

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 28. No. 7.

Registered at G.P.O. as a Newspaper.
Postage: home 1½d. and abroad 1d.

SATURDAY, APRIL 12, 1952.

6d. Weekly.

From Week to Week

Mr. Alfred M. Lilienthal, formerly of the United States Department of State, writing in *Human Events* for March 26, attacks "the combine of Zionist leaders and the politicians" which at present "cows" American Jewry into surrender to the idea that Judaism and political Israel are synonymous. He says:—

"The failure of our government to evolve a definite United States programme for the Middle East and stick to it has jeopardised our position in this area. It has opened up the front door so wide to Communism that at this moment the chances of putting a halt to Soviet gains in Arab lands are slim indeed.

"In 1948 the United States was facing the problem of whether or not it should implement a delicate international decision. Following a long and raging controversy, the United Nations had recommended the partition of the British mandate of Palestine. The international organisation had no means of carrying out this 'recommendation.'

"The American politician quickly cast the die. This was a Presidential election year. The National Democratic Committee Coffers had to be filled. The chairman informed the President that many large contributors of Jewish faith were holding up their gifts waiting to see what the Administration was going to do about Zionist aspirations.

"The political strategists did not have to remind the White House that the so-called Jewish vote with its strength in the large states of New York, Illinois, California and Pennsylvania was important for the re-election of a Democratic Administration. This had been impressed upon the President by Zionist leaders.

"On June 23 President Truman ordered the State Department to give *de facto* recognition to the State of Israel and to announce the appointment of James G. McDonald as Minister to the new State. Under Secretary of State Lovett questioned the choice of McDonald 'because of his close identification with the Zionists.' He was told by Clark Clifford, the administrative assistant, that the 'President did not want any discussion of the matter but only action' as he directed."

The writer further mentions, as part of "a continuous propaganda campaign," the letter of Henry Morgenthau, Jr., as chairman of the Board of the American Financial and Development Corporation for Israel, dated January 11, 1951, which declared it to be "a matter of the utmost patriotism to see to it that the Israel Government Bond issue is a success."

Sixteen Zionist organisations, in a joint public proclamation launching the 1952 Drive for 151,000,000 dollars,

demanding support because "of the unique and irreplaceable responsibility to take care of the resettlement and rehabilitation of the record influx of immigrants." The tenor of this approach has been maintained in full-page newspaper advertisements.

Political action is advocated in bulletins distributed to the Zionist membership. For example, the members in Manhattan are warned "that only an alert and militant Zionist Organisation can swing American public opinion to come to Israel's aid and exert pressure on our Administration of the kind which proved successful in 1947 and 1948 and without which the State would not have come into being."

That there exists an "American" culture in any sense comparable with the "British" culture of which some people profess to be able to recognise remnants (with, however, disconcerting variation in reporting the what and where) we, quite frankly do not believe. Cultures are things of very precise and definite constitution, though susceptible of great difference between one and another. When an American has a hankering after such a one or another, he becomes straightway a naturalised Italian, Frenchman or Englishman, a process which we suspect increases rather than abates the hankering. On the way to Confucianism, he does not appear to get much farther than Theosophy (if, indeed, that is not a station on another line altogether).

In any case, Mr. Truman has now seemingly obliterated himself to make way for the Ironhewer, and we do not anticipate much greater progress towards the Liberation of the Gentiles in the . . . States than in this one—for some time.

• • •

"A man wanting to conserve a tradition would do well to find out, first, what it is." We concur. How true—and how hard; particularly if he does not, at heart, want to discover what it is, or to conserve it, but to use it for his own purposes!

• • •

"Mr. Bevan sometimes produces a phrase, hard and definite, like: 'The stone he thought he had thrown turned out to be a sponge.' It is in such a sentence that the character of the author expresses itself—his admiration of power and contempt for weakness, his pity for weakness and his defiance of power. That is the paradox of Mr. Bevan, and the subject of his book, staring out from the thicket of his style. In place of fear—power." (*The Times Literary Supplement* reviewing "In Place of Fear" by Aneurin Bevan.)

PARLIAMENT

House of Commons: March 19, 1952.

Hydro-Electric Development Bill

(Debate continued)

The Joint Under-Secretary of State for Scotland (Mr. Henderson Stewart): . . . The hon. Member for Kidderminster was concerned with capital investment, and here I am really surprised at an hon. Member who is undoubtedly learned in these matters. If the purpose of this Bill was to enable the Hydro-Electric Board or encourage them to spend £200 million within the next year or something like that, there would have been something in his argument. But that is not what it is for.

Sir H. Williams: What is it for?

