

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 16. No. 22.

Registered at G.P.O. as a Newspaper
Postage (home and abroad) 1d.

SATURDAY, AUGUST 3, 1946.

6d. Weekly.

The Use of Social Credit

By C. H. DOUGLAS

The main objective in republishing the following article which appeared in *The Rotarian* in 1935 is to provide a standard of reference by which readers may judge the likelihood of a policy of rising prices, increased exports, and immense bureaucratic and administrative wastes and costs culminating in anything but the catastrophe which its analysis suggests.—*Editor*.

An economist is in some sense a professing doctor—sometimes, perhaps, a witch doctor—of the Body Politic. If I were asked to define the difference between a witch doctor and a modern physician, I should say that fundamentally a witch doctor accepts the diagnosis of his patient as the description of the disease from which he suffers, and the modern physician does not. Since the patient, though suffering from heart disease, quite possibly states that a "Devil" has bewitched his breathing, the Witch Doctor resorts to spells, frequently of an alphabetical nature, while exhorting his victim to exertions which a physician would condemn. Much the same distinction may be drawn in regard to the diagnosis and treatment of trade depression. The idea that unemployment is a defect of the economic system and that the present distresses of society flow from it, and can only be cured by its elimination, is both unscientific and incorrect. The sound economist observes that the best scientific, engineering, organising and administrative brains are continuously endeavouring to achieve a given amount of work with a diminishing amount of human labour, and that, therefore, an increase of leisure is both certain, and from their point of view, highly desirable. When he hears that the prime requisite for a restoration of prosperity is a restoration of confidence, he examines the nature of confidence, and finds that it grows from the experience that an intelligent line of action will always lead to a desired result, and he concludes therefore that confidence follows experience, and does not precede it. When he observes that the modern production system produces more than is sold although there are still numbers of the population of modern producing countries in drastic poverty, he does not conclude that the output of the production system should be reduced in order that it may correspond with the amount that can be bought, but he says that the amount that can be bought should be increased.

Proposals for the use of Social Credit as a remedy for the present ills are not primarily concerned with the production side of business. Probably the greatest body of expert knowledge in the world is concentrated in the production system in one form or another, and this body of opinion may be left to continue its undoubted success in the past. But

when we come to consider the distribution of the product, we are met with a less satisfactory situation. The phrase of "Poverty amidst plenty" has become enshrined amongst the clichés of the English language. Social Credit, in consequence, is primarily concerned with the distribution, and not with the administration or technique of production. Its problem is poverty, not plenty, and poverty consists of lack of money the essence of money being credit—the belief that money will do what it is supposed to do.

Economic production is interlocked with the distribution of money through the agency of wages, salary, and dividend. The existing financial system stands or falls by the perfectly simple proposition that the production of every article distributes enough money to the general public to buy that article. The orthodox economist says it does, the Social Engineer says it does not. The Socialist complaint against so-called capitalism is that money has been distributed inequitably, that is to say, that some people, the "Capitalists," get too much, and some, the "Workers", get too little. Hence the Socialist is permanently committed to a policy of "soak the Rich." It is a primary tenet of Social Credit theory that though this unequitable distribution may exist, it is a secondary consideration to the fact that not enough money is distributed to buy the goods that are for sale, and that in consequence redistribution is not an economic remedy, whilst being a political irritant of a high order.

The first point which may raise in our minds a legitimate doubt as to whether the orthodox economist is quite right in regard to this matter is that the business of making money, and the business of making goods or growing food, have no ascertainable relation to each other. Of course, the manufacturer, the trader, or even the farmer, sometimes talks about "making money." They never make money. They merely scramble for the money which is provided for them in varying quantities and under varying conditions by the bankers, with or without the assistance of the State. It is a little difficult to pin the banker down as to his own conception as to his position in the community. If he is accused of providing an unsuitable amount of money, and thus causing business depressions, or, to a less degree, frantic booms, he retorts that he is merely a business man and knows nothing about economics, a claim which he can generally substantiate. If, on the other hand, he is accused of missing a business opportunity which he does not wish to pursue, he is a little apt to retire behind a high moral obligation to the community. The point on which he is quite firm is that the initiative of decreasing or increasing the amount of money in circulation is his prerogative, and that if production or consumption are out of step with it, that is just too bad.

Now the fact that the banker can increase or decrease the amount of money in circulation with results which, though they may be satisfactory to himself, are somewhat tragic to the community, has tended to obscure the fact that we have no record anywhere of a satisfactory distribution of consumable goods to the extent that they can be produced, except in a time of expanding capital production. To put the matter in its shortest possible form, we have no evidence that in modern times the price system is self-liquidating, and every evidence to show that it is not.

