

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### London D.S.C. Group

As readers of *The Social Crediter* know from a preliminary announcement, the London Douglas Social Credit Group (Chairman: Mrs. B. M. Palmer) met in London on January 5 for a Re-union at the Eccleston Hotel and again in the afternoon of the following day for the convenience of members living too far from central London to attend evening meetings without inconvenience. The Reunion was primarily a social occasion, at which there were toasts to "The King" and "Major and Mrs. Douglas," the latter moved by Mr. R. B. Gaudin in a short speech which traced the chief events of the Social Credit movement. Both meetings were well attended.

The following is the substance of short addresses by the Deputy Chairman of the Social Credit Secretariat, Dr. Tudor Jones:—

*January 5:* "I have listened with great interest to what Mr. Gaudin has said so appropriately about the significance of Major Douglas's ideas and their reception by this misguided and unhappy world, and it is a great pleasure to me to meet you again and to associate myself with the toast which we have just drunk. But as for responding to it or in any sense speaking for Major Douglas that is something that neither I nor anyone else can do. If he were here, as we all wish he were, and if, in these circumstances, it fell to my lot to say anything, I can imagine, and so can most of you, the joyous laugh which would greet the suggestion that I had spoken for him. I feel sure you can imagine, as well as I, what remark he might make: 'Well, T. J., I have listened attentively to what you have had to say; and I agree with some of it; but as for its being what I should say, it just isn't.' But I have never yet been able to predict what Major Douglas might say on any subject.

"But that, I think, touches something else which I can take up more hopefully, the alternative suggestion that I might say something of interest to those who are newcomers to your midst; and I think that is indeed a very suitable thing to try to do, since I notice several faces I did not know before and the arrival of such is a matter of importance to us.

"Clearly you are pleased to be with us. In these dark and perhaps dangerous times, when no one is sure of what the future holds but all are apprehensive and nearly all are bewildered and with no sense of order or direction, it is certainly ground for some satisfaction if one is able to become orientated, to acquire at least a sense of the direction in which one's own mind is turned so that one can refer the senseless movements about one to some standard which is not senseless. Perhaps that is the greatest source of your satisfaction—those of you who are yet young in our company. And, in consequence, you have doubtless already expressed your gratitude (which indeed is due) to that guide and counsellor, older in the knowledge and experience of Social Credit than yourself, who first turned your mind towards an under-

standing and practice of Major Douglas's ideas and advice. There is, I think, something I might usefully suggest even about that. These are uncertain times and no one knows how long we may be free to indulge these pleasant confidences. It will not, you know, be long before you stand in the place of your counsellors, before to you is due the like gratitude from some still newer Social Crediter, and you will know then, if you do not know now, a limitation to the plenitude of your emotions.

"What has come into my mind, to give definition to my meaning, which I think I should communicate fully if I can, is a recollection of a little drawing which a critic of ours once slipped under my view. Let me describe it to you. In the first place it was called 'The Social Credit Movement.' It did not extoll the Social Credit Movement. That was not its intention. In many ways the drawing was false, and it had in it too a streak of cruelty. But you cannot judge of either of these qualities unless first you know what the drawing contained. It depicted a larger and indeed a finer chamber than this in which we meet tonight and in the middle stood Major Douglas, firmly planted, secure, level and, in a sense, alone, while around him were congregated, individually and recognisably, at least a number large enough to warrant the super-scription to the sheet. But, would you believe it? every one of them stood not on his own feet, fairly and squarely, but on stilts. And these, too, were curious in their construction and arrangement, for they were so contrived as to bring the eyes and noses of the throng all to exactly the same level—a level, it is true, just (but only just) below the eye level of their great leader. One performer I remember there was of whom this was not quite true. He was so practiced that he had discarded one stilt and balanced himself solely on the other.

"Now, I have said that this caricature was in some respects false and that it contained an element of cruelty reflecting upon a very worthy body of people. But of one thing I am certain and that is that no sentiment or advice or injunction would more certainly gain the emphatic approval of Major Douglas than that in the months and years which lie ahead each and every one of us must stand on his own feet, with no other idea but the preservation, unaided, of his balance in the midst of a world tottering to its doom. He, and he alone, has provided us with the means to do this.

"If indeed there is anything else we can do it is something in line with this, and the development and completion of this idea.

"How can we effect that? We must, of course continue to offer a direct and uncompromising contradiction to the doctrine, from which so many of our social as well as individual ills proceed, that the aim and purpose of human life is to keep in existence and to extend the scope and so-called 'efficiency' of a works system: the notion, so absurd to us but so hypnotic in its effect generally in the community, that nothing matters so long as the scale of the financial-economic organisation of the world is assisted continuously to expand,

and industries, businesses and indeed all the organisations which concern themselves with the practical interests of human society become bigger and bigger and less and less controllable by the vast majority of those who are chained to the wheel.