Mr. Stewart: The purpose of this Bill is to increase from £100 million to £200 million the statutory limit on the amount of borrowed money which the North of Scotland Hydro-Electric Board may have outstanding at any time. The increase is required because the board has now been given borrowing consent amounting to £96 million. This amount has not yet been borrowed—the total borrowed is about £57 million, but the amount is earmarked for existing schemes approved and under construction and other work.

I invite hon. Members who are in doubt about this matter to listen to what I say. The Bill itself does not give the board power to borrow money. Before it can borrow money it has to get the consent of the Secretary of State. I have said it before, but I have to say it again. Before it can make a stock issue or borrow with a Treasury guarantee it has to receive the consent of the Treasury. The board cannot carry out any transmission projects or the laying of transmission lines without getting a construction scheme, which has to be approved by the British Electricity Authority, submitted to Parliament and approved by this House.

Sir H. Williams: By positive or negative procedure?

Mr. Stewart: Negative. There is still a further safeguard against the board incurring more capital expenditure than the position of the country justifies, even if it already had borrowing consent to cover it. All new capital schemes of any size must be authorised by my right hon. Friend even before they can be considered. . . .

. . . I am sorry to have to say this again, but my hon. Friend, the Member for Kidderminster, still has not got the essence of this scheme. The essence of the scheme is that unless we export a large proportion of the electricity created by the hydro-scheme to the south, there cannot be any electricity for the Highlands. When the Hon. Gentleman says there is enough power there to satisfy the needs of all the Highlands, as if to suggest we should stop at once meeting the demands of the grid, then he shows a complete ignorance of the whole scheme. I must ask him, with the greatest respect, to go back and study the original debates. If he will do so, he will probably sleep much more happily tonight because I am sure he is genuinely concerned about this matter.

. . . At the present rate of growth of the use of electricity and the present rate at which all power stations are

becoming older, the position in five years' time will be that, unless we get the maximum output from the Scottish hydro-electric scheme, Scotland's position will be in danger. It is going to be a very tight thing to balance supply with needs in five years' time, and unless hydro power is given the fullest opportunity to make its fullest contribution we are all going to suffer. [HON. MEMBERS: "Nonsense."] It is no use hon. Members saying "Nonsense"—I can provide the figures.

For those reasons I feel that an Amendment of this kind would be disastrous and I therefore must ask the House to reject it.

Amendment negatived.

Sir Herbert Williams (Croydon, East): Before we part with this Bill, which does propose a very large increase in the borrowing powers of the hydro-electric authority in Scotland, I think we might briefly consider whether this expansion is desirable. We can only discuss what is in the Bill and in the Bill is £200 million. Technically, I am not as good on this subject as I was some years ago, because my connection with electricity supply has terminated; but I know a little about it. There is a delusion that hydro-electric power is cheaper than steam power. That is only true in certain circumstances, where there is a more or less constant load.

Sir William Darling (Edinburgh, South): Would a steam coal station in the north of Scotland—in Caithness, for instance—be less or more economical than a hydro-electric one?

Sir H. Williams: I have been to the town of Tongue, from which a lot of Scotsmen derive their habits. It is in Sutherland, I believe. I am dealing with the general idea that some hon. Members have that hydro-electric generation is cheaper than steam generation. It entirely depends for what you are using it. The idea behind hydro-electric generation is to have continuous processes, with a constant load, 24 hours a day, seven days a week. Then hydro-electric power is much cheaper than steam power.

But if one has an ordinary mixed load, which one gets in a town—in London or anywhere else—my contention is that Battersea Power Station would beat the hydro-electric power station. There is an assumption that there is something miraculous and mysterious about hydro-electric power. Once the hydro-electric station is built the charges are small and there is a rather small staff. . . .

. . . We are now deciding that the hydro-electric schemes of Scotland are ultimately to involve a capital expenditure of at least £200 million. I do not think that the efficiency of the water supply in Scotland justifies a £200 million project, and for that reason I do not like this Bill.

Mr. Malcolm MacMillan (Western Isles): . . . The mass of Highlanders are dismayed by the opposition to the Bill throughout its passage here. The hon. Member for Caithness and Sutherland should not pretend that he speaks for Caithness and Sutherland in opposing the Bill. He is not speaking for his county council. He is not speaking for the people of the main burgh of his constituency. He is not speaking for the mass of the Highland people. He is speaking alone among Highland Members of Parliament in opposing the Bill at any stage.

Sir D. Robertson: . . . The hon. Member has imputed to me motives which are incorrect. He has said that I am not representing the people. The fight that I have waged on the Bill has been almost exclusively for the people I represent—[HON. MEMBERS: "No."]—because the rural areas are not getting electricity; it is going outside the area to the south.

