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FOR POLITICAL AND ECONOMIC REALISM

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## The Use of Social Credit

By C. H. DOUGLAS

(concluded)

The main objective in republishing the following article which appeared in *The Rotarian* in 1935 is to provide a standard of reference by which readers may judge the likelihood of a policy of rising prices, increased exports, and immense bureaucratic and administrative wastes and costs culminating in anything but the catastrophe which its analysis suggests.—*Editor*.

Now just as a man is taxed upon his assets and has to pay the tax in money which is purchasing power, although those assets do not grow money, just so do the price values of industrial assets enter into the price of the goods which are sold. And the first objective of Social Credit is to provide sufficient money to meet these charges which occur in ultimate products as the result of the existence of industrial assets. One of the methods by which it is proposed to do this is to take the charge for industrial assets out of prices and pay it direct to the owner of the assets. Instead of taxing him in money for the possession of industrial assets we should, on behalf of the consumer, pay him for the use of them. That is not essential to the theory, but it is a quite possible way of dealing with the situation. The real beneficiary, it should be noted, is the consumer who gets lower prices.

While a scientific regulation of the price level so that goods can be taken off the market by the available purchasing power as fast as they are produced is an essential component of a scientific money system, it does not deal with the second aspect of the problem, which fundamentally is related to the change over from manual production to power production. Probably over 80 *per cent.* of the total number of issues of purchasing power distributed in our existing financial system, is distributed through the agency of wages and salaries and it is obvious that this assumes that 80 *per cent.* at least, of the population will be maintained on a wage or salary basis.

But there is no ground for the common assumption that such a percentage can, or will be maintained in normal times, and every ground for assuming that it will decrease continuously.

On the other hand, the dividend system is independent of employment, and depends fundamentally, only on production. If we can arrange that while the wage and salary pay roll becomes continually less, the dividend pay roll becomes continuously greater and more widely distributed, we have dealt with the second half of this problem.

There are two ways of looking at these aspects of the matter. The first is moral or ethical, and is probably the less important, since we are less sure of our ground. Due

very largely to a mistaken and mischievous Puritanism, probably having a common origin with Marxism, there is a widespread idea that no one should obtain a living without working for it, and it is noticeable that those who do, in fact, obtain a very handsome living without working for it, are most vigorous in their determination that there shall be the minimum extension of the principle. The moral or ethical justification for a National Dividend, however, rests on the same basis (a sound basis) on which those fortunate persons who do obtain a living without working for it, ground their claim, that is to say, on the possession of property. The property that is common to the individuals who make up a nation is that which has its origin in the association of individuals to a common end. It is partly tangible, but is to a great degree intangible, in the forms of scientific knowledge, character, and habits.

The extent to which this national heritage can be made to pay a dividend in money to the general population from whom it arises, merely depends on the simple proposition that the money, if spent, shall be effective in acquiring goods without raising prices. To raise prices would reduce the purchasing power, not only of the fresh money, but of that which preceded it. If this provision can be met, that is to say, if there is undrawn upon productive capacity coupled with control of the general price level, then the mechanism of a National Dividend becomes fairly simple. In its simplest form, it is the issue of bonds to the general population, similar in character to those which are issued to them in return for bank-created money during a period of national emergency, such as war. The exact conditions under which the bonds are issued is not an economic but rather a political problem. Many factors enter into it, and it will, in all probability, be solved in various ways as the differing psychologies of peoples and their Government may direct. In combination with the regulation of the Price Level, it affords a completely flexible method of insuring that what is physically possible is financially possible. Its inauguration in a modern industrial State means the disappearance of poverty in the old sense of the word, from the population of that State.

The monopoly of credit at present held by financial interests, that is to say, banking institutions and their affiliations, is obviously so valuable that it would be too optimistic to suppose that it will be relinquished without a struggle. The primary weapon used in this war is misrepresentation. The socialisation of credit, so far from being an attack upon private property, is probably the only method by which private property can once again become reasonably secure. It is the alternative to ever increasing taxation. It is a method by which everyone may become richer without anyone becoming poorer. It is, so far as I am aware, the

\*Republication of this address was begun in *The Social Crediter* for August 3.

only method by which the pernicious doctrine of "a favourable balance of trade" can be exploded. In consequence, it is the primary requisite to the removal of the fundamental causes of war. You are, however, unlikely to arrive at any conclusions of this character by reading criticisms of the theory which originate from orthodox financial circles.

In spite of the difficulty of obtaining a wide public presentation of the theory, however, the progress which has been made by it, more particularly in the past two or three years, is remarkable. There is no portion of the English-speaking world in which it is not discussed, or in which, spontaneously, bodies for its propagation and realisation have not been formed. The Canadian Province of Alberta has the honour of having elected on August 22nd, the first Social Credit Government, but I shall be surprised if it retains this isolated position for long. New Zealand, Australia (and, in particular, Tasmania), South Africa, are all moving rapidly in this direction, more or less in the order named. Whilst in the United States other remedial measures have engaged public attention, steady education upon the subject has been proceeding.

