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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

A national (Federal) political Leader of the Social Credit Group will be chosen in April, in Toronto. The present Leader in the House of Commons is Mr. J. H. Blackmore.

A Federal Office will also be opened in Toronto.

There is every sign that the only effective reply to the Socialist C.C.F. is Social Credit. In spite of the fact that the C.C.F. obviously carries the money of international finance, it is unable to impose its views against the philosophy and proposals spreading from both Alberta and Quebec. The great danger is of course the overseas soldier, sailor, and air force vote which is being systematically fed with Socialist propaganda by the "B."B.C. and the Ministry of Information.

Encouraged no doubt by Mr. De Valera's well-chosen words on the necessity for Ireland to remember the outrages perpetrated on her six hundred years ago, a voice is raised in Scotia to draw attention to the scandalous neglect of all the best interests of the Picts.

While he is prepared, during the present emergency, to defer the question of a Pictish Army, Navy and Air Force under Pictish control (and admits that many Picts now living in and near Aberdeen feel that good second-hand navies ought to be available later on) it is felt by this sturdy native to be vital that Pictish interests should be represented directly at Washington, where the rights of small nations to do as they please are arranged to the satisfaction of Pictish and other minorities with a considerable presidential vote.

The number of Picts in the fighting forces lends weight to this moderately worded request, and there is no suggestion that if it were granted, German and Jap Embassies would be permitted to reside in Dundee.

The snow-white purity of motive behind the raging propaganda in these United States to "free India from the British" is well illustrated by an article syndicated from coast to coast by the columnist Drew Pearson. Mica is an important war material, as well as a peace-time necessity for insulating purposes, and mica comes from both India and the U.S.A. The wicked British however, "have built up the myth that their mica (obtained from India) is the world's best, just as the British formerly sold the idea that Sheffield was the world's best quality of cutlery Steel." Notwithstanding that "the Bureau of Standards has failed to find any difference between foreign and domestic mica... the product from India has so completely dominated world markets that the United States only supplies 20 per cent. of its own requirements."

Obviously the cure for this is to push the British out

of India, take the mica, and go on saying it is the world's best.

Big Business is becoming preponderantly concerned with injecting grievances into suitable groups of people, and then manipulating them to produce the results required by Big Business. There is probably a big majority amongst the people of the Middle West and Pacific States who talk glibly about the wrongs of India who believe that Indians dress in feathers and utter war-whoops. During the past few years there have been more dangerous racial riots in the United States than anything in India during the past fifty years. But there's no money in them. The negroes haven't any mica.

In case anyone should be under the delusion that this technique is confined to America, we admit at once that this country is strangled with it. There is not a single individual right, of the many filched from us, the theft of which has not been preceded by a deluge of bilge directed to people who would pine away if they were not allowed to meddle with other people's business. The whisky business is a staring scandal which would not be tolerated if numbers of people of the type of Pussyfoot Johnson had not discovered that fortunes are made by making things scarce, not by making them plentiful and good.

"When one hears for the second time opinions expressed or measures advocated which one has met first twenty or twenty five years ago, they assume new meaning as a symptom of a definite trend... It is necessary now to state the unpalatable truth that it is Germany whose fate we are in some danger of repeating."

— DR. F. A. HAYEK in *The Road to Serfdom*.

Yes, Clarence, it is quite true that Dr. Hayek is on the staff of the London School of Economics. But you must remember that all mental institutions require a Doctor who is eminently sane.

We are far from seeing eye to eye with Lord Halifax on many points, but in his speech on March 14 to the Boston (Mass.) U.S.A. Chamber of Commerce we consider that he rendered a real public service. He said that we were grateful to Americans for lease-lend, but did not forget that it was authorised by an Act entitled 'an act to promote the defence of U.S.A.' and at the time of its action we were being bombed and killed and had the whole might of Germany concentrated on us 20 miles away. He concluded: "The British people, therefore, will never understand an argument designed to prove that we are more indebted to you that you are to us over the whole field of sacrifice, or

believe that you can run a great cause on the strict basis of an accounting firm."

If a few more straight truths of that nature had been substituted for the nauseating slush of the past twenty years, Anglo-American relations would have been immeasurably benefitted. So far as the general public of both countries is concerned, they have been based on an endeavour, on our side, to popularise the "American cousins" myth, and on the American side to emphasise the equally mythical idea that the British are effete and their culture is outworn.

