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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

THE SAYINGS OF DR. HERBERT EVATT:

"I am also under obligation to Professor Laski, of the London School of Economics . . . for much encouragement and advice."—*The King and His Dominion Governors*, H. E. Evatt.

"On the train from Canberra to Melbourne, Dr. Evatt and John Beasley, Minister of Supply, asked me to sit with them . . . Their remarks convinced me that they were completely baffled about the whole world set-up. Dr. Evatt showed an animus against the English. No matter what I said he interspersed his remarks with 'That is just the way the English do things.'"—*From Suez to Singapore*, Cecil Brown (U.S.A.)

"Meantime the Australian Minister in Washington, Dr. Herbert Evatt, had called on Marshall with some bitter comments about the British."—*Marshall: Citizen Soldier*, William Frye (U.S.A.)

Dr. Evatt has initiated and campaigned for three separate Referenda in Australia with the object of diminishing State (i.e. provincial) powers and centralising them in Canberra. Thanks almost entirely to the magnificent efforts of various Social Credit individuals and organisations, *The Australian Social Crediter*, and *The New Times*, all of them have been defeated, to the publicly expressed regret of Professor Laski.

Dr. Evatt was largely instrumental in obtaining the majority in favour of the Partition of Palestine by the United Nations Organisation—an exhibition of lobbying which will quite probably result in the demise of that institution. He was ably seconded in his support of Russia and the United States, in opposition to the United Kingdom, by Mr. Lester Pearson, the Canadian Delegate.

"It is one of the consequences of the obscure and un-comprehended state of helplessness to which the individual has been reduced by prevalent conditions that most people, when they think about putting into practice any idealistic conception, think of the problem in terms of organisation.

"People even speak seriously of the 'organisation of prosperity,' as if prosperity were something reducible to formulae, and as if all would be well if only the right organisation could be brought about. That is bad enough, but it becomes worse when the bringing about of the right organisation is not distinguished from the imposition by some kind of authority of a sufficient degree of organisation.

"The worship of organisation has gained such strength that it has among its adherents a large number of comparatively intelligent or at least intellectual people. Its chief advocates often exhibit a conscious intellectual superiority, which is evidence of nothing more than their own lack of humility. It is impossible for anyone seriously to regard organisation, planning, and the like as the proper foundation for human society unless in his heart he despises the mass of

mankind."—Lord Northbourne in *Look to the Land*.

"Of all checks on democracy, federation has been the most efficacious and the most congenial . . . the federal system limits and restrains the sovereign power by dividing it, and by assigning to Government only certain definite rights. It is the only method of curbing not only the majority but the power of the whole people."—Lord Acton.

The British Empire is an organic federation. Only ordinary intelligence, together with some considerable attention to the evidence, is necessary to become assured that the substitution of a real, organic federation-by-growth by a deliberately false federation-by-rationalism, is the issue which is dividing the world today.

We have always been able to restrain our enthusiasm for Mr. Robert Boothby, M.P. partly by contemplation of his carefully controlled intelligence. His attack on Mr. Ernest Bevin as "with the possible exception of Sir John Simon, the worst Foreign Secretary I have known in my 25 years experience of Parliament" makes that task still easier.

We consider Mr. Bevin to be handicapped by the lack of certain attributes indispensable to a British Foreign Secretary and the experience and outlook which goes with them. In that sense, and only in that sense, we should agree with Mr. Boothby, adding that almost without exception Mr. Bevin's colleagues are far inferior to him, even though some of them, the worst, possess a simulacrum of the attributes which he lacks. Having written that, we offer Mr. Bevin an appreciation based on a fairly clear conception of the problems with which he has had to deal. We have not done very well during his term of Office, but if the freely expressed opinion that he is to be succeeded by Mr. (or Dr.) Dalton is well founded, we may come to look on Mr. Ernest Bevin as the last flash of the English spirit.

"HISTORY."

"In this he [Delane] was the more interested owing to his friendship with various members of the Rothschild family. This friendship originated in a curious way. Delane was in the habit of going to the same hairdressers shop in the City that was patronised by Baron Lionel Nathan de Rothschild (the "Sidonia" of "Coningsby" and the "Mr. Acton" of the Turf). One day Rothschild asked the proprietor who his handsome young customer was, and on being told that he was the new Editor of *The Times*, he made Delane's acquaintance. They became great friends."—*Delane of The Times*, Sir Edward Cook, p. 39.

Rights of Adolescents

Notable concessions in connection with the Employment and Training Bill, which affects the interests and rights of adolescents seeking to choose careers and jobs in life, have

been won for parents, says the *Catholic Herald*, by representations by Members of Parliament and the Southwark Diocesan Catholic Parents' and Electors' Association. Assurances have been given by the Ministries of Labour and Education, which go a long way towards meeting the requirements of parents.

PARLIAMENT

House of Lords: June 2, 1948.

