From Week to Week

Professor Keeton, author of *The Passing of Parliament*, mentioned in these pages, expresses the opinion that impeachment though judicial in form, "appears rather as a move in a political campaign than as a genuinely judicial proceeding. If a minister carries out the King's policy in defiance of the prevailing sentiment in Parliament, he will be accused, forced from office, and compelled to pay a fine for his temerity. The actual charges do not appear to be taken too seriously, and are regarded rather as pegs upon which to hang political attacks. This character was never entirely lost. Indeed, it reappears in the fullest and most complete form in the trial of Warren Hastings at the end of the eighteenth century... So employed, impeachment appears as the extreme weapon of a victorious faction, used against an administration whom it regards as having governed oppressively."

He cites Maitland, the constitutional historian, "writing in the far-off days of the nineteenth century" for the view that "it seems highly improbable that recourse will again be had to this ancient weapon unless we have a time of revolution before us. If a statesman has really committed a crime then he can be tried like any other criminal; if he has been guilty of some mis-doing that is not a crime, it seems far better that it should go unpunished than that new law should be invented for the occasion..."

Keeton remarks upon the difference between the present time and Maitland's and notes particularly that Maitland excepted a period of revolution. This is a period of revolution.

*Ubi jus ibi remedium.* The English have often turned an old instrument to new uses, and one would think they might do so again if they saw that ruin faced them unless their disabilities under the law were repaired. We do not think lack of means is what holds the sad old dog back; but rather—well, just that he is a very sad old dog. We would we might fill him with some of "the old familiar juice." The right time of the year.

So many see our plight, yet none takes the long step forward. So "Peterborough" in the *Daily Telegraph* for December 10:—

A VEXATIOUS problem being discussed by the Commonwealth Prime Ministers is that of the Queen's style and titles.

When her accession was proclaimed on February 8, she was described as "by the grace of God, Queen of this Realm and of all her other Realms and Territories, Head of the Commonwealth, Defender of the Faith."
PARLIAMENT

House of Lords: December 3, 1952.

Post-War Credits

Lord Saltoun: My Lords, I beg to ask the Question which stands in my name on the Order Paper.

[The Question was as follows:]

To draw the attention of Her Majesty's Government to the circumstances of Miss Browne, daughter of Mr. A. E. Browne of the Consular Service, who, left badly off owing to her father's long and painful illness, has managed to educate herself and is in her final year at Bedford College—but in doing so has exhausted her means save for her post-war credits: and unless she can encash these she may fail in her effort; and to ask whether the Government is prepared to grant encashment in special cases, and if not, what is the moral justification for refusal. And, in general, Parliament having abolished all tontines as a matter of public policy how can Her Majesty's Government justify themselves for running a universal tontine of their own?

The Earl of Selkirk: My Lords, the noble Lord, Lord Saltoun, has again drawn our attention to the state of the law regarding the income tax post-war credits, by bringing before us an example of a young person who is in need of money and not able under the law to obtain payment of her post-war credits which were not payable to him, since he had been transferred to Miss Browne, who was entitled to his estate. She is in need of money to help her in her final year of study but finds that, at the age of twenty-eight, she is herself too young to claim payment.

The intention behind the creation of post-war credits was, first, to sweeten the pill of increased taxation introduced in 1941-42 as part of the war effort, and, secondly to provide a reserve of purchasing power which could be released if a depression ensued after the end of the war. The credits amounted to approximately £800 million and it has not been possible since the war to undertake large-scale payments out of that total because of the inflationary danger of such an undertaking. Approximately £193 million has, however, been paid out since 1946 in payments to the older people—men over sixty-five and women over sixty—and these payments are continuing at the rate of about £16 million a year. Successful Governments have been constantly aware of the dissatisfaction of those suffering hardships who have these credits but are not old enough to claim payment. The present method of repayment was selected from among the many possibilities for starting the release of credits because it may fairly be taken that in general the greatest need will be found among the older people and because it was felt appropriate to ensure payment to those who, in the ordinary course, may be expected to have the shortest time to enjoy the benefit of it. This system inevitably fails to take account of the circumstances of particular cases, or of the degrees or types of hardship from which many people suffer; it does so, not out of any failure of human understanding of the hardships which have been brought to the notice of successive Governments but by way of escape from the really serious difficulties of taking hardship as a criterion for payment.

