

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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## Edmund Burke's Reflections

Compiled by N. F. WEBB

The French Revolution profoundly shocked the sense of decency latent in human nature, and especially the Anglo-Saxon code. Relatively few people in England gave their approval to the goings-on in Paris. These were mostly the Non-conformists (our Lutherans), who had admittedly received rather shabby treatment, with a handful of revolutionary intellectuals, mostly of London, who had imbibed the doctrine of the French Encyclopaedists, and displayed the unreasoning and indiscriminate partisanship that we see given to-day by the Left minority to that direct heir of the Reign of Terror, the Russian Experiment. But the bulk of the nation, thanks to what Burke refers to as "our sullen resistance to innovation" and "the cold sluggishness of our national character," were either indifferent, or deeply shocked by the acts accompanying the birth of abstract liberty.

Edmund Burke, in common with the majority of Englishmen, was outraged, and he could give literary expression to his feelings. It is quite in line with the superficial irrationality of the Anglo-Saxon system that the most representative and typical voice in England at this time of crisis, was that of an Irishman, and the son of a Roman Catholic mother. The truth is, of course, that what we may call Anglo-Saxondom is one of the most Catholic and embracing and concrete of phenomena that civilised association has produced. So there is nothing surprising in the fact that it should have been a son of Ireland, that land of chronic rebellion and violence and unconstitutional behaviour, who should have supplied the fullest expression to the orderly Englishman's objection to the unconstitutional behaviour across the Straits of Dover, and in doing so have given form to the essential emotions of English Constitutionalism.

Edmund Burke's *Reflections on the French Revolution* contains more "meat" than is to be found in a year's political output to-day. In him the Right found such a voice as seems entirely lacking at present. But then, in his day the Right still had ears to hear, and he had a tough and attentive audience, which had not had to undergo the prolonged "softening-up" by a bombardment of Leftist literature which has been the lot of Englishmen ever since the last war.

The following are a few extracts taken rather at random, but intended to emphasise the two main aspects of the *Reflections*:—Burke's appreciation of Constitutionalism, (Political Relativity), and his condemnation of Continental Absolutism, (gangsterdom). Each extract has been given

a distinguishing label, with here and there a comment bearing on the argument.

### ABSOLUTISM

#### LIBERTY AND ALL THAT—

(1) THE ABSTRACTIONISTS:—(page 282\*). "But I cannot stand forward and give praise or blame to anything which relates to human actions, and human concerns, on a simple view of the object, as it stands stripped of every relation, in all nakedness and solitude of metaphysical abstraction. Circumstances (which with some gentlemen pass for nothing) give in reality to every political principle its distinguishing colour and discriminating effect. The circumstances are what render every civil and political scheme beneficial or noxious to mankind. Abstractedly speaking, government, as well as liberty, is good; yet could I, in common sense, ten years ago, have felicitated France on her enjoyment of a government (for she then had a government) without inquiry what the nature of that government was, or how it was administered? Can I now congratulate the same nation upon its freedom? Is it because liberty in the abstract may be classed amongst the blessings of mankind, that I am seriously to felicitate a mad-man, who has escaped from the protecting restraint and wholesome darkness of his cell, on his restoration to the enjoyment of light and liberty? Am I to congratulate a highwayman and murderer, who has broke prison, upon the recovery of his natural right?..."

(2) CHANGE OF PERSONNEL (page 322): "Every person in your country, in a situation to be actuated by a principle of honour, is disgraced and degraded, and can entertain no sensation of life, except in a mortified and humiliated indignation. But this generation will quickly pass away. The next generation of the nobility will resemble the artificers and clowns, and money-jobbers, usurers, and Jews, who will be always their fellows, sometimes their masters. Believe me, Sir, those who attempt to level, never equalise. In all societies, consisting of various descriptions of citizens, some description must be uppermost. The levellers therefore only change and pervert the natural order of things; they load the edifice of society, by setting up in the air what the solidity of the structure requires to be on the ground..."

*As to technique, and methods, society must be hierarchical. There is a profession of everything, even leadership. Within reasonable limits an individual does right to be jealous of his professional field. You cannot have craftsmanship without professional pride. Perhaps the chief weakness in the Fuehrer is that he was trained to hang paper, not to lead.*

\*All extracts are from the *Works of Edmund Burke*, Vol. II. George Bell & Sons (1910).

(3) THE RULE OF THE PROLETARIAT (page 322):—“The Chancellor of France at the opening of the states, said, in a tone of oratorical flourish, that all occupations were honourable. If he meant only, that no honest employment was disgraceful, he would not have gone beyond the truth. But in asserting that anything is honourable we imply some distinction in its favour. The occupation of a hair-dresser, or of a working tallow-chandler, cannot be a matter of honour to any person—to say nothing of a number of other more servile employments. Such descriptions of men ought not to suffer oppression from the state; but the state suffers oppression, if such as they, either individually or collectively, are permitted to rule. In this you think you are combating prejudice, but you are at war with nature.”

