

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### Why Dearer Coal?

The *Sunday Times* on March 8 carried the following foot-of-the-column leading article, which, exceptionable in respect of its basic economics (*i.e.*, the economics of real as distinct from financial cost) is unusual in respect of its clear admission that little more than a sixth of the additional financial cost of coal with which the consumer is to be taxed is due to the recent rise in wage rates. The article was as follows:—

“The agitation of the Conservative Fuel and Power Committee for an overhaul of the National Coal Board is not to be dismissed as mere back-bench grumbling. Behind it lies an anxiety going deep in the country. While the general cost of living has doubled since before the second world war, the price of coal has multiplied well over three times. The days are past when all that really mattered was output.

“The actual cost of coal, however, matters less than the reason for its increase. The country does not grudge a good wage for the miner with his hard and dangerous work. But only £6 million of the additional £43 million expected from the latest jump of 5s. 6d. a ton is needed to cover the cost of the recent wage rise. A large fraction reflects an actual decline in productivity; indeed the whole may be said to represent a failure of the industry, despite mechanical re-equipment on a vast scale, to increase its productivity to offset its rising costs. The expansion of the labour force, which brought an exceptional proportion of untrained men to the pits, has been a legitimate excuse for some part of this dismal characteristic, but it will not serve indefinitely.

“The fault is unlikely to lie merely in a matter of office organisation. Savings in overheads, indeed, could probably be effected here, and the whole system made less cumbersome. But the real hope pinned on decentralisation is not administrative economy but a new spirit of competitive efficiency to replace the heavy egalitarianism of centralised State industry. A new spirit, from the Board to the man at the coal-face, seems essential if the coal mines are not to be the ball-and-chain of British prosperity.

“The facts themselves today are criticism enough. It is the Government and the Board who must show cause why a big change in personnel and organisation is not necessary to amend the facts.”

We quote again the opinion that “the fault is unlikely to lie merely in a matter of office organisation” despite its speculative air and also the certain vagueness which hangs about ‘organisation,’ which, undefined, is a pure abstraction. Whoever gets the £43,000,000 expected from the 5s. 6d. jump in price, the miners don’t. The *Sunday Times* may intend the reader to suppose, or it may itself believe that someone else gets it (God bless him!); it doesn’t say so.

Now it so happens that in 1920 “many of the best elements of the Scottish Labour Groups were profoundly dissatisfied with their position. The Sankey Report had been shelved, and it was well understood that a combined drive towards the reduction of wages was imminent. There was a general feeling that a great opportunity had been lost and a strong disposition to blame the agitation for “Nationalisation,” as being responsible for the situation. Some suspicion had also been aroused by the solid and implacable opposition on the part of the mine-owners to the tentative introduction of the subject of prices into the Miners’ demands.”

In these circumstances, the “Draft Scheme for the Mining Industry” was drawn up by Major Douglas, and the Central Executive Committee of the Miners’ Federation was formally advised by the Scottish Labour Advisory Committee to investigate his proposals.

The precise terms of reference were as follows, and it is important to note what they were because the recommendation was not accepted but sidetracked. A full account of these matters were published in 1922 and later (*The Social Crediter*, March 11 and 18, 1950):—

“Some of us are not prepared as yet to endorse all Major Douglas’s views; but we are convinced that bank credits are one of the main constituents—if not indeed the main constituent—of selling prices; and that no final solution of the problem is possible that does not bring the issue of credit and the fixing of selling prices under the community’s control.

“We recommend that the Executive of the Miners’ Federation of Great Britain be asked to investigate Major Douglas’s scheme for introducing credit reform *via* the mining industry.”

Whether it was so or not, it was considered at that time that the Executive of the Miners’ Federation of Great Britain was competent (in the interest of its members) to investigate the basic facts of the economics of the industry from which they derived their support. Is anyone? If not, why do we read newspapers which print opinions which have no substance to support them? Why do we print opinions which have no reference to industrial and economic realities? There must be, somewhere, some people like the Scottish miners of 1920. Where are they? If not for them, then for anyone else who has a direct interest in coal or the price of coal, we print below the exemplary “Draft Scheme for the Mining Industry,” now thirty-three years old:—

### Draft Scheme for the Mining Industry

#### I.

(1) For the purpose of efficient operation each geological mining area shall be considered as autonomous administratively.

(continued on page 8.)

## PARLIAMENT

House of Commons: February 6, 1953.

### Sugar (Dollar Purchases)

*Mr. Gerald Nabarro (Kidderminster):* . . . For the first time in 12 years the children and men and women with a sweet tooth are able to buy unlimited quantities of sweets in the shops—except perhaps for the short space of time in 1949 when the fiasco took place with a premature derationing scheme. Not the least important of the consequences which flow from last Wednesday's announcement is the fact, as I am reliably informed, that 500 civil servants and temporary officials will be considered unnecessary. They can, I hope, be put into productive employment.