In answer to the noble Lord's specific question, I must refer him to the reply given by the Chancellor of the Exchequer to a similar Question on November 7. My right honourable friend then said (OFFICIAL REPORT, Commons, Vol. 507, Col. 4: Written Answers):

"This is one of the matters which I shall consider when framing my Budget proposals." Moreover, a further Question was put to him on November 27 dealing with the type of cases which Lord Saltoun has particularly in mind to-day—namely, those where the original holder has died under the age of sixty-five. The Financial Secretary to the Treasury answered similarly (OFFICIAL REPORT, Commons, Vol. 508, Col. 70) that:

"The question of paying post-war credits to either general or particular classes of taxpayers is one of the matters which my right honourable friend will consider when framing his Budget proposals." In those circumstances, I fear that I can to-day do no more than undertake to bring to the attention of my right honourable friend the representations made by the noble Lord, Lord Saltoun.

Lord Saltoun: My Lords, I am grateful to the noble Earl for the reply he has given me. I know from experience that when Her Majesty's Government undertake to consider a matter we may hope that something will come of it. But his answer does lead to one or two supplementary questions which I beg leave to put to him. If, in the first place, the true reason for the failure of the Government to repay these credits is that they cannot really afford to do so, instead of their choosing an arbitrary and uncertain criterion like longevity would it not be more fair to set aside a certain sum, say the £16 million in question, for repayment annually, and to repay those creditors to whom the Government's default have brought the greatest difficulty? I think I could suggest a method of selection which would not be too onerous and unfair and which might serve the purpose. The next question is: is it not probable that in those families who extend themselves in the service of the community these credits may remain for ever as an heirloom in the family? I know at least one family which over 150 years has been short-lived. Thirdly, I should like to ask: is it really the case, as suggested by a revenue official, according to the Sunday Chronicle that money in the pockets of the people it belongs to is reprehensible inflation, whilst money in the pocket of the Government is not; and is that why, as fast as credits were diminished by the banks, in loyalty to the Government's request, the Government's overdraft more than made up for the reduction?

The Earl of Selkirk: My Lords, I am sure the constructive proposal which the noble Lord made in regard to the way in which these credits shall be paid out will be carefully considered. He has suggested that there is a better way of spending £16 million than the way the Government have selected. I would rather not comment on that. He has made a contradictory suggestion because, first of all, he suggested that the Government cannot afford to pay these credits, whereas in point of fact I have said that these payments would be inflationary. That is, I think, beyond peradventure. The wisdom of the Government in spending money is a matter which it is our particular business to
follow and to criticise. That is a matter which we cannot do in individual cases, but it is our duty to do so in regard to the Government. It is for that reason that we hope the Government's expenditure is sometimes wiser than individual expenditure.

Lord Saltoun: I hope the noble Earl appreciated that I was discussing only the £16 million which he told me the Government were already paying every year on this account. Therefore, my suggestion would be no more inflationary than the present system.

House of Commons: December 1, 1952.

(The Debate Continued.)

MINISTRY OF FOOD

Sugar and Sweets Rationing

Mr. Nabarro asked the Minister of Food how many tons of sugar he estimates would have to be purchased per annum from dollar sources to facilitate abolition of sugar and sweets rationing in the United Kingdom.

Major Lloyd George: To lift all controls on all uses of sugar would, we estimate in present circumstances, require additional dollar purchases of about three-quarters of a million tons in the first year and half a million tons thereafter.

Jam Making (Sugar)

Mr. Alport asked the Minister of Food whether he will make the necessary arrangements for making additional quantities of sugar available in 1953, in order to ensure that the housewife is able to make the best advantage of United Nations soft fruits for jam making, and thereby to ease some of the difficulties being experienced by soft-fruit growers.