"We know how fruitful this policy is in reducing to complete impotency all who attach themselves—and who is exempt from the necessity?—to the wheels of modern industry. Thereby all impulses are thwarted which are not contributory to the growing power of the machine, and men and women wilt and droop, finding every door closed which should open to the human spirit, and every effort vain. And we ourselves are not exempt from this evil pressure. For the younger generations particularly, life inevitably presents itself in the light of a career. To reach what men call success is the only objective which is accessible to their embrace and life is reduced to a vain competition to ascend to some peak or pinnacle which, whether it exists or not outside the perverted imagination of fools, must be, from its very singularity, the negation of a life which is shared by all. We have to oppose all that by a clear, whole-hearted, uncorrupted assertion of the contrary, the assertion that life does not consist in such senseless struggles but that in its rich and varied abundance it holds the possibility of satisfaction for all. Observe, however, how the very technique proposed by Major Douglas restores this opportunity to the ultimate determination of the individual and discountenances and discounts the exploitation of the credit inherent in the life of the individual person unjustly. The notion that any great idea is automatically the property of all is plain communism. If it is a right idea it is part of the order of the universe from its promulgation and is, indeed, eternal. Be the channel for it and it is what you contain and distribute and conduct; but it is never yours.

"In its origin the full appreciation of the nature of the evil I have described was an outstanding example in the mind of our great leader of a phenomenon usually referred to as understanding or *vision*. I think the second point I have in mind may profitably be reached if we consider this phenomenon realistically for a few moments. Vision is something which occurs naturally when light is allowed to fall upon any concrete object in the presence of an observer whose attention is directed towards it. But in introducing the notion of vision as one which closely concerns us at the present juncture, you will understand that I am speaking of vision in a wider sense than physical vision, but one just as certainly within the boundaries of the real universe. More and more as I grow older I perceive that the circumstances in which this thing, vision, upon which all life seems to depend, for its successful or even satisfactory prosecution, are all important. Let me tell you what I have observed and have become increasingly sure about. In the first place, this light which, I say, falls upon things and illumines them—it is not our light: it is light from some source external to ourselves. It is, I think, a very common practice to think differently and to attribute our vision to some merit of our own. I do not say it isn't; but in any case if there is any merit at all in the matter this is not where it resides but altogether in quite another and a different part of our personalities. If we think it is our light which illuminates things so that they become visible to us, what happens is apparently quite inevitably we take up a position between the light and the object and all we see is the shadow of ourselves extending before us which completely enshrouds the thing we should see so that it remains quite

invisible. And all the report we can truly make is that we saw the shadow of ourselves. It is only when we learn, and a very difficult thing it is to learn, to stand aside, to detach ourselves from the centre of the picture and allow the light which has not its source in us to illumine things that we can see anything at all. There is a sense in which it is true that it is more blessed to receive than to give. There is only one giver; but by grace men may receive if they will—if they can stand aside and refrain from casting over all things the shadow of themselves. It may happen once, twice, or many times; but it is something of which few can say that it is a common occurrence; and, when it does happen in relation to some significant aspect of experience, I am assured that the consequences are very remarkable. An English poet said it was common and sang that

*Its familiar voice wearies not ever.*

"It may be so. Certainly I would ascribe every great and significant moment of human life to this faculty of standing still so that, hushed, we hear that unwearying voice and see as in the lightning flash, things that will remain memorable and visible when it is dark. It must have been thus that the penetrating and illuminating vision of the real structure of our world came to Douglas. It can only be thus that the capacity to realise it can come to us. I know that it is not easy, and that the way of the transgressor is hard.

• • •

January 6: "This is the third time within a month that I have had the privilege of addressing you. With your permission, I will remain seated so that perhaps by the establishment of an informal and conversational atmosphere, the communication I have been trying to make may be completed more easily and surely. Last night I tried to suggest two associated lines to which we might pay particular attention; but I have an uneasy feeling that I have not yet made myself sufficiently clear, and certainly the rather homiletic appearance of these short addresses has been intensified by repetition which blurs rather than clarifies. It is often far easier to make a pencil line more definite by thinning it with the edge of a piece of india rubber, than by going over it again with a heavier stroke. But now that we are a small body all comfortably seated, let us see what we can do to reach a clear impression.

"The frequency of these appearances is not a sign that I have been converted to the doctrine that meetings and addresses are necessary or even desirable. But there are certain objectives which it is desirable and indeed necessary to reach, and if your group thinks that this is the best way of reaching those objectives, I am compliant to that extent. We seem to be—not so much discouraged as uncertain about something profoundly affecting what we call the Social Credit Movement. And this uncertainty can, in my opinion, be resolved.

"As we look around our shocked and bewildered world we see two things: the alienation of mind of most of those we meet in our various avocations, in public vehicles, in the shop and the street, and we observe, over and over again, how the fitful vision of most of our associates seems to be, for them, only a source of greater confusion. If they see anything at all clearly, it immediately comes to lie in so false a perspective as to distort the whole scene, including itself. We have traced this phenomenon, so frustrating to the victim as well as distressing to us, to the disintegration of the traditional

(Continued on page 5)

## PARLIAMENT

House of Commons: December 13, 1950.

### Utility Clothing

*Colonel J. R. H. Hutchison* (Glasgow, Scotstoun): I beg to move,

That an humble Address be presented to His Majesty, praying that the Order, dated 20th November, 1950, entitled the Utility Apparel (Maximum Prices and Charges) Order, 1949 (Amendment No. 15) Order, 1950 (S.L., 1950, No. 1863), a copy of which was laid before this House on 21st November, be annulled.