So far as anything is certain in this world, Banking dominance of credit, commerce and industry is certainly doomed, together with poverty amidst plenty.

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## From Week to Week

"Monopolies and cartels are the natural forms of capitalist economy in its higher stage of development. It is impossible for an economy like America's to go back to the pre-monopoly stage. The free enterprise system is the freedom of capital to concentrate and centralise itself. We find in many circles of the capitalist class much keener appreciation of this problem in its practical terms than we find in most of America's traditional liberals at the present moment."—Earl Browder, U.S.A. Communist Leader.

Waal, waal, waal, isn't that just too sweet, Brother Baruch?

Seventeen of the luxury hotels of Paris (if there is an eighteenth, its name escapes us) have been commandeered for the first of what we feel sure will be rest camps with the finest French cooking, and no holds barred, for our World Kommissars during the Second Armistice. This just shows you, Clarence, what Planning can do. If Paris had not been reserved from the recent Demolition Sale, the Kommissars would have been obliged to oscillate between Moscow and New York, and while food and wines are plentiful in both of them, Paris has got that *je ne sais quoi*, if you gather what we mean.

One hundred and twenty-nine thousand indictable crimes were committed in London in 1945. The percentage of these committed by aliens is not given. You ain't seen nuffin yet, Brother. A little more of the Planned State, and crime will be the only relaxation, and we shall go into it in a big way. It is not for nothing that our legislators are beginning to put about that Planning doesn't really mean Socialism or Planning, you know. Mr. David Cushman Coyle, who appears to be one of those Americans who came over with Mr. Benjamin Cohen to see that we didn't make

anything out of the war, and lost what we had before, seems to have retired hurt from the struggle with P.E.P. and remarks in an article entitled "Planning is a Fighting Word" in the June *Harpers* "the less we read of controversial works published in London, the less likely we are to lose all track of what we are talking about."

And how.

The contrast between Mr. James Maxton and Socialism recalls the rhymed version of *Jane Eyre*

There, all among the pigs he sat;  
But I could tell him by his hat.

A charming man personally, he had sufficient ability to realise that it is one thing to have ideals, and quite another to be sure that untested mechanisms will produce the results idealised.

It is practically an essential of any Clyde Socialist M.P. that he must talk a certain amount of pernicious nonsense to retain the support, or at any rate, avoid the active opposition, of the Wild Men. Some of them from time to time give full measure—we have noticed Mr. David Kirkwood on various occasions. Maxton cut his contribution to an absolute minimum, and compensated amply by many speeches which would have been a credit to any decent man.

It is perhaps superfluous to say that they had no discernable influence whatever, other than to insure that the Member for Bridgeton was carefully omitted from Ministerial Office.

"There were the tough tycoons who built mergers and financial empires, and let the public be damned. They were the same breed as the German *gesellschaft* boys, and latterly have belonged to the same cartels. . . . And both the tycoons and the socialists had the same illusion as in Germany, that centralised power in the long run could be held by themselves.

"In Germany, first the socialists enervated any possible resistance to big business; then the big business men accepted the help of the bestial mob; then the mob took over."—*Planning is a Fighting Word*, David Cushman Coyle.

Mr. Coyle has just returned from England, where he has been economic consultant to the U.S. Board of Economic Warfare. We compliment him on the foregoing summary of the situation, which seems to dispose of the outlook in a minimum of words.

"Where there is no vision, the people perisheth."

## Going the Right Way

"The British Housewives' League demands to know who and what are the international boards in America who control the British Government in its purchase of food."

The paragraph is a heavy-type paragraph in No. 1. (July, 1946) of The British Housewives' League Newsletter, which is a thoroughly workmanlike little journal, carrying, with much other excellent material, a message from Mrs. Irene Lovelock, the Founder and President of the League. We understand that a question bearing on what the housewives want to know was not accepted by 'the Clerks at the Table' of the House of Commons.

## PARLIAMENT

House of Commons, July 23, 1946.

### Ministry of Works:

#### Temporary Houses (Erection Time)

*Mr. William Shepherd* asked the Minister of Works what has been the average time taken for the erection of temporary houses, including the time required for the preparation of the site.

*The Minister of Works (Mr. Tomlinson)*: From the beginning of site preparation to the occupation of the house, the average time taken has been about nine months. The period is being reduced as the rate of supply of certain items improves.

#### Miners' Coal Allowance

*Mr. W. Shepherd* asked the Minister of Fuel and Power the average amount of coal allowed per week to miners and the prices paid by them.