(4) GANGSTERDOM (page 350):—“But power of some kind or other, will survive the shock in which manners and opinions perish; and it will find other and worse means for its support. The usurpation which, in order to subvert ancient institutions, has destroyed ancient principles, will hold power by arts similar to those by which it has acquired it. When the old feudal and chivalrous spirit of *fealty*, which, by freeing kings from fear, freed both kings and subjects from the precautions of tyranny, shall be extinct in the minds of men, plots and assassinations will be anticipated by preventive murder and preventive confiscation, and that long roll of grim and bloody maxims, which form the political code of all power, not standing on its own honour, and the honour of those who are to obey it. Kings will be tyrants from policy, when subjects are rebels from principle.”

*After France, Russia. After Russia, Germany. After Germany—?*

#### THE “RIGHTS” OF MAN:—

(5) THE DOCTRINAIRE (page 337):—“This sort of people are so taken up with their theories about the rights of man that they have totally forgotten his nature. Without opening one new avenue to the understanding, they have succeeded in stopping up those that lead to the heart...”

(6) THE COMPUTING PRINCIPLE (page 335):—“The pretended rights of these theorists are all extremes; and in proportion as they are metaphysically true, they are morally and politically false. The rights of men are in a sort of *middle*, incapable of definition, but not impossible to be discerned. The rights of men in governments are their advantages; and these are often in balance between differences of good; in compromises sometimes between good and evil, and sometimes between evil and evil. Political reason is a computing principle; adding, subtracting, multiplying and dividing, morally and not metaphysically, or mathematically, true moral denominations.”

(7) THE RIGHT OF MINORITIES (page 335):—“By these theorists the right of the people is almost always sophistically confounded with their power. The body of the community, whenever it can come to act, can meet with no effectual resistance; but till power and right are the same, the whole body of them has no right inconsistent with virtue, and the first of all virtues, prudence. Men have no right to what is not reasonable...”

(8) PURITANISM (page 441):—“...in general, those who are habitually employed in finding and displaying faults,

are unqualified for the work of reformation, because their minds are not only unfurnished with patterns of the fair and good, but by habit they come to take no delight in the contemplation of those things. By hating vices too much, they come to love men too little...”

*(To be concluded)*

### “Booksellers’ Association and Jewish Interest”

A reply has been received by Messrs. K.R.P. Publications, Ltd., to their letter to the Associated Booksellers of Great Britain and Ireland originating from a statement published by the *Jewish Chronicle* purporting to implicate (1) The Booksellers’ Association and/or (2) The Glasgow Price Regulation Committee and others, with a Public Relations Committee of the Glasgow Jewish Representative Council, in “opposition” to the granting of a licence to open a shop in Glasgow to an individual trader named by *The Jewish Chronicle*, etc., (see *The Social Crediter*, November 4).

As was to be anticipated, the letter, which we have seen, is of an entirely satisfactory nature; and we do not propose to mention it further at present, beyond saying that, like ourselves, this reputable trade association had not heard of the individual trader whose rights were attacked until *The Jewish Chronicle* made its disclosure.

*The Jewish Chronicle* quoted a statement by a Captain Barnett concerning a trader who “had been granted a licence to open a shop in Dundas Place, Glasgow, despite opposition from the Booksellers’ Association and independent booksellers.” The statement mentions further that a Public Relations Committee of the Glasgow Jewish Representative Council “had been in contact with Councillor Ernest Greenhill and a member of the local Price Regulation Committee, which was responsible for the granting of the licence, and also the Booksellers’ Association and several independent booksellers in order to try and get the licence rescinded.” (*The Jewish Chronicle*, October 27.)

In small print, the following further references appear (on different pages) in *The Jewish Chronicle* for November 3. We publish them *in extenso* to avoid argument which might arise if we did otherwise, and not because all the sentences are as significant as those which disclose the policy and methods of their writers:—

(1)

Letter signed, “MacIsaac”:—

“I am sure I must share your readers’ amazement at the advertisement given to Alexander Ratcliffe by Captain Barnett at the meeting of the Glasgow Representative Council, reported in your issue of last week. I have some knowledge of Glasgow, and it seems to me incredible that a community which includes such an influential person as Sir Maurice Bloch should not first of all have made approaches to the Scottish Secretary, and not only recently been considering it. Nor can I believe that Glasgow is not fully aware both of what the Board of Deputies have done in this matter, or ignorant of the clearly stated views of the Government, as expressed more than once in the House by Mr. Morrison. If any useful purpose has been served by the “blazing indiscretion” of Captain Barnett’s remarks, it is to convince the community how ill-fitted he and his Committee are for this work, and may we hope that we shall without delay, put in their place people who put common sense and discretion before impetuosity.”