There is a further Prayer on the Order Paper, and both are concerned with the same theme. With the permission of the House, I think it would be convenient if they were treated together. . . .

The first of these two Orders is concerned with the prices of certain articles and with the manufacture of raincoats out of gaberdine. My first complaint is against the method of handling these Orders and the way that they were made available to the House. The Orders, as the House will see, were laid before Parliament on 21st November. Some six days later I tried to get them, and I was told that they were not available. I put down a Question to the Minister asking why they were not available and I received a reply to the effect that the Order came into operation on 4th December, and to allow sufficient time for the printing of the four relating to the Schedule, arrangements had been made to publish all five on 1st December.

The House knows that we on this side think that delegated legislation has been carried far too far, and that out of the precious 40 days available to the public for examination and, if necessary, objection to any of these Statutory Instruments, 10 precious days have been cut off. That is an unfair way of treating the public. It is perfectly true that the schedules were available in the Library, but that is of no value to the public, and I cannot understand why it was necessary to lay the Order before the House of Commons before the schedules which, after all, are the important thing in the Order were available. Like a postscript to a letter, the sting is very often in the tail, and certainly that is the case with these schedules. Consequently, until the schedules were available the Order was of no significance at all. That is the complaint about machinery, but the main burden of my criticism lies in a different direction.

As I have said, the Orders cover a wide range of apparel. They cover things like men's, youths' and boys' outerwear, women's and maids' outerwear, women's and maids' underwear and nightwear and—I say this in an undertone so as not to raise too many hopes in female breasts—nylon stockings. A wide range of apparel is affected by this Order, introducing maximum prices and also new fabrics into the schedule.

Nobody in the House will deny the importance of earning dollars, and it was in connection with that that I had the honour to lead members of the textile trade to the United States of America a few months ago. We were concerned entirely with trying to proagate and further the sale of British articles of this kind in that country. We came to a number of conclusions. I will not weary the House with more than the predominant conclusion. It was this: that the Americans will not buy goods from Great Britain unless they fit in with American style, weight, weave and design. It is not the slightest use imagining that the type of goods that are

mentioned in this Order will, in fact, automatically sell over there.

As a result of that visit, I am now concerned, when Parliament spares me the time, in trying to persuade manufacturers in this country to adapt their programme to American requirements, asking them to study design, weave, weights and widths. They say to me, very reasonably, that that is asking them to take a very serious risk, because the goods which are required in the United States of America demand special plant or adaptation of plant and the setting up of representation over there, and if the goods do not sell they come back to this country and are not in any utility—

*Mr. Speaker:* Are these things affected by this Order? . . . .

*Colonel Hutchison:* May I put it like this, Sir? Brought down to that narrow argument, I must object to the Order as being insufficient as it stands. To prove that insufficiency of the Order I want to show the grounds I have in mind. If I were to give an example from the manufacturing Order, perhaps rather a different one and more directly in line with the Order itself, it would be that which applies to gaberdine raincoats, Order No. 1862. I am informed that that Order virtually limits manufacturers of these raincoats to only two cloths and that a kind of raincoat which I am told is a brilliant British discovery, the Ventile raincoat, is heavily penalised, because it has not been so far possible to establish production on a reasonable scale. Paradoxically enough, I am also told by raincoat manufacturers that this Order cuts out the cheaper type of raincoat which was popular before the war and thus has had the effect of raising the cost of living, which was not in the least the intention.

So I submit that these Orders ought to be examined afresh. I dare say I will hear that that cannot be done, but I would draw comfort from the hon. Gentleman who is to reply if, in his statement, he recognises the problem that we and the manufacturers are up against. If the problem is realised, and in future orders the utility scheme can be more flexible, and less narrow and can provide in some way for garments and apparel which is sent out of this country in order to earn dollars, I, for my part, shall be satisfied.

There is one other point. If the manufacturers succeed in selling goods in the American market the narrowness of this utility range means that they cannot sell them in the home market, with their liability to Purchase Tax, at the same time. Instead of having a double length of cloth to run through their machines and so reduce their overheads, they are limited to a lesser quantity of cloth, because of the infliction of the 66½ per cent. Purchase Tax, to which all these cloths are subjected over here as they are not within the narrow range of this Order.

In conclusion, I suggest that the hon. Gentleman should take these schedules away—it is the schedules to which I object more than to the Order—and see whether they can be widened. He should consult the trade to find out exactly what kinds of garment are being hit, like the cheap raincoats that I mentioned. He should try to expand the utility range. In mothering part of the home trade the Government are smothering the overseas trade. The taste and quality for which this country has been famous is gradually disappearing. When taste and quality disappear, then very soon designers and skill are lost. . . .

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### From Week to Week

It is not anticipated in trade union circles that the new Minister of Labour will be led to notice the verminous condition of the Mines and Factories of this country for the present. Meanwhile, the "Dockers' K.C." is believed to be at home reading *The Importance of being Ernest*.

