

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

Vol. 30. No. 1.

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

SATURDAY, FEBRUARY 28, 1953.

6d. Weekly

### From Week to Week

*When mighty roast beef was the Englishman's food,  
It ennobled our hearts, and enriched our blood,  
Our soldiers were brave and our courtiers were good.  
Oh! the roast beef of old England!*

*Richard Leveridge (1670-1758).*

To celebrate the coronation of Queen Elizabeth, of England the Second, Town Councils, etc., will be permitted to roast an ox (one ox). Whether this will fall under the heading of the extension of rationing or the extension of communal feeding remains to be seen.

We hear increasingly complaints concerning the gross incivility of Mr. Bloodsucker towards his victims. Even this notoriously less civil of the "Civil" Servants has hitherto been mindful of the possibility of reproof from the Mr. Bloodsuckers higher up in the "Service." Now restraint seems to have been removed, and Income Tax payers with a grievance, who try to hold their own against aggression and spoliation, are hectoring with threats; "We're not going to let that pass . . ." "We're going to put an end to that sort of thing . . ." "We're going to get that too before long . . ." and so on, the objective being, in each case, some pillage which Parliament has not yet, despite its somnolence, sanctioned. The suggestion is that, at Mr. Bloodsucker's behest, and for the satisfaction of his sadistic instincts, Parliament had better "get a move on." We have wondered for what ultimate purpose, if any, the Institute of Directors has been actively and considerably increasing its membership for some time past. Here surely is something for it to do without prejudice to negotiations generally conducted by accountants?

A "banner" headline in *The Recorder* (London, February 21) asks:

WHERE IS MR. CHURCHILL?

AS THE EMPIRE FOUNDERS

WE CHALLENGE HIM TO REPEAT TO-DAY:

"I HAVE NOT BECOME THE QUEEN'S FIRST MINISTER IN ORDER TO PRESIDE OVER THE LIQUIDATION OF THE BRITISH EMPIRE."

Well, and suppose he does repeat it?

Of the four men, Eden, Butler, Maxwell Fyfe and Macmillan, who are named as possible Prime Ministers in the near future (the electorate and its managers consenting), we should rank Mr. Butler as the ablest, Mr. Eden ("a man who never had an idea in his head") as the least able and one of the most unpromising in his affiliations. Mr. Ralph Assheton whose "few acid words" revived a notion that perhaps the House of Commons "can do some-

thing" is credited (by a journalist who has chosen the name of "Brutus" as a pen name) with having "shot down two high-flyers with complete indifference to the fact that both are aspirants for the premiership" is a man whose capacities and whose history do not attract us—but we are notoriously immune from the attractions of politicians. What does it amount to? In our opinion very little. The details of the Gadarene slope down which the human population is rushing headlong do not interest us. Could they have been the chief interest of the creatures mentioned in the New Testament, as they are to-day of nearly everyone whose notion of a policy is rudimentary, and of some others?

COLD-WAR CRIMINALS: from *The New York Herald Tribune* (date not given):—

"May I once more claim the courtesy of your columns and draw your readers' attention to your report of January 24 headed 'Jewish Quislings,' which only goes to prove the statements in my letter of January 22—that there should be no pity for those murderous Jewish Communists who today are fleeing from the holocaust they themselves started and enthusiastically supported until very recently.

"After the war the Allied leaders quite rightly hanged all the Nazi war criminals for having committed crimes against humanity. How come now that those Jewish Communist leaders are treated like poor persecuted refugees? They are at least as guilty as those Nazis who were hanged.

"They are the war-criminals of this present war—the cold-war. As long as it suited their personal ambitions and business interests, they remained behind the Iron Curtain, which they could easily have left. But when they noticed that the dragon seed they had sown menaced them too, they quickly gathered their ill-gotten riches in good US currency and rushed across the border into the free democratic country they had so virulently attacked, clamouring 'anti-Semitism.'

"Your report also answers automatically Mr. Francinet's letter stating that a Jew ceases to be a Jew when he becomes a Communist, and only sadly confirms that an Ashkenazim Jew is first and last a Jew and then only anything else according to his personal ambitions and business interests.

"It also answers Mr. C. H. Frenche's reference to the 'innocent Jews' in Soviet lands. As to his assertion of my 'anti-Semitism' it is humorous, to say the least, and unworthy of an answer. I would all the same like to remind him that no Sephardim Jew has ever been persecuted in the past 500 years—Yours, etc.,

"(Dr.) MOISHE BENACHE, Montessa, Madrid, Spain."

## PARLIAMENT

House of Lords: February 3, 1953.

### Life Peers Bill

(The Debate continued. Lord Hailsham, whose speech, as indicated last week, we publish IN EXTENSO, is speaking. We believe that the extent of our agreement—or disagreement—with Lord Hailsham is a matter entirely secondary at present to the interest incidental to his criticism of caucus management of the agenda concerning a matter of profound importance for the future of this country and of the world.