*Mr. Shinwell*: On the average, 3½ cwt. of coal per miner per week are supplied to those miners entitled to receive either free or concessionary coal. Of the total quantity supplied, about 58 per cent. was at reduced prices, the average price in 1945 being 8s. per ton.

#### Statutory Orders (Authority to Sign)

*Mr. Lennox-Boyd* asked the Financial Secretary to the Treasury whether he is aware that 282 officials are entitled to sign S.R. & Os. on behalf of eight Ministers, namely, the President of the Board of Trade, the Ministers of Health, Fuel and Power, Transport, Agriculture, Supply, Labour and the Secretary of State for Scotland; and whether he will limit this authority to not more than three senior officers in any one Ministry.

*The Financial Secretary to the Treasury (Mr. Glenvil Hall)*: Consideration is being given to the possibility of reducing the lists of officials empowered to authenticate Statutory Rules and Orders made by the Ministers referred to. It will, however, not be feasible to apply so severe a limitation as the hon. Member suggests. . . .

*Captain John Crowder*: Could the hon. Gentleman give a guarantee that the Ministers concerned actually see the Orders which are signed by the officials?

*Mr. Glenvil Hall*: Yes, Sir, and, of course, they are responsible for them.

#### Government Departments (Correspondence)

*Mr. M. Lindsay* asked the Financial Secretary to the Treasury whether he is aware that in many Government Departments it has become the normal practice not to reply to letters; and whether he will instruct Ministers to engage additional temporary clerical assistance, if necessary, in order that correspondents can be assured a prompt and courteous acknowledgment or interim reply.

*Mr. Glenvil Hall*: No, Sir. I am sure, however, that the Minister concerned will be happy to make inquiry if the hon. Member would furnish him with particulars of cases where replies to correspondents' letters are delayed.

*Viscount Hinchingbrooke*: Would the hon. Gentleman

see that letters from Ministers to the public at least carry a date, an address, and a signature, which is very often not the case?

House of Commons, July 24, 1946.

#### Coal Situation

*Mr. Harold Macmillan (Bromley)*: . . . Any Debate on coal must divide itself into two parts, one, the interests of those employed by the industry, the great mining community, and the other the interests of those served by the industry, the domestic and industrial consumers. Unfortunately, owing to the failure to publish the *Statistical Digest* in time for this Debate, we are deprived of the valuable information in that excellent document. . . .

. . . This is the first coal Debate I have heard for several years, because I have been away, and I cannot help recalling the old Debates we had for nearly 20 years between the wars. It is a strange atmosphere in which I find myself, from this point of view that all my life the problem has been the apparent over-production of coal in relation to home and foreign demands. The cures we then discussed—many hon. Members on both sides of the Committee will remember those Debates only too well—were to stimulate demand, both internal and external, by monetary expansion, by public works, exports subsidies and similar measures, to reduce cut-throat competition by amalgamation, and to improve the grading and the selling of the coal. All this has been changed—not, alas, by human intelligence but by human folly; not by wisdom and virtue but by wickedness, for this new situation is the outcome of war and the aftermath of war. Then we used to talk of selling coal. Now we talk of saving coal. Then we used to talk of new uses for coal. Now we talk of new substitutes for coal. Then we talked of new markets. Now we dream only of new restrictions.

. . . Let me take the Minister's own pronouncements. They leave one in a daze. If I may quote his own words, on October 21, 1945, he said:

"The coal position is so grave that I am bound to ask for a greater effort."

On January 17, 1946, he said:

"The fuel position is very much better than we anticipated in September."

On January 29 we are bad again. He said—in the House—on that date:

" . . . the existing position contains the elements of an industrial disaster."—[OFFICIAL REPORT, January 29, 1946; Vol. 418, c. 703.]

On March 22 his spirits have risen. He said:

"At one time it looked as if factories would have to be closed but we have overcome the stringency owing to the fine efforts of the workers."

On April 15 his mood changes again:

"The coal position is still very sticky."

On June 4, 1946, he says:

"I am not so alarmed about the coal position as some people."

At this point when I and many others felt reassured, Mr. Lawther entered the lists, and a few weeks ago declared:

"The situation contains the elements of an industrial catastrophe."

But the Minister was equal to the occasion. In what  
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Saturday, August 10, 1946.

### The War Agricultural Executive

A short time ago, it was stated over the "B".B.C. that the home grown wheat crop would be 75,000 tons. This may have been a slip in announcing, and the figure, at the time, struck us as ridiculous. However that may be, it is interesting to note that a Canadian wheat expert, writing in the *Edmonton Bulletin* of July 8, estimates the British home-grown wheat crop at 67 million bushels, or rather more than one million long tons. In arriving at this figure, we have taken the bushel of wheat to weigh 34 pounds.

The same source gives the acreage under wheat as two million.

Now, the acreage under wheat in 1935 was one million, eight hundred thousand and the production was *one million, seven hundred and forty-three thousand tons*, or nearly sixty per cent. more from a smaller acreage.