Criminal Justice Bill

Viscount Simon: . . . Now I come to a question which has greatly troubled me: it concerns what is to be done in the meantime . . . Immediately the decision had been reached in the other place the Home Secretary announced that nobody who was then under sentence of death, whatever the circumstances, should suffer execution, but that all should be reprieved . . . The whole thing seems to me to raise a very serious Constitutional question.

Lord Goddard: . . . At the moment, when a man is convicted of murder, Judges have no option but to pass sentence of death. Trials for murder are going on now. There have been several such trials since the Second Reading debate, and the Judges are out on the circuits now. Every Judge has to pass sentence of death, because that is the only sentence which the law of today, which will remain the law until it is altered, requires.

Side by side with that law the Crown by the Common Law of the Realm, has always possessed the prerogative of mercy, which is now exercised on the advice of a responsible Minister. I say without fear of contradiction that, certainly for the last 150 years, and probably for longer, that prerogative has never been exercised except with regard to the particular facts of the particular case. It was therefore with some surprise that I not only saw announced in the newspapers but received official notice from the Home Secretary—and by this I can answer the question which Lord Simon put a moment ago—that he proposed in future to reprieve all murderers, and suggested to me what I had already been informed of through the announcement in the newspapers before I received his letter—namely, that I should suggest to the Judges an alteration in the form of the death sentence. It was in fact an announcement to the world that not only would those then under sentence of death be reprieved, but that all future murderers would be reprieved.

I speak merely as a lawyer, but Judges are, after all, concerned with the constitutional law of this Realm. I venture to submit to your Lordships, I hope, without risk of being accused of exaggeration, that that is exercising a dispensing power which has been repudiated by Parliament ever since the days of James II. Such a situation is enshrined, in fact, in the Bill of Rights; action of this sort is declared to be illegal; and if this is not altering the law by administrative action, I do not know what is. In view of what we were told, I thought it right to suggest to my brother Judges that we should alter the traditional form of the death sentence, and especially that we should omit from it that prayer which has accompanied the death sentence for centuries—namely, that the Lord may have mercy on the prisoner's soul, for apparently the Home Secretary has decided to anticipate the Almighty. We could not pass that sentence when we were told that every murderer, under any circumstances would be reprieved.

There have come to my personal knowledge four where the reprieve has been given in accordance with what is now to be the general policy. First, there is the Staines murder, where a gipsy murdered an old man who had stupidly displayed a bundle of notes in a public-house. The gipsy (as he said) accompanied him home murdered him on the Common and threw his body into a ditch. Secondly, there was the case that my noble friend referred to a moment ago—that of the steward who murdered the young woman on a liner and threw her body into a shark-infested sea. Thirdly, there is the case of a police constable who was shot by a burglar; and then there was the case of the unfortunate old watchman who was battered to death in a cinema. These men are now all reprieved. What is to happen if this clause does not become law? Are these reprieves to continue? This clause is not yet law; it may never be law—I certainly hope it will never be law. And if it is not, it seems to me that murderers in the future may have a legitimate grievance. They may say, "Why is it that I am now to be hanged? Why is the law to be put into force against me when, before the law was altered and when the law was that murderers should be hanged, these people, who it was never suggested were insane or anything of that sort, should be let off the capital sentence?" It is not too much to say—and I say this with due sense of its importance—that this raises a most important Constitutional issue. . . . I am bound to say—and I think it was said by some of your Lordships in the debate on the Second Reading—that if once you abolish the death penalty it will be impossible to re-impose it. Certainly, nothing except some great political assassination, I think, would move Parliament to re-impose the death penalty once it had been removed. The difficulty, I believe, would be too great. Of course, I may be wrong. But I do say that if you are going to make the experiment, this is not the time to make it. Can any member of your Lordships' House pick up his newspaper any morning without seeing a report of some crime of violence—all too often the crime of murder? The noble and learned Viscount, Lord Simon, referred to what he saw in the paper today—a report about the battering to death in her house of a woman of eighty-nine. If he had turned to another page he would have seen a statement—it may not turn out to be true, but, apparently, it is true—about the police finding two ladies bound and gagged in a flat at South Kensington. These are the sort of things that are going on at the present time. Is it a safe time or a proper time to carry out an experiment which must mean gambling with the lives of people? . . .

I desire to say only one further word in conclusion, and it is this. I have heard and seen reports from various quarters that there may be an effort at some future stage of the Bill to effect a compromise. I hope that your Lordships will stand firm in accepting this Amendment and rejecting the clause, and, if you do, I am bound to say that I hope you will also stand firm in rejecting a compromise. I say that for this reason. I believe, with all my heart, that our present system, under which the Secretary of State reviews every case which comes before him, has worked well in the past and will work well in the future. The noble Viscount, Lord Samuel, made a suggestion yesterday that it might be desirable for the Secretary of State to call in two or three Privy Councillors to assist him in his arduous and difficult task. As Lord Oaksey pointed out yesterday, he can now call in every one of his permanent officials and he does call in his permanent officials. I believe that Lord Samuel's suggestion is a very valuable one, but, however experienced

those people are, however high-minded, however anxious to do that which is right (as they always are) if you always consult the same officials, there is perhaps a danger—I only say “perhaps”—of the matter becoming in some way standardised. It might be better if the Home Secretary consulted—as he could without statutory permission—other persons, such as the noble Viscount, Lord Samuel, suggested.