The Secretary of State for Scotland (Mr. James Stuart): . . . The total value of the work done in a year is regulated in accordance with the decisions of the Government on investment policy. That, I think, gives a very careful safeguard. Therefore, there is no question of the Board, once the Bill is passed, running through this additional £100 million in any uncontrolled fashion. It is clearly desirable there should be no interruption of the work of the Board.

Mr. Nabarro: . . . I conclude by saying that I am completely satisfied with the Minister's final sentence. Had that sentence been brought forward a lot earlier, a good deal of Parliamentary time could have been saved.

Question put, and agreed to.

Bill accordingly read the Third Time, and passed.

*House of Commons: March 17, 1952.**

Wheat Extraction Rate

Dr. Stross asked the Minister of Food whether, in view of the restrictions which are to be imposed on importing many valuable articles of food, and in order to protect the health of the public, he will raise the rate of wheat extraction back to 85 per cent.

Major Lloyd George: The nutrients most markedly influenced by changes in the extraction rate of flour are iron, vitamin B₁, riboflavin and nicotinic acid. So far as can be forecast at present, none of these is likely to be affected by the recent reductions in the food import programme.

Dr. Stross: Is the Minister aware that his answer is not exactly correct? My information is that there is some diminution in all the substances he has described, particularly with reference to cakes and biscuits, where the reduction is down to 78 per cent. extraction. In view of the threatened shortages of other foodstuffs of an important kind, will not the right hon. and gallant Gentleman look at this problem again and let us have our bread in as good a condition as possible?

*Readers will appreciate that this Debate is out of its date order.

THE REALISTIC POSITION OF THE CHURCH OF ENGLAND

By
C. H. DOUGLAS:

(Postage 1d.)

PRICE EIGHTPENCE.

K.R.P. PUBLICATIONS, LIMITED, LIVERPOOL.

Major Lloyd George: From the best information I have at the moment, the answer I have given is the correct one. However, I will certainly make sure that the matter is kept very much in mind. The hon. Gentleman will appreciate that I am not an expert on what he is saying.

Dr. Stross: If I send the right hon. and gallant Gentleman the information I have received from his own Department, which rather conflicts with the statement he has just given us, will he look at it?

Major Lloyd George: Yes Sir.

Subsidies

Mr. F. Willey asked the Minister of Food what are the current unit subsidies on bacon, flour and cheese.

Major Lloyd George: The unit subsidies for 1951-52 are estimated as follows: Bacon, 1s. 1d. per lb.; flour, 1s. 2 $\frac{3}{4}$ d. per 7 lb.; Cheese, 11d. per lb.

Mr. F. Willey: As the figures given are average figures for the year, could the right hon. and gallant Gentleman give the current figures, in other words the rate at which the subsidies are running at the moment?

Major Lloyd George: No, that is an extremely difficult thing to do, as the hon. Member knows. An attempt was made at one time to give figures for the quarterly periods but that proved extremely difficult, and therefore we have to give yearly figures.

Dr. Stross: Is the right hon. and gallant Gentleman aware that of the three foods listed here, the most important is cheese? Whatever else happens, will he see that we get an abundant amount as cheaply as possible?

Mr. Chetwynd: Can the right hon. and gallant Gentleman say whether there will be any food subsidies left on these three items when the new proposals come into effect?

Major Lloyd George: All the future figures depend upon procurement prices. Cheese happens to be easy to estimate because the price of procurement does not alter very much, but where one gets variation in price and demand it is extremely difficult. On many of these things, of course, there will be a proportion left.

Budget Proposals

Mr. Robert Boothby (Aberdeenshire, East): . . . I come now to the crux of the economic problem confronting the country, which really no Budget as such can solve or even deal with. That is the question of whether this country is to pay its way in the world and, if so, how? I read, sombrely and morosely yesterday a speech I made six years ago in the American Loan debate; and I was really appalled at the extent to which the apprehensions I then ventured to express to the House have been realised. All, without exception, are being realised with every day that passes. The free world outside the dollar area is at the moment being driven relentlessly into bankruptcy, and that is reflected in the alarming gold reserve position revealed by the Chancellor in his Budget statement.

(continued on page 6.)

THE SOCIAL CREDITER

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: *Home and abroad, post free:*

One year 30/-; Six months 15/-; Three months 7s. 6d.

Offices: (Business) 7, VICTORIA STREET, LIVERPOOL, 2, Telephone: CENtral 8509; (Editorial) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone: SEFton Park 435.

Vol. 28. No. 7.

Saturday, April 12, 1952.

Staccato

Bede (the Venerable Bede) derives the word *Eastre* from a goddess of the Spring equinox. We know little of her attributes.