It so happens that the United States of America and the British Empire, and Great Britain herself, while their interests are not identical, are so placed geographically that they are very nearly so. They are not "cousins" and it is most unfortunate that the political arrangements in the States make the anti-British vote of more importance to a politician, and particularly to a presidential aspirant, than that of the minority (admittedly an influential minority) of British descent. The result of our defective policy has been to place on the shoulders of the British Empire almost the whole burden of maintaining the common interest, while the United States devoted itself to aggrandisement at minimum cost. The major burden of the 1914-1918 war fell on this country and, up to the present, the war effort of our population is out of all proportion to that of America. Quite apart from our disproportionate losses by land, sea and air, and the steady bombing we endure, the domestic rigours, and in many cases, positive hardship are far greater.

We yield to no-one in our appreciation of the advantages of *popular*, as distinct from Big Business, co-operation between the two groups. It will never be achieved except on a clear appreciation, by both sides, of the *popular* advantages to be achieved by it.

The Government of Alberta has accepted the following recommendations in regard to Land Tenure, made to them by the Alberta Farmers' Union. The Government has been asked, and has agreed to change the Provincial Constitution so as to provide for:

- (1) Security of tenure to all owners and tenants of land.
- (2) Control of land titles to prevent gambling in land values.
- (3) Protect debtor tenants from dispossession as a result of circumstances beyond their control.
- (4) Ensure that owners will receive the benefit of all improvements that they make, and discourage the abuse of land or property by allowing it to deteriorate.

Alberta leads again.

Taxation and Agricultural Land

The letter which appears below was sent to the SCOTSMAN but was not published by that journal. In view of the public interest of the questions to which the letter refers, and the fact that the letter to which it was an answer was capable of conveying an incorrect impression as to the facts, we think that readers of the SCOTSMAN might care to take the matter up with that journal direct.

Sir,

It would, I feel sure, assist your readers to follow his

argument if Captain McDougal would criticise, if he so desires, what I write, and not his own version of what I write.

That his figures do not present even an approximately correct picture of land taxation in general must be obvious from the fact that he makes no mention of the effect of quick succession or differential rates on estate duties (which are nothing but aggregated income tax) or of tithe, land tax or variably assessed Schedule A Tax. There are many other factors. The subject is so complex, and has been stated by various Royal Commissions to depend so much on the interpretation of purposely obscure wording, that it is doubtful whether a representative model case could be put forward by Somerset House. As a trivial instance of the irrationality of the taxation of real property, the Special Commissioners of Income Tax are claiming Mineral Rights Duty on property which did not belong to the taxpayer for most of the period assessed.

The statement that "taxation is not necessarily a tax or burden on land" is quite meaningless. Taxes are burdens on individuals, not land. "Rent is the primary burden" is simply an oblique method of saying that land is not property. Obviously, in this case, it should not be taxed at all.

We operate under a system, and under that system, or any money system, rent is a charge for tools, of precisely the same nature as for any other tools.

Captain McDougal feels that, in common with many others, I am feudal, and that therefore I feel that I am entitled to be maintained by the community without rendering any service in return. His misapprehension is unfortunate, since the feudal system was founded on the principle of service. What I think he means (but I do not wish to put words to his pen) is that he is not willing to admit as service anything for which he personally would not be willing to pay wages. They had the same idea about Euclid.

Since the taxation system has burgeoned in all its splendour, national debt has increased from nothing to (funded and unfunded) about £16,000,000,000. Most of this is owned by the organisations described by Mr. R. G. Hawtrey, when Under-Secretary to the Treasury, who remarked, "When a bank lends, it creates the means of payment out of nothing." This money, created out of nothing, not out of land, is what all taxpayers must acquire to pay taxes, and the taxes go largely to repay the creators of this money and the interest on it. I should be interested, as would no doubt, many others, to know Captain McDougal's views on this.

The 'justice' of taxation is perhaps the very worst conceivable basis on which to support a device which was resented to the point of revolution in a simpler-minded age. 'Justice' was disposed of once and for all in *The Merchant of Venice*.

The only grounds on which taxation could be defended are that no-one is worse off, and others are better off, because of it. In fact no-one except the dealers in money benefits by it, and everyone is worse off.

Captain McDougal's idea that the railway shareholders, most of whom bought their shares in the open market, built the railways, is most intriguing, and I hope that he will develop it.

At the same time, perhaps he would elaborate the idea that the landowner who bought the land did not make most

(Continued on page 8, column 2)

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Government by Gallup

It may be that Dr. George Gallup, the American instigator of Gallup Polls, was an honest man, genuinely trying to reach that new stage in the development of political institutions which the late Lord Bryce foresaw in 1891 "if the will of the majority of citizens were to become ascertainable at all times." Bryce did not emphasise that if the will of most is correctly ascertainable so is the will of all. It is not clear that Dr. Gallup distinguished between *will* and *opinion* when he said: "But the important point... is that public opinion is useful in determining the fundamental objectives of a nation—not necessarily the ways and means by which the objectives are to be obtained. The people, moreover, cannot be expected to initiate complicated measures for administration and legislation."

