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FOR POLITICAL AND ECONOMIC REALISM

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The New and The Old Economics*

By C. H. DOUGLAS

(Continued).

SECTION V.

The Just Price and the Price Factor.

Professor Copland quite correctly states that this part of the Douglas theory follows naturally from the A plus B theorem, and it follows equally naturally that, as Professor Copland's criticism of the A plus B theorem is invalid, his criticism of the price factor is also invalid. There is a method, however, of looking at the matter which arises from the more fundamental proposition that, while in the modern world consumption is less than production, under the existing financial system it is necessary for the producer to recover costs and prices from the public at a greater rate than he makes disbursements. This means that the consumption rate represented by prices is greater than the production rate represented by direct costs, and is the direct reversal of the physical facts. Nevertheless, it is an essential to the producer who is bound by the conventions of the financial system, otherwise he would make a loss on a year's work, having issued more money than he recovered.

The greater part of the surplus production is capital production, and we have to find a method of restoring his money to the producer of capital goods as soon as they are produced, while only charging the consumer for them at the rate that they are used up. The justification for this, of course, is that real credit is a measure of the rate of production. So that, if total production = (B) capital goods + (A) consumption goods, production costs are $A + B$, but true consumption costs are $(A + \frac{B}{X})$ where X is the average life of real assets, and if we are only going to

*The following explanatory footnote was appended to the commencement of this republication in *The Social Crediter* for September 6:

“Credit is the substance of things hoped for, the evidence of things not seen,” and no stable society can endure on false evidence.”

Those of the late Professors Copland and Robbins, separately, were the last considerable attempts to discredit the economic basis of Social Credit. They received their answer in the short critique by Major Douglas published under the title *The New and the Old Economics* in 1932. Neglect of Major Douglas's demonstration of the falsity of the ground from which statesmen are presumed to be trying to erect a stable society becomes the more reprehensible, the more completely the validity of his arguments is shown by experience. As the crisis in world affairs rises, crescendo, to a tragic level surpassing that of the great depression of the years closely following the first phase of the world war, and repeats, under the flimsiest of disguises, but still more catastrophically, the familiar features of a society tottering to its doom because it will not distribute what it can produce, we republish unaltered the text of the vindication of 1932.—Editor, *T.S.C.*

charge the consumer true costs, we have to pay the producer $B - \frac{B}{X}$ representing the value of the capital goods, to enable him to carry on his business. But if, in addition, he recovered the whole of his costs eventually from the public in prices, he would have recovered his costs twice over, therefore it is necessary to reduce the price to the public by the same amount $B - \frac{B}{X}$ that we repaid to the producer of capital goods, that is to say, retail prices must bear the same ratio to total costs that consumption does to production.

SECTION VI.

The Supply of Credit.

As Professor Copland specifically states on page 22: “Major Douglas denies that there will be any increase in prices with an increase in the credit issued resulting from his application of the price factor. His denial would be valid if his A plus B theorem were correct, but this theorem is itself invalid.” It will be seen, therefore, that the criticism of this section is really answered by the rebuttal of Professor Copland's criticism of the A plus B theorem, and is, in fact, answered by Professor Robbins. It is a curious fact, to which I do not take exception, that although Professor Copland presumably has the Minutes of Evidence of the Macmillan Committee, he prefers to quote my evidence on this matter given before the Canadian House of Commons ten years ago. I am, however, satisfied to rely upon the answer given by me as quoted by Professor Copland, and repeated here. (Q) “What is to prevent this?” (*rise of prices*). (A) “Because the rise of prices which occurs in connection with the printing of what is referred to as fiat money takes place in accordance with the assumption that the price of an article is what it will fetch, and (that) if there is more money in the market in relation to the same amount of goods, and people want the goods, then it is clear that the articles will fetch more money, and that is what causes the rise of prices in connection with what is called fiat money. That takes as an axiom that you have a rise of prices in connection with the increased supply of money; but if you apply the increased supply of money, if you like to put it that way, to the reduction of prices, that is a condition of affairs which cannot possibly take place, because the application of money does not take place unless you get a fall of prices. It is impossible. If I say I will let you have 5 dollars towards an article which costs 20 dollars if you charge 15 dollars for it, then you do not get the 5 dollars unless you charge 15 instead of 20 dollars; and the provisions which can be made to ensure that that takes place are perfectly obvious by means of such a thing as a discount voucher or something of that sort; so that the rise of prices cannot possibly take place.” Professor Copland's only comment on this is an unsupported statement that the increased money

would raise prices.