Amongst the major devices for alienating the control of the land from its pre-war owners and tenants was the War Agricultural Executive Committee. Its operation has been marked by injustice, extravagance, and administrative inefficiency. As it appears to be unable to produce crops, a serious attack on its continuous existence is overdue. It is detested by every farmer who has not found a seat on it, and is thus placed in a position of authority over his neighbour who may easily be a better farmer.

The whole of this food business is sinister in the extreme. Mr. Strachey announces agreements with Canada for wheat, and Denmark for bacon, eggs and butter, but hastens to add that these large supplies will not improve our rations. Where is all this stuff going to at our expense? Unless there is some explanation which excludes unauthorised supplies either to Russia or Russia's satellites, it is beginning to look as though we are going to need a few treason trials in this country.

### The Rôle of the United States

In modern politics, there is no more deceptive trap than the indiscriminate use of such terms as "country", "nation", "state", "people", "Government", as though for all practical purposes they represent the same idea. Merely, for the moment, taking note of this, it is true to say that the effective United States has been an unmitigated curse to humanity from the beginning of the twentieth century to the present time. Exactly what part was played by Wall Street in precipitating the first European War will probably never be known, but it was considerable. The German-Jew banking firms fought tooth and nail to prolong the war until they got their terms for assisting to "win" it; President Wilson with his advisers, almost wholly drawn from the same circles, made

a decisive settlement abortive, landed Europe with a League of Nations which his countrymen promptly disowned; while the same forces worked to build up Germany for a fresh attempt having, they thought, reduced the Eastern menace, Russia, to ineffective chaos.

It is easy to see that the same tactics are now in operation with Russia. Roosevelt fed the flames of war until, apparently, once-Great Britain had to concede any terms for assistance. Then the United States entered the war with the obvious determination from the outset of dominating every decision. His "great design" was to hand everything over to Russia, and at Teheran and Yalta he entered into secret agreements for the cession of rich territories, at other peoples expense, both in Europe and Asia. The Russians took everything and gave nothing, as they are doing as sole beneficiaries of reparations. Mr. Churchill, to his great honour, considering his obsession with America, protested vigorously, even violently, and no doubt thus started a Wall Street campaign to unseat him; and when, in the last year of Roosevelt's life, the desperate consequences of his policy to everyone but (he thought) the United States, became evident—well, it was just too bad.

### Religion and Civilisation

The following are extracts, which we should prefer to have been longer, from an article by Mgr. R. A. Knox in *The Tablet* for August 3:

"The truth is . . . that religion is a function of the individual person, not of the community, and that intense religious life is not to be found in the State as such, but at best, in some body of devotees living within the State, protected, perhaps, even encouraged by the State, but not truly representative of it. Where civilisation is decadent, religion will sometimes flourish luxuriantly among the ruins; it did so, for example, in the Dark Ages. But where civilisation is vigorous, religion is intense only if, and because, it is in revolt against the age, is in reaction to it . . . Intense civilisation and intense religious life may synchronize; but if the former accounts for the latter it does so by repulsion . . .

"May I put a word of warning to the scientists? It is very easy here for them to make a fatal error. They may refuse my outstretched hand with the comment, 'That's all right about you chaps, but we scientists sit pretty. The State can't get on without us; we hold, more than ever, the keys of life and death in our hands, and instead of the State running us, why, we, if we chose to do it, could run the State.' I don't personally believe in the possibility of a *coup d'état* carried out by scientists; in my experience they are not that kind of person. Nor do I believe that they would ever act together well enough to put any kind of pressure on a Government; there would always be blacklegs . . . If you think you can have free research in the over-civilised State, reflect on the undisturbed popularity which the Racial Myth enjoyed in Nazi Germany—and then reflect on what would happen, even in the British zone, to some honest fool of a German professor who should revive that myth nowadays . . .

"No, Downing Street will take care to flatter the men of science by offering them an alliance on equal terms. But in fact they will be hewers of wood and drawers of water. Nor let them forget the fate of the man who made the great clock at Strasbourg. He had his eyes put out, for fear he should make another clock for somebody else that was anything like as good. The State is a hard master . . ."

## For the Record

By C. H. DOUGLAS

It is the mode of a literary and cultural decadency, probably not unconnected with nervous deficiency, to regard understatement as being preferable, and more effective, than accurate statement, in much the same way that many people consider that punctuality consists in being half-an-hour early and premise their political views by remarking that some of their best friends are Jews. For this reason, or perhaps because of its obvious assistance to a repetition of the outcome of the British military victory of 1918, we refer to the mistakes, not the rascality, of those who moulded the events of the armistice years; while repeating on a larger, and surely final scale, those policies which threw military victory away in five years time, and committed us to the second, and, so far as can be seen, the inevitable third world war.

