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FOR POLITICAL AND ECONOMIC REALISM

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"IF YOU WANT"

The following letter, the authorship of which is unknown to us, appeared in the *Dundee Courier and Advertiser*. It is an interesting example of the growing awareness of the electorate:—

Sir,—The unattached voters' quest for information prompts me to offer the undermentioned ten points as a guide to what they should do at the forthcoming general election:—

1. If you want to be couponed, rationed, queued, restricted for the rest of your life;
2. If you want to become a State pauper and bring your family up on State charity;
3. If you want your job controlled by a State bureau, modelled on the Food Office and Fuel Office, the "efficient" and "kindly" administration of which is well known;
4. If you want to breed national pip-squeakery on co-operative lines;
5. If you want the Nazis, Germans, and all the "friends of democracy" molly-coddled, reprieved and set up in business for World War No. 3;
6. If you want home and foreign markets sold out, lost, and handed over, lock, stock and barrel, to the people mentioned in No. 5;
7. If you want a Government composed of pacifist humbugs, with Ministers who will give a national lead to all conscientious objectors;
8. If you want to prove that actuarial science is wrong and that income tax as 10s. in the £1 is getting off light;
9. If you want the United Kingdom bankrupted in your lifetime;
10. If you want to prove that the difference between the State regimentation of German National Socialism and British Labour party policy, now being defined, is non-existent—

Vote for Labour!

But may God and the men who are fighting so gallantly to free Europe and the world from just such a tyrannous way of life forgive you.—I am, your obedient servant.

Onlooker.

Coupar Angus, 13th December, 1944.

1944-1945

I resolve

From Week to Week

On Friday, December 15, more than five years after the declaration of war, the R.A.F. bombed the chemical works of the *I. G. Farben* the cartel-colleague of Imperial Chemical Industries and Du Pont de Nemours, I.C.I. being the inheritor and creation of Alfred Moritz Mond. The "B."B.C. in announcing the fact had the effrontery (oh, yes, Clarence, we know the "B."B.C. is not responsible—it never is) to remark that although the synthetic oil plant had previously been put out of action the chemical works, producing large quantities of nitric acid and other materials of which the Germans are in short supply, was still operating.

Is this another Briey Basin racket, and if it is, are we going to tolerate it?

Rowland Hill's Penny postage was carried through against the solid opposition of the Post Office officials, who wished to avoid the extra work they considered it would entail.

The appalling consequences of collectivism are well illustrated by the proposal, in which Mr. Churchill appears to acquiesce, to transfer millions of Poles from that part of Poland east of the so-called Curzon Line to an equivalent area in East Prussia.

Mr. Raikes, M.P., very properly pointed out the inhuman barbarity of uprooting homes and their occupants to serve "State" interests. Mr. Raikes is a Conservative: and it is significant that the Socialists were in the main in favour of this collective cruelty, because their beloved Russia wants it: and a Conservative opposed it because it is immoral and inhuman.

We are alleged to have entered the war on behalf of the rights of Poland; if our victory means that the boundaries of Poland are to be dictated by Russia, and its social and economic condition by a quisling Bolshevik organisation, the Lublin Committee, which is the opposite number of P.E.P. and Zionism, then it is quite time we did some extensive thinking for the purpose of identifying our real enemy. The pea seems to have got out from under our chosen thimble. How did the E.L.A.S. troops come into possession of field artillery, and why are they so enthusiastic about the Archbishop of Athens? Does it explain the reinstatement of the (Greek) Russian Orthodox Church by Mr. Stalin and the holier-than-thou attitude of Washington and Wall Street?

The cold, hard, fact is that the politics of this country lack principle, largely because they are not nowadays native. There is no intrinsic morality whatever in the phrase "None shall have cake until all have bread." In itself, it leads

straight to robbery, either legalised or otherwise, and always at the expense of those who have only a little cake, because they are weakest. Ultimately and inevitably, by destroying the cohesion of society, it reduces the amount of bread generally available. Our involvement in this war is the result of moral cowardice in not stating our native convictions. If we had faced our peacetime enemies in the armistice years as we have faced Germany in war, there would have been no war, and most people would have had cake.

The P.A.Y.E. Income Tax scheme is copied from a practice known as the "Check-off" of the American Trades Unions which demand that the employer shall deduct trades union dues from the pay of employes and hand it over in bulk to the union. It is bitterly unpopular with the employe and the American public generally; and it is said that only one in ten of them can be found to be in favour of Trades Unionism. The grip of the organisation, however, makes non-unionism tantamount to permanent unemployment.

The Government pursues its policy of deliberate coin-clipping or currency debasement, perhaps the meanest fraud it is possible to inflict on a nation. Wine appears to be a favourite "marker" for this purpose.

Announcing that quantities of wines and brandy were being imported, the prices were given as eight shillings and ninepence (no, not sixpence, ninepence) for beverage wines and twelve shillings and ninepence for sweet wines—port, sherry, etc. These are maximum prices, to encourage retailers to make the largest profit possible. They are probably about one thousand per cent. above the prices being paid to the producers.