Perhaps, however, the answer to Professor Copland's contention is contained in the fact that the payment for an article from two sources is in operation all over the world at the present time. If I, having a capital of £1,000,000, manufacture an article, of which the cost of manufacture is £5, and owing to economic depression I am forced to sell the article for £4, I am applying my private store of credit which I call my capital of £1,000,000 as a subsidy in aid of a reduction of prices to the extent of 20 *per cent.* I can go on doing this until I have sold one million articles at £1 below cost. Furthermore, I can go on doing it indefinitely if my bank will give me an indefinite overdraft. If Professor Copland will explain to me exactly where and how at the present time this most unquestionable selling below cost by a draft upon credit is raising prices, I shall be infinitely obliged to him.

Nothing is more curious than the terror which seems to possess the conventional economist at the suggestion of anyone having more money.*

I am confident that Professor Copland is quite sincere in his views, but I think they arise from the unconscious effects of a training moulded in accordance with banking interest. The essential point, of course, is that the limitations placed upon the distribution of goods shall be either the physical limitations of the productive system, which limitations have, in fact, practically disappeared, or the limitations imposed by psychological and physical satiety. In common both with bankers and most orthodox economists, Professor Copland evidently desires that all controls shall be in the hands of the banking system, in which aspiration I do not agree with him.

Professor Copland in this case also provides a diagram to show how the system suggested would work. This diagram begins by stating that producer's costs are £200, specifically described as A plus B payments. The producer is then shown as paying out £200 to the consumer, whose income is consequently shown as £200. I am sorry to have to repeat myself so often, but the consumer's income and the producer's cost are not one and the same thing. Once again, Professor Copland seems quite oblivious to the existence of anything called time. In his diagram he shows the consumer's income increased by £50 owing to the operation of the price factor, at the same moment that the article to which the price factor will subsequently be applied, is still in the production stage, and, I think quite gratuitously, labels this £50, "inflation." It may be convenient at this point to define inflation, which is an increase of money tokens accompanied by an exactly equivalent rise of prices, so that the two sides of the account (money and prices) still bear the same ratio to each other, but are both larger. It may also be convenient to explain that the £50, which by his hypothesis the consumer gets, is the £50 which is necessary to pay for the charges which are *allocated* to the direct cost of production, but which are really carried over from a previous cycle. The validity of these consumer credits rests wholly on the assumption that two processes are taking place in the productive world at one and the same time, the creation of real credit, not only by the production of goods for con-

sumption but by the production of goods, processes, and systems, which increase the rate of production. And, on the other hand, the opposite process of consumption, which includes not only goods consumed in the ordinary sense of the word but all forms of deterioration. To say that these are equal is simply the same thing as saying that we could not produce any more goods and services if the whole of our available labour were employed in the whole of our available factories for the whole of the available time. If Professor Copland is not prepared to contend that this is the present situation, then he must admit that capital appreciation is greater than capital depreciation, or we could never have got where we are. If he admits that, the only question at issue is: To whom does the difference between capital appreciation and capital depreciation belong? The Marxian contention is that it belongs to Labour. My contention is that, being overwhelmingly the result of that which for short may be called "cultural inheritance," it belongs to the community. The banking organisation on the other hand quite specifically contends, whether it says it or not, that it belongs to the banks, and implements this contention by only issuing financial credit against this balance of real credit upon its own terms. I am quite content to leave to the judgment of the general public the decision as to which of these contentions is correct.

SECTION VII.

Professor Copland summaries his conclusion that my theories are unsound under the following headings:—

- "(1) It gives a wrong interpretation of the functions and powers of banks to create credit.
- (2) It ignores the fundamental relationship between credit and prices.
- (3) Its analysis of the disparity between costs of production and spending power is fallacious.
- (4) The determination of the Just Price through the application of the Price Factor is consequently misleading.
- (5) The issue of credit of the amount required by the theory would undoubtedly raise prices and cause general inflation."

In regard to (1), apart from the short comment upon his criticism which I have made, it may be sufficient to remark that there is no real difference of opinion by any recognised authority upon this point, and certainly not by the Macmillan Committee. Joint Stock Banks quite certainly do create financial credit up to the limitations of their agreed ratio of cash to deposits, and if central banks are included, there is no limitation to the power of banks to create financial credit.

(2) I am afraid the only answer to this is that the fundamental relation between credit and prices is not what Professor Copland thinks that it is, but is the relation between production and consumption.

(3) I trust that the somewhat lengthy discussion of this point has now made the matter clear.

(4) Any criticism of the Just Price through the appli-

* American Bankers' Association Circular, 1877.

cation of the Price Factor fundamentally must rest on the relationship between production and consumption.

(5) Apart from the fact, which I think is obvious, that Professor Copland does not understand the basis on which it is proposed to issue credit, his argument is that it would cause a rise of prices. Curiously enough, practically all the banks, and practically all the economists who advise banks (although many equally reputable share my views) are now saying that what is required, as the phrase goes, to "restore prosperity" is a rise of prices, and that the present crisis has been produced by a fall of prices. While I do not agree with this, Professor Copland cannot have it both ways, and it seems impossible to avoid the conclusion that what he objects to is not a hypothetical rise of prices, but a rise of prices produced without the creation of a fresh debt to the banks, where again I do not agree with him.