With some experience; now, alas, considerable; of the Seasons, we record that the fortunes of Social Credit accord with them—as they should, for Social Credit is an approximation to Reality, and what could be more real than a Season? “Four Seasons hath the year,” and Spring is the first of them. In spring we pass the Winter of our discontent. Our world revives, not “far behind.” “If the oak comes out before the ash, we shall have a splash; If the ash comes out before the oak, we shall have a soak.” We must keep our eye on the Social Credit oak. A splash is as good as a soak—a sufficiency, the watchword of Social Credit. Measure for Measure. We notice that even Bede (the venerable) did not confuse the sex of *Eastre*. A wench. Incalculable as all wench. — However! “Dido, with a willow in her hand”? Does the willow reach where the wand — ? Perhaps the oak and the ash come out together, and “we shall have Weather”? Our oak on the window-sill, now in its third year, has seven leaves, pale, in-door leaves, contrasted with the colours of things to come; but leaves. We don't sport ashes. A splash, therefore. Better, any day, than a soak. But how to augment the ministrations of *Eastre*. *Easter* (not *Eastre*) is Christian, and Social Credit is “practical Christianity”?

By a greater Realism; so we should say. It is not enough to play chess with the pawns of metaphor. One must deploy them in the war of the ages.

Is it enough to walk step by step to the abyss? “Be of good cheer, for I have overcome the world.” *Who* has overcome the world? Tom? Dick? Harry? The Resurrection, if there is to be a resurrection, is not a resurrection of heresy. What is heresy? The word is unpalatable. Why? Because it refers back to realities, and the world as we know it abhors realities. It is a planners' world, that is, it is a world of heretics, who place themselves before any light which does not emanate from them; and no light emanates from them, for it is not of the nature of light to emanate but from a Source, and they are not a source of anything. They cast their shadow. The picture our world presents is their shadow. It is deep in shadow.

Two alternatives are offered for the choice of us all: either we may be willing channels of light (which is not our light), or we may cast shadows on all that lies before us. The consequence of this latter choice is that even we may not see anything but a shadow, and at that the most

melancholy of shadows, our own. The nature of the choice is pertinent to present problems. When the Devil (in whatever guise) attacks us, it is of no avail to overshadow him: to cast our ineffectual shade upon him; he has His Light, which pales our shade. It pales everything but Our Light, which darkens his. Herein lies the paradox. “Be of good cheer, for I have overcome the world.” The man who stands aside and says, “No, not I; please consult Major Douglas or the Secretariat, or anyone but me” is abdicating: there is no light in him, because he refuses to be its medium, not because he refuses to be its source. There is but one source; but there are no media unless we constitute ourselves the media. This is the sole glory of man: to envisage a responsibility, and to discharge it. We are but witnesses; but only we can witness: we cannot ‘pass the buck.’

This observation has a present reference.

Exports?

We believe that what is quoted as the Continental Edition of *The Daily Mail* is not in the same ownership as the English newspaper of that name. Nevertheless, what it sometimes says interests us, and we note that a writer in a special edition devoted to the British Industries Fair says that British industry has made marvellous strides since the end of the 1939-45 war. “Who would have believed,” asks the writer, “that in 1950 the total volume of British exports was 75 per cent. higher than in 1938?”

“This took five years of titanic effort, involved the debasement of British coinage, and was largely dependent for its consummation upon generous American help.”

We sympathise with the comment of *The City Press*, which quotes the remark:—

“We feel there is little reason for satisfaction in the increase in exports. Large amounts of them have not been paid for and have been due to the use of sterling given freely to other nations.

“We see no satisfaction in the debasement of currency, and indeed that debasement itself was a recognition of the fact that recovery had not in fact taken place, and that we were probably exporting capital with each export, the cost of which was directly or indirectly subsidised.

“And if we take into consideration the admission that the consummation of this effort was only made possible by generous American help, then we might well come to the conclusion that the recovery has not taken place and there has been no titanic effort.”

Pakistan

It is reported that the Governor of the National Bank of Egypt has discussed with the Pakistan Government the possibility of forming an Inter-Islamic National Bank “which would function similarly to the Bank of England in relation to the sterling area.”

Secret Diplomacy

“The secret of popular writing is never to put more on a page than the common reader can lap off it with no strain whatsoever on his habitual slack attention.” (Ezra Pound.)

Education v. The Educationalist State

by DRYDEN GILLING SMITH.

(Continued).

The industrial revolution made standardised training in classes for the mechanical arts a practical proposition. Reading and writing were more and more needed as the medium for such training and a growing belief that the three "R's" had by then become of practical use to everyone led in the nineteenth century to the government's supplementing the work done by Church schools to teach these subjects, by authorising the expenditure of rates and taxes on further schools. English sentimentalism, expressing itself *via* protestanism ("orthodox" and "nonconformist") and liberalism, found this measure the only means of dealing with the child-labour problem which was an unpleasant feature of the industrial towns. In their vague sort of way the spokesmen of what has been called the "Nonconformist conscience" perceived something of the connection between the old learning and godliness and so presumed that if you taught a person something you would make him good.