Of those policies export trade embodied the major economic component—a policy which can now be seen by anyone who will use a little competence to be directed to weakening Great Britain and strengthening her adversaries, in much the same way that we are now pouring food, munitions, and machinery into Russia and her satellites.

The fact that we live on our exports, as well as being asserted by all reputable publicists, is demonstrated by the fact that our broadcasting system announced on July 27 that our exports had exceeded all records during the preceding quarter. A somewhat earlier announcement was concerned with the intensification of bread rationing. Our houses are receding in quality and condition, but increasing in rent and liability to sequestration, our transport is bad, expensive and subject to increasing collision both on the roads and railways (whose charges are thirty *per cent.* higher than they were fifty years ago), our food is bad in quality and deficient in quantity, inflation of prices is encouraged and, in the case of wines and spirits, enforced by the Government, postage is expensive and postal, telegraph and telephone services are bad and deteriorating, taxation is confiscatory, and both elected Ministers and bureaucracy are insolent, overpaid, and over privileged.

With these evidences of satisfactory national administration in mind we can consider the observations in the speech of the Chairman of the Banking and Currency Committee of the House of Representatives (U.S.A.) They have been extracted from the *Congressional Record* of December 15, 1931, by Mr. A. V. McNeill of Kitsilano, British Columbia, with the exception of the final quotation, which is from *Hansard* of February 25, 1942.

I. p. 559: . . . Because it (the Hoover moratorium) was an infamous proposal, the President of the United States endeavoured to find support for his intended action. He was afraid to do this thing alone at the bidding of the German international bankers—the Warburgs; Kuhn, Loeb and Co. of New York; and their followers: all of whom had been engaged in bleeding this country white for the benefit of Germany and themselves ever since the World War came to an end. . . .

II. p. 560: . . . Mr. Hoover himself had to be elected, because this scheme began before he became President. If the German international bankers of Wall Street—that is Kuhn, Loeb & Co., J. and W. Seligman, Paul Warburg, J. H. Schroeder & Co.—and their satellites had not had this job waiting to be done, Herbert Hoover would never have

been elected President of the United States. They helped select him. They helped elect him. . . .

III. p. 563: . . . It was the international German bankers' plan for having the burden of reparations removed from her triumphant march toward world domination. . . .

IV. p. 563: . . . The international German bankers have subsidized the present Government of Germany and have also supplied every dollar of the money that Adolf Hitler has used in his lavish campaign to build up a threat to the government headed by Bruening. When Bruening fails to obey the orders of the German international bankers, Hitler is brought forth to scare the Germans into submission. The German international bankers have worked up great resentment in Germany, and their hired agents have prompted the Germans to unite in order to free themselves from their war obligations. But resentment, the bankers knew, was not enough. They had to put a weapon into the hands of Germany which could be used against the society of nations in general and against the United States in particular. They conceived the idea of robbing us by stealth, by fraud, and by trickery, and they have succeeded. Through the Federal Reserve Board and the Federal Reserve Banks over thirty billions of American money over and above the German bonds that have been sold here have been pumped into Germany. . . .

V. p. 564: . . . Here you have a banking system which has financed Germany from start to finish with the Federal reserve notes and has unlawfully taken from the Government and people of the United States. The Federal Reserve Board and the Federal Reserve Banks have pumped so many billions of dollars into Germany that they dare not name the total. I have repeatedly asked the Federal Reserve Board to send me a list of the acceptance credits granted by the accepting banks of this country by and with the consent of the Federal Reserve Board and they have not. They cannot and they dare not divulge the total. This is the Congress of the United States, but you have no information concerning the amount of Federal Reserve currency that has been issued for the benefit of Germany on trade bills or acceptances. . . .

VI. p. 564: . . . Do you know that Germany has been lending our money to Soviet Russia as fast as she can get it out of this country from the Federal Reserve Board and Banks? Do you know that she is the author of the 5-year plan; that she has armed and supplied Soviet Russia with our money? Do you know that Germany and Soviet Russia are one in military and industrial matters?

VII. p. 564: . . . Do you know that the Federal Reserve Board and the Federal Reserve Banks have also been financing Soviet Russia, and that Russia owes her an immense sum, of which \$150,000,000 is due by January 1, 1932. . . . In addition to their debt to us, Soviet Russia has borrowed 535,000,000 reichmarks from Germany, and that was our money, to. . . .

VIII. p. 564: . . . Last year there was some inquiry into the Federal Reserve Board and Banks, and George L. Harrison, governor of the New York Federal Reserve Bank, was asked to state the amount of acceptances purchased by the Federal Reserve Banks in foreign countries. He was unwilling to answer in public. He was permitted to answer in secret. Why was that? . . . The only thing that is American about the Federal Reserve Board and Banks is the money they use. . . .