We intended to follow up this debate with extracts from the Debates of February 4 and 5, which revealed, through the action of Lord Silkin, the deep resentment of certain political forces in the country of Lord Hailsham's opinions. The small size of this review prohibits the fulfilment of this intention, and we can only report that, despite interruptions by several Peers, Lord Silkin attacked Lord Hailsham to the extent of drawing from him a personal statement of considerable substance on the following day. Our readers will note that, the Labour Party having declined to participate in its discussion, any early repair of our damaged Constitution is unlikely. We have, in any case, never believed that a genuine repair would arise from the initiative of the destroyers.)

Having said that, I should, with respect, like to indicate why, and to what extent, I favour the proposals put forward by my noble and learned friend Lord Simon. As he rightly pointed out, forty-two years have passed since we were told that this problem brooked no delay, I do not think we need complain too much of that, because two facts have gradually emerged during those forty-two years. The first is that the House of Lords as a practical institution works extremely well, although it may be open to every kind of theoretical objection; and the second is that the actual details of reform are a great deal more difficult than was originally thought. To begin with, I think it is fairly clear—I speak in the presence of the noble Viscount, Lord Samuel, and he will correct me if I am wrong—that when Mr. Asquith originally thought that the problem brooked no delay, and permitted the preamble to the Parliament Act, 1911, to contain a phrase to the effect that it was designed to substitute for the present House of Lords a Second Chamber appointed on a popular basis, he envisaged some kind of assembly which would draw its authority either from *ex-officio* membership or from election. Forty-two years' discussion has, I think, convinced us that that proposal will not do in any form. There are two good reasons why that should be so. The first was defined as long ago as 1857 by Walter Bagehot, when he pointed out that the existence in the British Constitution of two Houses of co-equal authority would lead inevitably to deadlock; that the Second Chamber must always defer to the popularly elected Chamber, and to have two popularly elected Chambers, each of equal authority, would never pass the House of Commons, and, if it did, ought to be killed by the House of Lords. Therefore, that will not do.

Moreover, there is another reason which applies to proposals of a wider kind. The Parliament of this country

was not created: it grew. It has always consisted of King, Lords and Commons. Much of its authority depends on its mystique, which could never be recaptured were we to substitute for the Parliament which has grown a Parliament which was manifestly made by the temporary membership of two Houses. If we are going to reform the House of Lords, then it follows that we must not substitute another Chamber of any kind at all. It has got to be, at the end, something which men will call, and think of as, the House of Lords. It would be fatally easy to abolish the House of Lords. But to reform it, it is necessary to maintain a continuity and mystique which will command the respect which your Lordships undoubtedly do command, despite defects in the principle of composition.

Therefore, at the end of forty-two years' discussion there are only three broad possibilities for the reform of the House of Lords. One is to leave it alone. There are many people who, in practice, are working to that end, but nobody has ventured to say so in public. The second possibility is to abolish it altogether. That, in my view, would be a very serious and great mistake. The third possibility is to follow, more or less, the general lines of agreement between the Parties in 1948; and that, for the reasons I want to give, quite shortly, is the alternative which I favour. I have not disregarded the powerful plea put in by the noble Lord, Lord Teynham, in the speech immediately preceding mine, for another type of assembly. In his case, what he would favour would be an assembly in which the hereditary principle was modified by the principle of election, much as the Scottish Peers now elect their representatives to this House. In my view, with respect, that is another proposal which, although superficially attractive, is not likely in the end to satisfy public opinion.

If it be true, as I believe and as I shall try to show, that the hereditary principle, as such, is something of which public opinion does not fundamentally approve (although we are assured that every Englishman loves a Lord, I am bound to say that since I have been a member of your Lordships' House I have found certain exceptions to the rule) it will, on the whole, be more and not less offensive if what is done in future is to concentrate or distil the hereditary element in this House in such a way that the hereditary principle elects its most effective members always to attend. There is something to be said for the backwoodsman. I sometimes think that I am something of a backwoodsman myself, owing to professional engagements. There is much to be said for the noble Lord who comes to the House when he feels that his public duty demands it, and not simply when he wants to bore his fellow Peers. But there is nothing to be said, at least in my belief, for a House composed, rather like the House of Commons, of those who are compelled by conscience to attend because they have been elected by their fellow representative Peers, to represent nothing except the hereditary principle—a principle which is, at any rate in my view, vicious, at least in the eyes of the public. That is the reason why, with all respect, I do not concur in the view of the noble Lord, Lord Teynham.