This is the only attitude that explains the general acceptance of a new power delegated to the government, the right of compelling a parent by law to ensure that his child reaches a certain standard of proficiency in the three "R's." Lord Sandon's Act of 1876 did not go as far as making attendance at a school compulsory but prohibited the employment of children under 10 and of those between 10 and 14 who had not reached a specified standard in the three "R's." One has the impression that those responsible for this act had their eyes fixed on the immediate problem of child-labour and gave little thought to whether Parliament had any right, in accordance with the constitution or with natural law, so to regulate a parent's relationship to his child. This impression is confirmed by Mundella's Act of 1880 which made attendance at a school compulsory between the ages of 5 and 10, so that the specific 'educational' objective of a standard of proficiency in the three "R's" is replaced by the physical objective of getting children in a particular place at a particular time. This latter aim is still widely accepted and was obviously the *raison d'être* of a recent speech by a Durham County Councillor complaining that any government saving from cuts in 'education' services would be absorbed by the resulting increase in expenditure on the police force.

After this foundation stone laid in the belief that education consists in providing a suitable environment for children, the older educational institutions were treated more and more as if they were like the basic training centres for the mechanical arts, and since their original purpose was often unknown or forgotten, they were in many cases assimilated to the 'environment regulating' system operated by the agents of the national or local political governments. The keystone of the idea in action was the 1944 Education Act when the system was expanded to include control of policy in every school whether it was actually owned by one of these governments or not, so that the politicians of the day can have a virtual monopolistic control over what part of the cultural heritage shall be transmitted from one generation to another. No doubt it is intended to transfer this control to an even greater temporal power than the national 'state' in the form of some international 'state.'

There is an ominous suggestion by Mr. Jacks that an international body should revise text books (especially in history) in the interest of "the principles of post-war civilisation" and that a resulting history of Europe *should* be the basis of all school text books. This emphasises the character of the usurpation by a temporal power of the function of authority. It has not only bought the controlling interest in most of our educational institutions with bribes, in the form of payments for their upkeep, from money no government has any right to possess, but is attempting to bind the traditional knowledge by which its own actions ought to be bound. We are faced with a clear illustration of the proverb that *dæmon est deus inversus*.

There are four main idea-clots that have been intensively and successfully propagated in the last fifty years which have made possible the general acceptance of the 1944 measures. They are *Belief in the absolute importance of environment as the determinant factor in human development*; *Belief in equality*; *The Hegelian belief in the 'state' as a superhuman entity*; and the *Encyclopædist belief in learning for its own sake* which has been substituted for 'greater knowledge of the laws of the universe' as the justification for learning things not of immediate practical use. These, though they may not be in agreement with each other in all their applications, do, each in its own way, provide axioms on which arguments for a state-operated 'system' of 'environment-regulating' education can quite easily be based.

The greater belief in the importance of environment is paradoxically the result of the Darwinian theory of evolution. The fact that the Protestant churches have assimilated the idea that human beings are what they are because of their adaptation to physical circumstances, has, because the latter postulates the means of perfecting human beings by the provision of suitable surroundings, made many of the spokesmen of these churches into enthusiasts for the 'Welfare State.' Looked at through evolutionary spectacles Utopia becomes a practicable proposition. Such a belief in the possibilities of environment-regulating has caused the works of the so-called 'educational psychologists' to be treated as if they were important.

In both the English epic *Beowulf* and the Greek *Odyssey* we find that the first words of greeting between strangers are coupled with questions and answers about their ancestry. In his chapter on the Greek nobility (*Paideia*, vol. 1) Werner Jaeger tells us "It is a fundamental fact in the history of culture that all higher civilisation springs from the differentiation of social classes—a differentiation which is created by natural variations in physical and mental capacity between man and man . . . our earliest literary evidence shows us an aristocratic civilization rising above the mass of the common people . . . All later culture, however high an intellectual level it may reach, and however greatly its content may change, still bears the imprint of its aristocratic origin. Culture is simply the aristocratic ideal of the nation, increasingly intellectualised." We have dealt earlier with the source from which that ideal stems and its necessary correspondence with metaphysical reality. In contrast to this fact of experience Mr. Dewey expresses the hope that "culture shall be the democratic password." (*The School and Society*, p. 73). Unfortunately this is exactly what is happening, only it has ceased to be culture in the process

