, he would have realised that the bureaucracy is the right place for its propagation. Even under the best circumstances he could not have rid the bureaucracy of Communists; they multiply in that environment faster than the best exterminator could eliminate them.

A dog lover knows that the job of de-fleaing is a recurrent one; yet, he goes at it regularly simply because the dog is of some value to him. On the other hand, the de-lousing of the bureaucracy is a monumental task, requiring a standing army of exterminators (who are likely to become infected themselves), and even if it is successful what have you got?

The only thing to do, if you want to rid the bureaucracy of Communists, is to abolish the bureaucracy. It is a job of killing, not cleaning. That is the task that Joe should address himself to during the next six years, and, as I shall point out later, he is in position to act as executioner. Before I go into that, however, it is necessary to explain why Communists have an incurable affinity for the bureaucracy, why they cannot possibly be kept out of it.

The impression is about that a Communist is one whose first loyalty is to the Soviet Union. That is a misleading over-simplification. There are undoubtedly many in this country who are convinced that heaven lies behind the Iron Curtain (although they seem loathe to migrate there), and whose conviction is such that treason to their native land assumes the grandeur of a holy cause. Yet, these must be comparatively few in number, simply because an over-staffed "underground" operation is self-defeating.

A Communist is not necessarily a Soviet-lover. He is, rather, anyone who, consciously or unwittingly, advocates measures that prepare the way for a regime of Communism. And a regime of Communism is one in which the political authority exercises complete control of the nation's economy; to do so effectively it must have control of thought and behaviour. In short, Communism is the transference of all

power from Society to the State. It is the negation of the individual.

And that's all that Communism is. There are some psychopaths who like to endow Communism with social purposes, who still mouth the "classless society" utopianisms of Karl Marx. In his own time, the anarchist Bakunin told Marx that his proposal would lead to the worst form of tyranny the world had ever known. Now that we have seen it in operation we know that Communism is nothing but a dictatorship—period.

Well then, anyone who advocates the transference of power to the State, no matter how small and for any reason, is to that extent favouring the advent of Communism. The doctor who advocates socialised medicine is unknowingly aiding that cause, even though his patriotism is unquestionable. So too is the teacher, with a D.A.R. background, who would put control of our schools in the hands of the central government. And though he stands rigidly at attention whenever "The Star Spangled Banner" is played, the banker or industrialist paves the road toward Communism when he backs a spending programme that in effect makes foreign trade a State monopoly. Such people cannot be called Communists, but they could not do much more for the coming of Communism—a regime of Statism—if they were.

To be sure, the advocates of "social legislation" will counter with the assertion that State power can be contained, that it can be limited to the special purposes stated in the legislation. But the assertion completely ignores both history and the nature of the State. The State has always been an anti-social organisation; its only business is the exercise of power; it lives for and thrives on power. Every power acquired by the State, either by conquest or by legislation, is merely an appetiser for more. Society can protect itself from the State only by recognising it for what it inherently is, and jealously guarding itself against it.

If Communism, under any name, comes to America it will not be by way of Moscow. Nor will it be ushered in by the slimy traitors in our midst, nor yet by the middle-headed soap boxers, in and out of college, who preach the mumbo-jumbo of Karl Marx. It will have been welded into our way of life by the "hundred percenters" who helped rob Society of one power after another and transferred it to the State.

When you strip Communism of its verbiage, and see it as nothing but the reincarnation of Pharaohism, Neroism, Czarism, all rolled into one, you begin to realise why the bureaucratic mind takes to it. And you understand why the bureaucracy tends to make its inmates Communist-minded, even though the predisposition did not exist on entrance.

Theoretically, a bureau is a functioning arm of the Executive—a group of servants who put his plans into operation. Theoretically, again, the President may terminate the agency when, in his opinion, the specific job has been finished. And, also theoretically, Congress may kill it by financial starvation.

In point of fact, however, the main business of a bureau, once started, is to look after its own perpetuation. It tries, in the first place, to free itself of dependence on the elected authorities by building up a vested interest in its activities; this it does by dispensing special privileges. Thus, the Reconstruction Finance Corporation, established by President

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Hoover as a temporary agency, has endeared itself to many so-called businessmen (including their workers and servicers) by the simple device of helping them to stay in business; with the co-operation of this privileged group the agency has managed to wangle out of Congress twenty odd years of life.