The distinction he intended to emphasise may have been the valid and important distinction between a man's being competent to tell the shoemaker where the shoe pinches and his being able to tell the shoemaker how to make shoes. The wearer of a shoe which pinches, *and only he*, can do the first; only a shoemaker can do the second. We are not all shoemakers.

If this was Dr. Gallup's intention, a study of the questionnaire distributed to doctors by the "British" Institute of Public Opinion on behalf of the British Medical Association will indicate how far his ideas have been perverted. These two bodies between them (both unofficial bodies, and one known to the public only recently through the unflagging efforts of a vast press campaign which, beginning in America, has become world-wide) have, when nearly every printer will tell you he cannot get the paper to print an honest leaflet, distributed during the past week about nine tons of printed poison. Each package weighs approximately four ounces and a half, and the postage prepaid (by whom?) is 3½d. There are 70,000 doctors on the Medical Register. It is not (yet) a punishable offence to throw the answer paper into the waste-paper basket (although it is printed on official-looking buff paper) and any forms which escape this fate will go (2½d. at private expense) to c/o Gainsborough Press, Lattimore Road, St. Albans, unsigned and unidentifiable as to their origins. It is not clear that even the executives of the B.M.A. will ever see them. Who supervises their distribution and who are the scrutineers? Into whose hands will the elaborate information collected ultimately go? And what for? On each form there are 38 numbered questions which, with their (a)s and (b)s and (c)s add up to a round fifty.

The answers to these will enable the assiduous "Social Scientist" to analyse the ancestry, social standing, personal habits, intelligence, political opinions, prejudices, cupidity, professional jealousy, suggestibility, administrative competency (or incompetency), and ethical standards (to go no further) of every "entrant" who, secure in his anonymity, will be able to say what he likes, and will like to do so very much when it comes to the bits about what income those ahead of him in the profession should earn.

So portentous an innovation in the technique of making one minority effective over all other minorities would, in normal times, be brought to the knowledge, if not impressed upon the understanding of everybody, and, we are sure, if it were understood, repudiated by everybody.

Yet the sinister document which gives effect to this piece of trickery has been published in no newspaper, and while affecting everybody as a deliberate technique to dethrone the popular will, and set up in its place the *unpopular* will expressing itself through (not its own) but other people's addled intelligences, is drafted in terms which make it merely an examination paper in the subject matter of the White Paper and the B.M.A.'s "Analysis" of that document combined. Read them both, and you will know the right answers to every question excepting such matters as whether you would "care to estimate how much of the debt incurred in setting up your practice is outstanding? £..."; or "Was your father a doctor, company director, member of the higher [*sic*] professions, a clerk, a salaried manager, teacher, propr. retail bus. [*sic*] farmer, shop assistant, lower grade civil servant, weekly-wage-earner, factory, transport, mining, and so on?"; or "Did you go to an elementary school, a secondary school, a public school, a university, a medical school?" It is not difficult to read the minds of the drafters.

Hand the paper to the best company lawyer you can find, with instructions to return it filled up in such a way as to indicate that you will not tolerate the use of special, and you are determined, temporary, war conditions for the purpose of making changes in peace conditions; that the "Government" should not be allowed to ride off on a passive mount; but should be forced to prove that the country *wants* regimentation of doctors and patients (which you *don't*), and that the country *would not prefer to have the money to pay the doctors direct* (as you *would*)—he will hand it back to you and say: "Oh, no, you can't do anything like that. The best you can do along those lines would be to put an ink ring round 29/3 ("With the introduction of a National Health Service, do you think that the quality of the country's medical service will be enhanced or will suffer?"), or, if your prophetic insight, or, alternatively your ability to assess the chances of the outsider in the National Health Handicap, 1948, is having a day-off, you might put a ring round 28/2 ("If a National Health Service as contemplated in the White Paper is introduced, would you regard medicine as an attractive profession for your child?"); or you might think long and anxiously about 14 (b), which is that in the event of your entertaining a notion of disagreement with the proposition that the White Paper proposes that general practitioners should be under contract with a Central Medical Board (p. 29), "What alternative do you suggest?" The question is not drafted up to company law standards, and it might mean that you disagree with the assertion that the White Paper proposes anything of the sort. So I should leave that

one alone. Sorry! I'm afraid that's the best I can do for you!"

If the country, in a sudden access of confidence in the political sagacity of its doctors, leaves this issue to them, nothing is more certain than that its members, as well as those of the medical profession will have to stand the racket—and racket is the right word.

The B.M.A. is holding meetings all over the place to tell the doctors how to fill up their forms. (No, Messrs. Littlewoods haven't any paper either!) T. J.