"No single factor in human history, not even war, contributed so much to keeping the human race impoverished, down to the eighteenth century, as the vanity and presumption of Governments, and their attempts to plan in matters where they were always out of their depth. It was the immense discovery of the eighteenth century, in which Great Britain led the way all through the nineteenth, that nothing more quickly led to the enrichment of mankind than a new-found modesty on the part of rulers. . . ."

On the whole we prefer, for reasons of accuracy, the form of presentation adopted by the late Mr. Buckle to this prescription of *The Tablet's*.

Said Buckle: "It is clear that the progress of civilization cannot be due to those who, on the most important subjects, have done so much harm that their successors are considered benefactors simply because they reverse their policy, and thus restore affairs to the state in which they would have remained if politicians had allowed them to run on in the course which the wants of society required."

We do not ask *The Tablet* to concur in this judgment without considering, with us, the points of criticism from which it arises. We do not conceive Mr. Churchill's friend, Mr. Barruch, as more modest than Mr. Churchill, or Napoleon as more modest than Necker, or the nineteenth century as *really* richer than the thirteenth.

We should be sorry to intrude in a discussion which, however much it may be ours, seems to be conducted, for the present, with a high regard for the attainment of a just conclusion. So, reserving any comment (which may not be necessary in any case), we quote, as does *The Tablet* in its issue of January 20, the following words of G. K. Chesterton's:—

"I do not dislike Rotarianism with the fury of H. L. Mencken or Sinclair Lewis, but I agree with them that it is a form of comradeship that is gross, common, vainglorious, blatant, sentimental and, in a word, caddish. . . There is something vulgar about such companionship. It lacks spiritual dignity. Almost all people of sensitive instincts will be ready to agree that there has descended on all that sort of thing a something filled with the wind of self-advertisement. There is something caddish about it. The Church exists, among

other things, to maintain the concept of human dignity in what may be called This Rotarian Age. Why is there this debasement of human friendship? Because men were not meant to be sufficient to themselves or to each other. Two Rotarians complimenting each other are like two savages rubbing noses, compared with the great saints and heroes. . . . There is not mystery about a Rotary luncheon. There must be something of surprise, something of mystery, something of God in our relationships. Without the admiration of something better than ourselves or each other, we become a mutual admiration society and a very paltry collection of snobs."

Our readers will understand that in this instance our admiration is for G.K.C. and the Vatican, though in the reverse order, and not for *The Tablet* which reminds us of the lines, spoken in New York in 1931—and a very suitable place too!

### Zwangswirtschaft

The Editor, *The Social Crediter*.

Sir,—Recently there came to my notice an article which, though it is written by someone with views probably opposed to ours, is really most instructive with regard to certain psychological tendencies in Germany. Without endorsing the writer's views, I quote without comment:

"One need only mention the word 'planning,' or worse still 'nationalization' to fall into complete disgrace even with the more liberally minded German intellectual (I am here of course excluding those who openly belong to the Social Democratic Party). 'We've had enough of this from 1933 on; didn't you fight us to get rid of it?' is one standard reaction, or 'our fellow Germans across the "curtain" have enough planning for all of us' is another typical way of dismissing anything which they believe the Labour Government stands for."

The writer of the article, who evidently approves of planning, then says: "We may disapprove of propaganda, but what have our Educational Advisers been doing when in a serious discussion among graduates, a German student of political and economic science can maintain uncontradicted that the achievement of Full Employment in Lord Beveridge's sense is undesirable because as can be seen in Britain it inevitably leads to 'Zwangswirtschaft'? *Zwang* which means coercion or compulsion usually through force, is a magic word in Germany. *Wirtschaft* means economy, and the term *Zwangswirtschaft* obviously has the most unpleasant associations; yet" (the writer of the article adds naively) "unbelievable as it may sound it is frequently used as a synonym for 'planning'!"

The Germans seem to be discovering something, but we must not jump to the conclusion that they have got it absolutely right; that would be too good to be true. The writer from whom I have quoted later alludes to a subject mentioned at the beginning of the article, that is, the German partiality for the Schuman plan, which they support because they have fallen into the trap of regarding it as the antithesis of what the Labour Government stands for. The writer of the article hints that this kind of international sentiment among Germans is really due to fear of Communism rather than to genuine belief in internationalism, because not so very long ago his international arguments were met with sullen hostility, whereas now the Germans are "most eager in accusing the Labour Government of obstructing true European unity."

Yours sincerely,

Bedford,

C. R. YUILLE-SMITH.



## LONDON D.S.C. GROUP.

(Continued from page 2)