I would remind your Lordships that down to the reign of George IV the Privy Council met every month to consider what was then called the Recorder's Report. This Report was sent from the Old Bailey to the King and contained the names of prisoners who had been sentenced to death, recommendations for respite and recommendations for those left for execution. It was considered by the King in conjunction with his Privy Council before the death warrants were signed. Exactly when that system came to an end I do not know, but it certainly was before the reign of Queen Victoria. Perhaps when the Queen came to the throne it was not thought right for a young woman to undertake that duty, which has ever since devolved on the Secretary of State and has been discharged, if it is not impertinent to say so, most admirably. That ought to continue. It is better than any form of compromise. And what are the forms of compromise? Are we to say that murderers of a police officer or a prison warder shall be punished by death but not others? While I would do everything I could to protect prison and police officers, the lives of others of His Majesty's liege subjects are at least as valuable as theirs. Or are murders to be divided into first degree and second degree, as has been done in some of the States? I do not envy the task of a Judge who has to sum up on such a matter as that, or of a jury who have to come to a conclusion. I know that in at least one State in America, in which people are not slow, I am told, in “doing a quick draw,” there has not been a conviction for murder in the first degree since the law was altered to include first and second degree murders. I think it is much better to leave the law as it is. I am no believer in the maxim *vox populi, vox dei*. I agree with a good deal which is said about that. But I also think that if the criminal law of this country is to be respected, it must be in accordance with public opinion.

The Lord Chancellor: . . . I think I was asked the question whether it was not possible that, if your Lordships took a certain course, the prospect of a change in the law taking place in the near future would disappear. Obviously if it does, that is a wholly new set of circumstances which must receive afresh the consideration of the Home Secretary in regard to the announcement of policy which he made, and as to the advice which he thought it his duty to tender to the Sovereign, which was applicable on the view and on the footing that there was to be a more or less immediate change in the law. I am sure your Lordships would agree that in this very onerous duty which the Home Secretary has to perform—which, let me say, in case there should be misunderstanding, is his duty and not the duty of anybody else, whether his colleagues, the Government or the Cabinet—it is obvious that he must have regard to all the circumstances.

May I take an extreme case? Suppose this Bill had been passed in its present form by both Houses of Parliament and was going to receive the Royal Assent, let me say, on Thursday; and suppose there was a particularly brutal murderer whose execution would have taken place on the Wednesday—that is the day before the giving of the Royal

Assent. We should all agree, I am sure, that in those circumstances it would be a proper thing to say: “I am not going to have a race between the execution and the Royal Assent. I shall humbly advise that the prerogative of mercy should be exercised.” So it would be, I think. If you really see a prospect of the law being changed in the future, that is the point of view which you might quite properly take. Indeed, if the Home Secretary had not made any announcement but had considered that aspect in each particular case, there could have been no criticism. But I think he was wiser to do as he did and it was better that he should make the pronouncement which he did make. It is interesting to note that when he made that announcement in the other place not only was there no criticism but one prominent member of the Opposition said he thought that the Home Secretary had taken the only possible course which he could have taken at the present time.

. . . If this House takes a line which it is perfectly entitled to take by passing this Amendment, then I say that a new situation will have arisen, and it must not be taken that the existing pronouncement any longer holds good. . . .

House of Commons: May 25, 1948.

Supply—Board of Trade

Mr. Oliver Lyttelton (Aldershot): . . . Turning to clothing rationing, I first of all want to ask the Committee to remember that the 66 coupons—which was the original number of coupons issued—was no hit or miss figure. The statistical department of the Board of Trade, in conjunction, if my memory serves me, with the Bank of England, had been collecting statistics about the annual purchases of clothing by various sections of the community for 11 or 12 years before 1941. . . .

The Board of Trade were prepared to say within a reasonable margin or error—five or 10 *per cent.*—what the lowest paid part of the population bought before the war. Basing it on the sort of pointing we then contemplated, the lowest paid part of the population bought considerably more than 50 and rather under 60 coupons-worth of clothing per annum and, therefore, the original scheme was on the basis that the lowest paid part of the population should have an opportunity of buying rather more than they were accustomed to buy. Two and a half years after the end of the war the coupons available are far below the amount which used to be spent by the lowest wage earners before the war. I think we ought to get that straight first of all.

Mr. H. D. Hughes (Wolverhampton, West): Will the right hon. Gentleman make it quite clear whether those figures cover the unemployed?