Nor, in fact, would it do to have as a great many people also ingeniously suggest, to have a number of *ex-officio* Peers. It is all very well for Her Majesty, on the advice of her Ministers, to summon the Chairman of the Trades

Union Congress and make him a Peer either for life or with the right of succession, as the case may be. But for *ex-officio* Peers to be created, one would do two things which are wholly alien to the nature of our Constitution. In the first place, one would place important and controversial political functions in the hands of people who do not wish to accept them. In the second place, we should produce exactly the same evil as an elected House of Lords—we should set up a body which would have the moral right to challenge the House of Commons, a principle which is intrinsically vicious in a Constitution like our own. For those reasons, I do not think that will do.

Therefore, we are driven back on proposals rather similar to those which are contained in the Bill and which are also similar—as my noble friend Lord Simon pointed out in his Second Reading Speech—to those which were supported by the 1948 Conference. I will come back to that, as I believe it is the only way to a satisfactory reform of the House of Lords. “But why not leave it alone?” as I think the Noble Viscount, Lord Stansgate, said in a former debate. Well, I think very serious disadvantages would be attended by doing nothing, although I am quite aware that there are powerful, if subterranean, influences in both Parties designing to leave it alone as long as they possibly can, which is why I am grateful to my noble and learned friend for having introduced this Bill.

I believe that your Lordships' House is doing invaluable work at the present time, but I also think it is largely prevented from carrying out its work, or hampered in its work, precisely because of the principle upon which its composition is based. The public do not give moral support to the hereditary principle (or so I believe) and for that reason, even with our present powers—and I want to say a word about powers in a moment—I believe that the work of the House of Lords is largely hampered by the suspicion which the public holds of the hereditary principle. If exactly the same noble Lords and right reverend Prelates met together and discussed in exactly the same terms the legislation which they do at the moment, I believe they would carry a far greater degree of public influence and prestige behind them if the public knew that they were there for what they are and not for what their fathers were. I believe that the reason which the public has in view there is basically perfectly sound. I have never been a critic of hereditary Second Chambers as such. There was a time, I believe, when the hereditary principle did a great deal of good in our Constitution. That was the time when the danger was that the Crown could easily corrupt the Commons—and it did—and that the commercial principle, easily discernible in those times and easily represented in any metropolis in an age when transport and other services were less easily obtained, might become excessively predominant. The possession by members of your Lordships' House of great landed estates and hereditary titles largely counter-balanced those two dangers. It was not easy to corrupt the House of Lords. They were too numerous and they were too rich; and both those things were very valuable in those days. But death duties have put an end to all that.

It may well be that there was a day when the possession of a great landed estate, passed down from father to son,

ought to have conferred the right to a seat in Parliament. But even if every Englishman loves a Lord, no Englishman has ever loved a poor Lord. Indeed, as long ago as the reign of Edward IV this House, and, indeed, Parliament, passed an Act depriving the then Duke of Bedford of his Peerage precisely because he was too poor. There are many people who think this decision ought never to have been reversed. But however that may be, it has always been supposed that the one argument, if any, for the hereditary principle was maintainable only so long as the Peers were rich. They now no longer are, and I myself feel the hereditary principle is no longer appropriate to the present day.

As a matter of fact, I feel convinced that there are a number of men in public life—I think I may say without offence that I know there are a number of men in public life—who have been inhibited from accepting Peerages for themselves because of the serious disability which the title would impose upon their potential heir. That is no criticism of your Lordships' House. Your Lordships' functions are now well ascertained and the subject of almost general agreement. It is not easy—and I say this with all diffidence—for a young man who has his living to make, to come at 2-30 in the afternoon simply because he is his father's heir, and for no better reason, to attend your Lordships' debates, knowing all the time that he must never press his views to a Division if they are in contrast to the views of the majority in another place; that his ultimate responsibility runs solely in the imposition of delay, or the insertion of minor Amendments in Bills, or the taking part in debates which have about the same influence in public affairs as a leading article in *The Times*. These are legitimate and proper functions and they are, by almost universal consent, the functions of a Second Chamber. Nevertheless to impose upon such a young man, with his living to make in a profession or business, or in trade, the obligation to perform these functions, is something about which a father might well feel doubts if he were offered a Peerage; and it is within my knowledge that some fathers have felt doubts to an extent which led them to decline an offer when an approach was made.

I think, therefore that there are serious disadvantages in maintaining the present situation. I can sum them up in a single sentence by saying this, which I think I can say without causing offence to either Party. Both Houses of Parliament have entrusted to your Lordships' House certain important and, at times controversial political functions. It is morally wrong for members of any Party, on either side, to permit those who are charged with such functions to carry on, in the knowledge that they will be hampered from discharging them by the presence in the composition of that Chamber of a principle which will rob them of public authority if for any reason they take a controversial line. I believe that the House of Lords, even without greater legal powers, would play a much more vigorous part in the life of Parliament if it were not for the fact that public opinion did not support the principle upon which it was based.

That leads me to say one more word on the subject of powers. I share the view of the noble Viscount, Lord Samuel, when he appears to have told—because he told us this afternoon he had—the Conference in 1948 that the

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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. 30. No. 1.

