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FOR POLITICAL AND ECONOMIC REALISM

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THE BIG IDEA (IV)

The Free Silver Campaign of Willian Jennings Bryan ("The coinage of silver on demand to a ratio of sixteen to one") forms a curious chapter both in United States history and that of monetary agitation. It was unsound in principle, being, in the genuine sense, currency inflation not differing very fundamentally from a bank-note printing scheme. The late Arthur Kitson, who took an active part in it, was in the habit of observing that not one in a thousand of the millions who supported it, understood it, and the man who understood it least was William Jennings Bryan.

But Bryan, known as the "silver-tongued orator," was a spellbinder of the first rank, and in his final campaign in 1907 his speeches raised his nation-wide audiences to a condition of emotional hysteria which was of much greater value to a candidate for the Presidency than mere intellectual conviction. His famous phrase, "You shall not crucify Mankind upon a cross of gold," is still current.

The bankers reacted to the threat of interference in the usual way. They called in overdrafts, ran a press campaign which prophesied blue ruin, and finally engineered a major business panic and depression, the repercussions of which were felt all over the world. Bryan was defeated by a nonentity, Taft, in the Presidential Election, by a narrow majority, after a Primary Poll which excelled all records of intimidation and corruption. Bi-metallism was practically never heard of again.

The political atmosphere which existed after the defeat of the Free Silver agitation was so uniquely favourable to the schemes of the Warburgs that it is almost permissible to wonder whether Bryan was not an unconscious tool of international Finance. In any case there is a warning contained in its sequel which those monetary reformers to whom technical soundness is secondary, might well take to heart. As my experience grows, I am increasingly confident that one, at least, of the key words leading to an understanding of the conscious Evil Forces in this world, is "perversion." The matter is so important that I propose to revert to it at a later stage of the argument.

In working for the monopoly of credit, the Warburgs took the line with the general public, of course without appearing directly, that although Bryan was wrong, banking reform was necessary to "strengthen" the banking system against such shocks as it had just sustained. To the country bankers, little more than pawnbrokers, it was insinuated that unless they were able to increase the volume of their loans, some crack-brained scheme such as they had just escaped would "provide the people with money" and so menace their monopoly. It took about five years of skilful propaganda backed by unlimited funds and the full influence of Masonic Lodges; but the result was the Federal Reserve Board, with practically complete control over the U.S. monetary system, and Warburg at its head—just in time for the War. Or possibly the War awaited its consummation.

In order to understand this series of events in proper perspective, and to account for the emigration of two immensely wealthy and successful German-Jews, closely in touch with the Kaiser, from Hamburg to Chicago and New York, two facts must be grasped. The first is that Great Britain, or at any rate the "City of London," was a very large creditor both of the United States and Russia, and, in consequence, in a position to make representations upon foreign policy to both of them as well as being interested in constantly improving relations with her debtors.

And the second fact is that war with Great Britain was a settled policy of those who controlled Germany, for at least fifteen years before a shot was fired, and possibly for much longer. I speak of what I know.

In the early spring of 1899, I crossed from New York to London on a fourteen-knot one-class steamer, the S.S. *Menominee,* of the Atlantic Transport Line. As we were leaving Sandy Hook, we were passed by the crack Hamburg-Amerika Liner, *Kaiser Wilhelm der Grosse* steaming at twenty-four knots, flags flying, band playing. One of the *Menominee's* officers observed, "Those fellows tell everyone they're going to drive the British off the seas." The Hamburg--Amerika Line was controlled by Ballin, the Kaiser's Jewish adviser.

I had not many fellow-passengers, and only one of about my own age and general interests—a young German Baron, von Perucher, whom one would have expected to be travelling on the German boat. He was a diplomatist, and was returning home from Brazil to the German Foreign Office. During the ten days of the voyage we saw a great deal of each other, and on one occasion I repeated the remark of the ship's officer, no doubt in the light of a good joke. He said, very seriously, "It is sad, but war between Germany and England is inevitable—there is not room for both of us. England has passed her apex, and the future is with Germany."

In the light of this policy, it was obviously most important, firstly to minimise the importance of Great Britain's creditor position, and to paralyse Russia, the ever-present threat to Germany's Eastern flank. By virtue of the commanding position over American credit in which Warburg stood at the outbreak of war in 1914, the United States were a serious handicap to the Allies until Jewish influence and bribery brought about the downfall of the Russian Empire and the withdrawal of the potentially irresistible Russian Army from the conflict. By this time, Britain had become a debtor, largely by guarantees on behalf of other

belligerents. The fact that a number of Russians estimated at nearly thirty millions perished as the direct and indirect result of this manoeuvre has, in general, only received casual attention.

