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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

That very unpleasant American columnist, Drew Pearson, says that Mr. Churchill turned the British Army onto the Greeks because Hambro's Bank was charging them 16 *per cent.* on loans, and ELAS objected.

Unless the Greeks had first lent Hambro's the money at 18 *per cent.*, this sounds like a variant of the story of the burglar who broke into the lawyer's office, but got away without losing anything.

One of the first acts of the American command in Cologne was to appoint a resident German Jew, Herr Winkler, as Chief of Police. Of course, this just proves that Hitler has practically exterminated the Jews in Germany.

It is the fashion nowadays to regard the so-called Mosaic (probably Egyptian) Ten Commandments rather patronisingly, and as being outmoded by the Higher Gangsterdom and P.E.P., but for those to whom they have a sentimental value, Captain Arthur Rogers made a point recently which we have not encountered before in the excellent form in which he put it.

Remarking that the Government had simply stolen property under the Defence Regulations he suggested that to those to whom the Eighth Commandment had validity, it implied that property was not merely a convention, as our Socialists would have us believe, and an outmoded convention at that, but was an absolute right. You cannot "steal" something which does not "belong" to someone.

This argument brings into relief a question which becomes more urgent daily, and will have to be faced. Has this country abandoned every "principle," in favour of pure short-term expediency?

If it has, we do not know where we are, because we have no terms of reference, but we do know where we are going. And that is straight to hell.

Yes, Clarence, this part of the war is nearly over—your dear old friend, Mr. Barney Baruch, has come to stay with Mr. Churchill. Dear, dear, how it takes us back, doesn't it? We can almost see that great American banker, Mr. Paul Warburg, packing his bags to come to wring German reparations out of that great German banker, Mr. Max Warburg; and how they talked it over with that great London County Council banker, Mr. Warburg; and how the great American banker Mr. Otto Kahn, who had been that great British banker, Mr. Otto Kahn, went down to the Bank of "England" and told them their methods wouldn't do for him, and how. Waal, waal, waal. Soon we'll have that great British Statesman, Mr., now Lord Baldwin, going

with Mr., now Lord Montagu Norman to fix up the American Debt, now Lend-Lease. And how.

And soon we'll have a Land Commission on the lines of the Coal Commission so that the security behind the Lend-Lease will be all nice and compact. Waal, waal, waal. Isn't Socialism marvellous? ("Nationalisation? We welcome it.")

We do not believe there is in existence a single association of any importance which purports to represent a body of private owners which does not sooner or later become the channel by which its constituents are sold out at a loss by its officials.

It is all perfectly legal; a "climate of opinion" is worked up to make the eventual deal seem reasonable and proper; but the result is just the same. That is why "the Government" is now proceeding a step further; it will not (as for instance, in the case of the Loch Sloy project) recognise private interests at all; only "public bodies" or "associations" have a *locus standi*.

As in the case of many other matters at the present time, it is doubtful whether *ad hoc* remedies are of more than very temporary value; the only cure is to take away from "the Government" the power of unlimited bribery.

"Ten years ago, I commented to a British friend on the mediocrity of Prime Minister Baldwin, and on the talent of Churchill, and he answered 'You are right, and that's why we prefer to have Baldwin as Prime Minister, whereas we will never accept Churchill.'"

— *The Three Leaders* by Emil Ludwig.

Now, Clarence, you guess first the name of the British friend.

It is unfortunately true that Social Crediters are often so preoccupied with the evils arising from the monopoly of credit and money that they fail to stress sufficiently that, in itself, the money system is potentially the most beneficent instrument of civilisation ever conceived by man. It can carry with it freedom, leisure, culture and peace. That is why the Russian despotism is so desperately afraid of a genuine money system. In Russia, anything that can be bought by money *without coupons or the equivalent* is so fantastically priced that only the favoured higher bureaucrats can get near it.

Civilisation is faced with a world of dangers at the present time, but it is not too much to say that political control of money is one of the greatest, and its avoidance, and possibly its avoidance alone, would make possible the conquest of the rest. It is nothing less than a tragedy that so many monetary reformers are so entranced with the idea of "managed money" ("stable prices," *etc.*) that they seem

incapable of grasping the elementary fact that it is precisely "management," not "money" which has brought us to the pass we are in. If these good people could only be brought to realise that money is simply an accounting system, and that what they are asking for is the substitution of one system of cooked accounts by another, they might also see that they are playing straight into the hands of the Plotters, Planners, and Coupon-mongers. We notice without surprise, but with real apprehension, the local representatives of the London School of Economics in Canada and Australia, the C.C.F. and the Australian Labour Party, are driving hard for the "nationalisation" of banking. If the Trading Banks had any real statesmanship and vision amongst them, they would get hold of the competent Social Crediters and find out what to do.