Saturday, February 28, 1953.

### Bedlam

Headed "The Perfect State," the following appeared in *Human Events* for January 23:—

"If atomic energy lives up to the promises of the scientific fictioneers—that is, if it can reduce the industrial power problem to inconsequence, and thereby approximate perpetual motion—then the monopoly of it by the government will make possible a totalitarianism the like of which has never been known.

"This thought is suggested by an item which appeared in *The Wall Street Journal* of January 3. 'By next January,' it says, 'at least one private American industrial team believes it will be ready to start building an atom power plant with private capital—if the Government will give permission.' (Our emphasis.) The burden of the story is that scientists have figured out ways of constructing a commercially feasible power plant, that private capital is available and all that stands in the way of the project is government permission. On the last item the writer is pessimistic.

"Atomic energy, it is claimed, will make all other forms prohibitively costly for industrial use. A factory powered by it would be so efficient that it would be to a plant depending on oil or coal like the latter is to a hand-powered machine; and our biggest and fastest ocean liners would be mere rowboats compared to the ships propelled by this wonder form of energy. If this is true, the exclusive ownership or control of this energy would amount to a monopoly of all industry, and economic centralisation would be complete.

"It follows that the energy monopolist—which can only be the State—would be in position to dictate all thought and behaviour; it could, for instance, make religious conformity a condition for employment in a plant depending on its power lines. Unless a private school adopted the official curriculum it would have to get its heat from expensive coal. Non-conformism could be made even more difficult than it is in Russia.

"If one wishes to speculate further on the social and political possibilities of monopolised atomic energy, just imagine the situation if the United Nations held the monopoly!"

We are frankly more interested in the source of the suggestion contained in the foregoing (*The Wall Street Journal*) than in the speculation accompanying it. We do not remember a speculation concerning the consequences of a scientific discovery which experience did not falsify either by belittling it or by magnifying it many times over,

Broadly, what is true of oaks is true of acorns, and the oak of Brobdignagian tyranny is present in the acorn of Dutch Finance in alliance with the relatively small-scale industrialisation which is with us now.

We find this uncomfortable. In discomfort, what is 'more' and 'less'? We have never believed that "the suffering masses" are "at last" driven to the point of successful resistance to tyranny by increasing pressure. Occasionally, a proportion of an oppressed population is 'liquidated.' The survivors learn nothing from the lesson except how to bear their burdens or how to succumb to them. Pressure does not improve quality, and successful resistance is an expression of quality.

From a realistic point of view, the immense power of atomic energy (presumed to be relatively costless, really or financially) is something the world does not at present need. Nor does it appear that the Financial System needs it either. By 'evacuating' the greater part of present potential, its controllers are getting along quite well; but *may* not know when to stop.

In these circumstances, it is at least precautionary to point out that things like "the United Nations" do not, in fact "hold" monopolies: a monopoly holds them, and, to put an end to that, all they have to do is to crawl out between the fingers intended to contain them.

We have had enough of the ubiquitous "crisis strip." We thirst for a few short sentences of good sense.

### Glut of Butter in U.S.A.

A recent telegram from Reuter's correspondent in Washington published by the *Manchester Guardian* read as follows:—

One of the major problems confronting President Eisenhower's new Administration is the disposal of millions of tons of surplus butter after unexpectedly high winter production and a switch to margarine by the American public, objecting to high butter prices. Under the farm price-support laws all excess production must be bought by the Government to prevent a glut on the market from forcing prices below their guaranteed level. The Government is seeking a means of disposal without downright destruction (*sic*) or offending the farmers.

Since the beginning of December the Government has been buying about one million pounds of surplus butter a day at 66 cents (about 4s. 7d.) per pound—representing a daily cost to the taxpayer of about 660,000 dollars. With almost 41 million pounds already in cold storage, some authorities foresee the Government being left with up to 200 million pounds of unwanted butter after the summer peak production period. The Agriculture Department is now trying to give away some of the surplus, because there is little hope of ever selling much of it back to commercial distributors, unless drought or other unusual circumstances cut down summer production.

Americans are at present eating annually only one half the 16.7 pounds per head they used immediately before the war. Consumption of cheaper margarine has jumped from

(continued on page 8.)

## Nursing Fathers

by H. SWABEY.

(Continued).