(this process has had a certain nuisance value in the inflation of printed matter, followed by the division into high-brow and lowbrow, and no doubt in time by an attempt to make everybody high-brow). The belief in equality has done its best, though never quite succeeding, to be imposed on humanity. We have seen the term 'gentleman' extended to everybody and the word "Char-lady" is a fitting monument to such a large-scale attempt at "levelling-up." In his suppressed work *The Doom of Youth*, Mr. Wyndham Lewis tells us that "Everyman's a genius" may be the outstanding achievement of the twentieth century. "These aristocratic tendencies on the part of Nature must be dealt with . . . And if mankind decided that all men should be gentlemen (as they did) nature puts her spoke in as usual, and remaking, or never endorsing, or deliberately withholding the requisite from all the billions of gentlemen that mankind has decreed should exist . . . Nature may put it into the head of some 'genius' to invent a new political theory, or smite with sudden imbecility all the phalanxes of upstart talent or afflict with the plague of Black Boredom all those concerned." The desire for equality when expressed in such slogans as 'Equality of opportunity' and 'Parity of Status' is related to the belief in environment and lack of belief in the continuity of life as expressed in the continued existence of a family. The change of social position over a period of generations is abandoned in favour of the view that all men ought to be able to move from the bottom to the top in one generation, a reason, doubtless, why we have so many men of marked instability of character entrusted with the management of our national affairs. The attempt to remove the stepping stones, which the achievements of his ancestors may give to a boy at his start in life, has been prominent among the 'morally-tuned' war-cries of the equalisers. Mr. Jacks in *Total Education* tells us that every school must be 'co-ordinated' and that 'co-ordination' is the opposite of "such a hierarchy of conditions as we see in the school world to-day," it implies "parity of conditions in all schools. This though difficult to attain, is not beyond our power. By legislative enactment we can ensure equal conditions in premises and equipment, in service and pay, in staffing ratios and the qualification of teachers."

The financial control of our educational institutions by the 'state' has been made possible by the unlimited powers of taxation which disregard of the constitution has placed in the hands of a simple majority in the House of Commons. We have imposed no proper limit such as the tithe to divide taxation from tyranny, and we allowed the last vestiges of restraint to be cast aside by the Parliament Act of 1910. The first indication of this means of gaining control in action is evidenced by H. C. Barnard in his *History of English Education* as taking place during the last decades of the nineteenth century. "Moreover the higher-grade schools, assisted as they were by public funds, often competed severely with the endowed grammar schools, many of which—in spite of the 1869 Act—were still poverty stricken . . . this helped to depress the grammar school type of education to the advantage of schools which tended to emphasize—or even over-emphasize—instruction of a non-literary type." This type of situation has been multiplied many times over and in May, 1951, I drew attention to it in a letter to *The Tablet*. I attacked the principle of "universal taxation for universal education" and said that "In the matter of schooling . . . it has meant that the parents who are prepared to spend their money in

buying the particular education they want for their children have had to pay for that education twice over . . . The one common point at issue is the right to 'Contract Out' without financial penalty for contracting out . . . if parents who did not send their children to state schools did not pay in taxation towards the 'State Educational Service,' the chances are that the money they would have to spend on education of their own choice would soon cancel out the claims that state schools have 'better equipment' than independent schools." In State Insurance, Medicine, Legal Aid and Education it is the transfer of power which is the important issue. "The individual's power to save and provide the benefits for himself is reduced, and as a result he is often forced to accept those provided by the state. He is made unnecessarily dependent on the temporal government in being forced to contribute, whether in taxation or in a 'special scheme,' in that he is making a contract with a party which can change the terms of its agreement at will, and he has to accept the benefits under whatever terms the government of the day may care to impose . . . The only suggestion recently put forward which deals effectively with this majority bribery, and guarantees the right to contract out of all such purely functional schemes in the national life, postulates the abolition of the secret ballot, and the substitution of an open recorded vote. All increases in taxation to pay for such schemes would be paid by those voting for the successful party. Savings for efficient administration would be paid 75 per cent. to the victorious voters during their party's office."

(To be continued).

PARLIAMENT—

(continued from page 3.)

Why has this happened? I think we must face up to it on both sides of the Committee. It has happened because the whole balance of world trade has been completely upset by the existence of the Iron Curtain in the East and the policy of the United States in the West. Those are the two things which are at the moment destroying the balance of world trade and making it absolutely useless to talk about free convertibility. All is governed by the fact that the dominant economic Power in the free world is the greatest producer and seller of goods.

The policy of the United States remains what it has been for the past 30 years; to sell more goods than she will buy herself. I am not blaming anyone, and not blaming the United States. I am merely stating facts. Here is the root cause of a world economic malady for which repudiated loans and gold purchases, a rise in the price of gold, Lend-Lease and Marshall Aid have each in turn been only palliatives. I think the time has come when we should seek a radical remedy. . . .