At the "Peace" Conference in Paris in 1919, when the Financial Clauses were passed, which made the resumption of the War inevitable, Germany was represented by one Warburg, and the Allies by another.

(To be continued).

C. H. Douglas

NEW CURRENCY UNIT

Mr. Morgenthau, Secretary of the Treasury, at a recent Press conference indicated that America is exploring the possibility of an international unit of currency—to be tried out first in the Western Hemisphere. He said he had in mind an international—not a domestic—unit of currency backed by gold or silver and that it would be aimed at the restoration of peace-time trade.

And since well over 90 per cent. of the world's gold stock is held by the United States at Fort Knox, Kansas, this would give the United States a firm sanction on all those nations which took it up.

The *Liverpool Daily Post* of January 30 adds:—

"Britain, it is understood, has no present intention of setting up with the United States a common unit of currency to aid the financing of the war. It is clear, however, that the adoption of some measure to minimise the effects of currency difficulties is of the highest importance. . . . .

"The adoption of some international currency unit by the Allies is not, however, entirely ruled out as a future possibility."

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Nosey Parker in the Garden

The following passage on the Fabian Manifesto of 1893 is from *English Saga* by Arthur Bryant:

". . . . By attacking the private ownership of property they [the socialists] struck unconsciously at the foundation on which in the historic policy of England's individual liberty had always rested. Because the privilege of ownership had ceased to be widespread as in the past and had become restricted to the few, they supposed that its destruction would extend to the freedom of many.

"They forgot that, apart from economic liberty, political liberty has little meaning. Only so long as a man knows that he can defy superior power and still support himself and his loved ones is he a free man. Without that knowledge, whatever his standard of living or theoretical status, he is a kind of slave. And when all power is vested in the state and the state is the owner of both the workers' homes and the means of production, private liberty becomes a rather nebulous thing. There was little enough liberty for the workers under the rule of the nineteenth-century joint-stock capitalist, except, of course, the liberty to starve. But in the Fabian paradise which was to take its place, though there might be a great deal more comfort, there was to be no liberty at all. The State, or rather the state official, was to rule all things.

"Such a paradise, at first sight, seemed to offer so many things of which the English worker stood in need. It offered better wages and conditions of labour, cleaner and more commodious homes, social services and public amenities in place of the drab negation of the utilitarian city, above all the end of the shameless exploitation of poverty by wealth which robbed men and women of their self-respect. Yet when the promised land was examined more closely, it was seen to contain a presence which was not acceptable to an Englishman. For there in the midst of the garden stood Nosey Parker with the sword of the all-seeing state. . . .

". . . . The Socialists in their passion for statistics . . . . forgot that the liberty of the workers in the aggregate may bear little relation to the liberty of the worker as an individual. They did not see how pathetically helpless he might be against the pricks of petty tyranny."

STRAW IN THE WIND

Wise men say that a single straw will indicate which way the wind blows. A recent item of news certainly shows the direction of the economic wind now blowing over the City of Sound Finance. This significant proof of the altered circumstances of the London money market lies in the announcement that the Government of Canada is purchasing *outright* the remaining Canadian Government and Canadian National Railway securities still owned in Britain, amounting to about £74,000,000 sterling. Moreover, the Canadian Government proposes to meet the British shortage of Canadian dollars by providing munitions and foodstuffs up to £200,000,000 sterling, *free of charge*—a handsome present from daughter to mother. In addition, "Canada" has proposed that, so far as past transactions are concerned, about £700,000,000 sterling accumulated to Canada's credit in London should be converted into a Loan on which no interest would be payable "for the duration." But after the war the two Governments will arrange an "appropriate" rate of interest, as well as terms of repayment.

And so another stage of the shifting of the financial centre of gravity of the British Empire is thus quietly announced. For not one in a thousand people will realise the implications of this transaction—the "going West" of the British Empire.

The only satisfactory feature of this altered prospect for the City is that by the time the war ends, the bloated figures of the various "War Debts" will have reached such astronomical proportions that the Money Monopolists will be obliged willy-nilly to write off many of the noughts at the end of their fanciful numerals representing their outmoded ideas of inter-Allied debts. For it is not likely that the young men of the Forces who donned their battle-dress to win the war will meekly agree at the end of it to don their dungarees to lose the peace. They will prefer to demand why they should bend their war-weary backs to work for ever and a day to earn interest for the Money Racketeers who hold the scrip representing only the "money" drawn from inkwells.