(2)  
Letter from Press Officer of Board of Deputies of British Jews:—

Sir,—In your report of the meeting of the Glasgow Representative Council, the Chairman of the Public Relations Committee, speaking with reference to a certain matter, is reported to have said that 'although Mr. Salomon had informed him that representations would be made to various Government Departments and officials nothing appeared in the ensuing correspondence to suggest anything had been done.' This statement is inaccurate and without foundation. Reference was made to the subject in a communication as late as September 5th, and the Council is no doubt aware that these matters have been discussed, not only by correspondence but by telephone and in personal conversations, over a considerable period.

I am also authorised to express surprise and regret that the Chairman of the Public Relations Committee regarded it as a helpful contribution to the cause of Jewish defence, publicly to quote matters of internal discussion with a parent body under whose auspices he is presumed to be working, and also to quote the various other interviews and correspondence in relation to the actions of an individual who is no doubt most grateful for the additional publicity.

I am, &c.,  
SIDNEY SALOMON.

Board of Deputies of British Jews,  
Woburn House, W.C.I.

## PARLIAMENT

House of Commons: October 24, 1944.

### COAL INDUSTRY

#### Voluntary Absenteeism

Colonel Ropner asked the Minister of Fuel and Power whether absenteeism in the mines is more noticeable on any one day of the week than on any other; and to what extent the operation of Pay as you earn is a factor in producing it.

Major Lloyd George: Owing to the strain on colliery clerical staffs in furnishing such information, I have not attempted to collect any statistics later than those relating to December, 1943, and January, 1944. Those figures are included in Table 8 of the Statistical Digest (Cmd. 6538), and show that for underground workers the rate of voluntary absenteeism is much heavier on Mondays (including the Sunday night shift) and on Saturdays. I have no statistical information about the effect of the Pay as you earn system, but I am aware of the view that the introduction of this system has been a contributory factor in the recent increase in voluntary absenteeism.

Mr. James Griffiths: Is it a fact that the first and last days of the week are those upon which there is much absenteeism?

### SEVERN BARRAGE SCHEME

Sir Stanley Reed asked the Minister of Fuel and Power whether the report of the expert committee appointed to examine the project for a barrage and hydro-electric installation on the River Severn has yet been received; if it will be published; and whether the scheme will be treated as one of urgency.

Major Lloyd George: I have now received the report and am arranging for it to be published as soon as possible. Meanwhile, it is being very carefully studied; but, as the proposals raise some very serious issues, I can give no indi-

cation when I shall be able to announce a Government decision on the project.

### ELECTRICITY SUPPLY (REORGANISATION)

Mr. James Griffiths asked the Minister of Fuel and Power what steps he is taking to secure the reorganisation of the generation and distribution of electricity; and when he will be able to make a statement of the Government's policy in this matter.

Major Lloyd George: Proposals for the reconstruction of the electricity industry are being considered by the Government, but I am unable to say when I shall be able to make a statement on the Government's policy.

### COAL INDUSTRY: PRICES

Mr. R. Duckworth asked the Minister of Fuel and Power what was in 1910, 1920 and 1930, the price of coal which is at the present moment sold at 79s. 3d. per ton.

Major Lloyd George: Coal of the quality at present retailed at 79s. 3d. in the London area was sold at 26s. to 28s. a ton in 1910, 63s. in 1920 and 54s. in 1930.

### SUPPLY: SUPPLEMENTARY VOTE OF CREDIT

Mr. Stephen (Glasgow, Camlachie): ... I was not greatly impressed by some of the things that the Financial Secretary said with regard to the financial position of the country. ... While we have spent £24,000,000,000 on carrying on the war and are now asking for £1,250,000,000 more, the fact remains that we still have the factories and the workshops and the man-power in the country. I will admit that there is a great burden of debt and heavy interest to be paid in days to come. One hon. Member has suggested that the interest on the debt will be about £700,000,000 per annum. I just wonder how much of that will be internal and how much we shall have to pay to outside creditors.

I would also point out that as we still have this tremendous industrial capacity in the country, all this skill and man-power, that I have no doubt we shall be able to face the future in an optimistic way, unless we are crushed by a financial system which is not a reasonable financial system at all.

House of Commons: October 25, 1944.

### WAR CORRESPONDENTS

Sir T. Moore asked the Secretary of State for War how many British and American war correspondents are allotted to each theatre of war, respectively.

The Secretary of State for War (Sir James Grigg): I am circulating the figures asked for by my hon. and gallant Friend in the OFFICIAL REPORT.

Sir T. Moore: If, as I assume, all these war reporters are given full facilities for reporting freely for the United States and this country, why is it that my right hon. Friend said that so much more publicity is given to the activities of American troops, than to those of British and Imperial troops?