At the end of 1905, the year in which Norway separated from Sweden, the King faced a new government, under Campbell-Bannerman, the critic of the British concentration camps in South Africa. Balfour on his resignation settled the question of the Prime Minister's precedence, "who had hitherto been ignored as an officer of State in the formal orders of precedence." Now he was "the fourth most important subject of the King." *The Times* embarrassed the new Prime Minister by printing the names of his cabinet "before the King had formally signed his approval" (Lee). Yet the King "found his new ministers readier than their predecessors to consult his wishes in ceremonial and other matters which touched his *amour-propre*." The election of 1906, in which 53 Labour members were returned, convinced Balfour that "Socialistic difficulties" would have to be faced, and he wrote to the King: "Unless I am greatly mistaken, the election of 1906 inaugurates a new era." The King "was not altogether pleased with Lloyd George's attack on the Lords, which he thought would do harm," and he complained of the scanty information given him by Campbell-Bannerman, and "his frequent failure to mention matters which the King deemed to concern the authority of the sovereign." On one seven line letter from Campbell-Bannerman, the King wrote: "What valuable information! E.R."

The King called the Education Bill of 1906 "most unfair and dangerous," and brought the Archbishop and the Prime Minister together. The latter warned that the House of Commons would reject the amendments of the Lords, and in fact they fiercely attacked the House of Lords. Lee says that, "for the rest of the reign the crying issue in domestic politics was the place of the hereditary House of Lords in the Constitution and its relations with the elected House of Commons. . . . On the Liberal side the left wing urged the total abolition of the Upper House and the conversion of Parliament into a single elective Chamber." The Prime Minister, ("personally inclined to extreme measures") said that the veto of the House of Lords would have to be reduced, and proposed in the middle of 1907 that the power of the Lords to alter or reject Bills which the Commons had passed "must be so restricted by law as to secure that within the limits of a single Parliament the final decision of the Commons should prevail." The resolution was carried, but for the time nothing further followed. The idea, of course, was to deprive the Lords of their function of protecting the people from a clique and from violations of Law. When the Territorial Army was being created, "Mr. Lloyd George and Mr. Winston Churchill were for the utmost economy," and nearly precipitated the resignation of the Secretary of State for War.

The King's incessant European travels (*not* the Prime Minister's) had by 1906 secured good relations with all the powers except Germany, and he made a great effort for friendship with his nephew. He wrote, "Most deeply do I deplore the uncalled for expressions made use of in the Press concerning our two countries and most ardently do I trust that they will cease—but in my country we do not

possess either the power or the means of preventing the expression of so-called public opinion!" In his reply the Kaiser said, "In both countries newspapers as well as individuals . . . worked the public feeling to such a degree that both nations began to distrust each other, thereby causing an immense amount of mischief and the seeds of discord to grow. *Cui bono?*" The King was further annoyed with the Foreign Office's refusal to allow the band of the Coldstream Guards to play in Mayence, and wrote that this interference "is, he considers, hardly consistent with the freedom of himself as head of the Army and Colonel-in-Chief of the Guards in matters of mere military detail or with the responsibility of his Secretary of State for War in such matters, and an encroachment on their part on his prerogative as the Sovereign and the head, therefore, of the Army, and as Colonel-in-Chief of the Guards . . ." The words, mostly in his own hand, were unavailing.

Count Witte, the Russian Prime Minister, was very anxious in 1906 for the King to visit Russia. The King was not keen just then, and wrote, "Witte's object is that by my going I should enable him to float a Loan. What an extraordinary idea! And one that does not appeal to me in any way." The Tsar then superseded Witte and suspended the Duma (parliament). The internal situation of Russia ("a life and death struggle between the revolutionary forces and Tsarism") looked too ugly for a royal visit. The Anglo-Russian Convention of 1907 provoked more German Press attacks on the King.

In 1908, the King of Portugal was assassinated, because he backed the dictator Franco; and Asquith succeeded Campbell-Bannerman. He appointed Lloyd George as Chancellor of the Exchequer, and Winston Churchill moved into Lloyd George's position as President of the Board of Trade. When the King proposed to visit the Tsar this year, Ramsay MacDonald described the Tsar as a "common murderer," and Labour leaders called attention to political exiles and prisoners, and to "the numbers of suspects sent to Siberia without trial." The communists were able to hand out the same treatment, vastly multiplied, for almost thirty years without protest from the West!

When the King's visit was announced, he received a letter from the three Rothschild brothers, Lord Rothschild, Alfred and Leopold, "pointing out the recrudescence of the attacks on the Jews in Russia in recent years and begging the King's intervention on the Jews' behalf with the Tsar." The King undertook to consult his advisers, as the subject would be "a very delicate one for him to bring before the Emperor of Russia, and it is, moreover, one of considerable political importance." The King raised the question with the Russian Prime Minister, who "contemplated legislation for the amelioration of the lot of the Jews in Russia."

Lee continues, "Meanwhile Sir Ernest Cassel had sent the King a memorandum about the proposed Russian loan. It was an abuse of the King's friendliness to ask his influence in a financial transaction of which neither he nor the government had been informed. But the King did ask the Emperor to receive Cassel in the event of the financier going to Russia." Cassel had given the King £200,000 on his ascension, which he spent on a Sanatorium.