The second step in this self-perpetuation operation is to promote with the public the idea that the agency is essential to the well-being of the country. Every agency is born with a "social advance" spoon in its mouth, and it is to the interest of the bureaucrats that this fiction be kept alive; for this purpose it conducts a "public relations" programme. Some considerable portion of the money appropriated to it by Congress is misappropriated to advertise the agency's good works. A good-sized book could be written on the unauthorised efforts of the bureaucracy to "sell" itself to the public; taken as a whole, the agencies constitute the largest, most expensive and most daring lobby in Washington, having for its objective nothing else than the perpetuation of the bureaus, the enlargement of their powers, the increase of their budgets.

In their efforts to perpetuate themselves, and to free themselves from their constitutional creators, the agencies are aided by the "democratic" process: since every bureau is a source of jobs for faithful party workers, the elected authorities are loathe to see them closed up. The bureaucracy becomes a "pork barrel" of proportions.

In one way or another, then, the bureaucracy has become a fourth branch of the government, one never contemplated by the Founding Fathers. It is completely independent of the electorate. Far from being subservient to the President and Congress, it dominates them, not only with its propaganda methods, but also by paying close attention to the details which the elected officials are incapable of handling: writing bills, preparing tendentious reports, issuing mimeographed "research" in favour of our purposes. The bureaucracy is on the job of running the government twenty-four hours a day. In effect, it is the government.

The boys and girls who enter the "service" are probably attracted to it in the first place by the pay, which is higher than private business can afford for comparable work. Then there is the "security" inducement. Soon they learn that playing the bureaucratic game has another emolument: a sense of importance. Maybe conscience has something to do with it; but from the G3 clerk (salary \$2,940) to the head of a department, every government employee begins to believe that the country rests on his or her shoulders; they devour their own propaganda.

They develop a Communist mentality. The man who becomes a Communist does so because he believes the world would be a better place to live in if Communism were installed, with himself in a key position. It follows that those who do not agree with him are both ignorant and sinful. In like manner, the bureaucrat urging socialised medicine or nationalised education or bigger and better regulations is impressed with the stupidity and the cupidity of the opposition; these are an inferior people and must be brought to toe. How? By political power. But, is not political power the essence of Communism.

For those who are now coming out of college, or have graduated within the last twenty years, this Communist mentality is not hard to acquire. They have been well inured

to the thought that government can make men healthy, wealthy and wise—given sufficient power and taxes. The highest ideal presented to them in their undergraduate days is that of taking part in the uplifting of the world by means of coercion.

These graduates are the labour pool from which the bureaucracy draws its talent. How long before that environment develops in them the conviction of destiny, the smugness of an elite, the disdain of those who work for a living, the lust for power? That is, how long before they develop a Communist psychology?

Nothing, then, will rid the government of Communists other than to put the axe to the bureaucracy. And ruthlessly. Joe, as I said, is in good position to wield the axe. For, if the organisation of the Senate follows custom, he will be Chairman of the Committee on Expenditures in the Executive Department; he will thus be in strategic position to cut and kill appropriations for the bureaucracy; which means he will be able to halt the trend toward Communism.

PARLIAMENT—

(continued from page 3.)

with the Colonial Empire which must be the keystone of our policy."

I believe that the time has come when a tremendous effort must be made to knit as closely as possible this great partnership of nations, and if we do not seize the opportunity now it may be lost for ever.

As I listened to the hon. Member for Newcastle-upon-Tyne, Central (Mr. Short), I felt that he was hardly fair in his remarks about the inheritance that we took over in regard to the gold and dollar reserves. It is undoubtedly true that when the present Administration took office last November those reserves stood at approximately £1,100 millions. The hon. Gentleman did not point out that those reserves were already at that time dwindling away at the rate of about £150 millions per month, and that if drastic steps had not been taken there would have been nothing left in the kitty by August of this year and we should have been facing national bankruptcy.