As an argument against the necessity for any measures of this character, he remarks that statistics show that real wages have almost doubled since the Napoleonic Wars, while many social amenities, such as free education, have been provided for the people. The first contention is, if I may say so, completely damning to his argument. If real wages have only doubled in this country in 100 years, while rates of production have increased by at least 50 times, then the population has been defrauded of all but 4 per cent. of the increase. As I previously remarked, the increase is probably much more than 50 times, but I am satisfied to understate the case. In regard to his second contention, the social amenities and free education to which he refers are not free at all—they are paid for by taxation of incomes already, for the most part, too small. Taxation is simply a form of compulsory saving, is essentially deflationary in character, and merely means a decreased demand upon consumable goods.

I feel that it is neither becoming nor desirable that at this distance I should comment on Australian banking policy, to which the last section of the pamphlet is devoted, beyond directing the attention of the Australian public to the exact meaning of a balanced budget, as explained in Chapter V of "The Monopoly of Credit." Professor Copland concludes by remarking that there is no prospect that the Australian banks will put the Douglas Credit Theory into operation. So far as the decision rests with the banks, Australian or otherwise, I feel sure that he is right. But, while no doubt a good deal of serious trouble may intervene, it is I think, the opinion of an increasing and by no means impotent body of the public in every country that action, substantially along the lines I have indicated, is essential to the progress of civilisation. If this opinion is correct, then I think I am justified in recalling not merely to Professor Copland, but to the controllers of the institutions who obstruct such progress, the well-known answer given by George Stephenson to an enquirer who asked what would happen if a cow got in front of his locomotive.

(Concluded).

"Does It Fit The Facts?"

Most readers of *The Social Crediter* know of the correspondence published by *The Scotsman* during the month

of September, 1941, between the late Reverend Dr. Salis Daiches and Major C. H. Douglas on the subject of the misuse alleged by Major Douglas of the word 'forgery' in connection with 'this curious document', *The Protocols of the Learned Elders of Zion*. Extracts were republished by *The Social Crediter* as the argument developed. It was very greatly to be desired that, in view of the eminence of Dr. Daiches as a Jewish leader and authority on Judaism as well as of the urgency and importance of the problem which centres around the contents of the disputed document, permission might be gained for the literal reproduction in a generally accessible form of the whole of the letters. In July, 1944, therefore, Mrs. B. M. Palmer wrote to Dr. Daiches, who was then living in Edinburgh, asking whether he had objection to his own letters being included. The reply was a conditional permission dependent upon the inclusion of the letters "in any work intended to demonstrate the falseness of that wicked concoction" [*The Protocols*]. In the following month, Mrs. Palmer wrote to Dr. Daiches announcing that "The fact that you are not prepared to allow your letters to be reprinted without unsuitable guarantees will . . . be substituted for the letters," while she proceeded to collect for publication those of Major Douglas, and to make a précis of Dr. Daiches's, as she was legally entitled to do.

These data, together with an article reviewing Dr. John S. Curtiss's book, *An Appraisal of the Protocols of Zion*, (Columbia University Press, 1942) which originally appeared in *The Information Sheet* (now *The Australian Social Crediter*) in 1945, have now been published by Mrs. Palmer in a limited edition of cyclostyled copies, attractively bound, at the price of 4/- a copy. The title of the brochure is *Does It Fit The Facts?* Distribution has been undertaken by K.R.P. Publications, Ltd.

While many Social Crediters who have not already studied *The Scotsman* correspondence will desire to familiarise themselves with its details, and others may wish to possess a permanent record of it, priority of importance lies in a wider distribution which, with the assistance of readers and otherwise, it is desired to secure.

It is unnecessary here to review the contents of the booklet. Briefly it is a concrete piece of evidence bearing weightily upon the profoundly important question, confusion concerning which may well be decisive whether or not our world reverses the present drift to destruction without another dark age, *Is history crystallised policy, or is it a long and unsatisfactory chapter of accidents—episodic?* Those to whom we are looking in the hope that they will exert conscious and effective pressure in the right direction at this critical time have identified correctly only some of the effective forces with which they are dealing. The closest approach which mankind has ever made to the establishment and preservation of a successful order of society has been on lines which are essentially Trinitarian. The very idea is being smothered. We are *not witnessing* in modern society the mere working out of a nationalist aspiration, but the destruction of the policy of a philosophy. Neither the policy nor the philosophy whence it proceeds can be upheld unless the major forces inimical to both alike are identified and met, opposed, and made ineffective outside the legitimate sphere of their operation. Men may (at their peril) reject truth for themselves. They must not be permitted to restrict access to it for others.

—T. J.

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Saturday, September 27, 1947.