The more objectively this subject is examined, the more intriguing becomes the well-known remark of Gladstone, quoted by Morley, "... the hinge of the whole situation was this; the Government itself was not to be a substantive power in finance, but was to leave the Money Power supreme and unquestioned." This was in 1852; and it coincides with the era of the greatest prosperity and expansion in the history of Great Britain, with the greatest individual freedom known to history. Various forms of political agitation, all in the last resort evolving into grinding taxation, have been accompanied by progressive decline, *in relation to improvement in the industrial arts.*

It is of course obvious to anyone who will consider the matter seriously, that the trap is in the identification of "the Government" with the community of individuals whose mandate it claims. This identification was never more false than it is now; and never at any time has it included an instrument of mobilisation remotely comparable in delicacy and flexibility with an honest money system.

The question at issue is nothing less than the survival of humanity. If any large proportion of the populations really desired the catastrophies we suffer, there would be no hope. But the individual does not desire them; and it is the will of the individual not the will of "the Government" which must be made effective. No "managed money," thank you. We prefer to manage our own.

Signs are multiplying that a knock-down, drag-out, bite-scratch-kick, what-have-you and no-holds-barred attack on the Social Credit Association of Canada, in which any jntleman joining in will be welcome and suitably rewarded, is in preparation. In Quebec, where Socio-Communism is outlawed by the Church, a three volume novel by Père Lamarche which proves to his own satisfaction that Social Credit is Communism, is being used, with other matter, to have Social Credit excommunicated as Communism. In English-speaking Canada, in which every second political party, including *The Times's* favourite C.C.F., is chameleon-Communism; a tremendous drive is in progress to prove that Social Credit is Fascism. Fascism is anything which doesn't like the totalitarian State, which they both like, to be run by Communists. Taken by and large, we have every conviction that in the Federal Election which cannot be long delayed, a good time will be had by all on a scale comparable to the issues at stake.

Mr. Bevin regards *privately-owned* monopolies as a danger to the State. Yes, Mr. Bevin, we know total monopoly is no danger at all to total monopoly. It's a danger to us.

The Electricity Grid

The creation of the electric grid sanctioned by the Electricity (Supply) Act, 1926, was one of those rare acts of economic statesmanship which, like the repeal of the Corn Laws, cut clean through the tangle of tradition and established practice.

Thus an article in *The Economist* of February 17 on the "Electricity Grid."

It is unfortunate that *The Economist* should have chosen the Corn Laws as an illustration, because the repeal of these Laws was in the interests of high finance. Other countries could not pay their debts if tariff barriers prevented their goods coming into the country. Therefore the financiers could not make further loans nor collect their old loans unless the barriers were shifted. "Sir Robert Peel repealed the Corn Laws which four years before he had assisted to impose. He became a convert to free trade." Then, the Whigs were the handmaidens of high finance, now when the Whigs as such have lost hope of power their position has been taken by the socialists.

The key word behind the idea of the electricity grid is control. The citizens who still retained a certain degree of control over their own electricity supplies through their local councils lose it under the grid system. Witness the recent cutting off of supplies over large areas during the winter spell of severe weather.

We can expect a paper of *The Economist's* inspiration, which is purely financial, to bring forth as a primary statement the aim of the grid system:—"The purpose of inter-linking the public generating stations was twofold. First, it held out promises of financial economy through a reduction in the proportion of reserve capacity, secondly, it was held to guarantee continuity of supply in war in case of breakdown of individual generating stations."

It is just as well to remind them that the first named objective was achieved at the expense of the public. Approximately 400 generating stations were scrapped, and the Electricity Commissioners, armed with monopoly powers as regards financial sanctions, refused permission to many undertakings to extend the plant capacity and forced them to take their supplies from the Grid. Over 30 undertakings were known to be able to generate electricity much cheaper than the C.E.B. Nevertheless, they were forced onto the grid, and the local people lost any hope of control over their own generating stations. Control, which is the main objective, is centralised in London under the C.E.B. and the Electricity Commissioners.

Such phrases as 'financial economy,' 'increased efficiency,' etc., are meaningless terms when judged from the public point of view. As this aspect of the matter has already been dealt with on several occasions, there is no need to repeat arguments here. That many undertakings were already interlinked for mutual benefit in pre-grid days did not save them.