War Bondage 1920*

By "LUCIAN"

I had just seen some friends off at Euston, and was about to leave the station when my eye was caught by a battalion of men drawn up along a neighbouring platform for entrainment. The spectacle of entraining soldiers has, of course, long been familiar, but there was something odd about the appearance of this lot that piqued my curiosity. They wore grey uniforms, carried no military accoutrement, and their general bearing was not that of drilled men. And yet they were evidently under discipline, for a few armed men were shepherding them, and a smartly dressed officer, who seemed to be in charge, was giving his final orders. As I drew near I recognised in this last my old school acquaintance, Hickson, who carried off all the prizes for mathematics in my time, but at Cambridge was switched off to Economics, where he won golden opinions for his skill in applying the calculus of the infinitesimal to the defence of Capitalism. When we had met, as we sometimes did in the vacations, we had usually crossed swords on Labour questions, for I had always been something of a Socialist. But at the end of the argument Hickson would escape into an attenuated atmosphere of abstraction, where I failed to follow him.

After I had accosted him, Hickson explained that he was now acting as an Inspector of the Labour Forces, and that the men waiting to entrain were a draft on their way to Crewe, which was the distributing centre of the North-Western command.

"And what becomes of them when they get to Crewe?" I asked.

"Oh! they are again medically examined, and are then sorted out and grouped in squads for delivery at the various munition, mining, or other local centres where a labour shortage is reported."

"But," I interjected, "have they no say at all as to where they shall go and what they shall work at?"

"Why should they have?" was his reply. "How can they possibly know where they are most wanted and how their labour-power can be best applied? It requires an exceedingly elaborate study of the rising and falling curves of demand in the various localities and trades, and of the delicately graded 'priorities' to know exactly where to put them. It isn't easy work, but it is uncommonly interesting."

"Well, Hickson," I said, "it is the last thing I should have expected from you, descending from your theoretic heights to the common pavement."

"On the contrary," he replied, "what you call the pave-

ment has ascended to the heights of theory."

"There I don't follow you."

"Yet it is simple enough. You will recollect that for some time past the mathematical school of thought had been making a bold bid for the control of economics."

"Yes, economic theory," I said. "But—"

"Don't," Hickson broke in, "be in too great a hurry. What the war has done is to place economic practice also in our hands, by making it conform to our abstract formulas. It has supplied what was really wanting to give practical validity to our 'marginal' theory of values—*viz.*, a supply of liquid labour."

"And what exactly may that mean?"

"Well," he replied, "you must be enough of a business man to know the term 'liquid capital.'"

"Yes, of course," I said; "it is capital not yet appropriated to any particular use, or materialised in any special plant or stuff, but ready to flow into any channel that can profitably absorb it."

"Quite correct," he said. "Now, the trouble has always been that in the past labour has not been sufficiently liquid."

"You mean that the personal tastes, desires, and local attachments of the workers have impeded the fluidity of labour?"

"Precisely. Labour has been a refractory material. In the first place, the worker insisted on having a will of his own, and deciding for himself what sort of work he would do. Then the trade unions raised artificial obstructions affecting quantity, quality, and methods of work and its remuneration. What was needed, not to put too fine a point upon it, was to remove this personal and collective will from labour, and to substitute the single governing will of the State motivated by the requirements of the military situation. Quite early in the war this need that the worker should place himself at the service of the State, on the same terms as the soldier, was apparent. Indeed, one or two of our Ministers made the damaging mistake of blurting out the truth before the atmosphere had been prepared, and the opposition of the trade unions sufficiently softened."

"Yes, I remember the outcry five years ago when 'forced labour' was first openly suggested. The big unions were up in arms at once, brandishing their menace of a general strike."

"Indeed," said Hickson: "this rash premature attempt at compulsion cost very dear. But it taught us our lesson."

"And what was that?"

"Why, that before we could proceed to make labour really liquid, we must take the trade union stiffening out."

"And how did you manage that?"

"Well, early in the war the more patriotic trade union leaders went a good long way to meet us by suspension of their rules and usages, and especially by admitting the principle and practice of dilution."

"But," I interrupted, "only for the duration of the war."

"Never mind that," he replied; "wait and see. Well, dilution, as the word implies, is itself a stage towards liquefaction, and the sort of labour leader who could be got to see the desirability of the one could be brought further on to admit the necessity of going further. Indeed, it is fair

*Reprinted from a series of articles in *The Nation*, 1917.

to say that many of the leaders were from the first whole-hoggers, ready for the boundless submission of labour to be poured into whatever moulds the War Government might provide."

"And so by degrees the rank and file of the workers were won over?"

"Yes, won, or delivered, as you perhaps would call it, by their more pliable or liquid leaders."

"But I suppose these leaders didn't serve the God-State for naught?"