I am not going to waste time by trying to apportion blame for that situation. The hon. Gentleman pointed out the great work that had been done since 1945. Every fair-minded person would agree that the Labour Governments from 1945 to 1950 did many good things for the country, but I would ask him to be fair in his assessment of the position and particularly the financial and economic position which we took over in November of last year. If he does that I think he will agree that the courageous measures which the Chancellor of the Exchequer took when we came into office have done a tremendously fine job in stopping the drain on those reserves, and in bringing about a substantial improvement in the balance of payments. . . .

The policy of restriction which my right hon. Friend has of necessity had to follow in the past year cannot go on for very much longer without bringing serious harm to the country. I believe that the time has come when we must switch over and make a determined effort to bring about an expansionist policy. I would like to remind the House of my right hon. Friend's famous slogan "Trade, not aid," because I believe the time has come for that slogan to be translated into definite action and a definite policy.

We all recognise the urgent necessity to increase our exports, but that will not be easy. Some of the aspects of the situation are, to say the least of it, disturbing. Competition is increasing from Japan and will go on increasing. I have figures issued by the Cotton Board at the beginning of September this year in connection with Japanese exports, and they are very enlightening. I would quote from "The Times" of 13th September, 1952:

"Figures issued by the Cotton Board in its quarterly statistical review disclosed that during the first half of this year Japanese cotton exports totalled 463 million square yards and included 277 million square yards exported to the British Commonwealth. As against this"—

that is, the 463 million square yards—

"British exports totalled 373 million square yards, of which 261,500,000 square yards went to the Commonwealth. Japan also"—

in that period—

"sent 50 million square yards of cotton piece-goods to Britain. The figures relating to rayon piece-goods show that Japan's exports to the Commonwealth during the first half of this year were 128 million square yards, compared with the British total of 51 million square yards."

That situation is likely to become worse, so far as we are concerned. For example, I saw in the Press the other day that Japan is to embark on the manufacture of jet aero engines much cheaper than the British counterpart. We shall meet similar and ever-increasing competition from Germany. All the signs are that in a short time Germany will be capturing the motor car trade of the Continent of Europe. That discloses a serious and disturbing situation.

When we turn to the prospects of increasing our trade with the United States in goods and services, I do not find the prospects reassuring. I have in my hand a copy of Lloyds Bank Review for October, 1952, which is sent free of charge to all hon. Members, and I have no doubt that many will be familiar with it. It contains an article written by Dr. August Maffry on the prospects for closing the dollar gap. I need not give all his qualifications. Dr. Maffry joined the Export-Import Bank as Vice-President, was Economic Adviser in the United States Government and at the end of 1947 took up his present position as Vice-President of the Irving Trust Company. On page 5 of this article, under the sub-title "Reducing Trade Barriers" he writes:

"Not much can be expected by way of further reductions in trade barriers as a means of increasing U.S. imports. As regards reductions in tariffs, under the terms of trade agreements, practically all of the concessions of any importance which might be given to the United Kingdom and Western European countries have already been given under existing agreements."

When we turn to the question of invisible earnings, for example the increasing of services to the United States, there is a significant passage in the same article with regard to the possibility of increasing shipping services. On page 8 the report says:

"Direct subsidies by the U.S. Government to the American merchant marine are a factor."

That is written after he has pointed out that the possibility of increasing our services in that way to the United States is remote.

Finally, one other most important and significant fact with regard to the increasing of private investment abroad. On page 9 he writes:

"The prospects of any great increase in private U.S. investment in foreign countries are not very bright."

When we consider these statements by a well-qualified, responsible expert, we have not much encouragement for hoping that the possibility of earning more dollars by exporting either goods or services to the United States of America are very good. While on this point, no doubt hon. Members saw in the financial columns of "The Times" yesterday an article headed "U.S. Concern Over Metal Prices." This article deals with the fall in the price of lead since the control was taken off and is now handled by the London Metal Exchange. It also deals with the possible happenings in that same direction when zinc is handled once more by the London Metal Exchange. Dealing with the question of tariffs, the article states significantly that:

"Because Australian wool is cheaper than United States domestic wool a move is afoot to increase United States wool tariffs."

Further on, on the same subject, it states with regard to tariffs:

"There is also said to be a growing demand from United States lead producers for an increase in the import duty. . . . Under G.A.T.T. the lead duty was halved from 2½c."