The second part of the statement is not true because the effect of the Grid system was to concentrate generation of supply in a few super stations assisted by a few much smaller 'selected' stations. This was a sinister policy in view of the war. The increased vulnerability due to this concentration was a serious weakness, and the fact that the Germans did not take advantage of it is one of the great

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PARLIAMENT

House of Lords: March 28, 1945.

FORTH ROAD BRIDGE

The Earl of Mansfield: ... There is just one other point I wish to make. As I said when I addressed your Lordships a fortnight ago on the general subject of Scottish affairs, and with particular reference then to Prestwick and Rosyth, Scotland is becoming decidedly impatient at the apparent neglect by His Majesty's Government of all schemes of large-scale development relating to our kingdom. For various reasons, sentimental as well as practical, this feeling has tended to become centred on this Forth road bridge, and although I do not anticipate exactly an explosion I can assure His Majesty's Government that unless a more sympathetic answer can be given this afternoon on this subject than was given on the other subjects a fortnight ago, the mild annoyance that is being felt at present in Scotland is likely to turn to a very much keener feeling of resentment. Before very long there will be a Scottish by-election in Motherwell. It is known that a Scottish Nationalist candidate has already been chosen to stand, and should the Government's reply be wholly unsatisfactory this afternoon, that Scottish Nationalist candidate will carry with him the good wishes of a very large section of the population of Scotland outside Motherwell, and I believe the votes of a considerable proportion of the electors of that borough, quite irrespective of party.

We are bound, at the present time, to make our protests fairly. The noble Viscount, Lord Elibank, politely expressed the hope that Lord Leathers would not take it amiss that we pressed. I am going to be much blunter and say that Scotland does not mind whether any Minister or Government takes it amiss that the matter is being pressed. This matter will be pressed in the future, and unless an attitude somewhat more forthcoming, somewhat more promising towards the claims of Scotland is shown to-day, I think that Scotland can promise His Majesty's Government that debates on Scottish affairs in your Lordship's House will probably take place at monthly intervals.

Lord Hutchison of Montrose: ... In Scotland we are far too much broken up in political Parties. We need to get all the Parties together in a Scottish group when Scottish affairs are concerned. Look at what the Welsh have got out of the Government of the day! Look at what the Irish Party got in the old days by combining and using their voting power in Parliament! The time is coming when, unless we get more attention to our affairs, such as this bridge, you will find Scottish politicians coming together for Scottish affairs in Parliament in London and using their votes and their powers of negotiation to see what they can get. I venture to say that that ought to be suggested to the politicians of Scotland if we do not get fair treatment from the Government of the day...

House of Lords: March 29, 1945.

TUMMEL-GARRY HYDRO-ELECTRIC SCHEME

The Earl of Mansfield asked His Majesty's Government if they will state whether, in view of the volume of objections raised to the proposed Tummel-Garry hydro-electric scheme, it is proposed to hold a public inquiry into the scheme; if so, what form the inquiry is to take; and whether the Sec-

retary of State for Scotland is to confer with the principal objectors before fixing the date of the inquiry, in order that the interests of those objectors may not be unduly prejudiced by their having insufficient time to prepare their case, after the publication of the scheme, or, alternatively, if the Secretary of State will fix the date of the inquiry to be not earlier than June 1.

Earl Fortescue: I have been asked to reply. My right honourable friend the Secretary of State for Scotland has appointed Mr. John Cameron, D.S.C., K.C., Sir Robert Bryce Walker, C.B.E., and Major G. H. M. Broun-Lindsay, D.S.O., to hold a public inquiry into the constructional scheme which includes the Tummel-Garry project referred to. It is for the tribunal itself to determine the date of the hearing, but my right honourable friend is advised that it will be impossible owing to shortage of counsel for the inquiry to be properly conducted on behalf of the various parties while the Court is in Session. Unless, therefore, the inquiry is held during the last week of April it will be impracticable to hold it until late in July. The noble Lord will, however, appreciate that the scheme has been available to the public and objectors since the 9th February last, so that even if the tribunal decides to sit at the end of April in order to meet the needs of the Courts without incurring undue delay over ten weeks will have elapsed between the publication of the scheme and the inquiry.

House of Commons: March 28, 1945.

CONTROL COMMISSION, GERMANY (TECHNICAL STAFF)

The Secretary of State for Foreign Affairs (Mr. Eden): I ask leave of the House to make a brief statement about the advertisement issued recently by the Ministry of Labour appealing for technical and scientific staff to deal with future industrial activities in Germany, including armaments, heavy engineering, shipbuilding and aircraft. This advertisement was inserted by the Ministry of Labour at the instance of the Deputy-Commissioners of the British Element of the Control Commission for Germany and with the approval of my Department. I am fully aware of the competing demands for British technical and scientific personnel, and the staff required for the Control Commission will be recruited with due regard to the industrial needs of this country. But it is a class of personnel which is indispensable for the task of disarming Germany and rendering German war industries innocuous. These tasks must have as high a priority as any, and we have agreed with our Allies on the establishment of a Control Commission to carry them out. That, Sir, is the reason for the advertisement, and the high priority which is needed in the matter.