Mr. Lyttelton: They cover them all. The President of the Board of Trade has now announced a few further, and I think very tardy, concessions upon the clothing ration. I want first to examine the stocks of textiles. I draw the attention of the Committee to these very striking figures, and I would like to begin in October, 1947. These figures, by the way, are those of the Wholesale Textile Association, in collaboration with the Bank of England. Taking the year 1942 as 100—and I think one of the reasons why this reference year is taken is because it was the year after clothing rationing was introduced; that is why 1942 is taken as a reference year—taking that as 100, stocks in October, 1947,

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The Right to Contract Out

The importance to many people of the right to contract out of the National Insurance and National Health Acts was acknowledged in Parliament by Mr. R. A. Butler (Hansard, May 24, 1946, col. 701-2); but no party would defend that right, and all attempts to send the Declaration reprinted below have been diverted to the Minister of National Insurance.

The Declaration, signed by 7,000 people before the passage of the Acts, will increasingly continue to provide means of opposition to these Acts:—

WE, THE UNDERSIGNED, humbly petition our Sovereign Lord the King, whose loyal subjects we are; appeal to the House of Lords, Spiritual and Temporal, whose duty it is to be the Guardians of the wholesome traditions of this Realm; and require, as our just right, our representatives in the House of Commons, whose duty it is to serve us faithfully in such a matter; to protect all those personal liberties which we have inherited as subjects of the British Crown, and which the recent most grievous War against the King's enemies was fought to preserve.

We ask for ourselves, and for all others, rich and poor, freedom to choose, without pressure or coercion, financial, legal or in other forms, whether or not we shall participate in any National Insurance Scheme (including Health Insurance Scheme) which may be set up, that is to say, *freedom to contract out completely*, whether by exemption from all relevant taxation, as well as contribution, or by refund of the total amounts paid.

We would point out that if financial participation is enforced upon objectors, only those who can afford to refuse the benefits will escape subjection to the numerous conditions, penalties and interferences which are attached to the return to members of the community of their own money at time of special need, and which may be altered unilaterally by regulations from time to time.

We base our objection to compulsion in this matter also upon the following considerations (among others):

1. Insurance is a contract between two parties; but a contract which the weaker party (the individual) is not free to refuse, and in which he is compelled to accept whatever conditions may be made at any time by the stronger party (the State), is a tyrannous and immoral proceeding, and a travesty of civil justice.

2. Insurance is a contract willingly entered upon by free people only in proportion to their fear or expectation of financial loss leading to penury through sickness, accident, unemployment, old age, etc. It follows that the imposition of compulsory insurance upon all can only be justified if the Government expects so to conduct the affairs of the Nation

that the fear of penury will be, and will remain, great and universal.

3. We note that in the National Insurance Bill (Clause 5) exemption is to be allowed to those whose income is not over £75* a year. This means that the extremely poor, who cannot possibly pay the contributions, will be excluded from the benefits, which disposes of the contention that all alike must be made to contribute in order to provide freedom from want for all.

4. The idea of compulsion applied to State Insurance is completely alien to the British tradition of freedom and responsibility. It came, as did other forms of totalitarian thought, from Marxism to Nazism, from our recent Enemies, and was increasingly applied in the German State from Bismarck (1883) to Hitler. In this country it has been persistently propagated by certain agencies, which have also been permeating the Government and the Civil Service, and have been working to undermine the Sovereignty of the Nation as well as of the individual. The best known of these agencies are the Fabian Society, the London School of Economics, and P.E.P.

5. At the most critical phase of the War, the Beveridge Report, a document having obvious connections with the above agencies, was produced at the taxpayer's expense, and a favourable view of its main proposal, compulsory State Insurance for all, was imposed upon the public mind by overwhelming propaganda, including compulsory lectures for the Services, at a time when effective opposition was impossible. It is admitted that the Government pressed this propaganda upon the public as a War measure intended to stimulate morale.

6. At the General Election 1945, by agreement between the Party Leaders who had previously been colleagues in the Coalition Government, no opportunity was given to the electors of returning a Government not committed to compulsory State Insurance. It follows therefore that no mandate has been, or could have been, given in favour of it.

7. Even had such a majority mandate been given, at a time when public opinion had not been biased by one-sided propaganda, it would confer no right upon Parliament to infringe the personal liberty of any minority. In the case of military service, when the State is in danger, exemption is allowed in all cases of genuine objection, based upon moral convictions, although the arguments in favour of compulsion are much more powerful than they can possibly be in the case of National Insurance, which is not a matter of desperate emergency.

WE DECLARE, therefore, that, bearing in mind the nature and origins of *National Insurance*, and the way in which it has been, and is to be, imposed upon this people without freedom of choice, WE REGARD IT AS AN IMMORAL AND UNJUST PIECE OF LEGISLATION, liable to bring the Law into contempt, and repulsive alike to the British tradition and to the Christian Faith. Accordingly we desire to have no part in it whatever, and we call upon all loyal subjects of the King to join in exposing the facts of the case, to exert themselves to obtain freedom for all to contract out of National Insurance (including Health Insurance), and to press for the REPEAL at the earliest possible moment of any legislation which may infringe this freedom.