. . . With the prevailing economic disequilibrium in the world and its symptom, the dollar shortage, it is absolutely impossible for any other currency with a world-wide circulation to retain its value if it is made freely convertible with the dollar. Not only the tariff wall, but the whole structure of the American economy, including the price support programmes, making it impossible to repay interest on loans, or to settle debts with the United States in terms of goods. How else can they be settled? We have to find some other way, and I suggest we ought to start looking for it now.

The President of the Board of Trade said on Thursday:

"The real need is to increase our exports to the dollar area, above all to Canada and the United States."—[OFFICIAL REPORT, 13th March, 1952; Vol. 497, c. 1601.]

But they are falling. The right hon. Member for Huyton (Mr. H. Wilson) gave figures. They have fallen from 18.26 per cent. of the total in 1950 to 16.97 per cent. last year, and to 14.87 per cent. in the fourth quarter of last year. That is the fall in our exports to the dollar area alone. But it is not only in the dollar area. The really alarming thing about our present situation is that the free world, outside the dollar area, has embarked on competitive national import cuts which, if persisted in, can only lead to total disaster. First France, then us, then Australia. What happens, if this continues, to a country dependent for its existence on imports of food and raw materials? France could at least live; but we cannot even live.

My hon. Friend the Member for Bury and Radcliffe (Mr. W. Fletcher) said, truly, that the problem confronting this country is no longer how to produce, but how to sell, and where to sell. That is the point. I have my own solution, which will not take me three minutes now to explain, because I can summarise it. I believe that the only solution lies in a really determined effort to build up a trading area in the free world, outside the dollar area, in which we can all breathe and live. I believe that area should be based on the present sterling area; but I do not think that the sterling area, in isolation, is big enough or powerful enough. Nor do I think that the area represented by the European Payments Union can stand in isolation on its own feet. Both the sterling area and the European Payments Union are today in great jeopardy, facing bankruptcy. Yet the economies of the two are, in the main, complementary.

I believe that if we could build up a trading area out of Western Europe and the sterling area, with the raw materials of the one and the industrial productivity of the other, we could get through. But, of course, it must involve the total abandonment of the obsolete doctrines of non-discrimination in trade, and of free convertibility with the dollar in the measurable future.

Mr. Ivor Owen Thomas (The Wrekin): Would it not also necessarily involve either the total abandonment or the drastic reorganisation of the present fiscal structure of the whole area of the countries involved?

Mr. Boothby: It would involve an extension of the whole preferential system. It would also involve an effective strategic control over the economy of the area as a whole. At the sterling area conference the Commonwealth countries were unfortunately not prepared to surrender any national economic sovereignty at all. But there are some minimum requirements. As my right hon. Friend the Member for Blackburn, West, pointed out, and I agree, we ought really to have a central bank for the area to co-ordinate national monetary and credit policies. That is really desirable, if we could get the other countries to agree. We failed at the last sterling conference and we must try again.

Not only that, but we must have a dollar pool which will at least restrict dollar imports to the level of our joint dollar income. Otherwise there can be no hope of achieving

any kind of balance in the economy of the free world as a whole. . . .

. . . We cannot afford to allow the sterling balances to run down by means of unrequited exports from this country to the sterling area at the rate we have been doing. And we ought to come to a clear understanding with the rest of the sterling area that the rate at which we can release these balances must in future depend on our trading surplus; and that we cannot go on having this large surplus with the sterling area and a heavy deficit with the dollar area.

The Commonwealth comes first. But I do not believe that the Commonwealth alone can do it. I believe that we need close economic links between the Commonwealth and Western Europe; and I believe that this country, of all countries, is the one to establish the links between these two areas.

Hon. Gentlemen opposite may say—and they may well say—"Do you really think this can be done; how do you think it can be done? This is a Utopian plan." I reply: "What is the alternative?" I really do not see any alternative. The outlook for the trade of the free world is absolutely terrifying. I see these markets closing down. As my hon. Friend the Member for Bury and Radcliffe said, referring to Sir Edward Grey's remark about the lights going out all over Europe, the whole trade of the free world is gradually closing in on us. For a country like ours, whose trade is air, the prospect is extremely alarming. . . .

House of Commons: March 25, 1952.

NATIONAL FINANCE

Food Subsidies and Index

Mr. Bevin asked the Chancellor of the Exchequer if he will state, for the years 1949-50 and 1950-51, the total amount paid in food subsidies; the total amounts which would have been so payable to keep the prices of subsidised foods stable; and the increase in the index of retail food prices during the ensuing 12 months in both cases.

Mr. R. A. Butler: The total amounts paid in subsidies for 1949-50 and 1950-51 were £424.8 million and £400.3 million respectively. To keep the prices of subsidised foods stable in 1949-50—at the levels prevailing at the beginning of the year would have cost a further £145 million, that is some £570 million in all. The comparable figures for 1950-51 would have been £59 million and £459 million respectively.