Major Lloyd George: I shall certainly do what I can to help, but I am afraid I cannot hold out hope that domestic sugar consumption can be increased materially while we are still dependent on dollar sources for additional supplies.

United Nations (Racial Discrimination)

Mr. Swingler asked the Under-Secretary of State for Commonwealth Relations why the United Kingdom delegate on the Political Committee of the United Nations voted for the South African resolution declaring that the United Nations was not competent to consider the policy of racial segregation.

Mr. J. Foster: The vote of the United Kingdom delegate was cast in accordance with the policy indicated in my reply to the hon. Member for South Ayrshire on 23rd October, namely, that it is the view of the United Kingdom that the matter lies essentially within the domestic jurisdiction of the Union Government and is, therefore, outside the competence of the United Nations.

Highland Development Schemes

Lord Malcolm Douglas-Hamilton asked the Financial Secretary to the Treasury whether Her Majesty's Government will sponsor and guarantee a loan from the International Bank for Reconstruction and Development for schemes of development in the Highlands of Scotland such as the Spey Valley Drainage Scheme, water supply schemes and improved roads and other communication facilities.

Mr. Boyd-Carpenter: No. As has been already explained to my noble Friend by my right hon. Friend the Secretary of State for Scotland, this proposal would be inconsistent with the policy of Her Majesty's Government.

House of Commons: December 8, 1952.

MINISTRY OF FOOD

Food and Drugs Act (Amendments)

Dr. Broughton asked the Minister of Food with which interested organisations he has held consultations as a part of the preparatory work for the forthcoming legislation to amend the Food and Drugs Acts.

The Parliamentary Secretary to the Ministry of Food (Dr. Charles Hill): I am arranging to place a list of the names of the organisations consulted in the Library of the House.

Dr. Broughton: Will the hon. Gentleman state how the proposals have been received by the organisations which he has consulted?

Dr. Hill: In general, the proposals have received approval, though I cannot deny that here and there views were expressed which were not accepted in the framing of the Bill.

Dr. Stross: Will the Parliamentary Secretary bear in mind that as this legislation is likely to meet with approval in all parts of the House, the Committee stage may well be taken upstairs?

Dr. Hill: I cannot add to the answer which I gave in the early hours of 28th November.

Margarine

Mr. F. Harris asked the Minister of Food how far the present supply position of margarine is adequate to meet demand; and if he will now de-ration this commodity.

Dr. Hill: As my right hon. and gallant Friend indicated in his reply to my hon. and gallant Friend the Member for Lewes (Major Beamish) on 12th November, the probable unrationed demand for margarine could not be met without a substantial increase in imports which we can ill afford at present.

Mr. Osborne: Can my hon. Friend say what extra raw material supplies will be required to abolish margarine rationing?

Dr. Hill: To the value of £22 million a year, £10 millions of which would be in dollars.

Imports from U.S.S.R.

Mr. Osborne asked the Minister of Food how much of the greatly increased imports from the Union of Soviet Socialist Republics are foodstuffs; what proportion he is

(continued on page 8.)
THE SOCIAL CREDITER

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The Australian High Court on the Capital Issues Case*

The Socialist planners at Canberra have, in the High Court's decision on the Capital Issues case, scored their greatest victory for a long time. Dr. Evatt can only be delighted with this decision. It means that the economic powers of the Commonwealth can be extended indefinitely under the Defence Power. The totalitarian planners can now move ahead freely and impose an economic dictatorship under the pretext that they are preparing for war. Press reports state that many rank and file supporters of the Government are worried about the High Court's decision, because it means that if Dr. Evatt wins the next Federal Elections, he will be in the position to intensify the programme of centralising all power in the hands of a powerful and irresponsible Federal bureaucracy. We suggest that the trading banks, who thought that they obtained a victory at the 1949 Federal Elections, closely examine the High Court's decision. By the use of mere regulations, the planners can further tighten their grip upon credit policy.