(Copies of this Declaration, with space for signatures, may be obtained from the publishers of this journal.)

* Raised to £2 a week in the Act.

Australia's Social Services Analysed

(From the *Sydney Daily Telegraph* of May 25)*

LOSERS.		
Category		P.c. of earners.
Men who remain single		15.1
Men who marry and have no children .		33.2
Men earning above basic wage who marry and have one child		25.2
Men earning above £7 6s. weekly who marry and have two children		6.0
Men earning above £8 8s. weekly who marry and have three children		1.5
Total		81.0
GAINERS.		
Category		P.c. of earners.
Basic wage earners who marry and have one child		4.5
Men earning less than £7 6s. weekly who marry and have two children		6.0
Men earning less than £8 8s. weekly who marry and have three children		4.5
Men who marry and have four or more children		4.0
Total		19.0

Eighty-one *per cent.* of Australian taxpayers will show heavy losses on their social service contributions.

If these taxpayers invested their contributions each year and allowed them to accumulate at 3 *per cent.* compound interest, they would have more at death than what they would stand to gain throughout their lives from social services.

"Research Service" reaches this conclusion after an exhaustive survey of the Commonwealth Government's Social Service scheme, and the way the Government will finance the scheme.

The survey says:

Low-wage earners in all wage groups with small or no families, and earners in the higher wage groups with large families, stand to lose up to £3,000.

These two groups represent 81 *per cent.* of total wage earners.

Low-wage earners with large families stand to gain up to £3,000.

These earners represent 19 *per cent.* of all wage earners. Salary earners stand to lose very heavily.

A single man on £2,000 a year, who receives no pension benefits, would lose £9,200. A married man on £500 a year, with three children, would lose £650, and one on £750 a year with four children would lose £1,410.

[The fact that 81 *per cent.* of the people will be losers

doesn't mean that the National Welfare Fund will accumulate vast sums. The 81 *per cent.* will lose mainly because the survey allows interest on contributions. The Government doesn't pay interest, and the contributions don't allow for interest, so the Government doesn't accumulate any surplus].

The survey is concerned only with people starting off in life who wish to see what they will receive compared with what they will pay.

There are two groups of benefits:

1. Those which the average family is entitled to. In 1946-47 they were:

	Million.
Child endowment, costing	£19.9
Old-age pensions, costing	£22.4
Maternity benefits, costing	£3
Total	£45.3

2. Those on which a family would draw only if normal life were interrupted. In 1946-47 they comprised:

Invalid pensions	£7.2
Widows' pensions	£3.4
Hospital benefit	£4.4
Unemployment, sickness	£1.6
Tuberculosis	£0.1
Total	£16.7

Benefits totalled £62 million, and to finance them the Government tapped two sources:

Social Service contribution	£51
Payroll tax	£13.6
Total	£64.6

Payroll tax, therefore, paid for all except £3.1 million of the abnormal benefits. This £3.1 million represents only 6.1 *per cent.* of the social service contributions.

The survey maintains that the average wage and salary earner gets only the normal benefits, and that he finances these by his direct contributions. So it compares only the normal benefits with the contributions he pays, and excludes the abnormal benefits for which he doesn't pay.

The survey calculates what contributions would total when the contributor reached 69, if he invested his contribution year by year at 3 *per cent.* compound interest. The amount is then set against benefits received, after allowing 3 *per cent.* compound interest on the value of those benefits.

The survey gives the example of a married man, with three children, who earns £8 8s. per week.

Beginning his contributions at 21, he marries, and has three dependent children by the time he is 39. He loses the benefits of all the children by the time he is 43. He retires on a pension at 65 and dies at 69. His widow survives him, and lives on a pension until she dies at 71.

This man would have made annual contributions ranging from £32 8s. at 21, down to £18 in early middle life back to £32 8s. from late middle life to 65, when he retired.

By 69, when he died, those invested contributions would have been worth £2,766.

The value of annual benefits would have been £2,550, special benefits £195, total benefits £2,745, or £21 less than the value of his contribution.

*We reproduce this article by permission of the *Sydney Daily Telegraph*, without comment, as an example of a form of attack which might with profit, be adopted by British newspapers as a prelude, we hope, to its extension to other fields of economic realism.

Most contributors would lose heavily, but families of more than four children, which the survey does not cover, stand to gain more than others.

There are, however, only 17,551 of such families, or 8.2 *per cent.* of the number receiving child endowment, so the survey covers at least 92 *per cent.* of all family groupings.

Salary earners stand to lose heavily whether they retire on pensions or not, unless the salary is very low and the family very large.

The survey believes that most salary earners are excluded by social habit and means test from pensions.