I have always been the fiercest opponent of bureaucratic Bumbledom in all its forms, and it seemed to me a tragedy that this country should have spent many years since the end of the war with countless thousands of people all over the place engaged in snipping little pieces of paper out of ration books.

The larger issue which is thus now left to me this afternoon—the question of sugar rationing—is, of course, infinitely more important to men and women all over the country. It is fair to say that it is the greatest grievance that the housewife has today, and her biggest single difficulty in good housekeeping. . . .

. . . A large percentage of soft fruit has been completely wasted, and that is, in measure, due to the shortage of sugar for bottling and for making jam, and to other difficulties of the housewife which have forced her to buy proprietary brands of preserves and of cakes. She cannot make good cakes at home on the scale to which she has been accustomed, and of course baking is so much more difficult.

It is fair to say that those famous cookery books which we all knew so well as children—and it is a long time ago—Mrs. Beeton's Cookery Book and Boulestin's Cookery Book, have gone into the waste paper basket, due to the shortage of sugar, and very largely due to the fact that many housewives cannot cook decently at home today because of this state of affairs.

Let me now turn to the world economics of sugar and to the figures that are concerned with this argument. There can be no doubt that there is currently a substantial world surplus of sugar. There is no quarrel on that account. Cuba, to take one example, has cut down her acreage of cane sugar because she cannot find a market for it, which is due, of course, in part, to currency difficulties. It is equally true that Britain is the only country in the Commonwealth and the only country in the world outside the Iron Curtain countries, which is rationed for sugar.

To de-ration sugar in this country, according to my right hon. Friend the Chancellor of the Exchequer, who replied to me on this matter on 20th January, is said to require 750,000 tons of extra sugar imports in the first year of derationing, and, thereafter, 500,000 tons of sugar a year. I do not think that those figures when I have finished my speech, will bear closer examination, because I think they have been exaggerated. I think they are too high, and I hope to demonstrate that the amount of additional imports

would be substantially less. There is no quarrel that the tonnage of sugar required to de-ration in the United Kingdom is 2½ million tons per annum from all sources. That is the figure which has been quoted by the Government on occasions, and has also been confirmed by the sugar refining and distributing interests in this country. Under the Commonwealth Sugar Agreement, with the terms of which we are all familiar, the United Kingdom has guaranteed to buy the whole exportable quantities of Commonwealth sugar available, up to a maximum which will be reached in 1956-57 of 2,375,000 tons per annum. The expectation from the Commonwealth Sugar Agreement in 1953 is 1,800,000 tons. That is the figure we shall anticipate importing into the United Kingdom from the Commonwealth Sugar Pool.

To that 1,800,000 tons must be added our home or indigenous beet production of sugar which in 1953 is anticipated to be 625,000 tons. Therefore, the Commonwealth sources of sugar, added to the beet production of 625,000 tons, give a total of 2,425,000 tons. In addition to that, we have a reasonable expectation of 200,000 tons of sugar from Eastern European sources from Poland and adjoining countries, from whom we have drawn considerable quantities of sugar in recent years.

That makes a total of 2,625,000 tons against an anticipated unrationed requirement in the United Kingdom of 2,500,000 tons. Therefore, theoretically, there is a surplus of 125,000 tons of sugar. But we have commitments from the Commonwealth sugar pool. Canada is buying 425,000 tons of sugar from that pool. We in the United Kingdom are exporting 680,000 tons of sugar to Commonwealth countries.

The two considerations, the 425,000 tons of sugar that Canada is buying from the Commonwealth Pool and the 680,000 tons of sugar that we are exporting from this country, both tend to complicate a statistical consideration of our sugar economy. I am going to endeavour to quote a sugar balance sheet which perhaps is a slight over-simplification. I ask the OFFICIAL REPORT to do me the kindness of reproducing it in the REPORT as a balance sheet. The debit side balance sheet is as follows:

| SUGAR REQUIRED.                                       |     | <i>Tons</i>      |
|---|-----|------------------|
| Britain's de-rationed requirement                     | ... | 2,500,000        |
| For sterling export (see HANSARD, 26th January, 1953) | ... | 680,000          |
| For Canada—under Commonwealth Sugar Agreement         | ... | 425,000          |
| TOTAL   | ... | <u>3,605,000</u> |

The credit side of the balance sheet is as follows:

| SUGAR FORTHCOMING.  |     | <i>Tons</i>      |
|---|-----|------------------|
| From U.K. beet crop   | ... | 625,000          |
| From Commonwealth Sugar Agreement   | ... | 1,800,000        |
| (1953 expectation)  |     |                  |
| From dollar sources, Cuba, Puerto Rico and San Domingo to replace Canada's sugar from Empire Pool | ... | 425,000          |
| From East German, Polish and Czech sources  | ... | 200,000          |
| From Formosa for Eastern Commonwealth countries   | ... | 200,000          |
| NETT SHORTAGE   | ... | 355,000          |
| TOTAL   | ... | <u>3,605,000</u> |

The shortage of sugar shown in the balance sheet, according to my statistics, and I am well advised in this matter, is 355,000 tons in 1953, compared with the figure which the Chancellor gave of 750,000 tons required to de-ration. What would be the cost of buying that 355,000 tons of sugar at current prices? I am reliably informed that if bought from dollar sources it would be 28,500,000 dollars or £10 million. I enter the *caveat* in connection with the figures which I have quoted that I would not suggest for one moment that there are not other sources of sugar available for smaller quantities.