Sir J. Grigg: This is a request for figures, and if

(Continued on page 7)

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### From Week to Week

Any student of British economic conditions, and of the politics of trades unionism, must be aware that what is now called power politics is of the essence of them. Whether as a result or not, the standard of material living (not to be confused with the general satisfaction with life) has been conditioned during the past fifty years, not by what is possible, but by what the easy-going Briton would accept.

A simple instance of this was available to anyone who actually lived off the country in France, as distinct from staying in hotels. The village shops, whether independent or "chain store," sold tinned fruits, meats, etc., carrying labels familiar to the English villager. But the quality was invariably superior. The French housewife demanded the best at the lowest price and got it; and, at higher prices, the English got what was left. We don't know who used to get the offal the Americans send us, but we do know that no American would eat it.

It is obvious that what Dr. Hugh Dalton, with that curious insolence so noticeable in the Fabian-Etonian, calls "planned scarcity" is now a conscious policy because it transfers to the bureaucracy maximum powers! Miss Eleanor Rathbone, M.P., is greatly concerned lest these islands should have anything but bare subsistence until the down-trodden Continentals have every luxury, a policy which, whatever might be the motive, would result in the refugees from Hitler's tyranny here amassing comfortable fortunes by smuggling the exported luxuries back again to sell them in the black market. We suggest that our readers write to Miss Rathbone, in the hope that they can inject into her bemused mind that British M.P.s are elected to represent British interests, rather than to gratify their fuzzy-wuzzy sentimentality at the expense, and without the authority, of their constituents.

We shall have every discomfort of rationing, snooping, high taxation and bad service just so long as officialdom is allowed to maintain them. And we shall have them again, and more of them, unless we make it very uncomfortable for those who enjoy minding other people's business unasked.

There can be no greater mistake than to suppose that a willingness to accept what is given us will ensure that at any rate that minimum is assured. Everyone who has been and is a victim of the irritating and irrational petrol coupon system knows that the principle on which it is administered is to cut down your allowance steadily and without

reason until pressure is brought to bear. The amount of petrol which has been wasted—not used for war purposes, but wasted by State Services and State officials—in the past year would have provided a basic ration to every private car owner. The reasons underlying the present stubborn and very expensive tyranny are not unconnected with the determination of the American car manufacturers to hamstring the British car builders once again. But the operative force is the ineradicable greed for power without responsibility which every bureaucracy develops.

It is not widely recognised that the institution known to an older generation as "the Civil Service" bears no resemblance, either in outlook or in intention, to the bureaucracy which is the outcome of stealthy preparation by the Fabian Society, P.E.P., and the London School of Economics. The former, while it was open to considerable criticism, was a "Service." It had high traditions; and, both in theory and to a deminishing degree in fact, claimed to be the impartial administrator of any policy proceeding from a Government responsible to Parliament. But the staffs who swarmed into the offices of the war-time Ministries never had the slightest intention of interpreting Parliament. The appointees to key positions had been trained to carry through a *coup d'état* and to demonstrate that "Britain" could be neatly and efficiently bolshevised while a major portion of its inhabitants were otherwise engaged.

The address of Sir Warren Fisher, formerly Permanent Under-Secretary to the Treasury, a position whose tenant is frequently but erroneously termed Head of the Civil Service, to the Manchester Luncheon Club, ought to bring this situation home to the most sceptical. No indictment could be graver than his. He suggested that Parliament itself had been consciously but surreptitiously undermined; that the effective rulers of the country are the "Departments" whose staffs are to the public anonymous, unelected, undismissible, and irresponsible; that the Courts of Law are bye-passed; that the Press was suborned by these same Departments; and that local Government was being submerged and flouted by the Central Government.

One of the most depressing features of our current problems is that they are all so old. *Quis custodes, ipsos custodiet?* has never had an answer; and our bureaucracy certainly does not provide one. There are few lessons of history so clear and so often repeated as that which insists on the invariable consequence of bureaucratically controlled national activity. A bureaucracy must rely on paper records; it must be slow, timid yet tyrannical, and is sooner rather than later venial, corruptible, and corrupt. As a small component of the national life, these qualities can be kept in check; but a country given over to the bureaucratic conception, whether it is official, or partly unofficial as in the case of the trades unions and the perverted co-operative movement, has no future. We notice that, while the genesis of world bureaucracy is now centred in Wall Street and Washington, the progeny is strictly for export. The lessons of history are not lost on the Cohens and Levis.

K.R.P. Publications, Ltd., have a small stock of 20 *Questions About Russia*, by H. W. Henderson. The price of this valuable pamphlet is fourpence.