It reaches the staggering conclusion that the only family group which would gain would be one on £500 a year, with four children. It would gain £630.

If the same group had pension benefits it would gain £1,640.

Expenditure on social services in the Commonwealth has risen from £16.4 million in 1938-39 to £62 million in 1946-47.

The estimate of £77 million for 1947-48 almost equals total taxation in 1938-39.

The expenditure now equals 5 *per cent.* of national income, compared with 2 *per cent.* in 1938-39.

Personal incomes have risen since 1943-44, but personal savings declined from 27 *per cent.* of income in 1943-44 to 10 *per cent.* of the higher income of 1946-47.

The downward trend could be due to:

Rising prices.

Increase in the supply and purchase of consumption goods.

Higher taxation.

But the Government proposes to provide additional services—the national health plan, for example—at an estimated annual cost of £15 million to £20 million.

Financing of additional services will present these alternatives to the Government:

Increasing inflation on the consumer goods market by paying out the balances which accumulated in the fund before full-scale benefits began.

Raising taxation.

Reducing other expenditure.

The survey says there is little prospect of substantial tax reduction while Commonwealth expenditure continues at anything approaching its present level.

PARLIAMENT—continued from page 3.

had risen to 141. They then went on, month by month, like this: November, 142; December, 156; January, 176; February, 185; March, 188; April, 191. It was this sharp rise and the unmistakable trend and tendency—I mean unmistakable to the ordinary businessman: it would be a bold fellow who said that anything was unmistakable to His Majesty's Ministers—which caused me to say on the last occasion when the subject was before the House, and when the right hon. Gentleman made a statement, that the action of the Board of Trade had been tardy and hesitant. That was received with some ribaldry at that time. Events have proved how accurate was my imputation.

That is not all. . . . While wholesale stocks of textiles

were rising in this very marked and significant way, we received a number of pronouncements from what I may call the Delphic section of the Cabinet Office and their hangers-on. We were indebted on the subject of changes to one of these pronouncements by the right hon. and learned Gentleman the Attorney-General. Far be it from me to read out the original speech he made; that I have been warned never to do. I waited, of course, for the errata, addenda and apologia which always follow his public announcements. I am quoting largely from the apologia which followed these words, part in a letter to the *Manchester Guardian*.

"It may well be that some warehouses are full and that adjustments will require to be made in particular lines."

Nobody dissents from the justice of that observation. He went on:

"It is not a matter of taking off the clothing ration or of increasing it. The real question is: can the existing ration be maintained and at the same time the export trade be increased in the way that is required."

That is rather a curious thing from an official Member of the Government, on May 2, when these very large alterations in the clothing ration are announced by the President of the Board of Trade on May 25. . . . The right hon. Gentleman the President of the Board of Trade, in one of the laziest speeches I have heard from a Minister during the course of this Parliament, also tried to make out that on May 6, when he announced some concessions, he warned the House that further concessions were coming. I do not get that impression at all from the words. I quote some of them:

"The recent increase in production in all the textile trades is encouraging, but unless it continues, and at an increased rate, I cannot rule out the possibility of having in September to reduce the coupon issue to balance the reduced pointings, since supplies of textiles, . . ."—[OFFICIAL REPORT, 6th May, 1948; Vol. 450, c. 1471.]

Does the right hon. Gentleman now withdraw that?

Mr. Wilson: I do not withdraw it. All I say is that the right hon. Gentleman either misheard me or misunderstood me. I did not say this afternoon that in my statement of May 6 I warned the House that further concessions were coming. What I did say was that I could not on that occasion inform the House that further concessions were coming because of the effect it would have upon the shopping public.

Mr. Lyttelton: That is not at all the point. The right hon. Gentleman is purposely eluding the point. In this statement there was a warning to consumers that in order to balance the reduced pointing there might have to be a general cut in the ration in September. Now, 19 days afterwards, he has told us he is going to downpoint a great many articles in the rationed goods and on no account are these going to be up-pointed in the foreseeable future. This simply shows the complete and absolute lack of foresight which the Government always display.

. . . There are many experts in the textile business who believe that clothing rationing ought to be abolished altogether. I should myself not be prepared to agree with that at this moment, but I do not think, on the other hand, that the abolishing of clothing rationing is so far away as such experts on the matter as the Chancellor of the Exchequer and the Attorney-General think it is. We should be able to work towards it much more rapidly than they think.

Another consideration about the tardy action over these stocks is that the Board of Trade, in common with many other Government Departments, is actually serving to create and

plan further shortages. In the clothing industry there are now about £60 million worth of frozen stocks of textiles, whereas the working stock of readily saleable textiles at this time of the year is usually about £35 million worth. These textiles are unsaleable for a variety of reasons. Sometimes, it is because they are unfashionable. I think that the revival of fashion and of ideas about fashion is, on the whole, not a bad thing: it is evidence of the revival of consumers' choice.

Mr. George Porter (Leeds, Central): Producers' choice.