Mr. Justice Williams, who, along with Mr. Justice Kitto, disagreed with the majority decision of the Court, pointed out that under Section 4 of the Defence Preparations Act, the Section the Court considered, any of the regulations imposed under the National Security Act could be re-imposed. He pointed out that this included price-fixing powers. In other words, if Dr. Evatt wins the next Federal Elections, he can impose centralised price-fixing merely by having a regulation issued. Well may some Government supporters be concerned. But it was they who voted for the Defence Preparations Act, even though many of them were afraid of where it might lead. We strongly opposed this legislation, warning of what it could ultimately mean. Business leaders refused to fight on the issue because they would not face the implications of what was involved. As usual, they will now learn the hard way.

As we have said time and again in the past, the Federal Constitution in Australia is the major barrier to the introduction of the complete centrally Planned State. The planners have tirelessly explored every possible avenue for breaking through this constitutional barrier. Direct assaults have failed because the electors have invariably refused greater powers for Canberra when asked at Referenda. Thus the necessity of finding issues which can be used to by-pass the Constitution. Centralised control of credit is one major instrument. But under the threat of war, which the Communists so obligingly provide, it now appears that the Defence Power in the Constitution can be used indefinitely to further the centralised planning.

It was the Fabian Socialists in Great Britain who said that it was only under war or threat of war that the British peoples would accept large-scale centralised planning similar to that being imposed in Soviet Russia. We again ask the question: Why should the Communist leaders risk an immediate major world military war when the “defence” measures being adopted by all the Western Powers are the very policies which the Communists advocate as necessary to destroy the “capitalist” State? Genuine patriots should look at this question honestly while there is still time for some effective action. They should be now realising that the Menzies Government is the greatest asset the totalitarians could possibly wish for.

Electoral Reform in U.S.A.?

One of Eisenhower's campaigners in the recent Presidential election, Mr. J. Harvie Williams, has contributed to Human Events (Washington, D.C.) an article on a proposal by Congressman F. R. Coudert to rectify “the inadequacies of the present system of electing Electors—and therefore of electing Presidents.” The writer says that Mr. Coudert unavails his proposal with too much modesty. Actually, what he proposes is, in effect, a revolutionary change in the method of choosing Presidents.

“Mr. Coudert proposes that Electors, who correspond to Senators and Representatives, be chosen in the same way their counterparts in Congress are chosen. Under this plan two Electors in each State, corresponding to its Senators, would be elected at-large; and the remainder, corresponding to its members of the House (which range among States from one to 43, according to population), would be elected in Congressional Districts, or at-large in those few cases where Congressmen are so elected. Chosen by this method—the district system—the whole body of Electors would bear a political complexion almost identical to that of a whole Congress sitting in joint session. Any President so chosen would have to look for re-election to exactly the same form of constituency as that of the whole Congress."

“The district system for Electors had distinguished support in the early days of our country. It was ‘the mode which was mostly, if not exclusively, in view when the Constitution was framed and adopted,' according to Lucius Wilmerding, Jr., in Political Science Quarterly of March, 1949. ‘It was also the mode,’ he adds, ‘which was advocated after some experience with the Constitution by Hamilton, Jefferson, Madison, Gallatin, James A. Bayard, J. Q. Adams, Van Buren, Benton, Webster, Story and many others.’

“The necessity for Presidential Electors is firmly rooted in the very form and structure of the American political system. The Constitutional provision for the institution of Electors does two supremely important things:

1. By excluding Senators and Representatives from the Office of Elector, it separates executive and legislative

(continued on page 8.)
The Stilwell Papers

(1) The China Situation (Continued)

by

DRYDEN GILLING SMITH.