We have no doubt whatever that the source of this policy is identical with that of the great German inflation, and that hordes of harpies with unlimited dollars are waiting on the side-lines to repeat their coup of 1922.

On November 11, 1917, after Rufus Isaacs had made his undisclosed deal with the United States and brought the Schiffs, for the moment, onto the side of the Allies, Edwin Samuel Montagu, appointed Secretary of State for India in the same connection, wrote in his Diary "I see from Reuters telegram that Balfour has made the Zionist declaration against which I fought so hard... The Government has dealt an irreparable blow at Jewish Britons... they have alarmed unnecessarily the Mohammedan world, and insofar as they are successful, they will have a Germanised Palestine on the flank of Egypt..." (Our emphasis.) Now compare that with General Sir Bernard Paget's proclamation to the Jews in Palestine; "...criminals in Palestine, with their active and passive sympathisers are directly impeding Britains war effort. They are assisting the enemy."

To the Labour M.P. and his propaganda department, the "B."B.C., "Fascism" is a term of abuse, in which for instance German National Socialism, carefully called Nazi, or Hitlerism, is included. Fascism, of course is Guild Socialism of the Italian variety, and of all varieties of Socialism, is theoretically the least objectionable. That like all Socialism it became a corrupt tyranny is less due to the guild element than to the state or socialistic overlay. We refer to this matter, not because we have any belief in the virtues of any

extant or adumbrated form of guildism, but because of the furious dislike of Freemasonry for it, and the open statement of Mr. Churchill that "liberated" countries are free to choose any form of Government they please "Except, of course, Fascism." Curious.

The Trades Unions have lost all trace of any virtues the guilds possessed and are totally dissimilar. Is that why Mr. Churchill holds a Bricklayer's Ticket?

It requires first class brains to produce a "muddle" such as the housing muddle; and one of the factors in that muddle is Freemasonry.

P.E.P. and the Cinema

The greatest danger with which the world is faced to-day is "rule" by manipulated majorities, whatever may be the current mechanism for rendering it available. It is not difficult, with the aid of monopoly broadcasting and a controlled press, to present any policy, however disastrous, in such words and form that a majority can be found to "rubber-stamp" it.

—*The Social Crediter*, December 23.

P.E.P. continues blithely to reveal its harvests of 'fact-finding' despite the large audience which now knows how easy it is to find things hidden for the purpose.

Number 228 of *Planning* (December 8, 1944) is devoted to 'Documentaries,' a term coined by Grierson in an article in the *New York Sun* for February 8, 1926, to describe a film technique which "permitted the [English] national talent for emotional under-statement to operate in a medium not given to under-statement. It allowed an adventure in the arts [sic] to assume the respectability of a public service." (Our italics). The 'service' here referred to is broadly indicated in the quotation which heads this article.

The PEP broadsheet which describes this development is a 'brief account' of 'the Arts Enquiry,' which, curiously, but, of course, quite innocently, 'has had its offices at PEP, has worked on PEP lines, and is having its four full-scale Reports [capital R] published by PEP' with, as it were, the unconscious assistance of the Oxford University Press.

We have seen this sort of thing done on the stage of the Palace Theatre by a comedian. But the audience knew he was a comedian; it comes across the footlights less well when you don't.

The sponsors of 'the Arts Enquiry' are the Dartington Hall Trustees; and it was set up "in association with the Nuffield College Social Reconstruction Survey." The first 'documentary' was made by Grierson in 1929 for the Empire Marketing Board. It was called "Drifters," and "showed that the film could be made a valuable instrument of publicity." In the following year, Sir Stephen Tallents became Public Relations Officer of the G.P.O., and took Grierson and his film unit with him there. The G.P.O. Film Unit "weathered the inquiry of the Select Committee on Estimates" in 1934 and the (?) opposition of the Film Industries Department of the F.B.I. The Gramophone Company and Shell-Mex and B.P. Company were commercial customers of the unit before it became part of the Post Office. Later The British Commercial Gas Association, the Southern Railway, the Orient Line, Vickers-Armstrong, Imperial Airways, the Times Publishing Company, the Petroleum Films Bureau, the Travel and Industrial Development Association, the National Book Council, the Carnegie United Kingdom

Trust, the League of Nations, the Canadian Government, the Films of Scotland Committee and the Ministry of Labour paid for films. The companies "realised that their financial support for films, which sometimes had little bearing on the product they sold, would dispose the public, or at least some sections of it, in their favour." Grierson left the G.P.O. in 1937. The Shell group of companies distributed the productions of their own film unit throughout the world after 1934.

In the first years of the war "large numbers of documentary workers were left unemployed; some of them were kept going by commissions from the Rockefeller Foundation, arranged by PEP." Then the G.P.O. Film Unit was taken over by the Films Division of the Ministry of Information (Director, J. L. Beddington) and renamed the Crown Film Unit. It has built up a staff of 'Film Officers,' and has established offices in the U.S.A. and in Egypt, and a member of the staff has been sent to Moscow.