Mr. Lyttelton: That is a Scarborough-like interruption. I rather regret the form in which fashion is reappearing. For example, I am not a great admirer of bustles. I think, perhaps, they may lead the male population to look backwards at a time when they ought to be looking forwards—or, as hon. Members opposite may prefer to say, when they ought to be facing the future. But there it is. Many of these garments are unsaleable because they are unfashionable. Some utility clothing is shoddy and uncomfortable. Some underclothing is really terrible, I am told.

There is a large part of the community who cannot afford to buy clothes at the present prices. That is an absolute fact. For example, I think one of the hardest hit classes in the country is that composed of what are called "the black-coated workers." They find it very difficult at present prices to maintain the standard of appearance which is expected of them. Of course, everyone in the Committee knows that clothing coupons are freely sold in the black market. A man—he was a Cockney, and so had a trenchant way of expressing himself—said to me only yesterday, "Coupons are 10 a penny at 18 pence a piece." That is rather a pictorial way of putting the situation. The main reason for this is that many coupon holders cannot afford to use their coupons, cannot afford to buy clothes. . . .

. . . It is a fact that there is a very large market in coupons. But, apart from the price deterrent, now there are no old stocks of clothing in warehouses or wardrobes, the circulation of 48 coupons a year is quite inadequate for the majority of the population.

Mr. Sydney Silverman (Nelson and Colne): How are they able to sell them then?

Mr. Lyttelton: The hon. Gentleman is not following my point. Perhaps, I may reiterate it. There are certain sections of the population who find it difficult to buy clothes and so to use their coupons, and consequently they sell their coupons; and the majority of the population who want to use more than they have got, if they are not law abiding, are able to buy them.

Mr. Silverman: Perhaps, the right hon. Gentleman, would explain how that portion of the community which is unable to benefit by the existing ration would benefit by increasing the clothing ration?

Mr. Lyttelton: That is quite irrelevant.

Hon. Members: Oh.

Mr. Beswick (Uxbridge): Answer.

Mr. Lyttelton: Certainly I will. But that interruption had nothing to do with the argument at all.

Mr. Beswick: Answer it. . . .

Mr. Lyttelton: I am not going to give way. I do not think the hon. Member heard what I said. I said that if he

wanted to interrupt me he should get up, but that if he did get up I should not give way.

One of the rather unworthy excuses which the right hon. Gentleman produced was that he liked to see a rising stock of textiles because there might be a shortage of clothing in the winter. I really do not think that was quite up to his usual form, because the articles I have in mind are, very largely, summer garments which will not be readily bought, particularly by women—

Mr. Wilson: Women's coats?

Mr. Lyttelton: —and which will not prove extremely useful reserves against the rigours of an English winter. . . .

. . . The last subject on which I wish to touch is newsprint—and the story is really terrible. At the beginning of the war, the newsprint supplies available annually to the newspapers were about 1½ million tons. In 1948, the supplies available were 338,000 tons. I was surprised to be informed that before the war the consumption of newsprint in this country was 60 lbs. per head against 56 lbs. per head in the U.S.A. Last year, British consumption was 15 lbs. per head against 70 lbs. per head in the United States, and the gap is not narrowing but widening. Furthermore, if one looks at the international figures the picture is still more sombre. I will give the Committee some comparisons with prewar consumption. The U.S.A. are using 137 per cent. of their prewar quantities, Canada 142, South Africa 174, Australia 116 and Russia 115. Great Britain is using 28 per cent. of its prewar supplies.

What about the defeated enemy and the occupied territories? Germany is using 72 per cent. of its pre-war quantities of paper, Italy 93, and of the occupied countries, Belgium 85, Denmark 67 and France 62. Taking the 21 nations which account for the bulk of the consumption, we have succeeded in the Olympic Games for newsprint in occupying the 20th place. Hon. Gentlemen opposite may derive some satisfaction from the fact that we are not last, but they will derive less satisfaction from knowing that out of the 21 nations responsible for the bulk of the consumption, there is only one country—Japan—which has a lower percentage now than ours.

It is unnecessary to stress the very great need for us to conserve dollars whenever we can. I am informed that the total newsprint supplies asked for by the newspapers from Canada and Newfoundland in 1949 would absorb only about £2½ million in dollars. That is a figure which I will ask the Committee to examine in relation to the fact that we are now importing according to my information £2 million worth of American periodicals and books. Furthermore, as the Committee is well aware, under the recent agreements we are spending £4½ million on American films. I find it difficult to escape the conclusion that the Government with their Press commission and their greater and greater squeezing of newsprint are either consciously or unconsciously rather more pleased than pained that the British public is rapidly becoming the worst informed people in the world. [HON. MEMBERS: "Nonsense."] Certainly, if we on this side of the Committee had had to produce some of the arguments which we have had to listen to today we should not wish them exposed at great length in the newspapers.