An example of what Stilwell had to deal with in attempting to communicate any facts about China, or to make these facts register in the grey matter of those responsible for decisions on American foreign policy, is to be found in the visit of Wendell Willkie to Chinking in late 1942 (the defeated Republican candidate representing 'bipartisanship' in foreign policy). "Willkie arrives this afternoon and he has a full schedule for his visit. He has to go to lunch, tea and dinner and he is here. They are going to drag him around to see schools and factories and girl scouts and sewing circles and arsenals and keep him well insulated from pollution by Americans. The idea is to get him so exhausted and keep him so torpid with food and drink that his faculties will be dulled and he'll be stuffed with the right doctrines." Chiang and Willkie thought in the same political language, so that two days later Stilwell writes: 'Saw Willkie at 2-30. Nothin'. He didn't ask a question. Completely sold on Chiang K'ai-shek and Madame." As to reception in the highest (Presidential) quarter of Stilwell's attempt to end the Chiang myth, we find a brief entry after General Somervell's visit to Chinking in October, 1943. "Somervell says that President Roosevelt has asked George (Marshall) to relieve me more than once, because I 'can't get along.' Nice backing."

During the following year similar reports continued to emanate from Washington and there were several crisis periods during which Stilwell expected to be recalled. The last of these was during Roosevelt's final election campaign.

"OCTOBER 13 (1944) Sitting. Waiting. Twiddling our thumbs. Peanut still on High Horse. Some indications F.D.R. will get tough but I don't trust politicians ... We are in the doldrums for fair, just sitting and waiting for the Big Boys to make a decision. If a military commander took two months to make a decision, he would be drawn and quartered, skinned, hung, burned at the stake and otherwise suitably disciplined. But any goddam politician can ask the Big Boys to make a decision, he would be drawn and quartered, skinned, hung, burned at the stake and otherwise suitably disciplined. But any goddam politician can make these facts register in the grey matter of those responsible for decisions on American foreign policy—" power, potentially if not actually, and a democratic one at that. ... The White House rocked. At once a rigid censorship was clapped on all news from Chinking, one correspondent reporting that the American censor had cut 388 words out of his despatch and the Chinese censor another 104, leaving exactly ten words in his message."

On the appearance of the Atkinson article Roosevelt called a press conference and stated that Stilwell's recall was purely a matter of personalities and had no political significance, and the following day the New York Times changed its tune "No matter what happens we cannot fail in our friendship for the Chinese people or fail in gratitude to Chiang K'aish who has met the supreme test and refused surrender."

On November 2, Stilwell himself arrived in Washington and at this point Mrs. Stilwell takes up the story in an afterword to the diaries and letters. Stilwell arrived and got into his car. "We looked back and were surprised to see the entire crew lined up by the plane, and later we learned that they were being given instructions on how to conduct themselves. There were to be 'no discussions whatever of the China situation.'"

At the Officer's Club "We got out of the car and were amazed to find another car stopping behind ours; as we went to our apartment, had we taken a step backward we would have walked on both General Handy and General Surles. They followed us very closely, right into our living room. General Stilwell looked at me and said, 'I believe someone wants to have a few words with me.' General Surles and Handy were telling him that the situation was 'dynamite.' and he was to say nothing to anyone, nor was he to see anyone. That night at dinner ... a young man walked up and joined us without an invitation. He said at once to Joe:

'When are you leaving Washington, General? ... That means I'm not wanted here—is that right?"

The young man, Colonel Frank McCarthy, acknowledged as much and Joe said: 'Well, I'm not leaving Washington until I talk with George Marshall.' "I'm sorry," said Colonel McCarthy, 'General Marshall is leaving Washington tonight and won't be back for several days.' "I know," said Joe, 'But I shan't leave until I see him. And by the way,' he added, 'do you have a cell ready for me at Leavenworth?'"

Colonel McCarthy reddened, got up and excused himself. ... Shortly George Marshall ... arrived at the apartment and again I took a walk—this time for over an hour. It was the same story. 'Not a word—this is dynamite.' Joe was already sick and tired of the entire proceedings and the atmosphere of crime."

The next day they departed by plane for the Stilwell's home in Carmel and broke their Journey at Dallas, Texas. They had wired for accommodation in a hotel but were met by Colonel Higgins who had orders that no one from the plane was to leave the airfield. "General Stilwell and the crew of the plane were quartered in transient barracks with an M.P. guard at the door, to make sure no one interviewed him."