Wartime production includes:—

"Salvage with a Smile," "A New Fire Bomb," "Mr. Proudfoot Shows a Light," "Dig for Victory," "The Nose has It," "Britain at Bay," "Dover Front Line," "The Heart of Britain," "A.T.S.," "Hospital Nurse," "Land Girl," "Lofoten," "Corvettes," "War in the Pacific," "Conquest of a Germ,"—and *Planning* adds: "(a tribute to the doctors and research workers who discovered the sulphonamide drugs and penicillin)"—and "Power for the Highlands," etc.

"Several industrial companies and groups have... made films and then presented them to the Ministry and to other Departments; these have contained no advertising apart from the name of the sponsors in the credit title. Thus I.C.I. sponsored ten films on the "Technique of Anaesthesia," Cadbury's, "When We Build Again" and Ford Motors, "Fuel and the Tractor." The Film Department of the British Council has commissioned its own films from commercial companies.

The Report makes recommendations for the use of the factual film "to the best possible advantage in the Government's information services, in education and in technical training." Whose advantage?

There are one thousand three hundred million (1,300,000,000) individual cinema attendances a year in 'Britain' alone; "some people make a practice of going three, four or five times a week." We are told that Veronica Lake and Ingrid Bergman hair-styles "are only superficial signs of the world-wide influence wielded by the film industries."

PEP might make some analysis of the deeper signs, and publish it. But that would perhaps be *too*-fact-finding.

MAJORITY RULE

"When I came back to the inn for a bit of breakfast, the landlady was in the kitchen combing out her daughter's hair; and I made her my compliments upon its beauty.

"'Oh no,' said the mother; 'it is not so beautiful as it ought to be. Look, it is too fine.'

"Thus does a wise peasantry console itself under adverse physical circumstances, and, by a startling democratic process, the defects of the majority decide the type of beauty."

—R. L. Stevenson, *Travels With A Donkey*.

PARLIAMENT

House of Commons: December 6, 1944.

BRITISH CITIZENS (RUSSIAN WIVES)

Sir J. Wardlaw-Milne asked the Secretary of State for Foreign Affairs what progress has been made in his efforts to secure that the wives of British citizens, originally of Russian nationality, should be allowed to leave Russia and rejoin their husbands in this country.

Mr. Eden: I regret to state that little progress has been made. His Majesty's Ambassador in Moscow has done all he can and I raised the question personally when I was in Moscow towards the end of last year. A woman of Soviet nationality does not automatically lose this status on marriage to a British subject and she can only be released from such nationality by the Praesidium of the Supreme Soviet. The Soviet authorities, however, have stated that owing to the war, the consideration of such cases by this body has almost ceased.

PALESTINE: EXIT PERMITS

Rear-Admiral Beames asked the Secretary of State for the Colonies how many exit permits from Palestine have been granted during the last year; how many are now awaiting approval; by whom and on what grounds; and for what destination these permits are applied for.

Colonel Stanley: I have no information on the subject, but I am making inquiries from the High Commissioner for Palestine.

Police Canteens

Captain Thorneycroft asked the Secretary of State for the Colonies whether he is aware that the prices charged in the canteens run by Spinneys, Limited, to members of the Palestine Police Force are substantially more than those charged to members of the Services by N.A.A.F.I.; and what steps he proposes to take to do away with this anomaly.

Colonel Stanley: The answer to the first part of the Question is in the affirmative. As regards the last part of the Question, the whole matter is at present under consideration.

Spinneys, Ltd.

Captain Thorneycroft asked the Secretary of State for the Colonies what is the share capital of Spinneys, Limited, in Palestine; who owns the shares; what were the profits of the company for the years 1938 to 1943; and how these were distributed.

Colonel Stanley: I am not in possession of this information; but I am asking the High Commissioner for Palestine whether it is available.

Irgun Zvai Leumi

Squadron-Leader Fleming asked the Secretary of State for the Colonies whether the Irgun Zvai Leumi is controlled in any way by the New Zionist Organisation, or by any other Jewish body in Palestine or elsewhere; or whether it is an entirely independent association deriving its membership from all the other Jewish parties and organisations.

(Continued on page 7)

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Mr. Sidney Hillman

Mr. Sidney Hillman, the Trades Union boss, is staying at Claridges Hotel, probably the most expensive hotel in London. Claridges has always been a favourite hotel of monarchy.

We trust that no-one will misapprehend the significance of Professor Laski's statements at the Labour Party Conference, or the "coincidence" of Mr. Sidney Hillman's presence in this country while they were made. That the various sweeping proposals to nationalise this, that or the other were carried by sweeping majorities means little or nothing. The agenda is packed; the executive is packed, and the voting simply follows the commitments of the members of the executive, who hold the proxies (or say they do) of their press-ganged constituents—the so-called "card vote." At a parliamentary election, every one of these votes might easily go in exactly the opposite direction. The real gravity of the situation lies in the fact that we are witnessing a diabolically clever attempt to carry out the words of Karl Marx: "The English are incapable of making a revolution; foreigners must make it for them." A glance at the names of the speakers at the Labour Party Conference is sufficient to indicate from where the policy is derived. And behind it are forces which say, and not without some justification, that they will swing every nation against us unless we take their orders.