From Week to Week

The touching unanimity, almost amounting to eagerness, with which Mond-Turner, or more formally, the Federation of "British" Industries and the Trades' Union Congress, or T.U.C., welcomed Sir Stafford Cripps's Plan to save Britain, ten minutes after it was proclaimed, is one more tribute to the amazing ability, scope, and lack of all decency which animates the real rulers of this unhappy land, whatever may be the Sunday School sentiments they profess. Stripped of its jargon it is a plan to reduce the wages of the whole population of these islands, for the work they do, by 75%. Of course the mass of the T.U.C. dupes don't see it, and if any of the Trades' Union leaders have a faint inkling of it, the reply is: "Keep quiet; or else—"

As though the Great Plan itself were not enough, Sir Stafford, as reported by Beelzebubs Brethren Calling, urged the population to spy on its component parts, and to inform the Gestapo of anyone buying in the Black Market.

We do everything we possibly can to assure ourselves at short intervals that the Protocols of the Learned Elders of Zion is too fantastically wicked to be authentic; but Sir Stafford, amongst others, seems stubbornly determined to undecieve us.

It is unfortunately true that, in the present state of the world, so carefully built up by the Illuminati, "Labour" holds all, or nearly all, of the short-term cards, and the Sanhedrin controls "Labour." That is the objective of the "scarcity" policy. If power-production had been allowed to reduce the working population to ten *per cent.* of that available, as of course it ought to have done, a strike would have been merely stupid, it would have been broken in five minutes. But so long as it can be pretended, "in war or under threat of war", that the most strenuous efforts are necessary from everyone to keep us alive, and that we must not cease to draw breath until all the Hottentots are clothed before us, one war-time expedient after another can be, and is, put over. If anyone supposes that the Labour—Big Industrialist—International Finance racket is not satisfied with the progress of their schemes he is just plain stupid.

But if anyone supposes that there is not an awful Nemesis approaching both Labour and Big Business, he is even more stupid. "Ye are liars—as your father before you. He was a Liar from the beginning... Ye generation of vipers, who shall warn you to flee from the wrath to come?"

There is a curious literary style which is common to a number of significant documents not considered to be con-

temporaneous such as Frederick of Prussia's "Political Testament," the "Protocols of the Learned Elders of Zion," and, *reductio ad absurdum*, the alleged instruction to a Fifth Columnist in the Social Credit movement in British Columbia which we published a year or so ago. Anyone who has studied the various edicts which have been issued in the last few years from centres staffed by the London School of Economics and P.E.P. will have noticed the same phenomenon, although not the same style. This latter fact suggests a common School, using the same text-books, in relation to the first quoted documents; and it may be remembered that Mrs. Nesta Webster, after reading the Protocols, exclaimed, "This is nothing but Illuminism." Gatemann, the alleged *saboteur* in the British Columbian case, particularly warned his agent against the harm which might be done by Mrs. Webster's books.

A further curious literary phenomenon is the wide misquotation of the well-known dictum of Lord Acton—"All power *tends* to corrupt, and absolute power corrupts absolutely"—by the omission of the qualifying word "tends." As generally misquoted, it verges on nonsense. All action requires power, and Lord Acton is made, in effect, to say that all action is corrupt. What he *did* say is profoundly true, immensely wise, and all of a piece—that all power must itself be governed just as every steam engine or other source of power, must be governed or it destroys itself and everyone near it.

Whether the analogy has any real validity if pushed further we are not sure. But there is room for the closest consideration of the fact that, *e.g.*, a steam-engine governor has, itself, no power—it is energised by the power which it governs. In any case, Professor Laski's idea of the British Constitution as vested in "the supremacy of Parliament" as at present constituted, ungoverned and ungovernable, traverses not merely the analogy, but all cognate history and experience.

We are not accustomed to find ourselves singing in chorus, but there is a surprising body of opinion as to the necessity of ending the absurd position to which coal has been elevated in economic, and, still more, in political life. Most of the writers on this subject have never been down a pit. The writer of this note, an erstwhile and insignificant owner of coal, spent, more years ago than he cares to remember, several days a week for nearly three months, down one of the deepest and most fiery pits in England. He came to the conclusion that miners were dangerously, and uniquely, out of touch with the rest of the country.

We are paying heavily for that aloofness, now.

"The Jew has emancipated himself in Jewish fashion, not only by taking to himself financial power, but by virtue of the fact that with and without his co-operation, money has become a world power, and the practical Jewish spirit has become the practical spirit of Christian nations. The Jews have emancipated themselves in so far as Christians have become Jews"—Karl Marx *Selected Essays*, London, 1926, page 89.

"... the Boer war was the first avowed capitalist war waged publicly for the possession of wealth. It revolutionised, or rather capitalised, what is called 'society', the passport to which ever since has been money. Park Lane took the place of Whitehall... As

credit became more and more international, men thought that nationality would no longer be a fighting issue, because it would not pay. The Jew was emancipated."—Austin Harrison, *English Review*, December, 1919.