The Roosevelt election campaign ended without further awkward incidents (for F.D.R.) and the war department..."
eventually allowed Stilwell to receive the press at his home, though no word concerning China was spoken. Soon afterwards Stilwell died. His diary and letters (“his first public report”) were not published in America for another four years, nor in England until 1949, when the China situation had become a fait accompli.

(II) Comments on Roosevelt and International Politics.

Attempts to debunk the Roosevelt myth in Europe have met with similar treatment to that experienced by Stilwell when dealing with the Chiang myth in America. John T. Flynn’s magnum opus on the subject may not have used the soundest criteria against which to measure the late F.D.R.’s infamy, but its virtual non-circulation in this country indicates the reception likely to await any author who refuses to place the fireside journalist on his propaganda renouned pedestal.

Churchill has admitted that F.D.R. was the “author” of the “Unconditional Surrender” manifesto, which Aldous Huxley has described as plenary inspiration. The Nuremberg tribunals, with their ex post facto “crimes against humanity” on the model of the soviet “crimes against the people,” were all of a piece with his numerous small scale violations of the American constitution. Ezra Pound said that “F.D.R. perjured himself every time he took the oath of office. We had a constitution ... Put it as Senator Wheeler said to me when I was pointing out trends to him in 1939: ‘What do you expect? He’s packed the Supreme Court, so they’ll declare anything he does constitutional.’”

From time to time one hears private reports on personalities in American politics which are impossible to verify because the facts revealed have usually been as carefully hidden as the condition of China was hidden from the American public during the war. Dependent on such sources for information one risks collecting a large amount of apocryphal matter, with the result that these “news items” have to be kept in cold storage as “hunches” while one keeps a watchful eye for further evidence.

Among these reports is one which tells of the suicide of F.D.R., suggesting that he had been quite mad (in the commonly accepted sense of the word) for some time. His paralysis served as a suitable alibi for an array of doctors attending upon his steadily worsening mental disease. In 1945 he shot away what remained of his rotting brains, and as a result his corpse was not presentable for the lying in state which is the normal honour accorded a President who dies in office; not at all presentable when the public had been kept ignorant of his suicide and what went before it.

General Stilwell’s war diary adds considerably to the picture of F.D.R. which the above report would suggest. He was so dumbfounded by the behaviour of the President at the Cairo conference and at a subsequent interview that he records the latter’s statements without comment, adding simply “draw your own conclusions.”

Chiang K’ai-shek, in spite of his dislike of Stilwell, regarded him as the person best able to look after China’s interests at the Cairo conference in November, 1943. At this Roosevelt, Churchill and Chiang agreed on the plans for a large-scale offensive in South-East Asia. Churchill and Roosevelt then moved on to Teheran to meet Stalin, Chiang went back to Chunking and Stilwell made a quick tour of Egypt and Palestine while awaiting the outcome of the Teheran meeting. At the latter Stalin demanded a mass cross-channel invasion in 1944, with the result that the manpower, equipment, landing craft, etc. promised for the south-east Asia offensive had to be diverted to the west. Stilwell had the job of going back to Chunking and telling the Peanut that the British and Americans had called off the plans agreed on at Cairo.

“NOVEMBER 25 (1943) 4.30 with George (Marshall) to see F.D.R., who said Peanuts had agreed (to the Burma Plan).

“His (F.D.R.’s) plan for French Indo-China—three commissioners—Chinese, British, American. Not to go back to France. Got after him for troops. His plan was a brigade of Marines in Chunking! ...”

“NOVEMBER 27. Everybody beat it for Teheran. We wait till they come back and act. No minutes for us (CBI command). Wedemeyer has them and his stooge Lincoln. I’m getting tired of that important young man. ‘War by Committee’ is a bust. The executors are left out on a limb... Our principal trouble is where it has always been, right at the top.”