Mr. Hillman unquestionably procured the election of Mr. Roosevelt. He is not here to ensure the happiness of Mr. Churchill, nor out of pure benevolence. Mr. Churchill, being a politician, is always prepared to buy political happiness at a price, and it is our business, since we shall pay it, that the price is not too high.

Greece

It can be seen plainly that the Greek situation cannot be left without a great deal of elucidation. Who instructed Sir David Waley to "reorganise" Greek finances? What were his instructions? Who authorised the shipment of £40,000,000 in gold sovereigns presumably British property to Greece, and how much of that large sum has gone to the Communist rebels who are killing British soldiers? What connection, if any, has the fact that the (Greek-Russian Orthodox) Archbishop of Athens has been spending a considerable time in the United States, with his sudden appearance as the nominee of the Left Wing, mainly Communist, E.L.A.S? Or to put the matter baldly, who are we really fighting in Greece and who is financing them? And for what are we fighting? And why does all this trouble appear

to be directed only against the British?

One of the most menacing aspects of the whole matter is the confusion into which the mind of the ordinary British voter is plunged. He is told that the "Conservative" Party is in control of the Government, and he quite properly feels that who controls is responsible. The error he makes is that he fails to realise that nothing which deserves the name of Conservative does control. We are being ruled by the P.E.P. Party; and it is leading us straight to destruction with the aid of its overseas friends.

J. G. Milne

It was with great regret that we had to record last week the passing of yet another pioneer of the Social Credit Movement, now a quarter of a century old. J. G. Milne will be mourned wherever Social Crediters gather. He was one of the earliest of that small band of stalwarts to whose efforts the success of the Movement, indeed its survival in those early days, was due. Though his was a youthful and receptive mind, he possessed the true Scotch determination and tenacity of purpose that was essential in the pioneer days.

As a relatively young man he became crippled by arthritis. However, he did not exhibit any of those evil characteristics usually associated with people of physical disability. His was very far from being a cripple's mentality. Judging by similar instances the tremendous truths and the reality of Social Credit are a compensation for such disabilities. They certainly were for Milne. It can be said he lived for Social Credit. He was indefatigable in its service. Memory recalls the days of the Buxton Conference, of Major Douglas's public debate with Mr. R. G. Hawtreys and other milestones of our history; the days when he was one of the most prominent and perhaps the most respected member of a large and vital group in Birmingham.

Looking back on the Social Credit Movement it is rather surprising to realise how few of the names that were well known in the Movement then are encountered now; how few of the pioneers have stayed the pace. Some of them no doubt thought discussions on the new theories more exciting than bridge; others were Socialists at heart who thought Major Douglas's proposals would help in the establishment of a slave state; others appeared mentally to atrophy at some stage of Social Credit development and couldn't grow beyond that; yet others grew tired, lost faith and fell out. J. G. Milne was one of the few who were on the right path from the very start. His loyalty to Douglas never wavered, especially on those unfortunate occasions when we all were tried and many were found wanting. Now he too has gone, having fired his last shot in the Battle for Individual Freedom. He fought to the last.

Milne loved an argument; but rarely let himself be trapped into an overstatement. He was a canny Scot all right and loved to talk in his broad Buchan. It did not take long to realise that he had read much and had an exceptional insight into the psychological factors that have affected history. This enabled him to appreciate at an early date the many facets that together with the substance make up Social Credit. We have lost a great comrade in arms. The loss to Mrs. Milne and two surviving children is more personal and we extend to them our deepest sympathy in their bereavement.

H. R. P.

A House of Lords Speech

The following is the full text from the Official Report of Lord Stanley of Alderley's speech in the House of Lords Debate on Exports on December 5. With the 29th verse of St. Matthew's thirteenth chapter in mind, we refrain for selection.

Lord Stanley of Alderley: My Lords, after an absence of some years from your Lordships' House on duties perhaps less peaceful than those of commerce, I feel I should apologise for addressing you on more peaceful arts in the day to day details of which I must have grown a little rusty. At the same time certain particular principles seem to me to stand out to-day as they have always stood, and which are more important, more worth while, more true perhaps than ever they were in the whole of our history. It is beyond question that without exports this country cannot live. It is true that for five years we have had to exist virtually without any exports, and had it not been for the assistance of Lend-Lease by our American Allies we should by now have been reduced to the position of ill-conditioned serfs or possibly even to a level of mass starvation. The determination of our American Allies not to lose this island as a forward base for military operations alone has been able to preserve the somewhat exiguous standard of life we have been able to preserve during these five years of war.