“It is necessary to return to the deep sources of Western civilisation, which experienced its zenith in the chivalry of the Middle Ages. A still more difficult task as the masses intoxicated by Jewish propaganda show themselves to be fanatical defenders of the ideas which have led them to their ruin.”—L. de Poncins, *Juifs Maitres du Monde*, 1932, page 99.

The Editor of that excellent Northern weekly, *The Aberdeen Bon-Accord*, which has an unbroken record of sixty years' public service, recently published some kindly commendation of the progress made in Alberta since the election of the Social Credit Government, and its double re-election. This has stung the *Calgary Herald*, a Southam newspaper which has done all it could to obstruct monetary reform, into the remarkable statement, which we reproduce *verbatim* from its leader of August 5, that “Such prosperity as Alberta has enjoyed during the last decade has been largely due to two reasons—Adolf Hitler, and a cycle of wet years.”

Waal, waal, waal. Isn't it odd that in once-Great Britain, all our troubles are due to Adolf Hitler and too much rain—or is it too much sun?

Little publicity has been given in the British press to what might easily be one of the most important occasions of the summer—the tour of Canada by the three Cardinals of the British Empire—for the moment, Quebec is not included—Cardinal McGuigan of Toronto, Cardinal Griffin of Westminster, and Cardinal Gilroy of Sydney, Australia.

The Hon. Lucien Maynard, the Attorney-General of the Provincial Legislature of Alberta, was one of the guests at a luncheon party given in Edmonton by the Roman Catholic Archbishop, Monsignor MacDonald. The Cardinals remained for two days in Edmonton.

Few people appear to have noticed that “Poverty amidst Plenty,” 1947 edition, is identical in nature with that of the 1929-33 edition, and proceeds from the same source—Wall Street. The identity is cloaked by the fiction that in “Britain”, for instance, we are wading about in worthless money tokens which are not effective, as a result of Bretton Woods and other similar measures to make gold and the dollar the only effective purchasing power. The wealth of the world is piling up, in spite of the lunatic (or is it something more sinister?) efforts of the P.E.P. gang.

Prophecy, especially in terms of time, is the most thankless of tasks. But to say that the winter of 1947-48 will see the most tremendous upheaval of history is hardly prophecy—it amounts to reading a time-table.

We have, so far as possible, left the subject of India—not the carefully misnamed India of Pandit Nehru, Lord Mountbatten, and the Hindu-Wall Street cabal, but the India from Tuticorin to the Khyber—as being impossible of treatment with proper gravity in the pages of a review dedicated

to matters largely non-geographical. But it is becoming evident that events may easily transform the sub-continent into a world problem of the same nature, and of greater severity, as that which exists in China.

British rule in India is the finest example of Imperial administration the world has seen, at least since Roman Britain. China has never had anything like it, and the consequences of its sudden and premature removal are likely to be correspondingly disastrous.

“Seven Thousand Against Tyranny”

In the opposition to the National Insurance Racket there has been an extraordinary and inexplicable omission, which, in the opinion of the writer, accounts for the comparatively small number of hostiles to the further taxation required to finance the nefarious measures. The assertion put forward in both Parliament and our “Freedom of the Press” newspapers that there is “general agreement” in favour of it is nothing less than a Parliamentary and newspaper lie, and consequently its aiders and abettors in both those quarters stand out as English-speaking liars.

When was the public given an opportunity of expressing its “agreement”? The omission is that opponents have not demanded a clear statement of the real annual cost of the “Plan” in such terms that each person to be affected will be able to work out his own expenditure towards it. A great splash has been made of the weekly stamp-licking part of that cost perhaps with the idea of diddling the unthinking—the majority of—individuals but the belief that that is all there is to it, keeping back, however, in a deceitful way, that the stamps cover only about one third of the actual cost, the remaining two-thirds to be taken out of Rates and Taxes—it was originally said—in equal moieties. The requirement from those two sources amounts for the first year to between three and four hundred millions. To talk in hundreds of millions conveys nothing definite to anybody, especially to a populace mentally benumbed by colossal war-expenditure. Therefore, what is required is a statement by the Government of the additional poundage on Rating and Income Tax assessments to provide the aforesaid three or four hundred millions. The poundage information could be related to any back year's Rating and Tax Assessments. That would enable each individual's liability to be calculated and considered by him. After the extraction of that information from the reluctant authorities, each person can estimate his liability under those heads and enable him to decide whether he wishes to join the ranks of the contractors-out. The calculation will bring him definitely to the point, probably after getting a most unpleasant financial shock. When that information has been disclosed as it ought to have been long ago, the then awakened taxpayers can be queued-up by a reminder that the additional rate and tax burdens will bring about a further rise in the price of all commodities and services which he is able to purchase. He already knows that, through “Nationalisation.” His coal costs him more, his railway travel, his gas and his electricity are to cost him more. So when he takes notice, at long last, intelligent notice, of the word “National” in relation to the coming Insurance business, his wit may enlighten him that that “relief from fear and want” will also cost him more in the price of such things as he still can buy, apart from the increase in direct outlay from his pocket.