## A Newspaper Reconsiders

*The conversion of powerful newspapers to a more knowledgeable frame of mind in regard to Social Credit theory, while it is something to be expected, would not necessarily be more significant than any other case of "admitting freely what is already known." There is not much point (in Edinburgh) in persisting in the contention that the Forth Bridge is the least important of the four bridges in a string quartette. Too many Edinburgh people have seen the Forth Bridge, and (as a Scotsman may say) know how to pronounce it.*

*Following a short introductory 'description' embodying one of the various current misrepresentations of Social Credit economics, the business section of SATURDAY NIGHT, TORONTO published on September 23 an article by W. A. McKague, under the heading, "The Money—or Magic of Social Credit." SATURDAY NIGHT has the same kind of following (making due allowance for the considerable differences between the Canadian and the English intelligentsia) as, say, THE OBSERVER in England, and was the Eastern Canadian newspaper specially chosen for correction by the EDMONTON BULLETIN during the August election in Alberta.*

*Having published one such article, as an 'exhibit,' without comment on its eccentricities, we shall, we trust, be able more understandably to refer, as occasion demands, to at least one, though not the most important, feature of the developing discussion in Canada, without further informing the readers of THE SOCIAL CREDITER concerning matters of detail.*

*The article is as follows:—*

### The Money—or Magic of Social Credit

By W. A. MCKAGUE

The Social Credit party of Alberta, the distinguishing feature of which is a monetary theory, has for the third time won an Alberta election, and with this background it continues to aspire to the federal field, which is the only sphere in which its ideas could be given real effect. Its views, along with those of Mr. McGeer, those of Mr. Slaght, and those of the CCF, were aired before the Banking and Commerce Committee of the House of Commons in connection with the decennial revision of the Bank Act during the past session. This situation, coupled with what seems at the moment to be a decline in the influence of the two old-line political parties, shows that monetary "reform" is a live issue in Canada, and that there is developing a mess of political parties out of which anything—even monetary reform—might develop.

A booklet entitled "The Existing Financial System in Relation to Postwar Reconstruction" which comes to hand from the Alberta government, affords an opportunity to re-examine the monetary views of the social crediters. The booklet is described as an interim report of the Sub-Committee on Finance of the Alberta Postwar Reconstruction Committee. Right at the start, it is evident that it has no direct connection with the social credit "dividends" of \$25 per month which first inspired the movement. These dividends, and the elaborate but short-lived scheme for their issue and redemption, are not even mentioned in the booklet. Instead, there is set forth a complete condem-

nation of money as we know it, and an offer of "money" on a basis and in a volume not heretofore dreamed of.

For its condemnation of money, the booklet goes right back to the very first instances of circulation of paper. That is, just as soon as goldsmiths found that they did not need to hold gold for every receipt or certificate that they issued, because these documents would not all be presented at the same time for redemption, there was started the circulation of paper money without full gold backing. This subsequently became a function of banking. "Thus," says the booklet, "modern banking practice was conceived in a fraud which was destined to have stupendous results on future economic developments." This is an extreme criticism. The banking principle was that the notes were good as long as they could be redeemed in gold as presented. If that constituted a fraud, then there are thousands of frauds being perpetrated to-day, and one of them is our entire circulation of irredeemable paper money.

The social credit plan, however, would dispense entirely with the old idea of money as something of intrinsic value circulated for purposes of pricing and exchange. They claim that this status of money, which in fact merely made it a key part in our economic life, gave it an absolute control. Surely it is wrong to say that just because I work for money, then it is money that runs my life.

They arrive at this criticism by including as part of our existing money not only coin and printed notes, but also "deposit currency or credit." That is, they count in all of the bank entries on which cheques may be drawn. It is true that most settlements are to-day made by cheque or draft, but to include these available balances as money is stretching that term beyond its usual sense. Again, "savings" are described as "money immobilised as purchasing power and set aside for future use." That also is wrong, because savings which go into new capital goods have just as much purchasing power as has the money which goes into consumers goods, and inasmuch as they increase productive power they probably are of more value to the community.

The booklet then goes on to submit two definitions which those of us who are not yet converted will find difficult to comprehend. "Real credit" is described as "the measure of a nation's credit—i.e., the belief of its people that they can obtain the results they want in their co-operative association—expressed in terms of its ability to deliver goods and services as, when and where required." Following this is "financial credit" defined as "a nation's real credit expressed in monetary terms and measured by the ability to deliver monetary tokens as required for purposes of providing access to its real credit resources. Financial credit should be a reflection of real credit."

Apparently it is on this vague basis that the new money is to be established, the requisite "quantity of money" being outlined as follows: "The quantity of money issued should be determined by the volume of production—i.e., by the extent to which the people desire to use their real credit to provide themselves with goods and services. The total volume of money issued should at all times be sufficient to ensure: (a) That total purchasing power, i.e., money available to buy goods and services on the consumer market, is equal to the collective prices at economic levels of such goods and services. (b) That capital goods production and transactions within the productive and distributive

systems can be adequately financed to meet the demands of consumers for goods and services."