Admitting then the necessity of providing for our export trade, it seems to me that there are two main divergencies of opinion as to how to restore it. My noble friends in the Socialist Party pin their faith to the nationalisation of the production and distribution of all forms of wealth. I do not, I never did, and I expect I never shall number myself amongst the holders of that belief. It seems to me that a Government is not divinely inspired—not even our present Government—it is not more able, it is certainly not better trained and certainly not less venal than the men composing that Government in the aggregate. Therefore I cannot believe that the Socialist Party has a nostrum for curing trade merely by putting it in the hands of the Government. I believe that the driving force in industry must be a man's natural ambition to increase his culture, to improve his home, to make further and better provision for his family, in short "to better himself" as it is generally termed. He should be inspired, I think, with a feeling that his labour is worthy of its hire. He should be given a chance to show what he can do and the better he does the better should he be rewarded. In that way I think you will go a long way towards reviving industry.

A man should be helped by the Government to overcome the spectres of unemployment, of sickness, of poverty; and all those great schemes of the Government which are lumped under the term of social security are very fine. They give a man a background wherein he can develop himself. If these fears are removed it is a splendid thing. But these very schemes of social security which we shall be debating in the coming months depend upon a healthy underlying economy. It has been said by Sir William Beveridge himself, and any economist will bear this out, that if you have not that, these schemes must fall to the ground. So I feel most strongly that if industry is to thrive the first thing to do is to attract people to it. Let us not, as has been the trend for the last twenty years, instill the idea into the

nation that the be-all and end-all of life is a ceiling wage above which no one can rise, whether in the executive management of industry above £2,000 or £3,000 a year, or in the case of labour above £500 or £1,000 a year. Do not let a man feel that he is being clamped down. Let him feel that industry is a field of venture and competition where the successful will be rewarded, but let us by all means have a minimum below which he shall not fall.

I do not wish to bother your Lordships with any long or difficult tables of figures. The noble Viscount who moved this Motion gave us a sufficient indication of the parlous condition into which our trade has fallen, and I think his figures will be found by the Government to be incontrovertible. I only hope that the noble Earl in his reply will be able to announce some plan by which it is hoped that these disastrous figures may be in the near future improved. I would only say a word or two about our invisible exports, and I will take banking for a start. If we are to retain our pre-eminence in world banking, including the financing of international trade—and I am not one of those who believe we have yet lost our pre-eminence—the first essential must be a stable currency. No merchant is going to ship, say, carpets from India to South America using Sterling as his means of measurement of value, unless he knows that sterling is going to remain approximately of the same value during the course of the transaction which may be a matter of some weeks. I hope the Government have made a first step towards a stabilised currency—I do not say at any particular level—in the deliberations at Bretton Woods. I take leave to doubt whether that is so, but until we know more about it and have debated the proposals I will give the Government the benefit of the doubt.

The second of our invisible exports—namely shipping—is in a very poor state. Here I am on more familiar ground because during the last five years my duties have kept me in close and constant touch with the shipping of this and other nations. The mercantile fleet of this country, admittedly due very largely to war-time conditions, has fallen from being first in the tonnage of the world to something like third place, and the United States which started fourth is now leading us. I for one view that position with very grave misgiving. The United States have built a fleet of merchant ships and, having seen them building, I know that despite many things said to the contrary those ships are good and will last a long time. They have built a fleet of medium-sized fast merchant ships with which we have nothing at all to compete. I rejoice that our shipyards are filled at the moment with tonnage building for the Royal Navy, but let it be remembered that the time is coming, and coming rapidly, when we shall have to overhaul our Mercantile Marine as well.

It is, of course, true that many new factors have emerged during the last five years which may be favourable to us as a trading nation. There is the disappearance, we hope, of shoddy Japanese goods from the world's markets. I trust that when the war is over we shall see no more of Japan as a world-trading nation. Then it seems to me unlikely that Germany will be a world-trading factor after the ministrations of the United Nations' Air Forces—at all events for a great many years. We have, no doubt, improved certain of our own methods of manufacture. The war has taught us a great many things in the way of mass production. And

yet I would call to your Lordships' attention one particular case of which I have knowledge—I am of course reverting to the shipbuilding industry. For nine months I worked in an American shipbuilding yard. Now that yard, when I arrived there, was a swamp. There was not one brick laid upon another. Within nine months that shipyard had built no fewer than sixty destroyers. I see nothing in our shipbuilding industry to-day to give me hope that we can repeat—much less improve upon—that performance. And why, my Lords? Simply because—and this is said to me day after day both by industrialists and workers—we could do it but we have not the incentive.