For these young comrades-in-arms are at present fighting neither for inkwells nor for oilwells primarily. They are

doing an unpleasant job of work that HAD to be done because those who stand for the prerogative of the inkwells had foozled the "peace," which was only an interregnum of war, after all.

WILLIAM BELL.

CORRESPONDENCE

The Translation of "Quadragesimo Anno"

Sir,

The difference of opinion between H. E. Cardinal Villeneuve and the social crediters of Quebec revealed in the Montreal journal *Vers Demain* presents an opportunity not to be missed.

There are two passages in *Quadragesimo Anno,* the great encyclical on the Reconstruction of the Social Order issued by the late Pope Pius XI, which are of great importance in dealing with uninformed criticism from members of the Catholic Church.

From paragraph 75 of the Latin version, the English translation reads, "For then only will the economic and social order be soundly established and attain its ends, when it secures for all and each all those goods which the wealth and resources of nature, technique, and the social organisation of economic affairs can give. These goods should be sufficient both to supply all necessities and reasonable comforts, and to uplift men to that higher standard of life which, provided it be used with prudence, is not only no hindrance, but is of singular help, to virtue." The first part of this quotation is in my opinion a general statement of policy. Critics should be faced with it and asked whether they accept the Pope's policy or not.

If objections are made on technical grounds the following passage (paragraph 42) may be quoted. "But she [the Church] never can relinquish her God-given task of interposing her authority, not indeed in matters of technique, for which she has neither the equipment nor the mission, but in all those that fall under the moral law." The critic can then be asked what is his competency in financial technique and whether the clergy and laity are accustomed to go into all the details of the various callings of those employed in building, say, a church.

But as the best form of defence is to attack, then procure the Latin text of the encyclical from the Catholic Social Guild, Oxford, price one shilling, and ask why the local church authorities have not attended to their own job by providing a correct translation in the vernacular for the laity. In paragraph 75 "*recta proportio pretiorum*" is translated, "a proper proportion *between* prices." The whole point of this sentence is lost in a confused jumble of words where the Latin plainly conveys that prices should be proportionate to incomes so that they can purchase the various products of industry. The significance of the error is apparent when one considers the consistent ignoring of the price factor, with its book-keeping implications, by "organised" Labour. I should be interested to hear from anyone if the same mistake is made in the French translation. The English translation can be obtained from the C.T.S., 38-40, Eccleston Square, London, S.W. 1., price 2d.

Yours etc.,

PASCO LANGMAID.

Cardiff; January, 1942.

Blind the Children...

According to Mr. J. Westwood, M.P. there is a scheme afoot for special educational training for twelve-year-old boys to make them "fit for citizenship—and enable them to take an effective share in the obligations, responsibilities and opportunities of democracy."

"Hitler with all his youth schemes, has only produced a nation of destroyers, we will provide a nation of world creators."

He goes on to say "every citizen should be ready to help his country to win the war. Therefore they were encouraging boys to join the Home Guard, the A.T.C., army cadets, sea cadets and to train for Civil Defence work." He added: "I would like to see built up a youth movement in Scotland which would not merely be of value for war purposes, but would be of tremendous value in dealing with problems of post-war reconstruction."

Quite obviously, we must resist the temptation to take Mr. Westwood too literally.

How can a child of twelve possibly be fitted for citizenship (not to mention "obligations, responsibilities and opportunities") by a *compulsory intensive training,* presumably in the art of living?

How can a child of twelve become a constructive doer and thinker if his whole training has been one of DEstruction, undergone when he is at his most difficult and impressionable stage of development?

How.....? No, quite obviously, it isn't human children that Mr. Westwood has in mind. Either they are animals, or children of his imagination. The latter seems most probable.

Then again—citizenship. Who, among the available adults exempt from registration for military service, are qualified to turn boys into citizens, whatever that may mean? And *who* is to decide *what* it may mean? Presumably Mr. Westwood, M.P., the Under-Secretary for Scotland.

One is forced to conclude that Mr. Westwood is not a realist but an idealist, and as such an extremely dangerous man to have anything to do with the training of the young, be it voluntary or compulsory: children are essentially realists, until interfering adults start trying to *train* them. (Even Mr. Westwood would be a realist if he had not been trained to see things as he thinks they ought to be and not as they are.) And it is inherent in human nature that, given the freedom to choose or refuse each alternative as it arises, experience is the primary trainer and aid to individual development.