The question of persecution is obscure. A Russian exile in N. America has said that Jewish stores had to pay

a heavier tax than the Russian, and that this caused the Revolution. North American folk lore holds that the Dutch received Jewish refugees into New Amsterdam, on condition that they did not engage in retail trade. The Jews consolidated the wholesale business, and then admitted the British into the city—later New York—on condition that they removed their retail disabilities. A monopoly of this kind has resulted in the sale of much high priced junk. On the other hand, recent events in Czechoslovakia, and the extreme touchiness of USSR towards the *Protocols*, suggest a harsher side to East European persecution than commercial disabilities. And now the doctors.

Sir John Fisher complained of "the mendacious drivel of that halfpenny rag the *Daily Express*." And in 1908 the Press caused serious trouble. The Kaiser accepted Sir Edward Goschen as British Ambassador, although at first he had been heard "muttering something about the Ghetto." Then he gave the *Daily Telegraph* an interview that offered friendship to Britain and complained of misunderstandings. "The Kaiser was vehemently attacked in the German Press and in the Reichstag as allowing his personal predilections and family sympathies to over-ride the Nationalist ambitions of his own country." Thereupon he gave an indiscreet interview to an American journalist, who immediately sent his scoop to the *New York World*, and the German Foreign Office was unable to suppress it. The King complained to his Secretary, "I know the German Emperor hates me . . . whilst I have always been kind and nice to him. As regards my visit to Berlin . . . the Foreign Office to gain their own object will not care a pin what humiliation I have to put up with."

In 1908, the boundaries started moving about. "The Young Turk movement . . . aided by Jewish ability" threw out the Sultan in July. Austria meanwhile had a new foreign minister, Aerenthal, "by birth a German Bohemian with at least a strain of Jewish blood in his veins," who responded by annexing Herzegovina and Bosnia (capital, Sarajevo). Ferdinand proclaimed the independence of Bulgaria. Clemenceau feared a conflict would be brought about "by some imprudence on the part of English public men." The announcement of the annexation upset Edward VII, but he refused to encourage in the protesting Serbians "hopes that could not be fulfilled." His wisdom may be contrasted with the rashness of pre-'39 politicians. He spoke loudly about the Austrian newspapers, "They lied about me; they lied about me!"

At home, Asquith's main effort was "to neutralise the power of that last aristocratic stronghold—the House of Lords." Lloyd George made it clear to his chief that "peace could be purchased only at one price," the Chancellorship of the Exchequer. The King opposed his views on the House of Lords and Women's Suffrage, was angered with him and Churchill "for intervening in foreign policy by irresponsible speeches," and doubtless disgusted when Lloyd George returned from Germany "full of admiration for German bureaucratic methods."

The 1909 budget made provision for Old Age Pensions. For the first time the King asked whether in framing it the Cabinet had considered the possible ("but the King hopes improbable") event of a European War, and added: "The

income tax, which always has been regarded as a war tax, now stands so high for unearned incomes over a certain amount that any great increase would have a most disastrous effect on the land generally, more especially if the war lasted for a considerable time." It has of course been a *war debt* tax.

"The King had a strong dislike of the government's financial proposals," and there were one or two Liberal resignations. Asquith submitted Herbert Samuel for Chancellor of the Duchy of Lancaster, "and pointed out that as he was a Jew, he himself would exercise ecclesiastical patronage." The King protested against Harcourt's phrase that the Peer's had "issued edicts of assassination" against other measures, but he tried to prevent the Lords from rejecting a Finance Bill. Lord Cawdor replied that, "The object of the second Chamber is that it should secure to the electors of the country the opportunity of exercising their wishes as to important legislative proposals before they become law." The Lords rejected the Bill, and Asquith passed his motion that their action was "a breach of the constitution and a usurpation of the rights of the Commons." The abolition of the Lords' Veto was the chief point in the electoral campaign which followed, during which Churchill was more temperate than Lloyd George. Asquith mentioned "safeguards" and Lloyd George "guarantees," in their campaigns, by which they meant that the King would create sufficient Peers to pass the measure, or would even hand over to the Prime Minister the prerogative of creating peers. The King had not been consulted. The Lords waited for the country's electoral decision. Meanwhile, in spite of a successful visit which the King paid to Berlin early in 1909, the Dreadnought building race proceeded.

King and Kaiser exchanged messages in January, 1910. Edward expressed regret that the press of the two countries was still stirring up strife. William replied, "I heartily agree with you in your severe judgment on the mischief which is being wrought by an unscrupulous press lamentably deficient in veracity, prompted by greed for sensations." Then the King proposed a reform of the House of Lords, instead of a new Second Chamber, by which the party leaders should each choose fifty peers who alone would have the right to vote. Churchill was now Home Secretary. The Government found itself dependent on the Irish vote, which demanded "that the Veto Bill would this year become law." Churchill "argued that a stronger second Chamber meant a weaker House of Commons." Asquith then introduced a Bill to exclude Finance Bills from the Lords' veto and to restrict the veto. The King then was pressed to make the Governor of New Zealand a peer. It rather amused him that "while the mother country is contemplating abolishing peers altogether, New Zealand, perhaps the most democratic of all his dominions, should set so much store on having a Peer as Governor!"