culture of Western Europe, which, it is apparent to us, has been proceeding for a long time. Those who pass us by in the street, however, have persuaded themselves that this disintegration is in fact something fine and desirable. They call it 'progress.' There is scarcely one of us (I question whether there is one of us) who has not been touched at some point or other by this perversity. For many centuries, man in society seems to have been slowly elaborating something, building it up, not at a constant rate or with uniform or unvarying success; but, side by side with all that, his construction was being as certainly undermined. The *eidos*, the form, the idea, has suffered constantly a loss of integrity. It spoke with two voices. You all know the strange hypnotic influence which throughout our lifetime, and gathering force from the seventeenth and eighteenth centuries, has come to be exerted by the very word 'science.' Whatever practical measure may be proposed, it is made almost certain of acceptance by the single, quite irrelevant assertion that it is 'scientific.' It does not matter that there has been and still is great argument concerning what the word means, among so-called 'scientists' themselves; there is, in the popular mind, no possibility of objection to any course which is proposed if it is 'scientific.' Between the two propositions, "This is right because it is 'scientific,'" and "War is right because it is 'explosive,'" there is no difference, whatever, that I can see, in their form, and they seem to me equally meaningless. It is not very long since there was published posthumously in America a book of essays by A. N. Whitehead, in which, with unusual discernment as well as candour the mathematician found fault with the generality of other mathematicians because, while much that they asserted might be true, they themselves did not know what it was: did not know what they were saying. He said openly that, in regard to the great scientific movement of the nineteenth century, "Every scientific proposition which the great scientist of the mid-nineteenth century entertained, was erroneous in the sense in which it was then construed. Their doctrine of space was wrong: their doctrine of matter was wrong: their doctrines of evidence were wrong. . . ." He concluded, "The conclusion is that Logic conceived as an adequate analysis of the advance of thought is a fake. It is a superb instrument, but it requires a background of common sense. . . . My point is that the final outlook of Philosophic thought cannot be based upon the exact statements which form the basis of the special sciences. The exactness is a fake." Yet, far from providing any effective check upon the course of events, this mood of self-criticism is already spent (though not perhaps everywhere), and the 'Age of Science' is visibly and rapidly passing into the 'Age of Incompetence,' which is outstandingly the age in which we live. Compare our politicians with such statesmen as, for example, Pitt and Chatham, what is the difference? I think most judges would agree that, relatively, those earlier caretakers of the national fortunes were competent, whereas their modern counterparts are in every respect incompetent. And so, passing from one function in society to another, the heritors of the doctrine of progress are decreasingly competent according to any standard of performance which could survive public statement or be exposed to public censure. We have entered the era of the half-witted, and it is mere disguise to call it the era of the common man. But if we are going to oppose the heady stream of this descent successfully, or at all, surely it is necessary that we should have a complete understanding of what it is we are attempting? I admit that modern life offers every persuasion to ignore this

necessity, and that we are moderns. Everyone is encouraged to 'master' a limited territory, within which he is tempted to regard himself as competent. So we have our 'glub-box-makers'—makers of little boxes with holes in their lids, the use of which, or the purpose of which, neither the craftsman, nor the bureaucracy which catalogues him and classifies him, nor the Admiralty which enlists him knows; yet most truly and certainly 'glub-boxes,' well and truly made, because when flung overboard in derision they emit, astonishingly, in a mockery of self-justification, as they sink, the useless sound, *glub . . . glub . . . glub*. I wonder whether the industrial-scientific-economic system we live under is not actually much closer to what we may call a 'glub-box-economy' than, as yet, any of us realises.

"*Scientia* means knowledge. What sort of knowledge is it of which we can say, almost as soon as each new expression of it is announced, that it is already under suspicion and about to be discarded, and that the discarding of it, certain in its time, will but be the herald of some new fashion of the mind? Yet this process, of which the world is so proud, goes hand in hand with another equally curious, the diminishing return for all the effort which is expended to sustain it and keep it in a state necessary to it, which is a state which knows no rest or intermission, no seasons, such as mark the turn of the year and the natural fertility of the soil (though indeed all things that are natural have their seasons): a state of ever increasing acceleration. "'Faster! faster!' cried the Red Queen. . . ."

"Now, the *nature* of this error, this alienation of mind, this heresy, has been clearly apprehended at some times in the past. Saint Augustine, for example, had a clear understanding of it when he said (though he said the same thing with a variety of emphases) that the essence of sin (which is the practical implementation of heresies) lay in the conversion to our use of those things which are meant for our enjoyment, and the enjoyment of those things meant for our use. Once you fragment experience, is it remarkable that the bits get misplaced, and you can no longer put them together profitably or correctly? And fragmentation seems to be the staple industry of our time, from jig-saw puzzles to chemical analysis. But what results is universally rejected as unsatisfactory from the point of view of the human personality involved. We have to be sure beyond a peradventure of the source of this maladjustment, so that unawares we ourselves do not embrace some facet of the truth as Truth, and unconsciously reject the Truth, which is one and indivisible, the Law, which, as Douglas said, *may* be discovered (uncovered) but cannot be invented. The aim of 'science' to invent, to make 'Man the Master,' is very thinly disguised under its presumed function of discovery—discovery of what?"

(To be concluded).

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### Ten Years Ago

"Who was responsible for the surrender of the control of the Western Approaches to the Ports of Glasgow, Barrow, Liverpool, Milford Haven, Cardiff, Swansea and Bristol, which the Irish Naval Ports dominate, at a time when everyone knew that war with Germany was almost inevitable; and when are they to be impeached and shot?"—*The Social Crediter*, January 25, 1941.

#### PARLIAMENT.

(Continued from page 3).

*Squadron Leader Burden* (Gillingham): I beg to second the Motion.