Clearly, a "scheme for a nation of 'creators'" would not produce creators at all, only a generation of mass-produced young men and women of standardised opinions, which would be the final assurance that the post-war reconstruction of these islands would be a contributary plan to that vast world-scheme which is rapidly absorbing our energy and indivdual sovereignty into its strangle-hold.

Blind the children to the truth and the world is safe for bureaucracy.

A. C. J.

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The Army of the Revolution

The Fabian Society, like the French Revolution, was a transplant from America, though doubtless the wasp which gave birth to both of them was itself, in defiance of Monroe, born elsewhere.

The direct influence leading to the formation of the Fabian Society was Thomas Davidson, founder of the Fellowship of the New Life. The Fellowship became the Ethical Society of Culture in New York.

"The ideas which captured and convulsed the French people were mostly ready-made for them," says Lord Acton, who also remarks upon the common philosophy which united the revolutionaries. ". . . . all these fractions of opinion were called Liberal: Montesquieu, because he was an intelligent Tory; Voltaire, because he attacked the clergy; Turgot, as a reformer; Rousseau, as a democrat; Diderot, as a freethinker. *The one thing common to them all is the disregard for liberty.*"

The same penetrating writer has recorded his opinion that "the appalling thing in the French Revolution is not the tumult but the design. Through all the fire and smoke we perceive the evidence of calculating organisation. The managers remain studiously concealed and masked; but there is no doubt of their presence from the first." (*—Lectures on the French Revolution,* 1910, p. 97.)

Many are coming to see, chiefly through analyses of the situation published in these pages, that 'the appalling thing in this greater revolution is not the tumult but the design.' (The rest of the quotation fits very aptly.)

It would be interesting to know how many members of the present government, and still how many more members of the vast administrations which reduce our war effort to imbecility, are members of the Fabian Society. Sir Stafford Cripps (not yet a Minister) is only one.

In 1930 (November 1) the *Evening Standard* said that 90 per cent. of the then Government were Fabians and that "contrary to regulations" so were a good many highly-placed civil servants.

It could scarcely be otherwise, for, since the London School of Economics was the crowning achievement of the Fabians in "permeation," the ideas the Webbs inculcated are still having little opposition in the academic circles from which the civil service is recruited.

Since Mr. Bernard Shaw said that "the success of the Russian experiment means that old words such as Fabianism and Socialism are all out of date. There is nothing now but Communism," there has been wider use of the more 'modern' label. But that does not mean that the policy of the Fabian Society has undergone a change. It is still a policy of 'permeation.'

On that account the Society's remarks about Military Education (Fabian Society and Victor Gollancz Ltd., Research Series No. 53; 6d.), are of public interest—and by 'public' we mean that they are of interest to those who believe the war is being fought for "liberty" and would like it won for "liberty," for one thing common to all socialists is "disregard for liberty."

The author of this pamphlet, Thomas Stevens, finds it "convenient to mention" that revolutionary experiments in army education between Act 1 of the present war and the introduction of conscription in England are naturally most outstanding in armies of an extremely democratic or revolutionary character.

"Oliver Cromwell's 'New Model' army had 'agitators' who argued politics with the Lord General; and their discussions formed a fruitful contribution to political thought. The armies of the French Revolution had 'delegates' who did the job of political propaganda. The modern Red Army has had political 'commissars,' and the Spanish Republican Army appointed men whose official title was '*Comisario de guerra,*' commissar of war. Whatever may be thought of the particular 'ideology' in question or the regime defended by these armies, there can be no doubt that there is much that all armies can learn from them."

A curious little emblem appears on the cover of the Fabian Society (and Victor Gollancz Ltd.)'s pamphlet. It is a drawing of that natural armoured car, the turtle, with the legend: "Where I strike I strike hard." The War Office please note!

T. J.

"IT MUST BE QUIETLY DONE"

On March 5, 1907, the then Prime Minister, Sir Henry Campbell-Bannerman, received a deputation from the Royal Anthropological Institute, The Sociological Society, the Childhood Society, The Royal College of Surgeons (England), the Royal Society (Edinburgh), The British Science Guild, and the Royal Statistical Society. It asked for a National Anthropometric Survey at a cost of £4,000 to £5,000 and was introduced by a Mr. Lehmann.

According to the verbatim report of the speeches published in the *Journal of the Anthropological Institute* for 1907, the Prime Minister said, among other things, "When you undertake to apply this sort of examination to adults and to the children of parents, you have to carry both the adults and the parents with you; and if you are supposed to be going too fast, or interfering too much, I can conceive that this thing would be rather set back than set forward. . . . We must walk somewhat warily, because the least idea getting about that we are taking advantage of the children of the public schools to be made a plaything or an experiment upon, would be very fatal. Therefore it must be quietly done. . . . ."