A man will say: "Why should I labour day and night?" or, it may be, "why should I put capital into a venture, when ninety-five per cent. is going to go back to the Government?" That is a most unhealthy attitude, and I am afraid it is very widespread. I have heard more than one worker say: "Of course I can work overtime on Saturday, but it is not worth while to do so for the extra money I get—the time and a half overtime—because too much goes in Income Tax." When a nation starts saying that sort of thing it is, I think, in a very dangerous condition industrially. It was Lord Woolton, I believe, who the other day made a plea for the revival of the old merchant adventurer spirit. I hope and I believe that in the making of a statement like that by the Minister of Reconstruction lies a great augury for good in the future. But it is no use just asking for that spirit. Something has got to be done about it. I sometimes wonder whether the merchant adventurers of old would have been so enterprising had they been faced with our present scale of taxes, and with the forms and formalities of Whitehall, drawn up, often enough, by persons whose nearest and closest acquaintance with the sea and with the treasure houses of the world comes from blue books fancifully illustrated from the studios of Denham and Hollywood. I doubt whether they would have found their adventuring worth while. To take one example: Sir Francis Drake, I understand from reading my history books, made over a very considerable proportion of his commercial profits—to call them such—to his Sovereign. I wonder whether that hard task mistress would have profited so much had she been advised by the Board of Inland Revenue. I take leave to doubt it.

We are all looking forward to a victorious conclusion of the war in Europe. I do not believe that I shall be accused for a moment of over-optimism if I say that it may be over in two years' time—indeed I think I have heard shorter estimates than that. But two years is hardly time enough at all for us to re-convert our industry to a peacetime basis. The problem is one of the utmost urgency. There is no doubt about that. If it were merely a question of reconversion then it might be done. But I do not believe that there is a single member of your Lordships' House who believes that it is simply a matter of reconversion to *status quo ante*. I would remind your Lordships that all was not well with industry in the immediate pre-war period. We had, amongst other things, between 2,000,000 and 3,000,000 unemployed. It is the rebirth of industry that we are looking for rather than the reconversion, and I can see only two methods whereby this rebirth can be brought about. Large capital sums are going to be required to be spent on revivifying of industry. One way in which they can be provided is through Government loan, and I would suggest to the Government that they can consider floating loans for war pur-

poses. This may be a somewhat unorthodox view. The loans, I suggest, should be used for the re-equipping of plant and machinery, bringing factories up to date and so on. The public, of course, would be let in as an equity shareholder in industry rather than with the British Government guarantee behind it. Clearly, any method of this sort cannot be given a guarantee. I am not sure that that would be a bad thing. The Government would be made partners in industry, as would indeed the public, and I believe that a loan properly presented to the public, for the rehabilitation of industry—call it a "Works Loan" or "A Loan for Jobs," or something of that kind—is what is necessary.

The only other means I can see of raising the necessary money for starting the wheels of industry going again is a large and rapid reduction in taxation immediately upon the cessation of hostilities. And for two reasons I suggest—not only to get our industries going again, to replace plant worn out in the service of the nations, and the world during the last five years, but also in order that proper remuneration may be given to encourage this merchant adventurer spirit to which I have referred. As a rather smaller matter, I would suggest to the Government quite seriously that they should consider the application of moneys accruing to them by way of Death Duties as capital moneys, which indeed they are, to be applied either for the rehabilitation of agriculture—it may be for drainage, reclamation of land, the improvement of ports so far as our fisheries are concerned; anything that the Trustee Act of 1925 would regard as legitimate capital expenditure—or for the rehabilitation and renewal of industrial plant. We have been living too long upon our capital. So long as it was possible for new capital, new fortunes, to be created, the decline in our national wealth was small. Indeed, it was hardly observable. But it was there, make no mistake about that. But since our national earning power has been brought to a standstill for five years the thing has come to an almost catastrophic state.

Like noble Lords who have already spoken, I do not take the view that this country is finished. I would ask the Government to trust our people, and to trust their initiative and drive in peace as they have had to trust them in war. The Government have not been let down in wartime, and I see no reason to suppose that they will be let down in peacetime. Let them give our people a chance to show what they can do, and I think it will be found that with the help and guidance of the Government—not with their interference, because that is not the function of the Government as far as industry is concerned—our people will win victories just as important as those of Alamein and Tunisia and the beaches of Normandy.

Finally, I would throw out a suggestion to the Government which they may use if they will, or which they can pass on to their successors if purchase they should be no longer in office at the time. It is that they should consider producing a companion White Paper to No. 6564, to be entitled "Statistics relating to the Peace Effort of the United Kingdom" and dealing with the five years after the declaration of peace. During that period we shall be faced with problems no easier or less important than those which have been surmounted by our people during the last five years. I believe that such a White Paper may make even more thrilling reading than the one published last week. We have to thank the noble Viscount for introducing this Motion, and I for one support it most heartily.

PARLIAMENT

(Continued from page 3)

Colonel Stanley: The Irgun Zvai Leumi was formed in 1937 by the late Vladimir Jabotinsky, the leader of the New Zionist Organisation. A representative of this body has recently stated that the Irgun does not accept its discipline and does not consult it as to its activities. I should prefer not to specify its exact affiliations, but it is certainly not controlled by any reputable or responsible Jewish body.