I am only quoting the main importations. In fact, we recently bought 60,000 tons of sugar with sterling from Brazil, and we had an offer of 100,000 tons of sugar from Spain that could have been bought with sterling. Those are spot purchases that are available, but the figures in my balance sheet show the general and normal run of purchases that we can anticipate in 1953.

I turn now to the statement that is so often made in this House and elsewhere that we cannot de-ration sugar unless we spend a lot of extra dollars. This is quite a controversial matter. The Government say that we must have extra dollars, but the people who ought to know more than anybody else in the wide world, the refiners, say otherwise. Lord Lyle of Westbourne said on 13th November last in an article in the "Financial Times" that no extra dollars would be required to de-ration sugar, and he advanced a number of arguments as to why he took that view.

I would not seek to adjudicate in this matter, but it is a question that urgently requires clarification. I hope that my hon. Friend the Financial Secretary to the Treasury will seek to clarify it when he replies to this debate. Here is a difficulty which arises in this argument. I said that Canada buys 425,000 tons of sugar from the Commonwealth Pool and pays in dollars, and with the dollars we buy an equivalent quantity of sugar from Cuba, Puerto Rico and San Domingo. It is not strictly true therefore, to say that we can dispense with that dollar transaction, for if Canada went elsewhere than to the Empire Pool—and I do not want her to do so—to buy her 425,000 tons of sugar, we should not earn the dollars that we employ to buy the Cuban and other dollar sugar. There is also the long-term difficulty that there will not be any shortage of sugar in the United Kingdom, the Commonwealth or elsewhere in three or four years time when the Commonwealth Sugar Agreement comes to full fruition and provides 2,375,000 tons per annum.

It would be not only a great trading mistake generally but also a great mistake from the point of view of Empire security and internal Commonwealth trade to drive the Canadians from the Empire pool into buying their sugar elsewhere. I believe that it is quite right and proper that this sugar should continue to flow to Canada and that we, as a temporary expedient, should use the dollars to replace that sugar from the West Indian dollar sources. But it is equally true to say—and I hope that the Financial Secretary will heed these words particularly carefully—that it was Britain that provided the extra capital to promote the increase in production of cane sugar in the Empire countries. It has been Britain that has provided the capital since the end of the war—for what purpose? It was not for the

purpose of selling to the dollar areas to earn hard currency. The purpose of it was to increase the flow of sugar into the United Kingdom to enable us to get rid of sugar rationing.

If we continue with the trends of the last few years, there will develop a situation in which, as more and more sugar is produced in the sterling area it is used to provide more and more dollars by selling it to the hard currency areas, and the British housewife will face sugar rationing for the remainder of her life. That capital investment in the Colonies under the Empire Sugar Agreement was primarily to de-ration sugar here. Also our guaranteed purchases from the Empire Sugar Pool are generally at higher than world prices.

Let me return to statistics for a moment or two. It is very instructive to survey the consumption of sugar in the United Kingdom today compared with pre-war years, and in several of the Commonwealth countries. Of the exporting countries in the Commonwealth, Australia, including Fiji Islands, consumed in 1938 354,000 tons of sugar; in 1953 they will consume 512,000 tons. Australia has increased her consumption by 44 per cent. Africa—that is the exporting Commonwealth countries in Africa, including Mauritius—consumed 272,000 tons in 1938, and in 1953 will consume 615,000 tons, an increase of 123 per cent. The British West Indies consumed in 1938 53,000 tons, and in 1953 will consume 128,000 tons, an increase of 137 per cent.

Of the importing countries in the Commonwealth, the Far Eastern group consumed 317,000 tons in 1938, and in 1953 will consume 455,000 tons, an increase of 43 per cent. The Middle East group of Commonwealth countries consumed 33,000 tons in 1938, and in 1953 will consume 42,000 tons, an increase of 27 per cent. The Africa group of Commonwealth countries who still import sugar consumed 84,000 tons in 1938, and in 1953 will consume 230,000 tons, an increase of 175 per cent. All those areas show very large increases in consumption.

What about Britain? In 1938 the consumption was 2,400,000 tons, and in 1953 it will be 2,145,000 tons, a decline of 11 per cent, whereas other parts of the Commonwealth show a very large increase in sugar consumption. It is not very fair to the British housewife or to the 50 million people who live in these islands. Perhaps what is even more inequitable is that sugar should be singled out for a unique position in our economy. Every Colony and Dominion at present is responsible for finding its own supplies, from its own dollar resources or otherwise, for commodities and foodstuffs other than sugar. Sugar is allocated for sterling and has been singled out for this special treatment with the result that the United Kingdom finds itself in such a singularly unfavourable position. . . .