"By no means. Why should they? They were much in request as officers in the new Labour-Force. Indeed, long before a completed Forced Labour Scheme could be safely introduced, most of these men had done yeomen's service in helping to break the solidarity of labour through their British Workers' League, and from broken solidarity to liquefaction is a simple process. Besides, our reformed school system played up marvellously well."

"How did that help?"

"Why, long before we got the crankiness of the trade unions thoroughly ironed out, the schools had been so improved that the whole adult youth of the nation poured out at eighteen either into the fighting or the labour services, thoroughly disciplined and submissive to the needs of the State that owned them. This has been a mighty asset, for the knowledge that every year a larger proportion of labour passes in completely liquified and 'statified' makes the position of the refractory minority among the older men continually more hopeless."

"There is, of course, still some kicking even among the younger men. That is why you noticed the little knot of armed guards with the battalion we are shipping. They haven't all yet got into the spirit of the thing."

"So I should imagine. But, Hickson, I suppose this submissiveness, at first sight so surprising, is really a voluntary sacrifice 'for the duration of the war'?"

"No doubt they think so. And so, to do them justice, do the Government. But any economist who has followed the evolution of modern industry must take a different and a larger view. Quite apart from the special emergency of war, liquid labour belongs to the ideal of the capitalist dispensation. I am not, as you know, a religious man. But if I were, I should recognise in this war the finger of providence."

"What on earth do you mean?"

"I have already answered you when I told you that liquid capital demanded liquid labour."

"But," I replied, "I am so dull that I don't understand your answer."

"Well, let me put it in this way. What is this capitalist system against which your Labour men and Socialists have been kicking? Is it the employer or manager of some factory or mine, workshop, or office, who buys this labour and sets it to work up some sort of raw material with machinery and other plant? This employer or manager seldom owns this capital: for the most part he is himself the hired servant of some company or firm. Well then, it may be said, you must look behind him for the enemy, who must be found in the persons that do supply the plant, machinery and other real capital—the investors. But can these persons really be considered to exercise a responsible control over the capital

which collectively they own? Most investors who furnish monetary capital do not know anything about the buildings and plant and materials it embodies itself in, or of the processes in which the labour is employed. Most of them are not even profiteers; they simply lend their money at a low market rate to the persons who direct a business. So, even here, you have not got down to the power-house of capitalism."

"Well, who are the real capitalists?"

"They are the men who control and direct the flow of liquid capital, those who gather in from innumerable channels the savings of a nation, and utilise them for fabricating the even huger volumes of credit that are poured through the financial system which they operate into the various moulds of concrete business."

"These men are the master craftsmen of the modern business world. It is their function to direct the streams of capital and labour. Capitalism has been steadily working up towards the final form of a free financial dynasty. By the time the war is ended, labour, like capital, will have been reduced to the frictionless fluid that is required. Capitalism will thus have reached its goal."

"That is what I mean by calling it a war of liberation. For it will not only have liberated capital from the chains of labour, but it will have lifted capital itself on to a higher plane of being, placing it in the hands of those who alone are qualified to use it properly."

"You mean, I suppose, your sublimated capitalist, the financier. But how does the war bring this about?"

"Why, with a beautiful simplicity of action. It substitutes for the countless forms of stocks and shares and mortgages and other certificates of ownership in many hands a single financial form, anchored in the safes of a few great Banks, Finance Houses, and Insurance Companies. These little groups of financiers already hold the mortgage deeds of Britain. Its lands and houses, mines and factories, ships and shops, belong to them. Such has been the secret achievement of the accumulating war-loans."

"But I thought countless thousands of ordinary men and women hold war-loan?"

"So they do, in name at least. But since all the later loans have been financed, partly by pledging earlier war-scrip and all sorts of other securities with the banks, partly by bolder fabrication of bank credit, when the war ends it will transpire that the war-financiers are the owners of all the property. For by that time the War Debts will have mounted up to a mortgage covering the whole estimated value of the national assets, and so the holders will virtually possess the country. Not only its capital, but its labour. For the labour of Britain will have to give up all the wealth it makes, beyond its necessary subsistence, to pay the interest."

"Do you mean that the war has fastened this perpetual war-bondage upon labour when the war is over? Do you mean that when the saviours of their country return from the terrible ordeal, those that are left of them, they will be forced to spend the rest of their existence in grinding out profits for their creditors?"

"Now really, my dear Charteris, this sentimental rhetoric of yours is quite beside the point. Look at the process in a calmer and more philosophic light, and you will

recognise its beneficent necessity. Force, here as elsewhere, is the midwife of reform: the stern logic of war has quickened the pace of capitalistic evolution, and has placed the supreme economic power in the hands most competent to use it."

"Yes," I burst out, "but to use it for what purpose? Your boasted financial dynasty seems to be nothing else than the return to serfdom. But, tell me, have you no fear lest these bondsmen may revolt?"