Mr. Buchanan: Could not this have been done in some other way than by a wholesale advertisement, with no limitations, appealing for people in large numbers? Are there not some associations for these technicians which, if they had been applied to, would have secured the people necessary in a much better and easier way than this wholesale, slap-dash method? When the Admiralty wanted some men, they applied through well-known associations of employers and workers and their requirements were met. Does not the right hon. Gentleman agree that this advertisement is almost an affront to people who are homeless?

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The Failure of Political Democracy

The sooner the *fact* is faced that political democracy has failed, not as a theory but as a mechanism, the greater the possibility that economic democracy may be saved, pending the design of a better mechanism.

Those theorists who are clamouring for the nationalisation of banking and money, instead of its further decentralisation, and are thereby assisting at the wreckage of both political and economic liberty, are oblivious to the complete breakdown of the parliamentary system. During the past five years, parliament has not inflicted one major defeat on the dictatorship, and if it did, the only result would be to ensure the substitution of a far more malignant tyranny.

If the amateurs of currency questions really wish to test their powers, instead of demanding a complete reconstruction of the administrative aspect of the question with which they are so obsessed, let them demand a 75 per cent. reduction in taxation and a 50 per cent. fall in the commercial price level, and let them observe how far they get. But it is of course much more exciting to plan world finance.

Ballot-box democracy is a crude and clumsy mechanism at its best. It can be made to work in a rough and ready way in a small community such as Alberta, principally because forces and sanctions which are really distinct from it, such as social and personal pressure, can be brought to bear, and (perhaps even more essential) the local bureaucracies are not so effectively entrenched as in larger units. But in its fundamental structure, it is always at the mercy of an issue such as "have you stopped beating your wife? Answer yes or no."

The very nature of the problem which faces the world—to free the individual from the collectivity—has only to be stated for it to be obvious that "elections" are no answer to it. We have no complete, neat, ready-made solution to offer. But we are confident on one point, at least. Those people, and they are many, and some of them are sincere, who brand as "negative" efforts to isolate and exhibit the forces and persons who are effective on the present situation, are, to put it conservatively, a dangerous nuisance. They may have the valour of ignorance; so had the cow which charged the locomotive.

There are two main streams of fundamental propaganda at work in the world at the present time. They have, no doubt, been at work for many centuries; but it has never been so easy to distinguish them. The first of these is the blind force theory. The present war, for instance, is the outcome of technological advance and the out-modding of local sovereignties. That is far from being a comprehensive description; but, for purposes of identification, it will serve. And the second, which has come down through the ages as

the religious theory, is that, essentially, world-history is the outcome of will and imagination. That again is stripping the statement down to its barest essentials, but it is sufficient to indicate a deduction.

For reasons which will be familiar to most readers of these pages, we are satisfied that the religious theory is correct in essence, and the deduction from it—that it is necessary to analyse the will and the imagination which have been at work, and to identify the individuals who express them—is a sound deduction, and a pre-requisite to effective remedy.

Sold but not Delivered

"The stark truth is that the doctors have sustained an overwhelming defeat. The Negotiators have won nothing and the Ministry has won everything. Through its secret agents in the councils of the B.M.A. and B.H.A. the Ministry has succeeded throughout in skilfully avoiding discussion of the main issue, *viz.*, control of doctors by a single authority from a single centre and the consequent transformation by degrees of a free, honourable and progressive profession into a subordinate civil service. The Councils of the B.M.A. and the B.H.A. respectively have accepted, without discussion, the issue of central control and its implications.

"... it is the intention of the Ministry to secure firm control of certification. . . . Thereafter, the investigation and treatment of disease will become a secondary function and will itself be conducted under restraints. . . . How comes it about that doctors of all people are voluntarily submitting to be controlled? Have the sheepdogs of the B.M.A. quietly shepherded them all unaware into the Whitehall fold?"