The question of the utility clothing ranges has been causing considerable anxiety particularly in the wool cloth trade and in connection with garments made of wool cloth. In the case of cotton cloth the specification number is also an indication of the quality of the cloth, but in the case of wool it is not so. For a very considerable time although wool cloth has had a utility number which has remained stationary, the quality of the cloth has been debased, and the Order brings in new qualities of cloth to try to hide the failure of the Government to maintain the quality of the utility cloth under the old number.

. . . The Government should endeavour to extend the wool utility range and ensure that the indication number is also a specification of quality. In other words, they should endeavour to bring in some standard specification on each number in utility ranges of wool cloth. That would serve a very much more useful purpose than bringing in new numbers in an effort to catch up with the increase in wool prices, which is apparently the case now. There should be flexibility to enable the price of existing numbers in the utility range to be raised instead of the quality under the numbers having constantly to be debased and new numbers having to be brought in to try to catch up with the increase in the cost of wool and the cost of manufacture. . . .

*Mr. Heathcoat Amory* (Tiverton): . . . As far as export business goes, if we are too utility minded we shall lose a tremendous amount of business. Sometimes hon. Members opposite speak as if everything non-utility was super-luxury. That is a great mistake. The export market where our prospects are best is in the grade just above utility—goods of sound quality and of a medium price grade. Sometimes people speak as if for fashion goods they must turn to Europe and this country. I doubt whether that is true. More and more in many parts of the world people today are looking to America for fashion goods, possibly owing to the influence of the films. One of the advantages which the Americans have which we have not got in our utility scheme is that they are able to exploit new synthetic yarns—

*Mr. Speaker*: The hon. Gentleman is dealing with the general principle of utility goods abroad. This is a Prayer to amend certain utility Orders and he cannot discuss the whole utility scheme.

*Mr. Amory*: I am sorry, Mr. Speaker. I will try to restrict myself more narrowly to these Orders. What we want in altering the utility scheme, and where I had hoped these Orders would have done something, is to introduce great flexibility. Today we are very confined, and one of the greatest handicaps is the sudden step up in Purchase Tax—

*Mr. Speaker*: The hon. Gentleman is going right out-

side the scope of the debate. We are only seeking to amend in a limited way certain utility Orders. The hon. Gentleman must keep to what is in the Orders, not what he would like to see outside them.

*Mr. Amory*: I am finding it difficult to make the points I had hoped to make, Mr. Speaker. I am trying to point out that these Orders are perpetuating the scheme which is leading to growing rigidity. We shall get nowhere on that line. I hope the Parliamentary Secretary will be able to indicate to us that he has some plans in hand, even if he has not been able to apply them to these Orders, for giving effect to the greater flexibility I have mentioned. I believe the hon. Gentleman has a committee sitting now. I hope we shall see some of the effects of the work of that committee in these Orders. . . .

*Brigadier Rayner* (Totnes): I want briefly to suggest that these Orders are unsatisfactory from another point of view. It is admittedly a smaller point of view, but quite an important one. If I may be quite fair, I asked the President of the Board of Trade on the 24th of March last year what protests he had received against the use of the term "wool" to describe cloth containing only 15 per cent. wool, and what action he proposed to take. The right hon. Gentleman replied:

"In consequence of representations received from various quarters in the past few years that the term 'wool cloth' should not be used in Statutory Instruments, to refer to any cloth containing more than 15 per cent. of wool, we undertook that, as and when these Statutory Instruments were reviewed, they should be amended to avoid defining the term in a way which might prejudice its interpretation as a trade description. This has been done."—[OFFICIAL REPORT, 24th March, 1949, Vol. 463, c 46.]

I suggest that ever since the President of the Board of Trade made that reply in the House he has forgotten it, because time after time Board of Trade regulations and schedules have referred to "wool" and "wool cloths" in relation to materials which have contained an extraordinarily small percentage of wool. The Orders now before us contains specifications Nos. 215, 215A, 233 and 223A, which are gaberdine cloths of wool union with very little wool in them. They are referred to as wool cloths. In that way, the Board of Trade is encouraging traders to deceive their customers on what the cloth really contains. We have the Board of Trade making threats about action to be taken against traders for any irregularity, but the people at the Board of Trade are very much to blame. I hope to hear something about this.

*The Parliamentary Secretary to the Board of Trade* (Mr. Hervey Rhodes): With regard to the argument of the hon. and gallant Member for Scotstoun (Colonel Hutchison) about the laying of the Orders. . . . He complained that it was unfair to the public. I suggest that it would have been unfair to the public if the prices had been going down. But instead of that the prices are going up.

*Sir H. Williams*: Like everything else.

*Mr. Rhodes*: There is no question of the wholesaler or retailer breaking the law about this at all, because the stuff he had in stock was at the old prices. These Orders were signed on Monday, 20th November, and laid on 21st November. It was published on Friday, 1st December, and it was in force on Monday, 4th December. It is usual for Orders of this description to come into force as soon as possible after they have been published. We have not the slightest wish to prevent the people concerned with Orders of this

description from having their fair dues.

*Colonel Hutchison:* Surely it is a most heretical and dangerous doctrine that the hon. Gentleman should try to decide whether it is to the advantage of any section of the public that an order should go into operation and, when he thinks it is to the advantage of, say, the wholesaler, to say that no harm has been done.