"Labour revolt? How can it? Can a liquid labour recrystallise itself in separate obstructive wills? Still more, can it so stiffen itself as to present a solid front? But there is another reason why they will be impotent. They will not be allowed to know what has really happened. For the legend of financial ruin universally believed, will continue to deceive them. The wail of investors over their depreciated securities will help to furnish a curtain of fiction behind which our Capitalist smiles contented and secure. Nay, he will be in excellent favour as the peacemaker."

"Pray, how do you make out that role?"

"Quite simply. When capitalism has won, it will stop the war. For to go on further, and so to build up war-bonds beyond the safe limits of the real assets of the country, would be a lunatic proceeding."

"But you speak as if the financiers were the only persons whose voice counted. What about the Army? What about the Government? War policy surely rests with them."

"Oh! of course, the Army won't stop the war, for the pride of generalship and conquest is involved. And the politicians daren't, for to do so would be as much as their places, possibly their heads, were worth. But the financiers will bring the war to an end as soon as it has done its work."

"You mean the work of crushing German militarism?"

"Not at all. Its work of completing British bondage. For when the war has completed its purifying mission in the economic system, as in the political, to continue it would be wanton cruelty as well as waste. And since a similar purification will have been taking place in Germany, the collapse of war will manifest itself as a natural necessity."

"But, exactly how will capitalism stop the war?"

"Why, by starving it. By refusing to pour into its steel veins any more of the vital fluid from its sacred vessels."

"I see," said I. "But there is just one further question I should like to put to you, Hickson. At the beginning of our talk you spoke of labour as subject to 'the single governing will of the State.' But now it would appear that the governing will is really that of a financial class."

Hickson hesitated just a moment, and then replied: "There is no real inconsistency. The State, you see, delegates its authority to various Controls. And just as it has appointed great mining and shipping experts to rule those industries, great grocers and millers to regulate our bread and tea supplies, what is more natural and proper than that it should assign to financial experts the province of national finance, with its super-control over all industrial processes?"

"But this financial dominion you have described as permanent. And did you not represent its members as themselves reaping the profits of war-bondage?"

"Well, what of that?" rejoined Hickson. "The financier serves the State as the expert controller of its liquid capital

and labour, and, as a labourer in this fruitful field, is worthy of his hire."

"Even if his hire is the blood-money of the nation?" was my parting comment.

A National Health Service

DEBATE IN PARLIAMENT

House of Commons: March 16, 1944.

Sir Ernest Graham-Little (London University):... The Minister has made a statement in which he said that professional people "know their business best," but I think it is a fact that they have never been consulted in the preparation of this scheme. May I give some facts which support that contention? The Beveridge Report appeared in December, 1942. In March, 1943, the then Minister of Health invited some very prominent medical organisations, chiefly centred in London, to draw up some plans of their own. That body was called the Representative Committee of the Medical Profession. It was met by the Minister of Health in March, 1943, and the Committee were told in the very first session what had been decided. I have here the words reported as having been used.

Mr. Willink: I am sorry to interrupt the hon. Member but I think it should be stated that there is no doubt that all the talks that took place between my predecessor and his officials, on the one hand, and the representative body on the other, were expressly on a confidential basis.

Sir E. Graham-Little: That makes it much more difficult. Conversations did take place, and the result of them appeared in the Press. In May of that year *The Times* said that the medical profession must recognise that a settlement of the future of medical practice had been reached. In July of that year, the chairman of one of the larger committees of the B.M.A. came to a specially convened meeting of the profession in London, and gave us information which he authorised me to put into a letter in *The Times*. It was published in *The Times* and the statement ran:

"Negotiations must be based on the acceptance of the decision by the Cabinet, that a single unified health service, covering 100 per cent. of the population, would be instituted, and that local administration would be in the hands of local authorities and under the ultimate control of a Minister who would be responsible to Parliament."

At the same meeting, as subsequently reported in the medical Press, the Minister off his own bat informed the Representative Committee that it was proposed to secure control of the medical profession, "in order to keep a firm hand on the issue of certificates" and it was stressed in the Beveridge Report that strict certification would be necessary, in order to shorten the period of benefit on the scales contemplated. I submit that the proposals in the White Paper follow, essentially, the pattern of that "decision" of the Cabinet as announced. It was accepted as being the basis that would be followed in subsequent procedure. Therefore, I contend that these present proposals are essentially the same as those which have been before the profession and the public for at least a year.