These words are taken from a Bulletin issued by The Medical Policy Association in preparation for branch meetings of the B.M.A. to be held before the day of publication of this comment. We have previously expressed our admiration of the M.P.A. and its clear sighted and energetic officers. It was the first political organisation to arise out of the needs of the time, so far as we can see, which was correctly and fairly conceived, honestly born and well brought-up. If its present note of alarm should appear to receive a considerable measure of justification from the strange antics of the sheep in the B.M.A.'s branch pens, it would not in the least surprise us. But it is a rare general who never loses a battle, and the ending of the military war should leave us in this country doubly confident that such a loss is no more irremediable in the political, than in the military sphere. Nor has this battle been lost (if indeed it has been lost) without putting the attackers into a position which is, strategically, not unenviable. The work done by the M.P.A. in educating the doctors politically has had wide effect. Not all of the doctors who have been subjected at the hands of their executive to a dose of forcible feeding—and with a poisoned meal at that—are by any means willing to make a virtue of the necessity. They will be the wiser for their experience the sadder it has been to them. For them, and for the M.P.A. the situation as it is now is a beginning rather than an end. If the B.M.A. executive has won a victory it is not a *coup d'état*: the more thoroughly and persistently the methods by which it has been won are exposed, the more questionable becomes the objective which they were designed to secure, and so, by resolute prosecution of their admirable course, the M.P.A. can still show the B.M.A.'s one step forward to be two steps back.

The Task Ahead

(The substance of an address by the President of the Paint Manufacturers and Allied Trades Association, Ltd., Mr. R. F. B. Gaudin, at the Annual General Meeting, London, March 21.)

It was said by Clausewitz that "war is the pursuit of policy by other means." We would be very foolish, therefore, to suppose that the winning of the war, while saving us from direct German domination, will be a victory for our policy, which may perhaps be epitomised as "the sabbath for man" as opposed to "man for the sabbath." The war will still go on, but fought with other tools. For example, I view with grave suspicion the Bretton Woods and San Francisco Conferences. Will the former, in effect, saddle us with a Gold Standard, and will the one at San Francisco set up a World Police Force to bomb and blast those who revolt under its rule?

It is the purpose of this address to try and lift the curtain and piece some of the evidence together so as to warn you, if you need warning, of the ultimate results of this policy, not only on our future as independent manufacturers, but on each one of us as a private individual, and to suggest what can be done about it.

If the purpose of industry is to produce and deliver goods and services—of which leisure is by no means the least—up to the sum of the requirements of individuals, accompanied by improving technique and decreasing trouble, it follows that members of industry can facilitate this aim by co-operating through a trade association such as ours. It is, in fact, our job to get results.

If we look back to the period before the war, we shall recollect the existence of the well-known paradox of "poverty in the midst of plenty." In our own industry the shabbiness of buildings such as railway stations, houses and factories, for example, was particularly irritating when there was neither shortage of labour, plant nor materials to make the paint to protect and smarten them up. The "paint more save more" campaign increased sales by diverting purchasing power to buy paint instead of, let us suppose, new curtains. So if we got business the curtain manufacturers went short. Clearly industry as exemplified by this homely illustration was not delivering the goods. Nevertheless I want to emphasise that this non-delivery was not the fault of our productive organisation. It was neither the inefficiency of private enterprise nor the profit motive that caused the breakdown—though the "Leftists" are at pains to tell us otherwise—but a question of buying power. No manufacturer, who was worth his salt, would, in pre-war days, fail to deliver the goods if you paid him his price. The cause of the failure lies elsewhere, and the remedy is neither rationalisation (*i.e.*, concentration) nor nationalisation. The main cause is an artificially produced state of affairs where money—that ticket to live—is kept in an unrelated supply in regard to prices, and the consequent scramble for these tickets within the ambit of our present financial system is inevitable. Further, by a process too long to relate here it will lead to wars at more frequently recurring intervals.

Unfortunately owing to propaganda emanating from a small but immensely powerful minority generally hidden in anonymity, the majority believe that our money system is operated by natural and immutable laws, and "the world slump," "the fall in prices," *etc.*, are due to "inexorable"

laws, as if they were the outcome of little understood natural phenomena. It does not seem to occur to anyone that it is the result of deliberate action by the "man for the sabbath" school—those seekers after absolute world power culminating in a totalitarian world state. But some of that majority, like members of this association, who instinctively keep "their eye on the ball" rebel against the consequences of the working of these rules, although they may fail to see what has hit them. Their possible lack of knowledge prevents them from taking the first step to resolve the dilemma.

The growth of Socialism is the inevitable outcome of finance capitalism in its present form, so it is not surprising to find that the controllers of it, *e.g.*, financiers, are "Left" in sympathy, though for motives poles apart from those of the well meaning but misguided socialist who has sympathy for the underdog.