Lord Esher pointed out that the King "*may not receive*" the advice of his ministers, citing the case of Earl Gray and the King in 1832. George V, of course, did create the peers, for Edward died before the crisis was resolved. One of his last visitors was Cassel. At the funeral, says Lee, "rode a cavalcade such as rarely if ever had been seen before or since in the history of the world."

In summing up, Lee notes that, "any comment which he offered was on behalf of some threatened interest, injury to which was apprehended by some one in his private circle of friends . . . One can point to no domineering shadow behind the throne." That Edward's failure to reconcile the political parties was a factor in his last illness "is proved by the delicate, yet clear, reference to it by the eminent medical men." The conflict resulted in the Parliament Bill of 1911, "by which the House of Lords was made definitely inferior to the Commons in legislation." In King Edward's case, "the assertion of his personal views in affairs of state exceeded recent precedents." He was perhaps the last sovereign to exercise much personal power, and found it difficult enough to preserve any. Lee notes that during his reign, Victorian self reliance faded, and "a collectivist tendency began to dominate legislation." An appendix gives the text of a memorandum, made for the King, on Chinese matters: it deals solely with the Chinese debt.

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PARLIAMENT—

(continued from page 3).

difference of three months which separated the Parties was not perhaps so deep a difference of principle as the protagonists supposed. This House has never exercised its legal powers to the full, even under the Parliament Act, except in one or two isolated instances, when it was overridden. What it has done has been to express a strong opinion about matters, some of which have had to be sent back to the House of Commons and some of which were not required to be sent back. But if this House exercised its legal powers, even in the mutilated form of the Parliament Act of 1949, it could make government impossible, and it could render double-Chamber legislation impossible, unless I am mistaken, we have the right to stop, by simple resolutions, every act of delegated legislation which the Government desire, and no one doubts that if we exercised that indubitable legal right we should bring about a constitutional crisis of the first magnitude. But we do not do it; we do not need to do it; and we should be wrong if we tried to do it.

The point I am leading up to is that the actual legal power of the House of Lords is a relatively minor power so long as the House appreciates its true constitutional function. If it does not appreciate its true constitutional function, it does not matter what powers are given to the House: they are all too big and will all lead to a constitutional crisis. The reason I say that is that I am convinced—and I speak here to the members of my own Party and others—that, if we want to see a House of Lords sufficiently vigorous to be able to act as a trustee of the Constitution in an unlikely event—an event which may never happen, and which we hope will never happen: it was mentioned by the noble Viscount Lord Samuel—then the thing which we have to be sure of is not that we have adequate legal powers but that we have adequate moral authority; and I think we can get adequate moral authority by a reform of the kind which is now before the House and which will be before the Conference if and when it takes place.

I should like to make one last observation on this part

of the subject. I should very much deprecate an attempt to put a legal maximum on the numbers of this House. I feel that there are too many Lords of Parliament. I do not think 857, if that be the correct number, is a suitable number. Nevertheless, to put a legal maximum on the number would be to deprive the Government of the day of a most important political safeguard. I know that I am now treading on ground which has been fought over many times—even today people can be barely reasonably courteous towards each other in discussing it. I was born after the controversies of 1911—or, rather, I was born before then, but it was not until later that I became interested in them. For this reason, perhaps, I do not feel quite so strongly about them. Nevertheless, I always thought that Bagehot was right in saying that the power of the Crown to create Peerages in such a way as at least to influence the House of Lords if it shows itself oblivious in its duty to the Constitution—that is, to defer to the Commons—is a valuable right which ought to be preserved by both Parties. And any House of Lords of the future is going to be a House of Lords in which one Party does not always have the advantage. It is, in a sense, an embarrassment for a Conservative to speak in this House, because one is always in a majority.

In a sense, the Second Chamber is bound to assist the Conservative Party—and there always will be a Conservative Party—in this country so long as it retains Parliamentary democracy. A Second Chamber is bound to help a Conservative Party because its object is to make people think again sometimes; and that is not altogether a bad thing. There are other elements—plenty of them—in our Constitution which always favour the Radical Party—as Conservatives think, unfairly. There is the fact that it is impossible to reverse the trend of legislation, and therefore a mistake, once made, can almost never be repealed. I speak without reference to current controversies, which will be very much in the minds of noble Lords, and in the hope that no one will take advantage of my frankness. But whatever may be said about the Transport Bill and other great Bills, those are the elements which enter in to help the Radicals. The game of politics may not be a ritual dance, but it is rather like a game of picquet, in which two sides hold major and minor hands. That, of course, is why Conservatives have to be more intelligent than Socialists.