What has happened during that year? In a recent answer to a question by myself the Prime Minister declared that the issue whether proposals are controversial would be

best tested by Debate in the House of Commons. I am sorry that I have to contest the validity of that suggestion. Can a two days' Debate in the House of Commons, in the turmoil of political activity, when the Government are very strongly entrenched, with little opposition, and with the pressure that can be exercised by the Whips and all the other paraphernalia of Procedure, be regarded as a better index to public opinion than the free Press of this country, lay and medical? I think that contention would not be accepted in a free democracy. Therefore I hope the matter will go beyond a Debate in this House and that the question will be decided by a wider circle. May I put the matter from the angle of the medical profession? Surely it is impossible to work a scheme if those who operate it are intensely resentful of the conditions imposed upon them.

Dr. Summerskill: The hon. Member claims that he represents the views of the medical profession. I belong to the medical profession, but I do not agree with his views. Would he substitute "a small section of the medical profession"?

Dr. Russell Thomas (Southampton): The vast majority.

Sir E. Graham-Little: I would say that less than 10 per cent. of those who would be asked to work this scheme are in favour of it. Several quite notable events have taken place. Supporting this statement, I would ask the House to realise that the authentic voice of the medical profession is somewhat difficult to ascertain. The medical profession is divided, roughly, into three sections—general practitioners, consultants and those in the public service. The large majority of the profession are to be found in the general practitioner section. Figures have been given to me that suggest the proportion to be something between 60 per cent. and 70 per cent. Clearly, that section is much the most important in the operation of any scheme, and without their co-operation, any scheme that we could devise would be merely beating the air. If the present scheme cannot be operated, the Government are wasting the time of the country and of the House of Commons. Let me recall what has happened. On 16th May, 1943, there was a very big mass meeting, with an attendance of doctors of over 1,000... throughout that year there were cities and large areas in the country which made their views known—Sheffield, Manchester, Birmingham, Worcester and a number of local divisions. Questionnaires were taken covering the practitioners in the area, that is, doctors actually practising and not on the shelf. These questionnaires seeking the opinion of those persons upon the proposals which were laid before the profession, showed a very remarkable result. Over 90 per cent.—the percentage ranged from 90 to 95—of the answers, representing a cross-section of the district, were against the proposals which involved "lay control of the medical profession."

The answers were especially against the control suggested by the Minister, that is by the local authority, which is especially strict in relation to general practitioners.

A little later that year the British Medical Association gave an opportunity to general practitioners to express their views on this particular suggestion of control. This opportunity was given through the Representative Body of the Association, which meets once a year. Those who are not familiar with the British Medical Association should know that decisions in the name of the Association are largely

voiced by a council which corresponds roughly to a Cabinet, but the rank and file of the profession are represented much more effectively by what is known as the Representative Body... The result of the meeting in September, 1943, was an explosive rejection of one of the principal items which is now proposed, that is the reduction of the profession to a salaried medical service. That is what this proposal must eventually come to. The voting was extraordinary—200 against 10, and the meeting consisted of seven-eighths of the whole of the Representative Body. Any more conclusive evidence of the opinion of the general practitioners' section could, I think, hardly be suggested. A still more recent questionnaire has been sent out to 30,000 medical practitioners in this country in active practice and the result has been 70 per cent. opposition to this control.

Mr. Willink: The hon. Member says "opposition to this control." What control?

Sir E. Graham-Little: To lay control by a central authority.

[*Dr. Summerskill* again interrupted to know why, if the Representative Body of the B.M.A. was representative of the profession, further questionnaires were now being sent to all doctors. *Dr. Morgan* (Rochdale) who is on the Council of the B.M.A., added:—]

Dr. Morgan: ... This questionnaire deals with an entirely different matter—not policy or principle but details of the scheme. I was present at a meeting of the Council of the British Medical Association last week, at which the issue of this questionnaire was decided. It deals with details of the scheme, not questions of policy and principles.

Sir E. Graham-Little: I should like to take up that point. I have been informed authoritatively that the British Medical Association is proposing, at long last, to consult the members of the Association who are serving overseas. There was an announcement last night in one of the evening papers about five tons of paper being despatched. That represented the document. It is a document of several pages with 28 different questions each with Sub-sections, and I think it will be exceedingly difficult for any serving officer to master that accumulation of questions with any sort of due consideration. With regard to the Council of the Association, I am glad that the hon. Member has raised that. In an answer I received a few weeks ago, I was informed that the Council of the Association since October, 1940, has delegated its duties for the most part to an executive committee, which is a very small body consisting of the higher officials of the British Medical Association. It has the least democratic origin I can imagine. I want to insist on the difference between the two voices in the British Medical Association, the voice of the Executive Committee and the voice of the bodies representing the rank and file.

[Continuing, *Sir Ernest Graham-Little* pointed out that as most citizens of this country are ratepayers or taxpayers or both, the sum demanded from them would be considerably more than their individual insurance contributions.]