A refreshing interlude is provided in a letter to Mrs. Stilwell dated November 30th, describing impressions of Jerusalem, “destroyed 32 times” and each time rebuilt on the debris “so that the original streets at the time of Christ are now thirty or forty feet below the present levels. The old surroundings have disappeared entirely and all that is needed to make you believe you are at Coney Island is a hot-dog stand...”. Christ’s birthplace... filled with junk lamps and horrible marble bathroom decorations... made me sick. When you think how the place might and should have been treated it makes you mad... Jerusalem outside the walls, is new within the past twenty-five years and looks like the outskirts of Philadelphia. The most pretentious building in town is the Y.M.C.A., built with American money for some nondescript local yokels to disport themselves in. Well, there were some high spots... But the pious and reverent who go there with solemn ideals are due for a shock.”

When the result of the Teheran conference became known to Stilwell he sought an interview with Roosevelt to find out...
what was the revised American policy he should announce to Chiang on his return to Chinking.

"Conference on Policy in China.

December 6, 1943, at Alexander Kirk's home, Cairo.

After Teheran.

Present: Roosevelt, Harry Hopkins, J. W. Stilwell, and——(name of the fourth American deleted).

F.D.R. Well, Joe, what do you think of the bad news?

J.W.S. I haven't heard yet just how bad it is.

F.D.R. We're in an impasse. I've been stubborn as a mule for four days but we can't get anywhere, and it won't do for a conference to end that way. The British just won't do the operation, and I can't get them to agree to it.

J.W.S. I am interested to know how this affects our policy in China.

F.D.R. Well, now, we've been friends with China for a gr-e-e-at many years. I ascribe a large part of this feeling to the missionaries. You know I have a China history. My grandfather went out there, to Swatow and Canton, in 1829, and even went up to Hankow. He did what was every American's ambition in those days—he made a million dollars, and when he came back he put it into western railroads. And in eight years he lost every dollar. Ha! Ha! Ha! Then in 1856 he went out again and stayed there all through the Civil War, and made another million dollars. This time he put it into coal mines, and they didn't pay a dividend until two years after he died. Ha! Ha! Ha!

J.W.S. I take it that it is our policy to build China up.

F.D.R. Yes. Yes. Build her up. After this war there will be a great need of our help. They will want loans. Madame Chiang and the G-mo wanted to get a loan now of a billion dollars, but I told them it would be difficult to get Congress to agree to it. Now, I'm not a financial expert (! !) but I have a plan to take fifty or a hundred million dollars and buy up Chinese paper dollars on the black market. It wouldn't take much (! !). When the Chinese found out these notes were being bought up, they would tend to hold them and the rate would come down. We might beat the inflation that way. And I'd share the profit with the Chinese government—I'd put the notes in escrow and when they were needed I'd sell them to the Chinese for what I paid for them.

J.W.S. Yes. Yes. Build her up. After this war there will be a great need of our help. They will want loans. Madame Chiang and the G-mo wanted to get a loan now of a billion dollars, but I told them it would be difficult to get Congress to agree to it. Now, I'm not a financial expert (! !) but I have a plan to take fifty or a hundred million dollars and buy up Chinese paper dollars on the black market. It wouldn't take much (! !). When the Chinese found out these notes were being bought up, they would tend to hold them and the rate would come down. We might beat the inflation that way. And I'd share the profit with the Chinese government—I'd put the notes in escrow and when they were needed I'd sell them to the Chinese for what I paid for them.

J.W.S. Yes. Yes. How long do you think Chiang can last?

F.D.R. Well, then, we should look for some other man or group of men to carry on.

J.W.S. They would probably be looking for us.

F.D.R. Yes, they would come to us. They really like us and just between ourselves they don't like the British. Now, we haven't the same aims as the Dutch out there. For instance, Hongkong. Now I have a plan to make Hongkong a free port: free to the commerce of all nations—of the whole world! But let's raise the Chinese flag there first, and then Chiang can the next day make a grand gesture and make it a free port. That's the way to handle that. Same way in Dairen! I'm sure that Chiang would be willing to make that a free port, and goods could come through Siberia—in bond—without customs examinations.

(4th Am.) What in your opinion caused the noble attitude of the Russians in allowing China to have Manchuria?