If the planning and programming of our hard currency purchases is necessary, and I think that it is, the newspapers

have had an entirely inadequate and unfair share by way of newsprint of the dollars which we have to spend. What is even more serious is that the British Government have succeeded in lowering the national prestige and the national reputation for honouring contracts by going back on two firm contracts entered into with Canada. One was repudiated in the Autumn of 1945 and the other in July last year. They are now about to repudiate a third contract in circumstances worse than the other two. In 1947—I think that was the year—some outside mills in Canada were brought into this arrangement. As these two previous contracts had been repudiated by the British Government, they said that they would not come in without a specific undertaking being written into the contract by the Treasury that the dollars would be available for the supplies in 1949-1950. That was done. Now the Government propose to repudiate that contract as well. That will be a severe blow to our reputation for fair-dealing abroad.

Mr. McAllister (Rutherglen): Can the right hon. Gentleman give the source of the statistics with regard to newsprint consumption in the 21 countries?

Mr. Wilson Harris (Cambridge University): Canadian Newsprint Association.

Mr. Lyttelton: I have the information here, and if the hon. Member is interested I will be glad to send him a copy. It is a platitude to say that the very heart and soul of democracy depends upon free expression of views, but so many facts and so much material have to be crammed into the four pages of the present newspapers that the amount of space left for the individual views of the newspapers is wholly inadequate.

I should also like to know—perhaps the right hon. Gentleman will tell us this—whether the current reports that the Socialist Party are organising a new chain of newspapers are true; and, if so, how that is compatible with their policy of cutting down newsprint for the established Press, whatever its political complexion. I implore the Government to look at this whole question again, and, when they come to review the expenditure of dollars outside essential foodstuffs, to try to be reasonably fair over this matter and see that newsprint gets its proper share, and to cease to starve, by an administrative famine, the free expression of opinion to which on other occasions they are accustomed to pay lip service.

Civil Service (Appointments)

Mr. Bowden asked the Financial Secretary to the Treasury which departments of the Civil Service exclude British-born children of naturalised British subjects from taking temporary or permanent appointments.

Mr. Glenvil Hall: No department of the Civil Service excludes them completely, but the Foreign Office and Defence departments do not normally admit them to established posts.

Education (First External Examination)

Sir E. Graham-Little asked the Minister of Education (1) whether he is aware that Circular 168, paragraph 8 (b), by deferring the age of the first external examination till 16 years of age, prevents children from beginning their specialised courses at 15 years of age, which is at present the normal time in many independent schools; whether he is aware that this Circular will consequently lower the standard of educa-

tion at such schools; and if he will make a statement;

(2) if he is aware that a three-year course is necessary for school children to achieve a high final standard after passing their first external examination; and whether he will revoke his Circular which, by postponing the date of the first examination, prevents, in most cases, the completion of the present three-year course;

(3) whether he is aware of the concern of headmasters and parents, caused by his regulation in Circular 168, paragraph 8 (b), which prevents children passing their external examination until 16 years of age; and how he now proposes to promote the intellectual development of pupils who have reached this standard at 15 years of age, or, in some cases, 14 years of age;

(4) whether, in view of the provision in the Education Act that boys and girls are to be educated, where possible, in accordance with the wishes of the parents, he will amend Circular 168 to permit parents a share in deciding the appropriate age for their children's entry for the first external examination.

Mr. Tomlinson: The new examination system is intended to influence as little as possible the schools' courses of work, which should be framed by the schools to suit the needs of individual pupils, after considering any views expressed by parents. Its purpose is to enable a candidate to show what stage he has reached in subjects of his choice shortly before he is due to enter a university or a profession. An able pupil should embark on advanced work in his best subjects as soon as he is ready for it, without reference to his age, to the stage he has reached in other subjects, or to any external examination, and should therefore have full opportunity to reach the highest standard of which he is capable.

House of Commons: May 27, 1948.

National Health Service (Entitlement)

Colonel Stoddart-Scott asked the Minister of Health upon what does he intend to spend the 10d. and 8d. contributed weekly by every man and woman, respectively, in their National Insurance contribution.

Mr. Bevan: As I have tried to make clear on many occasions, entitlement to the National Health Service is not based upon contributions. A relatively small part of its cost, however, is met by a grant from the National Insurance Fund. This grant will not be allocated to any particular part of the Service.

Colonel Stoddart-Scott: Will the right hon. Gentleman say how he arrives at the decision that it is not contributory, when every member is to be asked to pay either 10d. or 8d. towards the Health Service? As on July 5 he is not going to provide the service laid down in the Act, will the right hon. Gentleman consider advising his colleagues to reduce the weekly contributions of 8d. and 10d., respectively?

Mr. Bevan: As there will be persons eligible to the full benefits of the Health Service, even if they make no contributions at all, it is obviously non-contributory.

DOES IT FIT THE FACTS ?

(Major Douglas's correspondence with the Rev. Dr. Salis Daiches in *The Scotsman*: collected by B. M. Palmer).

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