DEBATE ON THE ADDRESS: EXPORT TRADE

Sir O. Simmonds (Birmingham, Duddeston): ... Many hon. Members will note that *The Economist* newspaper devotes a considerable study to American affairs. Indeed, when I was in America, I often heard the capacity and accuracy of those reports on the American economy referred to...

There is a firm in Birmingham which apparently supplies all the railway stock for one great country in South America. They were urgently in need of spares, which were in the yard in Birmingham, and had stood there for years, because the policy of the company was to look after its customers overseas. They prayed the Board of Trade to allow them to export, so that those vehicles could be put into operation on the railway tracks. The answer was a blank refusal. They were told they must go to the United States, but the United States will not tool up specially for a component part of a British manufactured piece of rolling stock. What is the final result? That rolling stock must be shunted on to the siding, incapable of being used until we take a more realistic attitude towards our obligations, economically and commercially, to our friends overseas. Then I read, in the statement of the Committee in Washington that the United States and the United Kingdom shall have no undue competitive advantage...

In 1943, excluding Lend-Lease, the United States maintained its 1938 volume of export trade. In 1943, the United Kingdom figures were half of the 1938 United Kingdom figures...

I would refer to the problem of the development of an adequate volume of export trade, in the light of the demands of the home market. There have been various suggestions from Ministers that we must have quotas of export trade in relation to our home manufacturers. There have been suggestions that perhaps we should have to have an understanding that if we retain labour or receive raw materials a certain percentage of export trade should be done. I pray the Government not to proceed on those lines. It will merely tend to perpetuate the wretched attitude towards the export trade which has been recently prevalent. If we are to make this popular with industry some of the controls upon it must be removed, not new ones placed in its way.

Fortunately there is a very simple way of achieving this end. If the Chancellor of the Exchequer, realising both the relative hazard of the export trade compared with the home trade, and also the vital importance of this matter to his own finances, would see his way to relieve the export trade, as to a part of its profits, from taxation, and permit a reserve to be built up for this purpose, that would at once make the export trade attractive to industry, and it need certainly not be any handicap to the finances of the State, provided that remission was not made at too high a level.

Lieut.-Colonel Gibbons (Bilston): Everybody in indus-

try welcomes very sincerely the extension of the list which is going to enable us to export a certain amount, though a very limited amount, of steel. I hope that that extension can allow us to export very small parts of plants, which are necessary to us, but which, at the moment, we are forbidden to send away. May I give a small example of what I mean? A little time ago a firm in my constituency obtained a small order for the supply of gasworks plant to Iceland. It was an unimportant matter, but then the export trade is made up of a multitude of unimportant matters. The firm in question were very pleased to get the order, because previously the Germans had done all the business in that country. They made the goods, and at the last moment discovered that a few bolts which were necessary to keep the whole plant together and which amounted in value to a quarter of 1 per cent. of the whole value, could not be despatched under the Board of Trade Regulations. The whole had to go off without this tiny essential, and it was expected that all the goodwill that had been gained by the first order would be lost again. Fortunately an intelligent foreman, no doubt surrounded by camps of Allied military engineers in Iceland, managed to find the bolts from another source.

Mr. Shinwell (Seaham): ... Take the case of transport. Surely transport costs are a very formidable item in production. We have to reduce transport costs, not at the expense of the transport workers, but by promoting more effective organisation, by adjustments here and there, by State direction—I believe by State ownership, but, at any rate, I will give my hon. Friends what they want: State direction.

Sir H. Holdsworth: We do not want that.

Mr. Shinwell: I will tell you what you want. You want to throw the whole thing into the melting pot, to get back into the higgledy-piggledy system which existed before the war, the "dog's breakfast," which overwhelmed this country in the inter-war years.

Sir H. Holdsworth: Have we not had more and more control, and has not the cost of transport gone up terrifically, because of the mess that was made of it with the controls imposed?

Mr. Higgs (Birmingham West): ... The Minister of Production has already expressed his surprise at the few demands which have been made for permits to manufacture goods for export or for samples. I represent a constituency which does a lot of exporting, and I suppose that I receive as much correspondence on this problem as I do on any other matters concerning my Parliamentary duties. I will give a brief resume of what one of my friends experienced, for it is not an exceptional, but a typical case. The correspondence started on October 10 and is still continuing. My object in giving this is to reply to the Minister of Production, and explains why the Department does not get more demands for manufacturing samples for export. On October 10, an application was made for a licence to make some samples up in silver and also in nonferrous metals. This company had nonferrous metals in stock. They replied that they wanted the names of the workers who were to be employed on the work, so that they could be submitted to the Ministry of Labour, and they also regretted that they could not give permission to export non-ferrous metals. The House knows the reason and I need not go into that matter. Twelve names were sent and the average age of the individual was 57. The Board of Trade replied again and wanted to know the types of samples to be made, together with the quantities and the

raw materials and the man-hours required.