*Mr. Rhodes:* No. The hon. and gallant Gentleman is off the mark again, because there is no possibility of the unfairness to the public he was talking about, since a man could not offend against the Statutory Instrument unwittingly when the price was going up. If the price had been going down it would have been a different thing altogether. In fact if it had been going down—and I hope some day that will happen— . . . we would have aimed at allowing a longer interval of, say, a month between the date of publication of the order and the date on which it would come into operation. . . .

. . . I do not think as much of his arguments about utility and flexibility as I do about his report, because he was just a little bit wide of the mark again. It may be true that Purchase Tax might be a discouragement to exporters on occasions. On the other hand, it is also true that the high rate of this tax on fine woollens and worsteds has discouraged home consumption and made much more available for exports.

*Sir H. Williams:* The object of the hon. Gentleman is to make a vest so dear that I cannot buy it, so Americans can wear it instead.

*Mr. Rhodes:* It might be all right for the Americans, but it is certainly objectionable to us. Utility cloth is, by intention, limited to the lower and medium price ranges referred to by the hon. Member for Tiverton (Mr. Amory), and many of the types of cloth sought by our foreign customers, including the United States, are excluded from the utility scheme because they are too expensive. They cannot then be sold in the home market because of the Purchase Tax on non-utility cloth. . . .

. . . The use of the term "wool" in describing cloth containing a substantial proportion of other materials conforms to the generally accepted trade practice of many years' standing. It was really brought in for the purposes of the wool and cotton controls during the war.

*Brigadier Rayner:* The Parliamentary Secretary is batting on a sticky wicket. He will have the whole of the trade against him. They are very annoyed about this definition, and they ought to know something about wool.

*Mr. Rhodes:* The hon. and gallant Member is not correct. No promise has been broken in this particular instance. But we undertake as far as possible to avoid using in future schedule headings of the type to which objection has been taken tonight. I cannot say anything fairer than that. A lot of consideration is being given to this subject by the British Standards Institute and the trade as a whole, and I am hoping that it will be possible sometime in the future to define "wool cloth" a little better.

*Mr. Boyd-Carpenter (Kingston-upon-Thames):* . . . As I understand the Parliamentary Secretary's speech and his peregrinations around the perimeter of the rules of order, he was endeavouring to make a defence of these Orders. That defence would have carried more conviction if, at the time he was preparing his defence, his right hon. Friend had not been laying on the Table an Order which supersedes quite

a large part of these Orders. It is quite astonishing that the Parliamentary Secretary should stand at the Box and ask the House not to annul these Orders, when he or his advisers must know that in the Votes and Proceedings yesterday there appeared as having been laid the day before yesterday Statutory Instrument No. 1,196, 1950, which supersedes the whole of one of the related schedules dealing with the matter covered in the first Order—the wholesale prices of men's outerwear—and substitutes a wholly new schedule.

I cannot, in view of the disadvantage of which we all know, of the only Order being available to the Vote Office, produce this Order in this House, so bringing the English Constitution into chaos by stealing the one copy that is in the box in the Library. But I have looked at it very carefully and, clearly, it has the effect I have stated. We are faced with two alternative results of this situation. First, I believe it to be the truth that the Parliamentary Secretary, with all the assistance he has got, did not know that part of the Orders which he is now defending had been superseded by his right hon. Friend 24 hours ago. If that is so, how can the Parliamentary Secretary, specially briefed to resist an Order, and who does not know that another Order has been passed superseding it in part, expect ordinary traders, who are subject to criminal penalties if they contravene it, to have any possible notice of it?

The other possibility is that the Parliamentary Secretary knew of it and did not tell the House. I dismiss that at once because I know him and that he is always perfectly straightforward and honest with the House. . . .

*Mr. Assheton (Blackburn, West):* . . . I do not think that the House has great difficulty when it has to consider Orders of this kind. The two Orders we have under consideration are Nos. 1862 and 1863. These numbers in themselves are significant of the sort of régime in which we are living. In the year 1950 we have already had 1860 Orders, and we are warned by my hon. Friend the Member for Kingston-upon-Thames (Mr. Boyd-Carpenter) that Order No. 1996 is upon us, and that these Orders, laid yesterday, are about to supersede these Orders. That has not been denied by the Parliamentary Secretary; indeed, has been confirmed by him. He has just told us that it illustrates what close contact there is between him and the President of the Board of Trade, who has apparently prepared another Order because of the sudden rise in the cost of wool.

*Mr. Rhodes:* My information is a little more accurate than that of the hon. Member for Kingston-upon-Thames. The Order that he mentioned, I am informed, does not alter the Orders under discussion in any particular whatever.

*Mr. Assheton:* The House is being put in a great difficulty. My hon. Friend the Member for Kingston-upon-Thames has taken the trouble to read the new Order, and has been good enough to inform us what, in his opinion, it is all about. It evidently came as a great shock to the Parliamentary Secretary because he has repudiated what he has told the House. I do not know which of his statements is right, but they certainly cannot both be right.

. . . I want to give the Parliamentary Secretary a fair chance to answer. Is he suggesting that Order No. 1996, to which the attention of the House has been drawn, does not in any way vary Orders Nos. 1862 and 1863, which are now before the House?