The theory of this proposition is somewhat complex and highly controversial, but the inductive proofs of it are endless. One of the more obvious is contained in the constant rise of debt, stated by the Technocracy Group to be at the rate of the fourth power of Time, one hundred years being taken as a unit. Another equally conclusive indication of the immense excess of price values over purchasing power may be derived from examining the assessments for Death Duties in Great Britain and elsewhere, in which it will invariably be found that an estate alleged to be worth, let us say \$100,000 and taxed in money upon that sum, consists only to the extent of two or three *per cent.* in purchasing power, the remainder of the estate being assets of one kind or another which have price values attached to them, and require purchasing power to buy them. It is significant that in England eight years are allowed in which to pay Death Duties. It should be noticed that this confusion between assets having a price value placed upon them and purchasing power which is required to meet those price values (as if these, instead of being exactly opposite in nature, were similar) is one of the commonest sources of confusion in discussions of the money problem.

(To be concluded).

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The Two Streams

To the Editor of *The Social Crediter*

Sir, America says she may stop the Gulf Stream as well as the Gold Stream.

The real rulers of America have frozen gold, the warming stream of trade, by burying it in Fort Jackson. Now, they may freeze the soil of Europe, and of England, by stopping the warming Gulf Stream at its source, the Gulf of Mexico. They say they can do it. If it will add to their world power they will probably try to do it.

The *Evening Standard** reports that America intends to "annex" by simple proclamation 750,000 square miles of sea and the sea bed under it, out in parts to 250 miles and down to 600 feet. The assertion is that "The Continental Shelf is geographically part of the Continental land mass" of America! What would they say to our "annexing" the narrow English Channel?

Doctor Frederick Lee, a leader in the agitation to "annex", states: "If the Gulf Stream were diverted from the Straits of Florida—and we could divert it with control of the Shelf—we could do as we liked with the climate of Europe." Will they "like" to turn Europe, and England, into "a European Labrador" as Dr. Lee suggests?

The rulers of America dominate all land with their atom bomb knowledge. With her large Navy, America also rules

the waves and rules Britannia. Why so modest? Why stop at 250 miles? Why not 2,000 or 3,000 miles, all the Atlantic on one side, and of course all the Pacific on the other side? Who can stop them?

We have been warned. The plot is openly avowed. Freeze gold, freeze trade, freeze Europe, freeze England, freeze and starve all opposition and smash to dominate more easily the ruins.

The maxim of the new would-be world conquerors is not the Roman "Divide and Rule" but "Wreck and Rule."

Yours faithfully,

GEOFFREY BOWLES.

London, S.W.; July 13.

PARLIAMENT

House of Commons, July 10, 1946.

Food Supplies (Food Surveys)

Mr. William Shepherd asked the Minister of Food how many persons are engaged in the present Food Survey in calling on housewives and taking records of what each household eats; how many persons are engaged on administration of this scheme; and what is its total cost per annum.

The Minister of Food (Mr. Strachey): No officers of my Ministry are so engaged. This work is undertaken under contract by market research agencies. Within the Ministry in addition to a small clerical staff, nine persons are engaged on the administration of the survey work, and the analysis and interpretation of the data. Total expenditure on the projected food surveys in 1946/47, is estimated at £135,000.

Food (Points Rationing) Order

Sir John Mellor (Sutton Coldfield): I beg to move,

"That the Order, dated 18th June, 1946, amending the Food (Points Rationing) Order, 1945 (S.R. & O., 1946, No. 366), a copy of which amending Order was presented on 24th June, be annulled."

I do so in order to call attention to the complications of this Order. . . .

. . . The attitude of the Government on all occasions when we have objected to an Order has been that it does not really matter, because the people mainly concerned receive the information through their trade journals and so far as the customer is concerned, he can get his information from the tradesman. I submit that that is an entirely improper attitude. All these Orders create offences. If anyone commits an offence against any one of these Orders, he is, under these overriding powers, liable certainly to a fine and often to prison. None of these people ought to be placed in jeopardy by the operation of one of these Orders unless those Orders can be clearly understood. We in this House ought to be able clearly to understand all we are asked to pass. It is provided that these Orders shall lie on the Table for a period of 40 days, during which any hon. Member of this House has the right to move their annulment. The purpose of allowing these Orders to lie on the Table—

Mr. Speaker: The purpose of the laying of Orders is not the question now before the House. What is before the

* July 10. Late Edition, p.3.

House is Order 866, to which I invite the hon. Baronet to address himself.