(continued on page 8).

PARLIAMENT

Food Contracts with Commonwealth Countries.

The following is the table from the Official Report of the Debate in the House of Lords on July 15 from Viscount Addison's reply to Viscount Bledisloe (see *T.S.C.* September 20):—

[The question was as follows:—

To ask His Majesty's Government, whether, in view of a prospective shortage in the supply of essential foods in Great Britain and on the Continent of Europe for at least two years, they can give at once to primary producers in Australia, New Zealand and elsewhere in the British Commonwealth and Empire such assurances with regard to the market for their output as are necessary to give them full confidence in augmenting as much as possible their production of food for export.]

LONG TERM CONTRACTS WITH COMMONWEALTH COUNTRIES.

Country.	Commodity.	Quantity.	Period.
		(maximum each season)	
Australia	Shell Eggs	1,000,000 boxes	Long term contract entered into to 30th June, 1950, covering maximum quantities to be supplied each season.
	Frozen Whole Eggs	13,500 tons	
	Sugar Dried Egg	2,700 tons	
	Dried Whole Egg	450 tons	
	Frozen Albumen	50 tons	Long term contract up to 1948 the purchase on a Government to Government basis.
	Dried Fruit	—	
	Butter and Cheese	Exportable surplus	Long term contract to 31st July, 1950.
	Milk Powder	4,000 tons	Long term contract to 30th June, 1948, with option of extension to 1950.
	Sugar	Exportable surplus	Long term contract until end 1949.
	Meat—		
	Beef	Exportable surplus	Long term contract to 30th September, 1948.
	Lamb		
Mutton			
Veal			
Pigmeat			
Offals			
Canned			
New Zealand	Vitamin "A" Oils		We have 2 years contract to December, 1948.
	Butter and Cheese	Exportable surplus	Long term contract to 31.7.50.
	Canned Milk	500,000 cases	Long term contract to 30th July, 1949, with option of extension to 1950.
	Milk Powder	15,000 tons	Long term contract to 30th July, 1948, with option of extension to 1950.
	Meat—		
	Beef	Exportable surplus	Long term contract to 30th September, 1950.
	Lamb		
	Mutton		
	Veal		
	Pigmeat		
Offals			
Canned			
Canada	Bacon	Minimum 156,000 tons	1947.
		Minimum 179,000 tons	1948.
	Meat—Beef	120,000,000 lbs.	Long term contract to 31st December, 1948.
	Wheat and flour	1946/8 160,000 bushels annually.	Long term contract to 31st July, 1950.
		1948/50 140,000 bushels annually.	
	Eggs, shell—		
	Spring fresh eggs	700,000 boxes	Long term contract to 31st January, 1949.
	Fall fresh eggs	450,000 boxes	
	Stored eggs	600,000 boxes	
	Sugar dried egg	7,500 tons	Long term contract to 31st March, 1949.
Cheese	125,000,000 lbs. annually		
Canned Milk	600,000 cases annually	Long term contract to 31st March, 1948.	
Milk Powder	8,000,000 lbs.	Government to Government contract until end 1947.	
South Africa	Sugar	Exportable surplus	Long term contract until end 1949.
Ceylon	Copra and coconut oil	Exportable surplus	Long term contract to 31st December, 1950.
British East Africa	Sugar	Exportable surplus	Long term contract to 31st December, 1949.
	Copra and coconut oil	—	Long term contract to end December, 1950.
	Coffee	24,000 tons annually	Long term contract for 5 years.
Jamaica	Coffee	2,000 tons annually	Long term contract to 31st December, 1952.
Malaya	Palm Oil	—	Long term contract to end December, 1950.
Fiji	Sugar	Exportable surplus	Long term contract to 31st December, 1949.
British Guiana	Sugar	Exportable surplus	Long term contract to 31st December, 1949.
Zanzibar	Copra and coconut oil	Exportable surplus	Long term contract to 31st December, 1950.
Kenya, Uganda, Tanganyika and Bukoba	Coffee	Fixed annual quantities	Long term contracts for 5 years.

House of Lords: July 30, 1947.

Statute Law Revision and Consolidation

The Marquess of Reading: My Lords, I beg to ask a question of which I have given private notice—namely, Whether His Majesty's Government are aware that the work of Statute Law, and the provision of consolidation, is gravely in arrear, and whether they have any remedial measures in contemplation.