This is in reply to the Minister of Production. It is the reason why there are not further applications for export licences. My friend again wrote another letter in reply to the Board of Trade and said that they wanted to export teapots and tankards made of pewter, and photograph frames. The Board of Trade again replied that metal photo-frames came under a different section of the Department. They were not for them to deal with but he would have to apply to somebody else and give particulars. The Ministry of Labour's recommendation had not been received. My friend again wrote for further information, and the Board of Trade replied that the photo-frames were controlled under Class 13 and that the application for the labour had been referred to the Ministry of Labour. They are drawing red herrings across the path all the while. My friend again replied to the Board of Trade and said that their range covered 150 patterns, and they would be obliged if the Board of Trade would let them have permits. The correspondence is still continuing. . .

Mr. Bowles (Nuneaton): . . . I have listened to a good deal of this Debate, and one of the thoughts that came to my mind when I was wondering whether to take part in it was one which came to my mind last year. It was in the words, slightly paraphrased, of a well-known concert artist in this country, Ronald Frankau, "Do we export because we have to or because we think it is the right thing to do?" I am not quite sure in my own mind, having heard the speeches made by hon. Members on the other side of the House, and even the statement of the Prime Minister last week, when all this emphasis is placed on the need for exports, whether it has not just become a fetish in this country, or whether there is something behind it, to which I will refer in a few minutes. I am very glad to see my right hon. Friend the President of the Board of Trade on the Front Bench, because he has taught me more economics than he has forgotten. I remember asking him a Supplementary Question a few days ago when he was assuring some hon. Gentleman that he, the President of the Board of Trade, would do all he possibly could to see that as much cotton goods as possible were exported. I had the impudence to ask whether he thought it a good idea to export cotton goods from this country until everybody in this country had a sufficiency of them, and he said that I had better come and see him afterwards.

Mr. Dalton: And the hon. Member did not.

Mr. Bowles: The right hon. Gentleman whispered to me and nobody else in the Chamber heard him, so we left it at that. However, I will ask my right hon. Friend, when he makes his reply, to try to continue my education on this question of exports, because, quite frankly, I am not at all impressed by the speeches I have heard. . .

I put this to my right hon. Friend. He or some other Minister should make up his mind what this country, by the very situation in which it finds itself (has to import in the way of rubber, oil, citrus fruits, and so on. I do not propose to enumerate them; I do not suppose I know them all. Surely the Board of Trade or some central Department can estimate what it is necessary for us to import and then, having decided that, they should decide to export a more or less equivalent value of commodities to pay for the imports, and then go on to develop the standard of life of our people by sharing production.

I have been told by various people and hon. Members, and I think I have seen it in the Press, that we have lost nearly all our foreign investments. That must be frightful. Whether it is very serious I do not know, but I remember that during the inter-war years, when we had not lost them, we had in this country an average of 1,700,000 registered unemployed. Therefore, in spite of that great foreign investment we were embarrassed so far as employees were concerned. . .

(After interruptions).

I very much regret to say that the right hon. Gentleman the Minister of Labour said that this country is broke. I think that ought to be denied. I do not believe it at all. It is to my mind completely untrue. The wealth of this country depends on its man-power and woman-power, on its natural resources, on creative ability, on its skilled workmen and so on. I think we should make it quite clear that we are not broke, that our ability depends upon the skill with which the men and women and the natural resources of this country are organised. I think a great deal of the wealth that is produced should be retained in this country for the purpose of maintaining the standard of life, and I say that unless we are very careful on this side of the House to make things perfectly clear to the people, we shall have election scare tactics. The Conservatives will say, "Of course we believe in social insurance, and so on, but we have lost our foreign investments so we must increase our export trade by 50 per cent." I think the Minister of Production said that in a speech.

All I should like to say in conclusion is, that having heard the speeches of hon. Members for Birmingham and others, I think it is obvious that they are visualising a period of the most angry competition with those who are our closest Allies at the present moment. . .

The President of the Board of Trade, Mr. Dalton: . . . I would like to cite two industries in particular—because this is of great consequence to post war exports—which have been making a very substantial contribution to this limited quantity of exports. One is the chemical industry—and I exclude munitions—in which we have increased our exports in terms of money values. Our exports of chemicals increased from £22,000,000 in 1938 to £27,500,000 in 1943. That is very remarkable. In terms of volume, our chemical exports in this last year were just over 80 per cent. of pre-war.

Mr. de Rothschild (Isle of Ely): How do they compare in quantities?

Mr. Dalton: I have just said that in money values they increased from £22,000,000 to £27,500,000, and in bulk they were 80 per cent. of pre-war. In addition, I would cite the case of rayon, which I regard as one of the most promising and the most enterprising of our industries. Sometimes a comparison is made between the elasticity shown by the rayon industry and, I will not say what commodity, but something which might occur to you if you are thinking of textiles. Exports of rayon have gone up from £5,500,000 to £12,500,000. [*Interruption.*] Never mind the explanation; it is a very interesting fact. It is not due only to price increases. In terms of volume, rayon exports have gone up by 10 per cent. between 1938 and 1943. . .