The increases in the Interim Index of Retail Prices (Food Index) were about 14 and 9 points respectively in each year.

Pound Sterling (Value)

Mr. H. Hynd asked the Chancellor of the Exchequer what is the purchasing value of the £ as compared with 1st November, 1951.

Mr. R. A. Butler: Figures for the dates mentioned are not available, but taking the figure for October, 1951, as 20s, the corresponding figure for February, 1952, was 19s. 5d.

Mr. Lucas asked the Chancellor of the Exchequer the percentages by which the value of the £ sterling had fallen, in terms of consumer goods and services, by January, 1944, 1947, 1949 and 1952, by comparison with its value in January, 1938.

Mr. R. A. Butler: Figures for the dates given are not available, but taking the average for 1938 as 100, the average for 1944 was 67, for 1947 59, for 1949 53, and for 1951 48. These figures are based on the price index for all consumer goods and services. From the average of 1951 to January, 1952, there was a further fall to 45; this figure is based on the Interim Index of Retail Prices.

Independent Electricity Generators (Rating Valuation)

Mr Nabarro asked the Chancellor of the Exchequer whether he is aware that valuers acting for the Board of Inland Revenue seek to increase rating valuations for property where independent electricity generators are installed, even if such generators are for emergency standby use only in event of a breakdown of mains electricity supplies; that such increased valuations are not consonant with the policy of Her Majesty's Government in stimulating and encouraging independent electricity generation; and whether he will instruct the Board of Inland Revenue to cease the practice of increasing rating valuation on account of independent electricity equipment installed.

Mr. R. A. Butler: Where the annual value of premises is enhanced by the presence of an independent electricity generator (which is part of the rateable plant) an Inland Revenue valuer is not entitled in law to disregard such additional value in making a valuation of the premises for rating purposes. I regret, therefore, that I am unable to issue the instruction suggested.

Pottery Industry

Mr. Ellis Smith asked the President of the Board of Trade if he will make arrangements so that decorated pottery is made available to all areas and is fairly distributed.

Mr. H. Strauss: Supplies of decorated pottery to the home market are restricted almost entirely to export rejects. The manufacturers try to distribute these supplies as evenly and fairly as possible.

Mr. Ellis Smith asked the President of the Board of Trade (1) what action he is taking to find alternative markets in cases where Governments, or organisations, have reduced their importations of pottery;

(2) what action he is taking so that the pottery industry can maintain full production, continue its contribution in the export drive and retain its employees.

Mr. H. Strauss: The difficulties which the recent import restrictions overseas have caused for our pottery industry are at present being discussed with the British Pottery Manufacturers' Federation. As the hon. Member is aware, to find alternative markets is not easy, but I am confident that the industry will make every effort to do so and manufacturers can count upon the assistance of the Board of Trade and of the Export Credits Guarantee Department.

The Constitution

The following from Canon Joshua Brookes of Richmond appeared in the *Daily Telegraph* for March 28:—

"Sir—May we venture to hope that the Premier, among his many tasks, may find time to reform the House of Lords?"

"Owing to the two Acts of Parliament the House of Lords has been shorn of most of its former power, and has tended to become a mere revising and debating Chamber. The balance of the Constitution is thus dangerously impaired, and we are approximating to government by a single Chamber.

"It is obvious that any reform of the House of Lords must include the decrease or abolition of its hereditary element, and the introduction of elections. A representative body could then be given powers similar to those enjoyed by the Senates in America and France."

Why should it be deemed "obvious" that "reform" must diminish the effect of the hereditary principle? The operation of the opposing principle—efficacy of contemporary judgment—is what is held responsible for the "dangerous impairment" which the Constitution has suffered.

SOCIAL CREDIT EXPANSION FUND

"The situation relatively to ourselves is like that which presents itself to a military leader when his forces, which have been pinned down by one or another of all those conditions of warfare which it is the aim of an enemy to invent or to use, are suddenly released and available for a new disposition. Such opportunities are of short duration. Whatever we may be able to do to meet this contingency, we hope and believe our readers will co-operate. The Social Credit Expansion Fund (disbursed only on the authority of Major Douglas) is an instrument which ensures one form of such potential co-operation. Trained man-power is as important, and useless without it." (*The Social Crediter*, November 3, 1951).

To the Treasurer,

Social Credit Expansion Fund,
c/o The Social Credit Secretariat,
7, Victoria Street, LIVERPOOL, 2.

I enclose the sum of £ : : as a donation towards THE SOCIAL CREDIT EXPANSION FUND, to be expended by the Administrators at the sole discretion of Major C. H. Douglas.

Name

Address

N.B.—Cheques should in all cases be crossed:—"A/c payee: Williams Deacon's Bank, Ltd., Exchange Flags, Liverpool, 2."