The Lord Chancellor (Viscount Jowitt): His Majesty's Government have for some time been gravely concerned by the chaotic condition of the Statute Book and have had under consideration plans for reducing it to order. The problem is no new one, for intermittent attempts to improve the form and arrangement of the Statute Law can be traced at least to the time of Edward VI, but under modern conditions the public interest is becoming increasingly affected. It is no longer lawyers alone who are mainly concerned in ascertaining the law but a much wider section of the public, comprising central and local government administrators, representatives of employers and workers, and officers of public bodies and private associations. For all such the Statute Book has become a necessary "tool of their trade" and, in our opinion, it should be made an efficient one.

A study of the long history of previous endeavours in this field shows clearly that no real improvement can be accomplished until the business of Statute Law reform receives a definite place among the duties of Parliament and of the Executive Government of the day. This Government is determined to give it such a place. The first step will be to establish in the Office of the Parliamentary Counsel a separate branch devoting its whole time to the preparation of Consolidation Bills and Codification Bills, for in the recent past the main difficulty has been the fact that Parliamentary Counsel and Departments concerned have been so much occupied with current legislation that it has been impossible for them to find the necessary time for such work. This branch will be an integral part of the office, and members of the professional staff of the office will pass in and out of it as occasion requires; but those members of the staff who are for the time being engaged in that branch will not be employed upon other work. I am glad to say that we have been successful in securing the services of Sir Granville Ram, who is retiring from the Office of First Parliamentary Counsel, as head of the new branch and I do not doubt that under his leadership the branch will give a good account of itself.

There is a separate body of Scottish law in no less urgent need of consolidation than the law relating to the United Kingdom, or to Great Britain, or to England and Wales. The United Kingdom and Great Britain Acts which are to be consolidated will also raise questions of Scottish application. My right honourable friends the Secretary of State for Scotland and the Lord Advocate are arranging for the appropriate organisation in the Lord Advocate's Department to enable progress to be made with the consolidation of Scottish law and the application to Scotland of Consolidation Bills relating to the United Kingdom or to Great Britain to be undertaken.

It must, however, be emphasised that the work of Statute Law reform has so fallen into arrear that continuous effort extending over ten or fifteen years will be necessary before the Statute Book can be reduced to a condition which may be regarded as satisfactory. This is not to say that no results can be expected before the expiration of that period. On the contrary, when the programme of legislation for next

Session is announced I hope it will be found to comprise several Consolidation Bills dealing with a variety of subjects of importance to many sections of the community, but I am expressing a hope and am not giving any sort of promise. This, if it can be done, will be a beginning, but it is essential that after that the work should proceed upon a carefully considered long-term plan which can only be prepared after detailed examination of the Statute Book, and must be subject to constant revision and readjustment as the work proceeds. Moreover, it will be necessary also to make short-term plans Session by Session so that the work which will fall upon Government Departments in connection with consolidation may be fitted in with the ordinary current legislative work of the Session.

The Statute Law Committee, first appointed by Lord Cairns in 1868 "to make the necessary arrangements and to superintend the work of preparing an Edition of Statutes Revised," has of recent years made recommendations on the subject of consolidation, and the superintendence of the development of Statute Law reform should be entrusted to this body. I have, however, decided that in view of the wider interests now affected by this subject the Committee should be reconstituted, and in particular that its membership should comprise three members of each House of Parliament. The membership of the reconstituted Committee will be as follows: The Chairman, myself, the Deputy Chairman, Sir Granville Ram; the Attorney-General, the Lord Advocate, three Peers (including one Lord of Appeal in Ordinary), three members of the House of Commons, Counsel to the Lord Chairman of Committees, Counsel to Mr. Speaker, First Parliamentary Counsel, Legal Secretary to the Lord Advocate, Permanent Secretary, Treasury or representative, Permanent Under-Secretary of State, Home Office, or representative, Permanent Under-Secretary of State, Scottish Office or representative, Permanent Secretary Lord Chancellor's Department, Secretary of the Cabinet or representative; King's Printer of Acts of Parliament, and a Solicitor.

I propose also to revise the terms of reference of the Committee, which will in future be as follows:

"To consider the steps necessary to bring the Statute Book up to date by consolidation, revision and otherwise, and to superintend the publication and indexing of Statutes, Revised Statutes and Statutory Instruments."

Besides asking the Committee to give their first attention to the preparation of a programme of consolidation, I propose to ask them also to consider measures for catching up the arrears which have been occasioned by war conditions in the indexing work which they superintend, and for publishing a new edition of the Revised Statutes at the earliest possible date.

In conclusion, I feel I ought to utter two words of warning. First, the work of consolidation is not concerned with improvements of the substance of the law, but only of its wording and arrangement. Tasks such as the simplification of Income Tax law, which so many people desire to see put in hand, fall outside its province. Secondly, no amount of Statute Law reform will ever produce Bentham's ideal code of law readily understandable by every citizen. However well arranged it may be, the law relating, for instance, to the computation of the capital and profits of inter-connected companies for purposes of taxation will not be mastered without severe intellectual effort, and the effort required is that of a specially trained intellect. Laymen will benefit from Statute Law reform, but it will only lead to future

disappointment if the setting up of the machinery now proposed gives rise to expectations that the law could be so improved as never to call either for hard thinking or for expert assistance.