*Mr. Rhodes:* I am advised that Order No. 1996 does not alter these Orders in any particular. In any case the

Order has not been published.

*Mr. Assheton:* We seem to be in considerable difficulty because I am told by the Parliamentary Secretary that the Order has not been published, and my hon. Friend the Member for Kingston-upon-Thames says that it has, and is now in the Library. The Government should be able to give more accurate information on this point. If the Parliamentary Secretary does not know, there are, no doubt, officials near at hand who will give him the information. Is it in the Library or not? If there is no reply to my question it is quite clear that the Parliamentary Secretary is playing with the House tonight, and knows perfectly well that the Order is in the Library, and is not prepared to tell the House that it is, and what is in it. I suggest under these circumstances that he ought to withdraw both these Orders and bring them back another day.

*Colonel Hutchison:* I wish, very shortly, to reply, because the situation seems to have become chaotic and the deeper we go into it the more difficult it is to make any sense of the present situation. The hon. Gentleman used the very extraordinary argument that delaying the availability of the Order and the schedule did not matter because prices were going up. He presupposes that no manufacturer would object and that he would not go against the Orders because prices were going only one way. But there are other sections of the public to be considered. It is an extremely dangerous theory to enunciate that, because it appears to the Minister that as all sections of the public will be satisfied it does not matter if the Order ever appears at all.

The fact that so much of this argument has turned on the schedule shows how important these schedules are. I do not believe that the hon. Gentleman is really aware of the contents of the schedules, because he engaged in an argument almost exclusively on the subject of wool. But if he studies these schedules he will find there cotton, silk, and nylon—all these things are covered by this order. The argument that the schedules do not really matter is nonsense. My original remark that the sting is really in the schedules is very true.

He said a committee had been sitting and that it had reported and made recommendations as to more flexibility in the utility scheme. Is that report to be made public? Until we know what the committee said, the report is not of the greatest possible value. I asked whether that flexibility was reflected in these Orders and he said it was not. So the Orders are out of date on two counts. First, they do not reflect the finding of the flexibility committee—if I can use that term—and, second, it has been superseded, as my hon. Friend the Member for Kingston-upon-Thames (Mr. Boyd-Carpenter) said, in respect of schedule No. I(j) (Men's and youths' outer wear) by the substitution of schedule I(k). This is a new schedule superseding and completely altering that particular part of this Order. The thing is chaotic. The situation has grown fantastic. The only answer is to take the Orders away and knock them into shape.

*Mr. Lennox-Boyd:* This matter affects a large number of people in the country—and many thousands of retailers and those who get their living by dealing in goods of this kind—and it is unreasonable that the present chaotic condition should continue after the House has risen. We are entitled to ask the hon. Gentleman a direct question, or, rather, two linked questions. Does he agree that yesterday,

in the votes and Proceedings, there was presented on the Order Paper a copy of the Goods and Services (Prices Control) Order, No. 1996 of 1950, and does he agree that that Order removes the related schedule, No. I(j), and substitutes a schedule of 27 pages, very largely varying the subject matter of the Orders we are debating tonight? If he does agree, how can he possibly expect members of the general public, who depend for their livelihood and not their entertainment on Orders of this kind, to be able to understand what the Board of Trade wants to do. Would the hon. Gentleman give us an answer? If not, may I ask that if the hon. Gentleman, on further scrutiny, discovers that the facts we have related are true, will he then withdraw both these Orders and bring forward an Order comprehensible to the general public?

Question put, and negatived.

Motion made, and Question proposed. . . .

. . . Question put, and negatived.

### Taxation of Profits and Income (Royal Commission)

*Mr. Diamond* asked the Prime Minister whether he is now able to announce the terms of reference and the membership of the Royal Commission on the Taxation of Profits and Income.

*Mr. H. Morrison:* I have been asked to reply. Yes. As my right hon. Friend the Prime Minister informed the House on Tuesday, 24th October, 1950, the Chairman of this Royal Commission will be Lord Justice Cohen. The King has now been pleased to approve the appointment of the following members of the Commission:

Mrs. Vera Anstey, D.Sc.  
Mr. Herbert Lionel Bullock.  
Mr. William Speight Carrington, F.C.A.  
Mr. Wilfred Frank Crick.  
Sir Thomas Harry Gill, J.P.  
Mr. John Eric Greenwood.  
Sir Geoffrey Heyworth.  
Mr. John Richard Hicks, F.B.A.  
Mr. Nicholas Kaldor.  
Mr. William Johnston Keswick.  
Miss Lucy Stuart Sutherland, C.B.E.  
Mr. James Millard Tucker, K.C., J.P.  
Mr. George Woodcock.

The terms of reference are as follows:

To inquire into the present system of taxation of profits and income, including its incidence and effects, with particular reference to the taxation of business profits and the taxation of salaries and wages: to consider whether for the purposes of the national economy the present system is the best way of raising the required revenue from the taxation of profits and income, due regard being paid to the points of view of the taxpayer and of the Exchequer: to consider the present system of personal allowances, reliefs and rates of tax as a means of distributing the tax burden fairly among the individual members of the community: and to make recommendations consistent with maintaining the same total yield of the existing duties in relation to the national income.

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