IX. p. 564: . . . The international bankers sought to bring about a condition of financial despair and anarchy here so that they might emerge as the rulers of us all, and the next step they hope to take with Hoover's assistance is the establishment of a new kind of war finance corporation under the control of the notorious short seller, Bernard Baruch, or another of the same stripe. Then you will see fascism here instead of the Constitution of the United States: then you will see a dictator controlling industry and production as we now have a dictator controlling money and credit. . . .

X. *Hansard* (English) Vol. 378, No. 37, 25th February, 1942, col. 275, Mr. Sloan (S. Ayrshire): How can we have any ultimate settlement of the Far Eastern question, in which there shall be no more Singapore? This naval base was built 19 years ago. A friend of mine, Mr. Hughes, who is editor of *Forward*, writes in this week's issue that on the very week when Singapore was commenced he wrote that the Japanese would look upon the building of Singapore as an act of aggression against themselves; further, that during the very same week the financiers of the City of London loaned to the Japanese £25,000,000 to build a navy for the purpose of destroying the Singapore base which was costing us £20,000,000 to build.

#### PARLIAMENT

(continued from page 3)

I might call the absolute, latest stop-press news, he made a fresh revelation to the nation . . . there appeared an exclusive two-column special interview with the Minister in which he exclaimed, in beautiful black type:

"I am a super-optimist."

*The Minister of Fuel and Power (Mr. Shinwell)*: It is a very warm day and one that seems hardly appropriate for a discussion on the coal situation. . . .

Therefore, I am left quite cold—[*Laughter.*]—It is amazing how little is necessary to afford the Opposition some consolation for their present precarious political plight, but I will not enter into that. I am, I say, left quite cold, and if I may use hackneyed language, my withers are quite unwrung, when the right hon. Gentleman makes reference to the variety of statements for which I am responsible.

It seems to me that it would serve the convenience of the Committee if I stated the facts. When the present Government took office, we discovered that the previous Government had programmed for the ensuing coal year, and that was done in March, 1945. The coal year is not a calendar year. It is defined in this way: It begins on May 1 of one year and ends at the end of April the following year. We made the discovery that the budget prepared by the right hon. and Gallant Gentleman the Member for Pembroke (Major Lloyd-George) estimated requirements at 192 million tons, and that included exports, and exports included bunkering requirements. That was his estimate of what was required for the year 1945-46. On the other hand, he estimated that supplies, including open-cast coal—I ask hon. Members to note that—would be in the region of 188 million tons. That represented a deficit of 4 million tons. So the right hon. and gallant Gentleman, away back in March of last year, budgeted for an estimated deficit of 4 million tons. . . .

But another deficit appeared after I took office. It

arose through no fault of mine. It was because of the victory holidays. The official victory holidays lasted for three days. The right hon. Gentleman the Member for Bromley (Mr. Macmillan) was quite right when he said it represented a loss of round about 2,750,000 tons, but, as it happened, there was a spill-over from those holidays. The men took an additional day, and in some districts two days. In consequence, we were faced with a loss of 4,000,000 tons, which represented a deficit for 1945-46 of 8,000,000 tons. It was precisely because of that deficit that I asked for an additional 8,000,000 tons from the miners. That was the reason for the so-called target. Of course we did not get the additional 8,000,000 tons of coal, but we secured another 2,000,000 tons. . . .

I want the Committee to face the budget for this year beginning on the 1st May, the budget for 1946-47. We were left at the end of the coal year with distributed stocks amounting to 6,800,000 tons. . . . That gives us an estimated supply position of 194,800,000 tons, including, of course, the distributed stocks available at the beginning of the year. What do we expect our requirements to be? After all, that is the crux of the problem. Inland consumption is estimated to reach 188,000,000 tons, something in excess of the consumption last year. Exports, including foreign bunkers, bunker depots abroad, will amount to 8,200,000 tons. We expect our distributed stocks at the end of the year to be pretty much what they were at the beginning, that is to say 6,800,000 tons— . . .

Last, but not least, if this industry under the new organisation proves to be a failure, if we do not secure the coal we need, if we fail to use the coal efficiently and scientifically according to the national needs, and if we fail to step up exports in due course, then it will be a bad look out for the whole country. It is not merely a matter for the Government, or the Opposition: It is a matter for the whole nation. That is what we are anxious to avoid. So far as I am concerned, whatever I may say at week-ends, when I must have a little pleasure and relaxation, at any rate within the Department, with the good offices of my officials—some of the ablest men in the Civil Service—with the able assistance of my Parliamentary Secretary, and with the cooperation of hon. Members—and they have been whole-hearted in that cooperation; I have very little criticism to trouble about—I will do my level best to build up this industry, so long as I am in the Department, to make it a real national effort.