Socialism in its German form of National Socialism is, (according to General Dittmar, the German commentator), merely militarism carried into daily life. We should be fools to think that British National Socialism would be a bed of roses. Are members of this association going to be willing partners to a future of this sort? You can see, surely, that our independence would be lost and the small manufacturer liquidated. If I sense your feeling rightly you would, each one of you, answer "only over my dead body," as our forthright Vice-chairman so frequently puts it.

Attempts to concentrate power have gone on apace and not altogether unsuccessfully during the war. I see, for example, that 17,794 retail licences have been cancelled between April 17 last year and January 15 this year. As far as I am aware no chain stores have been closed down! The planners said quite definitely that war would be their opportunity. Thus P.E.P.'s *Journal Planning* (October 4, 1938, just after Munich) said "We have started from the position that only in war, or under threat of war, will a British Government embark on large scale planning."

Planning means the encouragement of monopoly, ultimately state monopoly or Socialism. In the case of paint, the concentration scheme would have eliminated many small firms. Later I think it not unlikely that the remaining firms would have been further concentrated in a conveniently organised post-war slump under the term of "rationalisation" (as in the cotton and shipbuilding industries). Then the attempt to set up a trade association which was to be legally THE (only) Association, with trade union status, which every paint manufacturer would virtually be compelled to join would have resulted in a further concentration of power. I am almost certain that the ultimate aim was, and probably is, a very few large paint manufacturers associated through an employers' trade union. How easy for a Socialist Government to nationalise such an organisation and make the trade union the administrative head on behalf of the state! I don't think this by any means a far fetched picture. The complete enthronement of bureaucracy brought about by such means would make this country a hell, —that kind of hell described by Maurice Hindus in his book *Russia Fights On*—resulting from "the stupidities and brutalities of the bureaucracy—the chief curse of the Soviets—" Do we want to emulate this? If not let us be warned by the words of the late Ronald Cartland, that gallant young M.P. who, with so very many others, died fighting for our freedom in 1940. He said:—

"Whatever you do to make a superb economic state,

if you are going to do this at the loss of human personality, then you destroy civilisation, the very thing you want to preserve."

In my opinion the concepts of the Utopians, the would be makers of "the superb economic state" of this kind are primitive. It is not that they lack any desire to make a better world, far from it, but it must always be a world where we, the people, who have to live in it must do what they think best for us. They would force us by any means at their command to comply, believing that the means justifies the end, but they forget that vital condition, the preservation of human personality which expresses itself in every action of free men.

We must do something about it. So with your permission I will attempt to make a few constructive suggestions leading, I hope, to action by this Association.

We are a young and vigorous trade association, and although only one of some 2,500 in this country, we have been pioneers from the first. This association moreover, has power to consider, discuss and deal with any rules or regulations imposed by any other body which frustrate or hamper the achievement of our aims.

It is the present financial policy which is making Socialism, and through it a more ruthless method of government than by finance alone. The two together would complete our slavery for years to come. Nevertheless the control of money yields the more subtle power, and Meyer Rothschild spoke nothing less than the truth when he declared in 1790 "Permit me to issue and control a nation's money and I care not who makes its laws."

To use a "Bevinism," we must insist on an "unwinding" action; we must by democratic means insist on a reversal of financial policy which will by its beneficent results dissolve the socialism which threatens to wreck our civilisation. We, the people, must decide on the policy—not the hidden oligarchy.

As a first step we must press for financial provisions to be made so that reasonably organised firms producing the kind of goods people want can sell their products. It is not within our province to say how this can be done—that is for the experts who have been provided with a full specification. Nevertheless, in case we are met with a *non possumus* attitude, it would not be out of place to remark that the technique which has been used to control the prices of food stuffs might be used with advantage to lower the prices of many more products of industry than at the present time. To put it another way, as a first step Industry—guided by this Association—should press the Government for the introduction of the "compensated price" of all those articles which are bought and used by individuals from day to day, and without any increase in taxation. This would enable Industry to meet the multiple requirements of the people of this country and eliminate all danger of inflation. Further, such a policy would obviously stimulate employment, not as an end in itself, but as a result of the increased demand. It would also mean a steady reduction of prices which would enhance the value of the pound and our ability to buy from overseas.

Another condition, I would add, is that all this must be implemented so as to give us freedom to manage our own businesses in the way we think best, free from regimentation and unnecessary Government interference. To insure this I

would demand a very large decrease in the bureaucracy. It would pay us to pay them so that they could live without hardship provided they stood down, at the very earliest moment, and pursued some hobby, minding their own business instead of being compelled to throw spanners into ours; for you must never forget that even they are victims of the system.

Such a policy would give us freedom with security, not security at the price of freedom as with the Beveridge and like schemes.