The B.B.C. and Democratisation

By B. M. PALMER

On January 28, *The Times* expressed "public" uneasiness at the resignation of the Director General of the "B".B.C., pending further knowledge of its causes. According to the article the Corporation is on the same footing as the Press, and equal diplomatic discretion is required of it, but like the Press it should enjoy "unfettered responsibility" to broadcast whatever the Press is free to print, and the selection it makes from the news should be free from any official censorship or "advice" (*The Times's* inverted commas) from which the Press is immune.

We know what the Freedom of the commercial Press is worth. But the B.B.C. enjoys a monopoly of the air. Up to the present not even *The Times* has succeeded in establishing the desirability of a complete press monopoly, though doubtless this is wanted in certain quarters. Two dailies, two weeklies, two quarterlies, one left and one right, sisters under the skin, would be a pleasing arrangement to the Red Intelligentsia. Intricate and endless arguments concerning methods of administration could then never, *never* be interrupted by awkward questions concerning policy.

But the B.B.C. is already in this fortunate position. Its policy is quite beyond the control of listeners; the final decison on what selection of news or views shall be broadcast rests with the Corporation itself.

The Times's leader states "there is no reason why the B.B.C. should not enjoy unfettered responsibility in the broadcasting of whatever the Press is free to print."

That is a fine phrase, and would answer the purpose very well if responsibility and freedom could be bound together; but when responsibility is not brought home, freedom becomes licence. This is exactly the position we have, both in the press and radio. And there is no such thing as "unfettered" responsibility; there is responsibility and irresponsibility.

No means exist whereby any national control of the *policy* of either Press or Radio has been established. But it could be established.

A correspondent writes from Alberta that his week's Radio programme may contain as much as 61½ hours soap advertisement ("this is a Lever product."). Undesirable as this may be it is no worse than the propaganda for the planned world state which creeps into nearly every talk in this country, and whose source is never acknowledged. One example must suffice. Recently a discussion took place under the title "It's only Human Nature," during the course of which a woman's voice was heard to remark that poor little London children were cramped and frustrated because everything they touched belonged to somebody. The corollary, of course, is that when everything belongs to nobody there will be no frustrated children.

Are these constant attacks on the principle of private property the policy of the listeners of this country? They have never been consulted. They could, of course, write to the B.B.C. about it, and in so far as they are silent, they must bear the consequences.

But meanwhile everything possible is done by the Corporation to encourage the idea that equal consideration is due to informed and uninformed *opinion*, particularly in matters musical and literary. As a correspondent in *Truth* writes: —

"Large staffs are at work, writing obsequious letters in answer to correspondents, huge machines card index and tabulate and add up figures of likes and dislikes, and a magnificent organisation is set in motion which slowly but surely established the fact (you and I might have guessed it) that more listeners care for Light Variety than for the C Minor Concerto of Mozart. 'The customer is always right'—this means the majority of customers are more right than the minority, of course, but only in proportion to their numbers."

There is only one word for this process—"democratisation"—a detestable word, but quite suitable if used to express the lowering of all standards, both physical and mental, under the hypocritical pretence that this is democracy. Thus the abolition of first class carriages on the suburban lines has been quoted in the *Daily Telegraph** as an example of democratisation. Why not cattle trucks?

The satisfaction of popular tastes in music is a question for experts, responsible only for the results they produce. What was contemplated by the public when broadcasting was introduced was access to the standard entertainment provided by individual initiative throughout the country, or, indeed, the world. The public didn't ask for the B.B.C.'s programmes and radio engineering is capable of providing what the public wants.

Some years ago the bronze statue of Eros in Sefton Park, Liverpool, was painted with bright aluminium paint, on the instructions of a sub-committee. No doubt it was admired by many. There are those who like to decorate their gardens with little statues of the Seven Dwarfs. And why should they not? There is a difference between a private garden and a public park, as between a gramophone and a national Radio. But it is just all these subtle differences concerned with ownership and the real meaning of policy that are suffering deliberate confusion at the hands of those who are working for democratisation: chief among whom are those responsible for the "B".B.C., who, while they carefully refrain from allowing the people an inkling that policy has already been decided for them, encourage them to waste their own emotional powers and the precious gifts that artists might share with them.

PARLIAMENT

JANUARY 27.