Sir J. Mellor: The purpose of laying Order 866 upon the Table where it has to lie 40 days is to enable hon. Members to understand its implications. My protest is that in order to understand the implications of Order 866 one has to look at Orders 804, 733, 601, 449, 280 and 158, which are in 1946. But that does not end the matter. We have then to proceed to examine Orders 682, 1514, 1407, 1261, 1138, 1048 and 891, all of 1945. We have to trail back through all those Orders in order to discover the true implications of Order 866. . . . These matters are of importance to every household and therefore it is the Minister's duty and that of every hon. Member of this House to make sure that this Order 866 is properly understood before it is laid before the House. I make no apology for having moved this Motion. The Closure was most disgracefully moved—[HON. MEMBERS: "Order"].

Mr. Speaker: Did I understand the hon. Baronet to say the Closure was most disgracefully moved, and therefore accepted by the Chair? If so, I order him at once to withdraw.

Sir J. Mellor: Mr. Speaker, I made no reflection upon the Chair. I said it was a disgrace to move—[HON. MEMBERS: "No."] . . .

Mr. Speaker: I cannot accept that from the hon. Baronet. . . .

Sir J. Mellor: Mr. Speaker, with the greatest respect, you could not have accepted the Closure unless it had been moved.

Hon. Members: Withdraw.

Mr. Speaker: The hon. Baronet must not argue about this. I can accept the Closure or I need not accept the Closure. It is entirely within my province. That is the prerogative of the Speaker. Therefore, to say that the Closure was disgracefully moved, means a reflection on the Speaker. I am serious about this and I direct the hon. Baronet to withdraw that remark at once.

Sir J. Mellor: Mr. Speaker, if you so order me, of course, I must withdraw. But, Mr. Speaker, in withdrawing I ask your Ruling as to whether it was not a reflection upon the Chair when we divided against the Closure?

Mr. Speaker: No, certainly not. That always has been the custom. But . . .

Sir J. Mellor: In accordance—[*Interruption.*]

Earl Winterton (Horsham): On a point of Order, Mr. Speaker. . . .

Mrs. Florence Paton (Rushcliffe): . . .

Mr. Speaker: . . .

Earl Winterton: . . .

Mr. Speaker: . . .

Earl Winterton: . . .

Sir J. Mellor: In conclusion, may I say that I submit this Motion to annul this Order, in the hope that hon. Members will consider very carefully whether it is not proper that this House should ensure the clarity of complicated legislation.

Mr. Baldwin (Leominster): I beg to second the Motion. . . .

House of Commons, July 11, 1946:

Post Office Letter Post (Unit Cost)

Mr. Medlicott asked the Assistant Postmaster-General what is the cost to the State, calculated to the nearest ascertainable fraction of 1d., of the collection and delivery of an inland letter up to two ounces in weight.

Mr. Burke: Separate cost figures for inland letters are not available. The roughly estimated overall cost of collection, sorting, conveyance and delivery of letter packets of all kinds, which include letters, postcards, newspapers and printed papers is 1.4d. per item.

Mr. Medlicott: In view of that disclosure, can the Minister say how a Socialist Government can justify making such a huge profit out of the pocket of the consumer?

Mr. Burke: The hon. Member forgets that in that 1.4d. there is included the carriage of papers, which are cheaper than letter rate.

British Broadcasting Corporation Government Censorship

Mr. Austin asked the Lord President of the Council why, in view of the fact that under Subsection (3) of Section four of the licence granted to the B.B.C. in January, 1927, he has power to prevent any item being broadcast, he refuses to interfere in the case of particular broadcasts of an entertainment or instructional nature which have proved offensive or distasteful to large sections of the public.

The Lord President of the Council (Mr. Herbert Morrison): It is, I am afraid, clear that the B.B.C. cannot please all the people all the time and all listeners, . . .

Mr. De la Bère: Is it possible to do something about the inspired propaganda, especially as regards the American loan and petrol. What has increased petrol to do with the loan?

Mr. Morrison: I wish it were possible to do something about the hon. Member.

House of Commons, July 15, 1946.

Ministry of Supply Amphibious Vehicles (Sale)

Mr. Osborne asked the Minister of Supply whether he is aware that at the recent sale of surplus Government vehicles at Ruddington, Nottinghamshire, 25 amphibious ducks were taken out of the public auction and sold privately for about 5 per cent. of their original cost; and on whose authority and on what grounds was this action taken.

The Minister of Supply (Mr. John Wilmot): It was decided to sell a number of amphibious vehicles at Ruddington by competitive tender before the auction was arranged and they were never, in fact, included among the vehicles to be sold by auction. I have given instructions for some amphibians to be included in future auctions.