Unless we can eventually attain the economic democracy which this policy would foster, then the outlook for the small manufacturer will be grave indeed. Monopoly in the form of State Socialism is the definite outcome of present financial policy and the only remedy consists in reversing that policy and demanding in its place one that would give us real economic democracy. The choice is in your hands.

THE ELECTRICITY GRID *(Continued from page 2)*

mysteries of the war. That they were aware of it is proved by their own policy of scrapping their own intended electricity grid in the 1930's and reverting to the self contained system. The whole position is on a par with the Brierley Basin ramp of the last war.

It would be idle for the Electricity Commissioners to deny the increased vulnerability as they have as much as admitted it in their action of duplicating the main distributing centres all over the country since the war started. In this case, it is most noticeable that the much vaunted 'financial economy' is at a discount.

At the present time, when we are repeatedly warned that we are now a poor country, that we have spent all our capital in waging war, that we shall have to tighten our belts, *etc.* (just as at the end of the last war), there is another aspect of the matter which should receive a little more publicity. Apart from the enormous destruction of war there is also what might be termed the enrichment of war. This is revealed in crystal clearness by the war time expansion of the electricity supply industry. In the year 1937 just over 20,000 million units were generated, yet in 1943 the output had risen to 37,000 million units. Over and above this the C.E.B. has announced its plans for post-war expansion, namely, the installation of a further plant for the production of 3,000,000 kilowatts. But the end is not yet, there are also the Scottish Hydro-Electric scheme and the Severn Barrage scheme (on which a committee is now sitting). It would be difficult to conceive a more curious policy, especially when we consider the pre-war figures for consumption:—Domestic uses, 4,290 million units; Shops, Offices and Commerce, 2,698 million units; Farms, 50 million units; Factories, 9,598 million units. If the figure for domestic uses is just over doubled it will make 10,000 million units available in the post war world. Which will leave 27,000 million units mainly for factory use (not reckoning the Scottish Hydro Electric and the Severn Barrage Schemes). Which means that we shall have an industrial system functioning to full war-time capacity. In order to get rid of all this production a forced export trade is again to be tried, an export trade more than treble that of pre-war days! And it was shown that the pre-war fight for markets was one of the main causes of the war. We look in vain for any appreciation of these facts in *The Economist*. Which countries will be willing to assimilate our enormous potential post-war output of goods?

W. A. BARRATT.

PARLIAMENT

(Continued from page 3)

Mr. Eden: It is because I had that in mind that I wanted to make this statement. Consultations did take place before the advertisement was issued. The qualifications are difficult ones and highly technical ones, and the range is wide, which made consultation difficult. I hope that as a result of what I have said it will be plain that the numbers are not going to be very large and we hope to get them without causing undue dislocation. It is a matter of hundreds and not of thousands.

Captain Duncan: Will my right hon. Friend make it quite clear that there is no suggestion at all that these men are being sent out to rebuild Germany?

Mr. Eden: In practically every case the problem is one of control of the German arms industry, which is the point that I wanted to bring out, and the reason why I wanted to make the statement.

Mr. Woodburn: Is the right hon. Gentleman aware that teachers have also been invited to apply for positions in

THE SIZE OF CIVIL SERVICE WHICH
SUITED THE BANK OF ENGLAND IN
1931 WILL SUIT US NOW

**REFUSE TO VOTE FOR ANY CANDIDATE
WHO DOES NOT PUT THE REDUCTION
OF THE CIVIL STAFFS TO 20% BELOW
THE 1931 FIGURE as THE FIRST ITEM ON
HIS AGENDA**

**Pay them if necessary: but don't pay them to
put Great Britain in irons**

THE POWER OF THE BUREAUCRACY
MUST BE REDUCED

Germany? Are steps being taken, where education authorities second teachers, to maintain their pension rights?

Mr. Eden: That question should be put to the Minister of Education. That is another problem. We have a task to carry out. I was anxious that there should not be an exaggerated view of what we have to do.

Sir Percy Hurd: Have the lists been closed and, if so, what result has followed the invitation?

Mr. Eden: I have not heard of the lists being closed. They would not be closed until we have the men we need.

Mr. Butcher: Could not the widespread powers and elaborate machinery of the Ministry of Labour and National Service be examined to see if they can deal with the matter instead of utilising this method of widespread advertisement, which is forbidden to private firms?

Mr. Eden: The advertisement was through the Ministry of Labour.

Mr. J. J. Lawson: While thanking the right hon. Gentleman for his explanation, which was badly needed, may I ask whether he will keep a strong hand on this kind of thing. Is he aware that the Allied Commission representatives are just beginning to swarm into various countries and that they need watching in respect to these matters, particularly when they affect this country, as this matter does?