The Marquess of Reading: My Lords, in thanking the noble and learned Viscount for his statement, your Lordships will perhaps permit me to say one word of mixed congratulation and encouragement to him in the very considerable and very important task which he has now set afoot. No one who has any familiarity with the Statute Book—and who in these days is not either from choice or from necessity to some extent familiar with some of the outlying portions of that work—will expect that the operations which are now to be undertaken will produce Statute Law without tears. But it is high time that this work was started and it will, I do not doubt, be of the greatest satisfaction to all those interested in the subject that Sir Granville Ram has been made available to undertake the chief part in the execution of the work.

House of Lords: August 5, 1947.

Administrative Law

The Marquess of Reading: My Lords, I beg leave to ask the question standing in my name on the Order Paper.

[The question was as follows:

To ask His Majesty's Government, whether the statements made by the Attorney-General to the Haldane Society, as reported in *The Times* dated July 24, 1947, represent the views of His Majesty's Government as a whole, and in particular whether his statement that they must increasingly submit the administration of the legislation which is passed to expert tribunals outside the hierarchy of the ordinary courts of law represents their settled policy; and further, whether they share the Attorney-General's belief that "the methods they are using have protected the fundamental principles of our Constitution from a breakdown which would in some measure have paved the way for some Totalitarian system," and, if so, in what circumstances and in what form such a breakdown was expected to occur.]

The Lord Chancellor: My Lords, I did not see the report of this speech in *The Times* but I have read the full transcript of the speech. The Attorney-General was careful to point out that he was expressing a purely personal point of view and I am in no way qualified to act as a censor. If the noble Marquess were to read the speech as a whole—and I should be happy to lend him my transcript—I feel sure he will find it a thoughtful and well-balanced speech, with which he would be, as I am, largely in agreement. The only principle in the sphere of justice to which His Majesty's Government are committed is that impartial justice shall be administered to all the lieges, and that in selecting the particular tribunal to administer that justice the wishes of the persons principally interested, together with questions of expedition and cheapness, shall be considered. So long as these principles are observed I see no reason to anticipate any breakdown in our system.

The Marquess of Reading: I am much obliged to the noble and learned Viscount, but may I ask a supplementary question to his reply which was in expectedly general terms. I should like to ask whether the words in inverted commas

in my question were in fact part of the Attorney-General's speech, and if so, whether I could have a reply to the last part of my question.

The Lord Chancellor: I cannot remember whether those words are actually reproduced in the transcript of the speech, but the breakdown to which the Attorney-General was referring was that of the Parliamentary system. He was pointing out that unless we had in reserve some power such as the closure or the guillotine or something of that sort we should be unable to get our Bills through, and in that event we should be unable to cope with the emergencies of the present situation. In that respect I must say I entirely agree with him.

"Seven Thousand Against Tyranny"—(continued from page 5)

That line of attack should be found more effective than a Petition. A large number of at present contractors-in will experience an urge for contracting-out, when inspired by a demand for Governmental information to which they have every right in any event. That information dragged out, a Referendum should be demanded to ascertain whether the National Insurance Scheme is wanted or not, especially in present day conditions. Without such information apathy will continue and it is the obvious programme of the Government to foster that apathy by withholding financial details. If a Referendum in an electoral way is refused, then a private referendum should be instituted on the definite question—"The measure will cost you so much further Rate and Tax poundage. Do you want to pay that cost or do you not?"

What first class impudence it is for "The Great Parties" to assume impertinently "general agreement" without publishing such vital particulars. How can any person be deemed to consent without it? In all business transactions it is elementary to enquire the cost before commitment. To be unable to obtain the information in the case of National Insurance is a political swindle of the first water.

As Dr. Dobbs has discovered "elderly middle or working class people who simply could not afford to pay the additional levies were at their wits end to know what to do." How many more people of all classes would be of like mind when the brutal "It's your money we want" point is put frankly and plainly before them? My own belief is that the preposterous plan, which will actually introduce fear and want now into countless homes, would be blown sky-high if the veil of the Temple of Political and Bureaucratic Roguery were torn down, disclosing a horde of officials eager to find jobs paid out of "national" money by means of which they can further pester an already over-pestered and official-ridden country.

In correspondence with the *Daily Telegraph* that paper averred to me that it is not "our job" to press for such particulars. One wonders what is "the job" of the newspapers, if it be not to search out and then disclose information about any matter vitally affecting the solvency of all in the country. It is curious what space has been given in the Press to the Medical Profession's attack on the scheme and how the financial burden of the public has been ignored by that Profession. Had it had the insight to enlist that public interest, it would have acted as did Wellington and Blucher at Waterloo.

—W. B. LAURENCE.