Here we have the amazing proposal for the issue of a dollar of money for every dollar of production, so that the purchasing power may be made available to absorb the output. It does not make clear who is to be handed the dollar in the first instance in order that it may be paid to the producer in the second instance. Nor does it specify whether the egg or the hen comes first, that is, whether the money is to govern the output or the output is to govern the money. After all, if the only limit to a nation's success is "the belief of its people that they can obtain the results they want in their co-operative association," then truly there need be no restrictions on whatever effort they may choose to put forth.

"The importance of the monetary system," says the booklet in another place, "is that it is the essential mechanism of economic organisation. By its means individuals are induced to associate in the many spheres of production, the extent and nature of this production is determined, the manner of its distribution is arranged, a record of the aggregate resources of the nation is recorded, as well as the individual citizen's claims upon them." Such a statement appears to attach undue importance to money. It is certainly far more than has ever been aspired to by our existing medium of exchange and measure of value. It would place money on an unprecedented pedestal for no article or service would have any status until officially stamped with its monetary value. It is difficult, indeed impossible, to visualise how this could work apart from state socialism. And yet the social crediters are hostile to the C.C.F. and to state socialism.

The booklet develops the strange argument that when savings go into new production they add to the costs, without the issue of new money to provide the purchasing power to buy the goods. According to the social credit theory, all production taps the money supply, money in this sense including bank credit. Even where a firm has its own working capital, the following ingenious explanation is furnished: "All money being issued in a manner which creates a corresponding debt to the banking institutions any firm which operates on its own working capital does so by virtue of the fact that somewhere within the system there is a corresponding debt to the banks remaining unliquidated. Therefore the effect on the aggregate situation is the same as if such firms borrowed their working capital. Money paid out from the funds of such firms for wages, salaries, raw materials, etc., must be recovered in the prices of their products and returned to the fund, against which there is an unliquidated debt to the banks so far as the public as a whole is concerned. So that the effect is the same as if the money was borrowed from the banks, except that such firms are not, in themselves, so directly dependent upon bank control as they would otherwise be."

Here again is an account of the "disastrous" effects of saving on the monetary system: "Suppose that one million dollars was saved from current income to finance capital development. That one million dollars will be included in the prices of goods on the market. Therefore goods to the price value of one million dollars will be unsalable. Suppose one million dollars is used to finance the building of a factory and suppose (which we have shown is

not the case) the entire one million dollars was distributed in incomes, the goods previously unsalable can now be bought. But meantime another million dollars has been saved to build another factory, causing a further shortage. The effect of this is exactly the same as if the same one million dollars was saved again to erect another factory. And as the process is continuous, it will be apparent that, in effect, the one million dollars could be used over and over again to finance the erection of, say ten factories—the cost of which will all be included in the final price of consumable goods, but in respect of which the people will have no money. In this way one unit of money can liquidate only one unit of such costs."

If money is to be issued to the value of production, then it is pertinent to ask how it will be adjusted to the thousands of small transactions that occur every day, for articles and services which turn over quickly. Obviously it is not possible to issue new money every time a taxicab gets a fare, or some person enters a theatre, or a cabbage starts to market. If the scheme worked at all, it would have to provide some basic relation between production and money. Would the volume of money be equivalent to a day's, a month's or a year's output? What we have at present is a circulating fund of money, which happens to be equivalent to about one month's national output, and which pays for all goods and services as they move from person to person. One dollar bill may, while remaining in circulation for, say a year, change hands in a dozen transactions, or in fifty transactions. Its "velocity" of circulation helps to determine how much money is needed to do the job. The social credit argument, however, denies that money even circulates, holding to the theory that "it is issued against production, and withdrawn as purchasing power as the goods are bought for consumption."

This is not merely a strange conception of money. It is strange economic theory. In spite of the rapid spread of such thoughts, our trained economists, to say nothing of the general public, will have to do some hard thinking in order to absorb it. But in view of the wide spread of such new ideas, we undoubtedly will have them with us for a long time.

### HIGHLAND WATER AND NEEDS

Sir Iain Colquhoun of Luss writes: "I have read with interest in your issue of October 15, Mr. A. S. Wallace's able and balanced analysis of Highland Water Power schemes. I agree with almost all he says except his conception of my own views.

"Mr. Wallace states in regard to the Loch Sloy project, of which he assumes I approve: 'Sir Iain Colquhoun, who is chairman of the National Trust for Scotland and a well-known friend of public amenities, would never accept a proposal endangering country so lovely and so famous.' May I say that I am very greatly distressed at the thought of a power house on the shores of Loch Lomond, and even more so by the vision of all that may come in its train. There appear to be few, if any, compensating advantages, and my trustees have lodged an official objection to the scheme. The County Council of Dumbarton desire to have Loch Sloy as the main water supply for domestic and commercial purposes in their area, and in this they have my whole-hearted support." — *The Observer*, October 22.