*The Financial Secretary to the Treasury (Mr. John Boyd-Carpenter):* . . . So far as the over-simplification, which my hon. Friend admitted, is concerned may I first make it clear that the Commonwealth Sugar Agreement with the contemplated figure of £2,345,000 tons in some years time, was calculated on the basis not only of the substantial Canadian share but also on the passing on of some, though admittedly much smaller shares, to certain parts of the sterling Commonwealth. Therefore, it was not quite right for my

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Saturday, March 14, 1953.

### From Week to Week

The distinct note of resentment which marked the Earl of Selkirk's reply to Lord Sempill in the House of Lords on March 5 ended with the objection that, as Lord Sempill's questions were unstarred, he had no right of reply. There were two questions, one on the efficiency of British Railways, the other "to call attention to the importance of making known the productive efficiency of nationalised industries, and to ask for a Report. . . ."

Lord Sempill's first question was:—"To call attention to the Report of the United Nations Economic Commission for Europe issued in Geneva on January 17 in the Transport Section of which it is stated that in Britain: (a) the number of journeys per person per year fell from twenty-eight in 1938 to twenty in 1951 during which time other European countries registered a striking increase in Railway Passenger Traffic; (b) the frequency of service, as measured by the number of trains per mile of line, has dropped, Britain now coming third after Switzerland and Holland, having been second in 1950 and first in 1938; (c) the utilisation of passenger coaches and goods wagons is the lowest in Europe; (d) the turn-round time of goods wagons is 10.4 days compared to 4.3 days in Germany; (e) the ratio of staff to traffic is the highest in comparison to West European countries; and to ask whether Her Majesty's Government will take steps in the reorganisation now under discussion to improve the efficiency of the system."

Lord Selkirk suggested differences between the railway systems compared. There are, of course, but they do not account for the inconstancy of the discrepancies mentioned by Lord Sempill.

As one Great Man of another, Mr. Herbert Morrison thinks the Greatness of Stalin was Very Great. There is an almost envious ring about the opinion: "For in Russian history he will be recorded as the man who beat the Czars at their own game, whether in keeping the Russian people under firm control, ruthlessly smashing those who would upset his power and regime, or successfully extending Russian predominance over other countries, as desired by the Czars, but with noticeably greater success than they ever achieved."

The Czars were indeed small beer compared with Leviathan in the guise of Socialism,

"Scotsman's Log" in *The Scotsman* for March 3 has it:—

"ARE DOCTORS UNHAPPY? Medical politics are a complete mystery to us, as to most laymen. Sometimes we think they must be a complete mystery to doctors as well. In recent weeks, however, practically every doctor we have met has expressed dissatisfaction with present conditions.

"Consultants, we have been told, are currently faced with all kinds of worries, worries not caused by their patients. It is, of course, true that the whole structure of the medical world has changed violently in recent years, and the period of readjustment may still be unsettling doctors. There is, however, a difference between readjustment and demoralisation. Doctors are the last people to become demoralised, but it is disagreeable even to hear the word mentioned in the context of this great profession.

"As patients we all have, or ought to have, a deep concern in the welfare of our doctors. It is very difficult for us to know what the profession of medicine is like on the inside, although any child can see that it now bulges with lay administrators. We do hope that if doctors really are being given a raw deal they will bring the facts to the light of day, because none of us can feel comfortable if this hard-working and noble profession is in the grip of discontent."

There is fairly good evidence that the restoration of Medicine to "private hands" is not an impossibility; though, in view of the irreparable damage it would do to the Work State, the resistance would be terrific. The B.M.A. is not quite so securely placed as a vendor of its own side as it was.

Kosher Margarine, 8d. per half-pound: manufactured and packed under the supervision of the Beth Din. Housewives please note.

### Professor Toynbee and "The West"

"Is it true . . . that, to quote Professor Toynbee, 'the spiritual initiative has now passed, at any rate for the moment, from the Western to the Russian side?'"

"It is not possible, of course, for a Christian to be a theoretical Communist because Communism, of its essence, makes the family subordinate to the state, makes man a function of the machine and denies to the family that element of economic independence and free choice which is necessary if men and women are to be free moral agents. To that point we shall return. For a non-Christian, however, it is admittedly possible to hold that the Communist pattern of society is the ideal. But is it possible for anyone not wholly indifferent to all natural virtue to regard the present Russian effort to impose her regime on the world as an effort so markedly spiritual in character as to place the entire Christian world at a spiritual disadvantage? That question is addressed not to Christians, but to the liberal humanist world to which Professor Toynbee is heir and for which he is spokesman."—Douglas Jerrold in *The Tablet*.

## World Affairs (II)

by NORMAN WEBB.