WAR SITUATION (99 columns)

[Mr. Churchill's statement on the war situation has been widely published. Only his account of the arrangements he made in the United States of America for the organisation of the Allies are reprinted here: —]

The Prime Minister (Mr. Churchill): . . . . I now turn for a short space . . . . to the question of the organisation, the international, inter-Allied or inter-United Nations organisation, which must be developed to meet the fact that we are a vast confederacy. To hear some people talk, however, one would think that the way to win the war is to make sure that every Power contributing

**Daily Telegraph*, September 23, 1941: *One-class Travel, a New Sign of Social Evolution* by Victor Sommerfield.

armed forces and every branch of these armed forces is represented on all the councils and organisations which have to be set up, and that everybody is fully consulted before anything is done. That is in fact the most sure way to lose the war. You have to be aware of the well-known danger of having "more harness than horse," to quote a homely expression. Action to be successful must rest in the fewest number of hands possible. Nevertheless, now that we are working in the closest partnership with the United States and have also to consider our Alliance with Russia and with China, as well as the bonds which unite us with the rest of the 26 United Nations and with our Dominions, it is evident that our system must become far more complex than heretofore.

I had many discussions with the President upon the Anglo-American war direction, especially as it affects this war against Japan, to which Russia is not yet a party. The physical and geographical difficulties of finding a common working centre for the leaders of nations and the great staffs of nations which cover the whole globe are insuperable. Whatever plan is made will be open to criticism and many valid objections. There is no solution that can be found where the war can be discussed from day to day fully by all the leading military and political authorities concerned. I have, however, arranged with President Roosevelt that there should be a body in Washington called the Combined Chiefs of the Staff Committee, consisting of the three United States Chiefs of the Staff, men of the highest distinction; and three high officers representing and acting under the general instructions of the British Chiefs of the Staff Committee in London. This body will advise the President, and in the event of divergence of view between the British and American Chiefs of the Staff or their representatives, the difference must be adjusted by personal agreement between him and me as representing our respective countries. We must also concert together the closest associations with Premier Stalin and Generalissimo Chiang Kai-Shek as well as with the rest of the Allied and Associated Powers. We shall, of course, also remain in the closest touch with one another on all important questions of policy.

In order to wage the war effectively against Japan, it was agreed that I should propose to those concerned the setting up of a Pacific Council in London, on the Ministerial plane, comprising Great Britain, Australia, New Zealand and the Dutch Government. Assisted by the British Chiefs of the Staff and the great staffs organisations beneath them, I was to try to form and focus a united view. This would enable the British Commonwealth to act as a whole and form part of plans—plans which are at present far advanced —for collaboration at the appropriate levels in the spheres of defence, foreign affairs and supply. Thus the united view of the British Commonwealth and the Dutch would be transmitted, at first, on the Chiefs of the Staff level, to the combined Chiefs of the Staff Committee sitting in Washington. In the event of differences between the members of the Pacific Council in London, dissentient opinions would also be transmitted. In the event of differences between the London and Washington bodies, it would be necessary for the President and me to reach an agreement. I must point out that it is necessary for everybody to reach an agreement, for nobody can compel anybody else.

The Dutch Government, which is seated in London, might be willing to agree to this arrangement, but the Australian Government desired and the New Zealand Government preferred that this Council of the Pacific should be in Washington, where it would work alongside the Combined Chiefs of the Staff Committee. I have therefore transmitted the views of these two Dominions to the President, but I have not yet received, nor do I expect for a few days to receive, his reply. . . . .

Sir Herbert Williams (Croydon, South): . . . . The Prime Minister must not mix up the national cause with his personal cause. If you have a Vote of Confidence, the inevitable result will be that it will be no satisfaction to the House at all that the criticism will not continue. The Prime Minister is placing his loyalty to his colleagues on that bench before his loyalty to the nation. . . I said the Prime Minister was a great inspiration. So he is, and no one desires more than I that he should continue as Prime Minister. But not in his present function. It is wrong that the Prime Minister should also be Minister of Defence.