*Colonel Lancaster (Fylde)*: Before the Minister sits down, there is one question to which he did not refer. My right hon. Friend asked him specifically whether at this moment we were travelling at a weekly deficit of between a quarter and a half million tons. Despite all the figures the Minister has given in reply, he has not answered that question. On the answer to that question depends whether or not we get through this winter. Are we travelling at that deficit at this moment? In the figures the Minister has given us, does he see any prospect of getting out of that position? He has not given that reply, and that is what we want to hear.

*Mr. Shinwell*: It is quite impossible at the present moment to give an accurate estimate, because of the holiday situation. . . .

### Agricultural Land, Scotland (Building)

*Lord John Hope* (Midlothian and Peebles, Northern.) (*On the adjournment*): The matter which I wish to raise should be looked at from two aspects. One is that of the destruction of valuable units of food production, and the other is that there is an infringement—and a serious infringement—of the rights of the individual citizen. Before I refer to specific cases—and one in particular—I wish to bring to the notice of the House that in the County of Midlothian, 640 acres have been in the period 1945 to 1946, earmarked for building development. Some 98 acres have also been earmarked for opencast coal mining. All these acres consist of some of the best agricultural land in the country.

I pass to the specific cases in which, in my estimation, things are going wrong through the way in which the Department is handling this matter of requisitioning agricultural land for building purposes. The first case concerns a farm called Craigour of some 150 acres. The intention of the authorities was to take that part of the land which included the farm buildings, and to leave the rest of the farm to be worked without buildings. That was the first intention, simply stated. As a result of complaints, there was a slight amendment, to the extent that the land, which includes the buildings, was not to be taken over, for the time being. The farmer does not know where he stands. In the case of another farm of some 52 acres, a note was received from the appropriate authorities by the farmer, or by the factor of the estate, worded "It is intended to use this site." As a result of that information, the farmer, who had lifted his potatoes and was ploughing ready for wheat, stopped ploughing. The land has not been taken over by the authorities, and, in fact, the field has been derelict since last year. The third case concerns Niddrie Mains, where a potato field which was entering on the lifting stage, was broken into and largely spoilt by a bulldozer, for the purpose of making a road.

There are two more cases. One is at Newbridge, about which the hon. Gentleman already knows. In that locality, a road was built in the standing corn, spoiling a lot of it, but I understand that the arrangements have been held up as a result of representations. I am glad to hear that. The other case concerns a 9½ acre field, the tenant of which is a market gardener. This was in potatoes in 1945, and the tenant had planned to plant various vegetables last spring for the 1946 crop. He heard one day, purely by accident—by local rumour in the village—that his field would probably be taken over. He had heard nothing officially. As a result of this rumour, he telephoned to the authorities. They said that it was quite true that his field was to be taken over. There was nothing in writing, and, so far as I know he has had nothing in writing since.

Finally, there is the case of the farm Mordun Mains, Liberton, of which the hon. Gentleman has had notice. In this case the farmer, Mr. McKendrick, is aged 57. He came on to the farm in 1937, and his lease expires in 1951. He made that farm up from absolutely nothing; from derelict, rotten, useless land. He made it up to a farm carrying a very fair amount of stock, in addition to which he has a milk round, and sells what is surplus to the round to the Milk Marketing Board. It is not disputed that this farmer has put up an extremely fine performance in the improvement he has made in this farm. He wrote a letter to me on 16th February saying that he heard rumours—again, rumours—

that his farm was to be taken over for building. He said he did not pay much attention to these reports, but that week he had had a call from an official from the Department of Agriculture who warned him to look around for another farm, as he considered it likely that the corporation scheme would go through, and they would start in possession in six months' time. He replied that he had still a long period—I think about seven years—of his lease to run, and that at his age it would not be easy to get another place. He had nowhere to go, and he considered it unfair. The points I would bring out about this letter are that first, this is a man of 57 who worked this farm up from nothing, as I have said; secondly, an official from the Department of Agriculture comes up without any notice in writing having been given—no letter saying that he intended to go to see the farmer—the official simply walks in and tells him to look around for another place, and that he has to go. I say that is not the way to conduct affairs. It is discourteous, to say the least. It is also demoralising to farmers, because this is not the only case in which this sort of thing has happened.

As a result of that letter I advised Mr. McKendrick to write to the Edinburgh Corporation and find out if the threat was real. He did so and found it was. I therefore wrote to the Secretary of State on 21st March asking whether the local agricultural executive committee had been consulted in this case, as I suspected that it had not. The Secretary of State replied on 30th March, and in the course of his reply said that the agricultural executive committee was not consulted about these proposals, but the land was inspected by a planning officer of the Department of Health and by a land utilisation officer of the Department of Agriculture to ascertain whether the land could be approved for housing development. After full consideration of the circumstances with the Department of Agriculture, the Department of Health notified the corporation that it would be prepared to approve acquisition of the land by agreement.