"Few discoveries are more irritating than those which expose the pedigree of ideas" Lord Acton.

Arising out of his feeling and admiration for the English Common Law, Professor Keeton in *The Decline of Parliament*, detects the sprouting of the seeds of its own ultimate over-growth in the academic, Liberal admiration for the idea of abstract Liberty—the mental intoxication of the French Revolution,—as distinct from its emotional embodiment in an individual determination to be rationally free and independent inside a free national and political area. What were these seeds, and how have we permitted them to gain a strangle-hold on our Constitution and our Common Law which was its defence? What were the means employed, and by whom, to promote this insidious growth, so alien to the climate of British opinion up to the beginning of the Industrial Revolution?

Liberalism is an idea, and, it may be said, a fine idea. But if we are to preserve it in its true form, and not hatch out something quite unexpected, we need to know its genealogy. As Lord Acton pointed out, this particular nettle requires a firm grasp such as the ideologist does not always possess. Yet we must not shirk possible irritation if we are to know what are the tendencies to be on our guard against. For instance, it is not enough to say that Socialism,—the off-spring of Liberalism, though obviously not of pure British descent—is responsible for promoting the unhealthy concentration of power in Government. We all know this. But we want to know why, and particularly how, it does so, if we judge the process to have gone too far, and think a halt should be called. That nothing is done is due entirely to the disinclination to probe to the true cause and origin of these ideas.

Professor Keeton shows clearly that the rapid breakdown of Constitutional Law in this country, and the assumption by Government (the Administration) of more and more control over the private affairs of the individual, are coincident and complimentary. And it is equally obvious, as he also notes, that the immediate excuse or necessity for each successive transfer of power to the State is the general condition of crisis, national and/or international, carrying with it the apparent need for an appeal on the part of the individual for *collective* action of a defensive kind, military and/or economic. As Douglas showed us a long time ago now, those essential conditions—essential, that is, for the purposes of introducing centralised Planning, if we are to believe the Planners' own publication—have consequently had to become chronic; for we must remember that they, the Planners have promised us surcease until their World Plan embodied in U.N.O. is an accomplished fact. That, somewhat plainly and crudely put perhaps, is the substance of their statement, and,—unfortunately or fortunately, according to the way one looks at these things—they have, or think they have, the means to realize it. That is the somewhat gruesome possibility that must be faced ultimately by all communities, if they are ever to be in a position effectively to tackle, instead of merely to acquiesce in, the implications of present-day

World Affairs. For, if it is really true that World Peace is a condition within the intellectual scope and ability of any individual or group of individuals, employing material means (armaments) to achieve, it follows logically that conditions of war, which is the alternative they promise, is equally at their discretion. Those who regard U.N.O. and the aims it embodies as feasible, must face this alternative risk.

And again, is not World Peace of this particular enforced kind, just another idea, knowledge of the pedigree of which would greatly assist judgment as regards World Affairs today? What do we mean by World Affairs? Unfortunately, I think, it is increasingly coming to be regarded as no more than "the accident of events." For one of the least pleasant features of the present excessive swing over to materialism is that under its pressure the gradual emergence of the sense of Natural Law, has been arrested, at least in the form sponsored by the Churches, and in our day even driven back, by a returning wave of the Pagan concept of blind fate, under which tyrannies and tyrants flourished. That was the distinguishing point between Christian and Greek culture. It is fairly obvious that one of the chief reasons why the pedigree of the ideas, first, of Liberalism, and secondly, of Socialism, have been effectively exposed nowhere except in the writings of Douglas, is that the Liberalised Intelligentsia, or educated classes, of this and other Western countries, have become so overloaded with the intoxicating knowledge of the Renaissance, that they have lost the necessary counter-balance of Christian faith to steel them to face the fact of the pagan origin of their learning, with its Machiavellian philosophy of might over right. Is it mere coincidence, one wonders, that the city of Florence should have the distinction of being the foster-mother of both the Renaissance of Paganism and of modern banking practice? Or that the greatest patrons of the revived classical art, the Medici, should have been bankers?

It is a strange mental road back, but Douglas has clearly marked it, and once embarked on it, only a fool or a craven can be in any doubt. And our problem, as Social Crediters, is to discover how that necessary grain of faith can be communicated, and its scope enlarged: how rhetorical denunciation can be converted into constructive criticism. For you may denounce and abuse tyranny, and even tyrants, as much as you like, since tyrants know that mere abuse gets one nowhere, and even serves the useful function of a safety-valve. What you must not do—and this is what Douglas has done—is to expose the means by which the tyrant exercises his tyranny.