. . . The way in which correspondence is handled in Governments Departments is quite stupid. The last long interview I had with Mr. Neville Chamberlain was on that very issue. As a result of something he said at a private gathering, I wrote to him, and a few days later he asked me to go and see him. At the time he was not Prime Minister, but Lord President of the Council. On that occasion I spoke as strongly as I could on this subject, which I have tried to study for many years.. He said, "Collect for me a series of examples arising out of your own experience." In three or four days I had searched out 20 good examples and sent them to him. I received the usual acknowledgment. Unfortunately, Mr. Chamberlain was taken ill, and I never got any answer from him, but I did get one from a secretary. What had been done? They had taken the 20 cases and explained them all away. It is the same as if you went to a doctor because you had spots on the face and he dealt with each spot individually, and then said, "You are quite well," although as a matter fact you had smallpox. The whole system is incredibly stupid. You will never alter the Civil Service unless the Prime Minister of the day alters it. How can you alter it? Who is responsible for the administration in Government Departments?. . . We have got to smash this system, and it can only be smashed if the Prime Minister sends for all his Ministers and permanent secretaries and tells them that if this dilatoriness goes on, those responsible will be sacked. The weapon we have is to sack them, although I do not believe that I have ever sacked anyone in my life. They ought to be retired at once on a proportionate pension, and I have not the slightest hesitation in saying that Government Departments would then be run with double efficiency with half their staffs. . .

Another thing which I deplore is that whenever the Prime Minister makes a great speech he gives us another year which the war will last. It is a very dangerous disease, this disease of what we are going to do in 1946, 1947 and 1948. Do we realise that war has become an industry and that there are masses of people in this country living on the assumption that it is going on for ever, instead of regarding war as a dreadful thing to be got rid of as quickly as possible? There is no zeal in our Government Departments, but there is plenty of overtime. Personally, if I found a man regularly doing overtime, I would dismiss him on the ground of being incompetent. But it is difficult to criticise people who are working abnormal hours when the Prime

Minister himself imposes an unnecessary burden on a great many eminent persons by doing his business at the wrong hour of the day....

JANUARY 28.

CONFIDENCE IN HIS MAJESTY'S GOVERNMENT (152 columns)

Mr. McGovern (Glasgow, Shettleston): ... One .... night ... the foulest things were said about Mr. Neville Chamberlain and some most vitriolic speeches were made in condemnation of him. I have always clung, and will always cling, to the opinion—quite apart from my anti-war attitude—that, as far as this country is concerned, it would have been a case of God help Britain if she had gone to war in the Munich period. If, after nearly 2½ years of war and four years of rearmament, we are not yet in a position to wage war effectively in any part of the world, what would have been our position in the Munich period in 1938? The position of my hon. Friends and me was opposition to war. Mr. Neville Chamberlain and his supporters opposed war because they could do no better than compromise in the dangerous situation then facing them.... In certain situations it is conceivable that some men may change their ideas concerning war. I have never been opposed to that, but I am opposed to their parading themselves in the country as super-patriots after they have for years in this House opposed rearmament and every preparation for war.....

One of the greatest difficulties in this House is to form an Opposition. Efforts to form an Opposition, no matter how small, have been destroyed and sabotaged right from the early days of this Government. The right of an intelligent Opposition to take the floor of the House has been destroyed. No matter how difficult it might have been for an intelligent Opposition to hold the fort, they might have rendered a service to Parliamentary democracy in fighting for reforms to which the country is entitled even during a period of war.....

A revolution is taking place, but it does not take place in the only place where it should, and that is in the minds of men. The machine is using men instead of men using the machine. We are asking hon. Members to recognise the coming of this new order. Many of you with ability may, if you wish, become the supervisers, commissars or representatives in the new order, which is bound to come in this country. Members of the Labour party went into the Government and were supposed to be the forerunners of that new order, but they have gone asleep on the job.....

Commander Bower (Cleveland): ....I will make a constructive suggestion. It is that the Prime Minister should relinquish the post of Minister of Defence. I go further and say, Abolish it. It is an innovation which, judging by results, has been most unfortunate.... I do not think, supposing, say, the Home Secretary were removed from the Cabinet, that the roof of Transport House would fall in. If the Chancellor of the Exchequer were removed, I do not think that the whole Tory party would blow up. There is always a Goschen around the corner. The Prime Minister will appreciate that allusion. I cannot see why changes should not be made, and I suggest to the Prime Minister that the time has come to make them. I suggest also to the country that the time has come to examine very carefully how this war is being run and by whom....

Commander Sir Archibald Southby (Epsom): ....The Government must have known of Singapore's lack of shore-based fighter aircraft, and if the [two capital] ships were to be sent, then obviously they should have been accompanied by an aircraft carrier. I cannot believe, and I will not believe, that expert naval officers at the Admiralty failed to advise that in the circumstances those ships should be accompanied by an aircraft carrier. If they did not so advise, then theirs is the blame, but if they did so advise, by whom was their advice overridden?

The Prime Minister has asked for frankness. I have even heard it stated that orders were given for an aircraft carrier to accompany those ships and that those orders were countermanded by the Prime Minister himself. I am not saying that it was so, but that is what I have heard said. Is it true, or is it not? We have a right to know. That sort of thing should not be said without being answered. The loss of those ships may well influence the whole future conduct of the war.....