... I would like to say a word to the Minister about the health centres. I admit that that was a proposal which originated in the Interim Report of the Planning Commission of the British Medical Association. They are not quite so much in love with that idea now as they were then. In the last issue of the *British Medical Journal* for March 11, there is a rather hesitating suggestion that the health centres have

been devised really to put the medical practitioners into the service, and to make it a salaried service. But let us take it on its merits. The health centre is supposed to be an entirely new idea. It has very attractive features, as set out by the very competent salesmen who have been putting the idea over. But is it at all possible for there to be a free choice of doctors with the institution of the health centre?

I cannot myself see that possibility, and it has been questioned by more authoritative persons than myself, including a very prominent Socialist practitioner, in a recent book. He derides the desire of the average patient to choose his doctor or that he should have the same doctor throughout his illness. He would approve of the suggestion that the doctor in any town should have a beat, like the postman, the policeman, and the dustman, that one doctor should be assigned to all the houses in one area. That is an idea which is not, I think, welcomed either by the medical profession or by the private patients. . .

The Minister said that there would be no difficulty about keeping on private practice, that the public and private practice would go on side by side, and that those who did not want to do public work would be quite at liberty to decline to do so. But, as I understand the suggestion, which was repeated to-day, every new entrant into the profession would be required to serve an apprenticeship in the public service as a condition of being taken into this new universal service.

Mr. Willink: With exceptions.

Sir E. Graham-Little: I imagine that that would be a vanishing point. The Beveridge Report is much more frank, much more honest I would say, than some of the proposals we have had to-day; for it pointed out, quite definitely, in one of the paragraphs of that Report that the scope for private practice, with a universal service, must be so restricted as to be practically not worth while retaining. Can the Minister contend that the prospect of any worth while measure of private practice surviving is hopeful? I think not. I think it is quite impossible to suggest the contrary. I would like to deal, for a moment, with the question of control. It is expressly stated, in a very ominous sentence, that the control of the general practitioner would be much stricter than that of any other section. One does not quite know the extent of this control but it is at any rate certain that the control of the general practitioner will be much more complete than it is at present, and than it will be of other sections. The Minister said that there will be no direction of the general practitioner to work by whatever body is set up to control these activities. A few weeks ago I was approached by one of my constituents, a young doctor who is medical officer to a hospital in Kent. He had an invitation to go to Dumfries, which is his home town, to take charge of a larger hospital there, with very much better remuneration. He applied for permission from the Minister of Health, and permission was refused, because, it was said, it would be very inconvenient to replace him at his present hospital. When asked by me on what authority he thus interfered with the liberty of a private medical practitioner in that way, the Minister quoted Defence Regulations. Is that the type of direction which is going to be perpetuated in future, merely a continuation of what is done under those Regulations now?

I want to say a word about the hospitals. There I am on my own ground, because I have been in intimate associa-

tion with a great voluntary hospital, first as a student, and then as a teacher, and again as head of one of its departments, for over 40 years. What is the fate of the voluntary hospitals to be under the present proposals? The Minister said that every effort would be made to maintain them, but he went on to say that the contributory schemes would no longer continue. Let me tell hon. Members what that scheme means to the hospital. It means very much more than the payment of certain sums. I do not suppose that this House realises what the development of the voluntary hospitals system of medical treatment has meant in recent years. It has become a great co-operative system of medical service, widely appreciated by the public. . .

Now let me ask the Minister what provision is to be made for the body of consultants who will be required, and what plans he has to attract them to this scheme? It is a very arduous and difficult section of the profession to follow, but it is attractive to a small section of the profession precisely because it offers opportunities for medical research and advancement, and it also offers a certain measure of leisure and interesting work in a hospital where there is a centre of research. Why should these hospitals be centres of research? It is because there is a very large percentage of surgeons and physicians extremely interested in their work and able and willing to give far more time than would be possible if this were not the case. What will happen to this large body of consultants, and under what conditions are they going to work? We know that the general practitioners are going to be under the very definite and very strict rule of the Central Medical Board, and some of the conditions of employment I have already mentioned. I think the conditions will not be denied by the Minister. But what is going to happen with regard to consultants? I understand that there is a Motion to be moved in another place regretting that more attention has not been paid defining in the White Paper the conditions under which the consultant is called upon to work. I should like to pursue this trail but I think I must now sit down and I thank the House for the patience with which they have listened to me.

TAXATION AND AGRICULTURAL LAND

(Continued from page 2)

of the improvements on the land, with special reference to the use that has been made of money raised by taxation on landowners, the comparative attractions of the countryside to the countryman under high taxation, as witnessed by the drift to the towns and several millions of acres of good British land which went out to cultivation in the armistice years when taxation really got into its stride.

I am, etc.,

W. L. RICHARDSON

Mansefield, Killin, Perthshire; March 2, 1944.

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