Such thoughts as these come into one's mind particularly in reading Professor Keeton's chapter on Taxation. How are those, I ask myself, who believe in the necessity of the present *form* of taxation, so outraged by its *extent*? Professor Keeton attempts himself to answer that question. "It is worth while," he writes, "enquiring why tax-avoidance occupies such a prominent place in the commercial life, not only of this, but of every other trading nation outside the Soviet Union, and also why it is simply a twentieth century phenomenon. Is not the reason that taxation as a means of State-intervention in the lives and commercial activities of its commercial classes, has now reached a point where it is considered to be a form of oppression?" Very true. Yet

it is impossible to accept that as in any degree a reasonable or satisfactory answer. It is in fact, just another question. In so far as the middle and upper classes, who are rapidly disappearing, may disapprove of the policy of the compulsory re-distribution of income, they have every reason to protest, and one is surprised they do not protest more loudly. But economically and financially speaking, no one, *with the single exception of the followers of Douglas*, has a leg to stand on as regards even present-day levels of taxation in this or any other country, lacking, as they do, any constructive criticism of, the present system of cost-accountancy, with its hourly growing book-indebtedness to the banking system both national and international. Granted the principle of bank ownership of bank-credit (Money) and accepting the mathematical fact that each all-over credit cycle of international book-keeping ends up with the community further "in the red" to the Bank-Credit System as proved by the figure of World Bank indebtedness, there is nothing more to be said or done regarding the rate of taxation but to accept it. But equally one must accept the fact that social integrity, which is what makes a conscious, co-operating society of civilised human beings, will gradually erode and dissolve away, and belief in the value of association, both material and spiritual, will steadily diminish. As Professor Keeton admits: "Each successive budget makes additional and grave inroads, not only upon the personal liberty, but upon the principles which lawyers have for centuries regarded as essential features of English political life." And he goes on to point out that in Mr. Gaitskell's first budget, in Clause 23, power is given to a Surveyor of Taxes to require anyone, including a banker, to make a return of all interest paid him. This provision, as Professor Keeton says, "strikes at the roots of the relationship between banker and customer . . ." Clause 23 gives power to the Revenue Authorities "to disallow any transaction effected *before* or *after* the passing of the Finance Act of 1951, if they think one of the main purposes of this transaction was the avoidance or reduction of liability to profits tax."

All of which is, of course, really shocking, and should be given as much publicity as possible. Nevertheless, it will continue, as long as the taxpayer admits the proprietary right of the operators of the Monetary System to the nation's credit, known for convenience, as bank-credit, and leading on logically to the assertion, on the part of those who control International Finance, *i.e.*, the proprietors of the International Acceptance Houses, of their right to protect "what is their own." It is this assertion of the monopoly of credit which automatically tends to make any other assertion of private ownership illegal, and to modify the whole painfully-built-up system of English Common Law evolved to preserve it by overlaying it with Administrative Lawlessness, designed, as Gladstone clearly saw, to supersede the combined sovereignty of Queen, Lords and Commons representing the nation, in the name of Internationalism.

If we apprehend, and would really do something to ward off national disintegration, there lies the cause of it and the road we must take. But before anything effective can be done, we must affirm and establish, first in our minds, the principle of Social Credit-Creation, as opposed to the assertion of the opposite and counterfeit, which is the monopoly of credit-creation on the part of the International Central

Banking System. Without that basic understanding, there is nothing we can do; we are all squirrels running round in the cage of our own mental admission. And in Professor Keeton's own words, in referring to Mr. Gaitskell's acceptance of Mr. Neville Chamberlain's lead in the adoption of retrospective legislation, "the subject may no longer take any active steps to arrest the rapacity of the tax-gatherer. He can only stand mesmerised awaiting his doom."

The operative word is, of course, *mesmerised*. The forces at work, with which we have to contend, are occult, hidden: calculated interference, primarily with information and opinion through the continually increasing centralisation of its dissemination. If a point could be found, a feature by which the Social Crediter might be distinguished from his neighbour who is not a Social Crediter, it is that he has acquired the power—perhaps not completely—to cast off the prevailing spell, in the first place as regards the artificial limitations of Bank Money, and potentially, as regards all the other artificial limitations which follow "logically" from that fact.

We all know how, in intense and inspired study during and immediately after World War One; study such as all pioneers in Truth have given, Douglas discovered the flaw in our system of costing. But what we must never allow ourselves to forget, is that he did far more than that. He traced the cause and origin of the perpetuation of this error,—its family tree, in fact,—and of this outrageous defence of the indefensible against all evidence by the official operators of the credit system, right back to the Tree of the Knowledge of Good and Evil, the passion on the part of mere humans to be as gods. Modern psychologists have called this the power-complex—at its lowest degree, the Jack-in-office at its highest the insensate desire to manipulate World Affairs and interfere in the lives of the whole human race. It is a sobering thought to contemplate what Douglas alone in the economic field has accomplished. He has been unique and quite original in the textbook sense. And since he is not yet acknowledged, except negatively by those who still regard him as their prime enemy, and are determined that the blessing of his discovery shall not be known, there is an immense obligation laid on those of us who are left its guardians.

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#### PARLIAMENT—

(continued from page 3).

hon. Friend, in the course of his ingenious calculations, to proceed on the basis that the whole amount of the sugar in the agreement is necessarily available for people in this country.