## PARLIAMENT

(Continued from page 3)

my hon. and Gallant Friend wants to ask about something which is not contained in those figures perhaps he will put down a question.

The figures are as follows:

	United Kingdom.	Dominion.	United States
North West Europe	88	36	177
Allied Force Headquarters	35	12	63
Middle East	8	5	19
South East Asia Command	29	3	10

## MINISTRY OF INFORMATION

## B.B.C. News Bulletins

*Mr. G. White* asked the Minister of Information if he can arrange, in future, that when announcements with regard to extra food allowances are necessary and have to be made on the B.B.C. news service, they shall not follow immediately accounts of famine and food shortage in countries on the Continent of Europe.

*Mr. Bracken*: The B.B.C. will no doubt study the hon. Member's Question and my answer, which is to the effect that the editing of their news bulletins is for them and not for me.

## TOWN AND COUNTRY PLANNING BILL

*Rear-Admiral Beamish (Lewes)*: .. I can judge of these extremely complicated questions of compensation only from my post-bag and my personal experience... I have never been able to understand why it has been considered by some a sinister thing if a citizen seeks fair compensation from the State, and a dexterous thing if the State drives rather a hard bargain, and an unfair bargain, with the citizen and the owner of property...

I have no doubt that there is a certain amount of joy in some quarters about the sorrows and injuries of the nation, and that the crushed and blasted cities and their homeless and impoverished people are being used now as the raw material of political aspirations. I have had a hint given to me—and I have certainly read it—that if the war damage had been greater, the possibility of expropriation would have been increased. I cannot believe that expropriation, without proper compensation, is the right way to deal with this matter. It looks to me very much like political looting. For some Members of this Committee and some local authorities to look upon the spectacle of the seven battered and shattered cities and to wonder, as some of them are doing, what political capital they can make out of them, is, I think, political looting.

*Viscountess Astor*: Has the hon. and gallant Member seen a completely devastated area, like Plymouth, for instance? Has he been there?

*Rear-Admiral Beamish*: Yes, I have seen the Noble Lady's blasted city. I have seen it and I know it quite well. I have also been to Bristol, and I know exactly what is going on. I am just astonished that it is possible for anybody to endeavour to make political capital out of the sorrows and sufferings of people, but such is the situation...

One further general consideration is this. I have yet to learn that the State or the local authority are anything

but rather harsh owners of property. In fact, whenever I come in contact with people who are tenants of the Crown or of a local authority, I find that they are in the greatest difficulty, because the local authority or the Crown cannot be proceeded against in law, or, at any rate, not with any prospect of success...

House of Commons: October 27, 1944.

WAR DAMAGED HOUSES,  
SOUTH EAST ENGLAND (REPAIRS)

*Captain Gammarts*: ... with regard to the small builder. He is a man who, in peace time, is accustomed to doing repair jobs, and who understands his locality. Each of these builders has a certain optimum output, according to the size of his yard. What my builders tell me is that not one of them is working up to that optimum capacity.

What happened was this. When the big aerodrome jobs were undertaken for the American Air Force, and when we were making preparations for D-day, their men were taken away and sent to the big contractors, and the point is that they have not come back from the big contractors to the small builders...

*Sir R. Tasker*: ... It is no use the Government saying that more than £10 shall not be expended on house repairs without a licence. To carry out a building operation in London to-day means filling up innumerable forms, and the case being passed on from one Department to another. It is the old story of, "passed to you please." The matter goes from one Department to another, until one despairs of ever being able to do anything at all, however urgent the job may be.

How the amalgamation of Departments is to be brought about I do not know, because the first commandment of all Departments is, "Thou shalt not accept responsibility." If one Department would accept responsibility, those who had the time and technical knowledge to help would be only too willing to give it, so that their fellow men and women could have some kind of habitation. I wonder if it is realised that more than 27,000 small building firms have been put out of business since the war began. These are the very type of firms that are wanted for this kind of work. You do not want the big builder and contractor; you want the little men to effect these repairs, which are classified in the trade as "jobbing builders." Can anything be done in that direction? If these firms were revived, you would get many thousands of houses made habitable quickly...

A reference has been made to organisation, but organisation of the job is done by the builder and his foreman, not by the surveyor or clerk of works. Entrust these men with the duties they have performed so satisfactorily for generations. Let the Minister of Supply see that there is available material which the small firms could buy in the market, with labour they will get the job done. At the moment the scheme appears to be to try to give everything to the large firms. That is a mistake. No firm can employ hundreds of thousands, or even 50,000 men, with great advantage and economy. This task must be distributed to firms all over the country. No firm in London, Liverpool, Glasgow, or any other place, can control effectively building operations which are being carried out scores of miles away.