F.D.R. Well, I think they consider they've got enough as it is. You can put a hundred million more people into Siberia. Stalin doesn't want any more ground. He's got enough. He agreed with me about Korea and Indo-China. We should set up commisions to take charge of those countries for twenty-five years or so (my italics) till we get them on their feet. Just like the Philippines. I asked Chiang point-blank if he wanted Indo-China (my italics), and he said "Under no circumstances."

J.W.S. Chiang will have trouble explaining to his people the Allied failure to open Burma.

F.D.R. Yes. Yes. But if we don't put on this operation, we can put more tonnage over the Hump. Yes, we can get more freight into China that way.

H.H. Is this C.N.A.C. a pan American subsidiary?

J.W.S. Forty-nine per cent is American, fifty-one per cent is Chinese.

F.D.R. Well, that's all right. I have no objection to that. Now I would agree to the British, after the war, running passenger planes for Australia from England to New York, letting off passengers for New York, taking on passengers for Australia, and then flying to San Francisco, letting off passengers from England, and taking on passengers for Australia. But not to take passengers on at New York and letting them off at San Francisco. Oh, no. No, sir.

J.W.S. We need guidance on political policy on China.

F.D.R. Yes. As I was saying, the Chinese will want a lot of help from us—a lot of it. Why K'ung one time asked me for a loan of fifty million dollars for developing transportation and I said to him, Mr. K'ung that is a lot of money." Then I said to him, "What are you going to use this money for?" and he said, "Construction materials," and he said, to try and influence me, "If we get this loan, we'll buy those materials right here in the United States." And I came right back at him and said, "Mr. K'ung, in your country you have construction materials already. You have cement, you have sand, you have rock—you have all those materials." Then he said, "Yes, but we need technical help—engineers and other technicians. We would pay a good engineer $100,000 a year and give him a house and twenty servants." And I said, "Mr. K'ung, when I was governor of New York State, I had a superintendent of highway construction..."
named Green—ever know Green?—and he was paid $15,000—no house, no servants. You don't want to pay $100,000. Why, there are any number of good engineers in the Army—not the regular service, men from civil life—you can get them for $8,000. They can do that kind of work. But no exploitation.

STOOGE The Prime Minister is here.

F.D.R. Well, now, there you are and remember, YOU'RE AMBASSADORS! Ha! Ha! Ha! Yes, sir, you're my Ambassadors.

End of conference.

Draw your own conclusions.

H.H. What do you think would be a good religion in Japan?" (To be concluded)

PARLIAMENT— (continued from page 3.)

buying of the foodstuffs offered; and what are the main increases and decreases purchased in 1952 as compared with 1951.

Dr. Hill: Imports of food and feedingstuffs in the first nine months of 1952 amounted to £34.7 million, out of total imports of £47.8 million from the Soviet Union.

Except for some canned crab and salmon we have bought all the food and feedingstuffs offered to us.

Supplies of grain contracted for in 1952 have so far been considerably smaller than in 1951. Compared with that year, we have bought a little more canned salmon but less canned crab.

Mr. Osborne: Has the volume of the food imports from Russia increased, as well as the value of the food; and, further, would not the Minister agree that, since imports from Russia during the last two years have increased from £24 million to £47 million it is evident that the Conservative Party are not stopping trade with the Soviet Union?

Dr. Hill: The answer to both parts of the Question is "Yes, Sir."

Mr. Chapman: Has the hon. Gentleman any evidence that the Soviet Union has any more food to offer to us, in view of the fact that many people are always alleging that we do not buy as much as we can?

Dr. Hill: We have no such evidence.

Purchase Tax Refunds (United States Forces)

Mr. Baker asked the Chancellor of the Exchequer the estimated loss of revenue resulting from the sale of goods, such as cars, refrigerators, washing-machines, etc. free of Purchase Tax to American service families stationed in this country.

Mr. Boyd-Carpenter: Under the arrangements made in 1949 between the United States and British Governments, Purchase Tax refunds are made by the Foreign Office in respect of certain articles bought by members of the United States Forces and their families in this country. To date, the approximate total of these refunds is £1,391,000.

(To be continued).