Nothing is more invidious than comparisons between what is available to people who are fellow subjects of the Crown in different parts of the Commonwealth. But when my hon. Friend put such weight on the proposition that only in this country is sugar rationed whereas in other countries benefiting from the general sugar arrangements for the sterling area it is unrationed, I must point out that, taking 1951—the latest figure available—whereas consumption in this country under rationing was at the rate of 89½ lb. a head per year, in Southern Rhodesia, one of the countries concerned with sugar originating under the Agreement, it was as low as 29½ lb. a head.

Therefore, to use his own phrase, it is again an over-

simplification to say that one person is rationed and the other is not, and that it therefore shows a tremendous prejudice in favour of the one as against the other. . . .

My hon. Friend's practical proposals for meeting the gap merit one or two comments in the very short time that is left to me. He made the comment that a certain amount could be obtained from Eastern Europe—that is perfectly true—mainly, I understand, from Poland and Czechoslovakia. One of the complications is that that sugar would be refined, manufactured sugar and therefore inevitably more expensive than the raw sugar which we draw from the West Indies.

. . . I think that my right hon. Friend was becoming a little more realistic when he suggested that the matter should be dealt with by a sacrifice of other imports. He mentioned, first, tobacco. The suggestion that he put to my right hon. Friend in a Question on 20th January would have involved in substance a halving of our dollar tobacco imports. The House will acquit me of any partiality, because I am a non-smoker, but there is no doubt whatever that such a reduction of tobacco consumption would cause, to put it no higher, a great deal of resentment and discomfort. It was certainly our experience during the war that a real heavy reduction in tobacco of that sort is apt to have a bad effect on morale, and also on production owing to the time wasted in queues at tobacconists.

There is, equally, the revenue aspect of the matter. My hon. Friend's proposal, as he was told by my right hon. Friend, would have involved revenue of about £300 million a year. I should be out of order if I indulged in conjectures as to the directions in which it would be necessary to turn to reimburse the Exchequer for a loss of that sort.

My hon. Friend then suggested a reduction in grain imports, but he made no suggestion about how the consequential reduction, which would, no doubt, be necessitated by such a reduction in grain consumption, should be effected.

The final and fundamental error of my hon. Friend is that he sought to deal with sugar in isolation. He said, in terms, that it was wrong to earn dollars as a result of the investment in the Commonwealth sugar scheme. That is a wholly unrealistic attitude. It is essential to look at our economy and the pattern of our imports as a whole, and to decide as reasonably and fairly as may be in what directions expenditure can be arranged and permitted. But to seek to isolate one commodity—admittedly, a most agreeable one—and to say that it must be treated as sacrosanct, is quite a mistake.

Indeed, my hon. Friend went further and suggested that other commodities were bought by other members of the sterling area from their own dollar resources and that this distinguished them from sugar. In fact, as the House is aware, the dollar calls for the whole of the sterling area involve liabilities on the sterling area dollar pool. Therefore, the distinction that my hon. Friend sought to draw was a wholly unrealistic one.

But I assure my hon. Friend that it is our intention, with this commodity as with all others, to press forward as vigorously as we can. We do not like the necessity to ration which arises from the difficulty either of obtaining or of

purchasing supplies. We are at least as anxious as my hon. Friend to bring that to an end, and we shall certainly work in that direction.

(The date-sequence of our extracts from the Official Report of Parliament will be interrupted next week to include Extracts from the Debate of March 3 on the Royal Titles Bill which is of constitutional importance.)

## Coleridge on Methods of Investigation

“THERE are three ways of treating a subject:

“In the first mode, you begin with a definition, and that definition is necessarily assumed as the truth. As the argument proceeds, the conclusion from the first proposition becomes the base of the second, and so on. Now, it is quite impossible that you can be sure that you have included all the necessary, and none but the necessary, terms in your definition; as, therefore, you proceed, the original speck of error is multiplied at every remove; the same infirmity of knowledge besetting each successive definition. Hence you may set out like Spinoza, with all but the truth, and end with a conclusion which is altogether monstrous; and yet the mere deduction shall be irrefragable. Warburton's ‘Divine Legation’ is also a splendid instance of this mode of discussion, and of its inability to lead to the truth: in fact, it is an attempt to adopt the mathematical series of proof, in forgetfulness that the mathematician is sure of the truth of his definition at every remove, because he *creates* it, as he can do, in pure figure and number. But you cannot *make* anything true which results from, or is connected with, real externals; you can only *find* it out. The chief use of this first mode of discussion is to sharpen the wit, for which purpose it is the best exercitation.