JANUARY 29.

CONFIDENCE IN HIS MAJESTY'S GOVERNMENT (69 columns)

Major Maxwell Fyfe (Liverpool, West Derby): ... The third main division of subjects in the Debate has been the question of production. There I take the view that we have, by the insistence merely on the position of a Minister of Production, really been guilty of the very gentle error to-day of over-simplifying the problem with which we have to deal. I think it is much more important that the co-ordination of Government effort, and the Government approach to the 100,000 firms who carry on British industry at the present time, should be at a regional level where they will come into direct and more useful contact with a large variety of firms. I am much more concerned that the five Government Departments that deal with industry should be co-ordinated by a regional organisation which would enable them to meet industry and enable industry to provide the best method for co-operation with them in that way. Every one is agreed that one of the vital points is to obviate as far as possible long-range clerical control from Whitehall. To my mind the question of administration in that direction is more important that the rather academic question of whether or not there should be a Minister of Production.....

Sir Hugh O'Neill (Antrim): ....There is one further point which I should like to stress as regards American participation in the war. Up to the time the United States came in, if Britain had been invaded, if we had been conquered, the war would have been over, but now that America is in the war, if we are invaded, if we are conquered, the war does not end, because we have great Allies, the United States and Russia, to carry it on, with the rest of the Empire, to a successful conclusion, no matter what should happen in this island. That is a stupendous fact....

....I cannot help referring to an issue of that kind which occurred in this country only two or three years ago, over the decision of the Government of the day to hand over the ports of the Southern Irish Government, and to give up the rights in those ports which they had retained for the British Government, in the treaty of 1921, because

it was then felt that they were strategically of tremendous importance. Did the Naval staff of that day agree to those ports being abandoned as harbours by the British Government? This incident took place about one year before the outbreak of this war. I am not sure that I am right, but so far as I can remember the First Sea Lord at that time was Lord Chatfield. Did Lord Chatfield agree, in that matter of grave policy of handing over the ports? If he did not, was it not a matter of such importance to the strategy and safety of these Islands that the head of the Naval Staff should have resigned rather than agree? If there was no necessity for resignation, if the Admiralty Chief of Staff had gone to the Government and said that this thing was strategically impossible and was so important to the country that the Admiralty could not possibly agree to it, the whole thing might have been dropped and nothing more been heard of it. . . .

Major Milner (Leeds, South-East): . . . . I would refer to one matter of considerable constitutional importance which he has raised, and that is the responsibility of the Board of Admiralty. This is not the time or the occasion to argue the case, but I think it will be found that a very curious state of affairs exists in the Admiralty. I point it out for the information of hon. Members. I believe that the real responsibility, by Orders in Council passed a good many years ago, is that the First Sea Lord; the Board of Admiralty as a whole have little or no responsibility. I am not at all sure whether its members have even the right to resign, which my right hon. Friend thought in such cases they might have had. . . . .

The Prime Minister (*Mr. Churchill*): . . . . My right hon. Friend the Member for East Edinburgh (Mr. Pethick-Lawrence) has asked very properly—and the Noble Lord opposite made a specific point of it—why the "Prince of Wales" and the "Repulse" were sent to Eastern waters if they could not be properly protected by aircraft. The answer to this question is that the decision to send those ships in advance to the Far East was taken in the hope, primarily, of deterring the Japanese from going to war at all, or, failing that, of deterring her from sending convoys into the Gulf of Siam, having regard to the then position of the strong American fleet at Hawaii. . . .

. . . . The intention was that these two fast ships, whose arrival at Cape Town was deliberately not concealed, would not only act as a deterrent upon Japan coming into the war but a deterrent upon the activities of individual heavy ships of the enemy, our ships being able to choose their moment to fight. The suggestion of the hon. and gallant Member for Epsom (Sir A. Southby) that the Naval Staff desired to send an aircraft-carrier and were overruled by me is as mischievous as it is untrue. It was always the intention that any fast ships proceeding to the Far East should be accompanied by an air-craft carrier. Unfortunately, at the time, with the exception of an aircraft-carrier in home waters, not a single one of this type was available. . . . all of them, except the one with the Home Fleet, were under repair. . . .

In the opinion of the Board of Admiralty, which it is my duty to pronounce, the risks which Admiral Phillips took were fair and reasonable, in the light of the knowledge which he had of the enemy, when compared with the very urgent and vital issues at stake on which the whole safety of Malaya might have depended. . . . .

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