It is decentralisation that is wanted; it is centralisation that is being practised. . .

*Mrs. Adamson* (Dartford): . . . I would respectfully point out that it is only experts who can decide whether the labour available is sufficient to cope with the magnitude of the problem that is involved. Therefore, possibly, to the man and woman in the street it will not mean a great deal, but if this Debate helps to ginger up the Government to the necessity of the urgency of this problem, then the time will not have been spent in vain. . .

*Sir Herbert Williams* (Croydon, South): . . . There has been the criticism, which has a certain amount of validity, that there are too many Ministers in charge. I know what the official reply is to that, and I am not too much impressed by it. The theory is that each Minister has his separate responsibility to the Crown and to Parliament—I am talking about Ministers at the higher level, not Parliamentary Secretaries—and that it is not proper for a Minister at that level to give orders to another Minister. That does not interest me. If Ministers are willing to waive their privilege and take orders, why should they not do so? If I were concerned I would not mind my Friend, Lord Woolton, telling me that I had to do this or that if he was in a position to give orders and that was the essential way to get on with the job. Surely we could forget these points of constitutional practice.

I wonder whether this attitude actually comes from the Ministers so much as from those on the higher levels in the hierarchy of State. The way our Departments of State hate each other appals me. I tell them that they are all members of the same firm, of which the King is chairman and the Prime Minister managing director, and that they are all departmental managers. The way in which Government Departments will not realise that they belong to the same firm, the United Kingdom, Ltd.—a very good firm—leaves me a little tired. . .

### THE NEW ENCLOSURES

The annual report of the Friends of the Lake District is a record of battle not against the greedy rich or the too careless poor but against the public authorities and the State. The latter, for example, has even dug up the ancient bones of the Defence Acts of 1842 and 1854 in order to buy common lands secretly and under compulsion and then to extinguish commoners' rights. In one case, says the report, 20,000 acres of common land were abolished at a stroke. The Acts should be at once repealed and the situation cleared up between the Ministry of Agriculture, responsible for the commons and innocent of their loss, and the Service Ministries which strike and seize in the night. — *The Observer*, October 22.

### MR. BULLITT

It is reported that Mr. William C. Bullitt, American Ambassador to Moscow from 1933 to 1936 has written, from Rome, an article in *Life*, which we have not seen. In it he is reported to have said: "Rome sees again approaching from the East a wave of conquerors. . . the talk

of all men throughout Italy is the question, will the result of this war be the subjugation of Europe by Moscow instead of by Berlin?"

## The Government Social Insurance White Paper

### DO YOU KNOW?

Under these headings, the Bristol Voters' Policy Association, "Windermere," Barleycroft, Westbury-on-Trym, has issued the following to voters:—

(1) That the weekly cost to the male employed worker will be 3/10d per week, which will be deducted from wages?

(2) That 3/1d per week will be contributed by the employer in respect of each male employee? This will be an indirect cost to the employee as the employer will be compelled to charge this to consumers.

(3) That it is estimated the cost to the income tax payer (employer and employee) will represent between 2/- and 4/- in the £ on the income tax, to which must be added the probability of higher local rates and indirect taxation.

(4) That the cost therefore falling on the individual will be:—Direct (employee's share) 3/10d per week. Indirect (employer's share) 3/1d per week (by reason of increased cost of living). Income tax varying from 2/- to 4/- per week. Increase of local rates and indirect taxation ? per week, making a total of 7/- to 10/- per week.

(5) That the receipt of benefits paid for will be hedged around with restrictions aimed at reducing the freedom of the individual and placing him more and more under the control of some remote official:—Earned income restriction on reaching pensionable age (Para. 94); cessation of unemployment benefit after 30 weeks followed by training benefit involving industrial conscription (Para's 66 and 71); low amounts of benefit in comparison with real cost, the former being based on a bare existence level; compulsory registration of whole population introduced under stress of war and to be continued indefinitely under proposals (Para. 37); limitation of sickness benefit being replaced by lower invalid benefit subject to state controlled doctor's certificate (Para. 65); huge increase in number of State officials with considerable powers over the people; etc., etc.

(6) That the proposals do not provide for any increase of national income to enable the people to obtain access to the normal peace time production of the country, but merely for a re-distribution of income coupled with restrictive conditions and an increase of bureaucratic state control leading to the slave state typified in Hitler's Reich, which we are fighting?

(7) That you can overcome this threat to *your* individual liberties being "put over" under cover of the war by instructing your M.P. as to your will on the matter and insisting that he acts accordingly? If you wish to safeguard those individual liberties for which Englishmen have always fought, demand that your M.P. vote against these proposals before it is too late!