“2. The historical mode is a very common one: in it the author professes to find out the truth by collecting the facts of the case, and tracing them downwards; but this mode is worse than the other. Suppose the question is as to the true essence and character of the English constitution. First, where will you begin your collection of facts? where will you end it? What facts will you select? and how do you know that the class of facts which you select, are necessary terms in the premises, and that other classes of fact, which you neglect, are not necessary? And how do you distinguish phenomena which proceed from disease or accident, from those which are the genuine fruits of the essence of the constitution? What can be more striking, in illustration of the utter inadequacy of this line of investigation for arriving at the real truth, than the political treatises and constitutional histories which we have in every library? A Whig proves his case convincingly to the reader who knows nothing beyond his author; then comes an old Tory (Carte, for instance), and ferrets up a hamperful of conflicting documents and notices, which proves *his* case *per contra*. A. takes this class of facts; B. takes that class; each proves something true, neither proves *the* truth; that is, the whole truth.

“3. You must, therefore, commence with the philosophic idea of the thing, the true nature of which you wish

to find out and manifest. You must carry your rule ready made, if you wish to measure aright. If you ask me how I can know that this idea—my own invention—is the truth, by which the phenomena of history are to be explained, I answer, in the same way exactly that you know that your eyes were made to see with; and that is, because you *do* see with them. If I propose to you an idea or self-realising theory of the constitution, which shall manifest itself as in existence from the earliest times to the present—which shall comprehend within it *all* the facts which history has preserved, and shall give them a meaning as interchangeably causes or effects;—if I show you that such an event or reign was an obliquity to the right hand, and how produced, and such other event or reign a deviation to the left, and whence originating,—that the growth was stopped here, accelerated there,—that such a tendency is, and always has been, corroborative, and such other tendency destructive, of the main progress of the idea towards realisation;—if this idea, not only like a kaleidoscope, shall reduce all the miscellaneous fragments into order, but shall also minister strength, and knowledge, and light to the true patriot and statesmen for working out the bright thought, and bringing the glorious embryo to a perfect birth;—then, I think, I have a right to say that the idea which led to this is not only true, but the truth, the only truth. To set up for a statesman upon historical knowledge only, is about as wise as to set up for a musician by the purchase of some score flutes, fiddles, and horns. In order to make music, you must know how to play; in order to make your facts speak truth, you must know what the truth is which *ought* to be proved—the ideal truth,—the truth which was consciously or unconsciously, strongly or weakly, wisely or blindly, intended at all times.”—Samuel Taylor Coleridge in *Table Talk by Various Writers* (Everyman Library, 1933).

### Gold “Stock-pile”

The 23,036,000,000 (twenty-three thousand and thirty-six million) dollars in gold stored at Fort Knox, Ky., is being counted—or, since that is too great a task, every tenth truck-load of the gold bars stored in twenty-two sealed compartments underground, is being weighed, samples taken and tested. The other nine-tenths are “quite safe”!

## SOCIAL CREDIT IN 1952

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### WHY DEARER COAL?— (continued from page 1.)

(2) In each of these areas a branch of a Bank, to be formed by the M.F.G.B., shall be established, hereinafter referred to as the Producers' Bank. The Government shall recognise this Bank as an integral part of the mining industry regarded as a producer of wealth, and representing its credit. It shall ensure its affiliation with the Clearing House.

(3) The shareholders of the Bank shall consist of all persons engaged in the Mining Industry, ex-officio, whose accounts are kept by the Bank. Each shareholder shall be entitled to one vote at a shareholders' meeting.

(4) The Bank as such shall pay no dividend.

(5) All the capital invested in the Mining properties and plant shall be entitled to a fixed return of 6 per cent., and, together with all fresh capital, shall carry with it the ordinary privileges of capital administration other than price fixing, which shall be entirely separated from production.

(6) The Boards of Directors shall make all payments of wages and salaries direct to the Producers' Bank in bulk.

(7) In the case of a reduction in cost of working one-half of such reduction shall be dealt with in the National Credit account hereinafter referred to, one-quarter shall be credited to the Colliery owners, and one-quarter to the Producers' Bank.

(8) From the setting to work of the Producers' Bank all subsequent expenditure on capital account shall be financed jointly by the owners and the Producers' Bank, in the ratio which the total dividends bear to the total wages and salaries.

## II.

(1) The Government shall require from the Colliery owners a quarterly statement properly kept and audited of the cost of production, including all dividends and bonuses.

(2) On the basis of this ascertained cost, the Government shall by statute fix the price of coal to the Home consumer of coal for purposes of heating as distinct from use in manufacture, at a percentage of the ascertained cost.

(3) This percentage shall bear the same ratio to one hundred as the total home consumption of all descriptions of commodities does to the total National Production, *i.e.*:

As Price : cost : : consumption : production  
∴ Price = Cost per ton ×

$\frac{\text{cost value of total consumption and depreciation.}}{\text{cost value of total production.}}$

(4) The Government shall reimburse to the Colliery Proprietors the difference between total cost and total price by means of Treasury Notes, such notes being issued, as now, against the National Credit.

(5) The price of coal for export would be fixed at such a day-to-day price as would serve the general interest. All exported coal would be regarded as consumption.

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