I do not consider it right to say that agricultural considerations have been kept fully in mind when the agricultural executive committee of the district had not even been told about this being done. Finally I would ask the hon. Gentleman five very short questions of which I have given him direct notice: First, what yardstick does the Government employ in deciding how much good agricultural land they are going to destroy, and how much they are going to preserve; Secondly, will the Government overhaul this inhuman and over-bearing system of requisitioning so that farmers will be given the earliest possible notice in future, in writing, in a decent courteous way, and shall not have an official coming to the door and saying, "You have to clear out," so that farmers can feel that things are not being done behind their backs; Thirdly, is the Secretary of State fully prepared to override his officials in hard cases; Fourthly, why is the agricultural executive committee for Midlothian not consulted in so many cases, especially in Moredun Mains? Fifthly, and finally, will Mr. McKendrick now be left in peace to carry on until 1951 when his lease falls in?

*Mr. Snadden* (Perth and Kinross, Western): I have a certain amount of sympathy with the noble Lord who has raised this question, but I want to be fair in my criticism, because I realise it is a very difficult problem to solve. I would look at it rather more generally, and the first thing that occurs to me is that the development of housing schemes constitutes a real drain on agricultural land. The second

thing we have to remember in Scotland is that, although our country is much better farmed than England, we have a very small arable area. Out of 19,000,000 acres we have only 4,500,000 acres of arable land, but our yield per acre is much better than our friends south of the Border can show, in spite of the fact we have a much more rigorous climate. So I conclude from that analysis that it is imperative that we in Scotland should hang on to our 4,500,000 acres of high quality land and endeavour, in regard to housing, to preserve all the best of our land and to build our houses on the poorer ground.

The difficulty is to find sites for half a million houses . . .

. . . There is dissatisfaction today in certain parts of Scotland, and I think that what we want to get at tonight is what is the procedure that is followed. If he can tell us that there is proper consultation between the Department of Health and the Agricultural Committees, and if proper publicity is given, I am certain that will remove a certain amount of the ill-feeling . . .

*The Joint Under-Secretary of State for Scotland (Mr. Thomas Fraser):* I have no complaint to make against the tone of the speeches of hon. Gentlemen opposite. Indeed, I should observe that the hon. Member for West Perth (Mr. Snadden) has just answered some of the questions put by the noble Lord. [HON. MEMBERS: "Only one."] Well, he answered one fully, and he partly answered some of the others. He said that we had a serious housing problem to solve in Scotland. We have, indeed, to find some 500,000 new houses. . . .

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After all, it was the city of Edinburgh that wanted the site. . . .

*Lord John Hope:* . . . The hon. Gentleman will agree I do not complain of what is being done. I complain of the way in which it is being done. I thought he would say something about that.

*Mr. Fraser:* I take it the housing authority in Edinburgh have their regular meetings, and it will be proposed from time to time to seek to get permission to acquire another site for housing. . . .

I think in the few minutes at my disposal I ought to answer the direct questions which the noble Lord put to me. He asked me, first, what yardstick the Government apply in deciding how much agricultural land to destroy, and how much to preserve? As the hon. Member for West Perth (Mr. Snadden) rightly said, it is impossible to have a yardstick. . . . The second categorical question was whether the Government would overhaul the inhuman, overbearing system of requisitioning so that early warning in writing is given. I can answer that by saying that we do not consider that the system is inhuman or overbearing. Then he asked whether the Secretary of State is prepared to override his officials in hard cases. Of course, the Secretary of State is the Minister responsible. . . .

The next question was why the agricultural executive committees had not been consulted in very many cases. The agricultural executive committee is not a proper instrument to be consulted at all in these cases. . . .

### Private Uniforms, Trafalgar Square Meeting

*Major Legge-Bourke* asked the Secretary of State for the Home Department if he has considered the police report that private uniform was worn in the recent protest procession on Palestine to Trafalgar Square; and if he is satisfied that the stipulations of Section 1 of the Public Order Act, 1936, have been fully maintained.

*Mr. Ede:* I am informed that among those taking part in the procession were some young people wearing the dress of the Jewish Youth Movement. As regards the second part of the Question the hon. and gallant Member may be assured that the Commissioner of Police will take any necessary steps to enforce the provisions of the Section to which he refers.

*Major Legge-Bourke:* Can the right hon. Gentleman say whether the Jewish youth uniform is considered to have any political significance or not?

*Mr. Ede:* That really is not a matter for me to decide, but for the courts.

### Southend Social Crediters

Councillor F. G. Feather, F.C.A., of 7, Drake Road, Westcliff-on-Sea, will be glad to hear from anyone in the Southend district who may be interested in the formation of a Douglas Social Credit Group there.

### Correction

In Mr. W. B. Laurence's article, *The Social Crediter*, August 3, (column 2, page 5, line 20) thrift should read *theft*; (paragraph 2, line 9) relation should read *relative*; and (penultimate paragraph, line 29) If it be should read *If it be not*.

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