Therefore I ask noble Lords opposite, when they enter this Conference, to enter into the attempt which I am sure both Parties will honestly make to see that in this House both Parties will be honestly and fairly represented. But I ask them at the same time not to block any proposal for reform simply on the ground that in some circumstances Conservatives may gain a trick and that in no circumstances whatever are they prepared to see a reformed House of Lords discharge its full constitutional function. All know that they will have to work very hard in their own Parties for that appeal to have any effect whatsoever on some of those inside them. I apologise for having detained your Lordships for so long. I should like to reiterate my gratitude to the noble and learned Viscount, Lord Simon, for having introduced this subject at this most timely moment and having precipitated the issue by the Government of the invitations to a party which I hope most sincerely will be conscientiously accepted.

House of Commons: February 3, 1953.

### Commonwealth Economic Conference

*The Chancellor of the Exchequer (Mr. R. A. Butler):*  
I should like to give the House further information on the part which the United Kingdom can play in developing the resources of the Commonwealth. We made it clear to the Conference that our major contribution must come from the development of our own resources. In fact, Commonwealth and Empire development begins at home . . .

. . . My friend and the friend of right hon. Members opposite, Mr. Jayawardene, the Ceylonese Finance Minister, defines resources for development as "men, machines and money." I have not the time to go into the first two very much this afternoon, but I should like to tell the House about the extent to which the United Kingdom can provide finance for development in other Commonwealth countries. Though, alas, too limited, this is more or less what we are proposing to do. We are already making a very substantial contribution by the release of sterling balances, which constitute a major source of external finance available to other members of the Commonwealth. We undertook at the Conference to make a further real effort and I am glad to announce that discussions with the International Bank for Reconstruction and Development, foreshadowed in the communiqué, have now been satisfactorily concluded.

We have agreed to make sterling available for lending by the International Bank to other Commonwealth countries in the sterling area. Our intention is that sterling for such loans should come from our subscription to the capital stock of the Bank. While this will not require a specific issue on the market, it involves a real burden on our resources. I would hope, and, naturally, so would hon. Members that these loans would open further opportunities to the United Kingdom exporters and would increase the production of the raw materials on which our industries absolutely depend. I cannot at this stage estimate precisely the scale of sterling lending by the International Bank under this proposal. It depends on how much the United Kingdom can afford, the number of suitable projects coming forward, and how many are financed in other ways.

Our aim, however, is to make up to £60 million sterling available to the International Bank over a period of about six years and we have advised the Bank that it may plan its operations accordingly. It is specially gratifying that through these arrangements we shall be able not only to help the Commonwealth, but to demonstrate confidence in and to assist the good work of the International Bank. Whatever may be said about international institutions, we can say that the Bank has made and is continuing to make, through dollar loans, a significant and welcome contribution to the capital required for the development of the Commonwealth.

These arrangements for sterling lending by the Bank must not usurp the normal functions of the London market, to which, traditionally, Commonwealth countries look for finance for development. I therefore welcome on behalf of Her Majesty's Government the public-spirited action by a group of leading concerns in finance, industry and commerce in forming themselves into a company to further sound development throughout the Commonwealth. Work on this project is going forward rapidly and I hope it will be possible

for a more detailed announcement to be made within the next few weeks. Meanwhile, I have written to the Chairman of the Capital Issues Committee asking him to take our undertaking to the Conference into account in considering applications to raise capital on the London market.

But, however successful the United Kingdom may be, we must also look outside the Commonwealth and particularly to the United States of America. The Conference realised that it was incumbent upon countries seeking United States investment to do everything possible, consistent with their own political and economic policies, to create conditions likely to attract the United States investor. . . .

. . . Now I want to say something about preferences. I must say, in passing, that the words "Imperial Preference" are not altogether accepted on every side in the Commonwealth. The Conference, having firmly decided to widen and not to restrict world trade, had to reconcile this with the particular object of fostering Commonwealth trade. I daresay that my right hon. Friend the Foreign Secretary will deal with any points that arise in connection with this matter.

(To be continued).

### GLUT OF BUTTER IN U.S.A.— (continued from page 4.)

the pre-war level of 2.9 pounds per head to about eight pounds. Theoretically, the Government could ease the situation and get rid of the surplus without too much financial loss by simply lowering the level at which prices are guaranteed and releasing the stored butter into the market. But this could cause severe political trouble for the new Administration in the big farm belt, which has a strong representation in Congress.

Many of the big butter-producing States voted Republican in the Presidential and Congressional elections last November after General Eisenhower himself had promised the farmers to maintain price-supports at current levels for at least two years. As the surplus continues to pile up, some officials fear a repetition of the 1950 situation in which the Government was left with 242 million pounds. About half of this was eventually returned to the market at comparatively little loss to the Government but more than 100 million pounds had to be given away before it rotted.

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