Now it would appear that the American producers are going to approach the Administration for an increase. If we are—as we must—to expand our trade, then the greatest hope of doing that in my submission lies in an expansion of inter-imperial trade—

Mr. Emrys Hughes: More legislation.

Mr. Craddock: Not necessarily. In July this year, we had a debate on the economic state of the nation and my hon. Friend the Member for Preston, North (Mr. J. Amery) dealt at length with inter-Imperial trade. I do wish to detain the House by going over his arguments, with which I may say I heartily agree. It will be sufficient to say that we must adopt a policy designed to carry out the following objectives. Firstly, a policy which will produce a more balanced economy at home between agriculture and industry. Secondly, a policy designed to bring about a substantial increase in inter-Imperial trade. Lastly, and probably most important of all for the future long-term policy, one designed to develop the raw material resources of the Empire and the Commonwealth.

This afternoon my hon. and gallant Friend the Member for Rochdale (Lieut.-Colonel Schofield) has pointed out the difficulties we are up against in trying to reach those aims. At present we are not free to develop on the lines I have indicated because of the General Agreement on Tariffs and Trade. May I remind hon. Members briefly of the position under that Agreement? Preferences under G.A.T.T. are frozen at existing levels. Preferences once lowered cannot be restored and no new preferences at the moment can be created. We are prevented from raising our tariffs to protect the home market and we are unable to offer to the members of the Commonwealth any advantage in our own markets at the present moment.

Mr. Osborne: But does not that apply also to the American wool trade cited a moment or two ago by my hon. Friend?

Mr. Craddock: No, because the Americans are not signatories to G.A.T.T. and therefore the American manufacturer

is free to approach the Administration for an increase in tariffs and it lies within the power of the Administration to grant the request or not. That, of course, is exactly where we are handicapped. In other words, we are not free to carry out our own policy of trade and are absolutely tied down all the time. We have no elasticity. The time has come—and the opportunity should be taken now before we enter the Conference of Empire and Commonwealth Prime Ministers in November—when Her Majesty's Government should declare their intention of withdrawing from the restrictive clauses of G.A.T.T.

There are two arguments which may be advanced against that view. The first is that if we withdraw from the restrictive clauses of G.A.T.T. we may give offence to the United States of America. I do not accept that view for a minute. What is the position? We well know that for the past few years we have been enjoying financial aid from the United States. We are very grateful for it, but that has been paid by the American taxpayer, and I do not believe that the American people or Administration would take exception to our trying to put our own house in order—indeed, following the policy laid down by my right hon. Friend the Chancellor of the Exchequer in a recent speech at Edinburgh, when he said that the time had come when we had to stand on our own feet and become independent, I feel that our American friends would welcome it. Surely, that is a sentiment which must appeal to every Member in the House. The other criticism against our withdrawing from the restrictive Clauses of G.A.T.T. unilaterally, so to speak, is that we should not take that step without consulting the Prime Ministers of the Commonwealth.

I believe that the Commonwealth countries are looking to Her Majesty's Government for a lead in these matters. The same thing happened in 1931 prior to the Ottawa Agreement. The Government of the United Kingdom at that time decided that we were going to pursue a policy of Imperial Preference. I do not suggest that we say to the Commonwealth Prime Ministers that we want them to do the same; we are asking nothing from them. All I advocate is that we should say that we have decided to do this and we should ask whether they are prepared to co-operate and to consider the matter.

Although there is no one remedy to improve and expand our trade—certainly there is no quick remedy—I believe that if the Government took this line it would play a tremendous part in expanding trade, not only throughout the Empire, but throughout the whole world. Therefore, I sincerely hope that the Government will enter the Conference of Prime Ministers in November fully determined to make this great partnership of nations once more a living reality.

ELEMENTS OF SOCIAL CREDIT—

(continued from page 4.)

appeared have tended to mask the existence of this social foundation: to deprive individual consciousness of the notion that an economic system can possibly be for anything. Necessary as is a correct procedure to the solution of a mere matter of arithmetic, it is still more necessary to the solution of a matter of metaphysics and ethics. The charge of greater things is rightly committed to them that were faithful over little things.

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