Mr. Eden: I agree. There are two broad principles that we have to follow. One is that the job must be thoroughly done, and the other is that in man power it must not be extravagantly done.

Mr. Craven-Ellis: Has consideration been given to recruiting these technicians from those of the Forces whose services may not be required after a short time, instead of calling upon private industry, which is already considerably denuded of essential staff?

Mr. Eden: That raises wider considerations which I should not like to be drawn into now.

Mr. Silverman: Will the right hon. Gentleman bear in mind that, quite apart from the necessary work of the Control Commission with regard to the German armaments industry, it is nevertheless to the interest of Europe and the world that Germany shall in fact be rebuilt?

Mr. Eden: The fundamental problem that I am dealing with in this question is to ensure that Germany is not physically in a position to start this business again.

Mr. Molson: Since this advertisement was issued by the Ministry of Labour, why is the Foreign Secretary making this statement and not the Minister of Labour? Is it because a diplomatic answer was thought to be necessary?

Mr. Eden: I said that the Ministry of Labour did this with the authority of the Foreign Office, because I am the Minister responsible for the Control Commission.

INCOME TAX

Mr. Hogg asked the Chancellor of the Exchequer how many persons in each of the last five available Income Tax years had incomes which, after deducting direct taxation, equalled sums of under £250, £250 to £500, £500 to £1,000, £1,000 to £2,000, £2,000 to £4,000, £4,000 to £6,000 and £6,000 or over, respectively.

Sir J. Anderson: This information is not available in the detail asked for by my hon. Friend, but the following table gives estimates of the numbers in ranges of net income after taxation from £150 upwards for the year 1938-39, the last pre-war year, and for 1942-43, the latest year for which such figures are available:

Range of Net Income (i.e., Total Gross Income as assessed to tax less the Income Tax and Sur-Tax payable thereon.)		Individuals with net incomes exceeding £150:	
		Year 1938-9.	Year 1942-3.
Exceeding £	Not exceeding £	Nos.	Nos.
150	250	4,500,000	7,000,000
250	500	1,820,000	5,300,000
500	1,000	450,000	550,000
1,000	2,000	155,000	117,000
2,000	4,000	56,000	31,750
4,000	6,000	12,000	1,170
6,000	7,000	80
Totals ...		7,000,000	13,000,000

ENEMY TRADE MARKS

Mr. R. Duckworth asked the President of the Board of Trade what steps are being taken to void all enemy trade marks in all countries, dominions, etc., now at war with Germany and Japan, or which have remained neutral during the war periods, having in mind that after the last war, marks such as Lysol, Sanatogen, Odol, Aspirin, etc., were voided in some countries, but not in all, and that throughout the present war Germany and Japan have maintained their goodwill for their trade marks in neutral and Allied countries.

Mr. Dalton: This question, which involves consultation with our Allies, is under discussion.

BILL PRESENTED

LOCAL GOVERNMENT (BOUNDARY COMMISSION) BILL

"to provide for the establishment of a Local Government Boundary Commission; to make further provision for the alteration of local government areas in England and Wales exclusive of London; and for purposes connected with the matters aforesaid"; presented by Mr. Willink, supported by Mr. H. Morrison and Miss Horsbrugh; to be read a Second time upon Tuesday, 10th April, and to be printed.—[Bill 41.]

PRESTWICK AIRPORT

Mr. Buchanan (Glasgow, Gorbals): ... remember our position. For good or for ill, we are a nation, with all that that brings—national pride, national honour, national courage. You cannot sweep that aside. You have to take note of it, and understand it. The thing I fear most in Scotland is that people will think, with the housing position as it is, that they are going back to what they emerged from before the war. We read of great things being accomplished by Scotsmen. Our people constantly say this—and it is difficult to answer them: "Is our greatness always reserved for the battlefield and the glories of war; have we no great capacities for the glory of peace production?"...

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"The masses and the individual in the mass are directed and organised to such a degree that outside the State's control and relief they become the helpless, lost victims of utter despair. This is so because every revolution, whether called political or industrial, by creating symbols of power and organisation of a new and future kind, loosens the original social fabric which generations of educationists, priests, philosophers and poets have constructed between the individuals. . .

"It is no exaggeration to say that all mankind is secretly, if not openly, waiting for the voice which will proclaim the needs of spiritual man as uppermost. The needs of material man can be more easily remedied, as has been proved by Sir William Beveridge, or by his forerunner, Prince Bismarck. . ." —Karl Otten in *The Tablet*.

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