Mr. Osborne: Is it not a fact that these ducks which cost £4,000 each, were sold for £150 by private treaty? It is believed in the locality that it is a grave scandal. These ducks are at the present time earning, on the South Coast, something like £50 a day profit, and it is a scandal which ought to be investigated.

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

SUBSCRIPTION RATES: *Home and abroad, post free:*
One year 30/-; Six months 15/-; Three months 7s. 6d.

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

Vol. 16. No. 22.

Saturday, August 3, 1946.

From Week to Week

"You have observed that Cabinet Ministers have acquired the use of £1,800 fluid-flywheel Chryslers (or even a luxury plane) at our expense; have no petrol and tyre difficulties; pay no registration or toll fees; have No. 1 priority in all first-class travel; apparently suffer no food shortages; raise their own rate of pay and get 'expense' allowances considerably in excess of what is spent.

"Now this is what is called the Common Good, and so that you may work for it unflinchingly you are exhorted to austerity while the general standard of living is steadily lowered. The technique consists mainly in (1) inflating prices, thus driving down the incomes of the small business and professional men, while keeping the real wage of the worker at subsistence level by raising it nominally, thus giving an appearance of progress; (2) sabotaging capital assets by means of controls and high taxation, reducing every individual business to an unsound economic proposition; and (3) transferring as much of the population as possible to direct dependence on the Government *via* social security and housing schemes, etc.

"And thus the 'Managerial State' will be ushered in."

The New Times, Melbourne, May 3, 1946.

The speech of the Earl of Darnley in the House of Lords on July 10 affords an outstanding instance of a little recognised, but formidable problem. Perfect in form and manner, it was a moving appeal for the replacement of Power Politics by the Christian Ethic and the Golden Rule. Where, it may be asked, is there any problem in that, other than one of wholesale conversion? Let us, in order to elucidate the difficulty, compare Christianity to the Theory of Thermo-Dynamics, and assume, for the purposes of the argument, that all the essentials of that theory were widely known two thousand years ago. It is not difficult to imagine that those who grasped the implications of it might say "Here is the key to a better society. Here is the title deed to a leisure world. Disregard all else, and apply thermo-dynamics." Remember that we are assuming that James Watt was still to be born. And the world at large would have said "This man says the magic word is Thermo-Dynamics. Crucify him."

Now the fact, which ought to be patent to anyone, is that it is the Policy of a Philosophy which is important, (because it is the *evidence* of things not seen; and that Thermo-dynamics means nothing without Heat Engines, and Christianity means nothing without the Incarnation. You cannot drive a dynamo with Boyle's Law, or the "Queen Elizabeth" with Joule's Equivalent. This country is not now the Policy of a Christian Philosophy, and before it can again, as an organisation, put into practice *successfully* those

Christian principles for which Lord Darnley pleads, it must understand their application through proper mechanisms—not so simple a matter as he would appear to think it is. Failing that, "the children of this world are, *in their generation*, wiser than the children of Light." Chivalry, 'Manners makyth Man,' were imperfect Christianity; "The Century of the Common Man" is not.

Dr. Edith Summerskill, (Mrs. Samuel) in the debate on bread rationing, said the Government felt very warmly towards the Scottish Wholesale Bakers for their decision to work the rationing scheme. (We are quoting from memory of the B.B.C. bulletin of July 18, in the absence of *Hansard*.) This enthusiasm for the large "Scottish" bakers confirms our suspicion that an investigation of the Scottish Co-operative Wholesale Society is long overdue. A Co-operative Society is an organisation supposed to be financed by its members, and to distribute its profits—which are supposed to come from bulk buying and other intermediate costs eliminated—amongst its members.

Since the formation of the Labour Coalition Government in 1940, the Co-operative Societies have been buying up real estate and the good-will of competitive traders on a scale only comparable to, and reminiscent of, the purchases by Banks at the end of the First World War. The public in general, and traders in particular have a right to know where these so-called co-operatives, whose chief cooperation appears to be with Socialism, are getting the money for their immense purchases? Have they been making undisclosed and untaxed profits, or are they borrowing on special terms in return for political services rendered? The impression given by their behaviour is that they are intended for use as strike-breakers.

We hope our readers noticed that the debate on Bread Rationing "was conducted with good humour on both sides." Now let's get up a roaring campaign for the return of the "Conservatives," at £1,000 *per annum* plain, and £5,000 to £10,000 coloured.

With monotonous repetition, and unvarying success, the Red Wall-and-Pine Street Empire is in process of ejecting the Dutch from the East Indies, as it has ejected the British from India. The first step is to coin an omnibus word for the population so that a mental image may be created in the minds of the sob-sisters, depicting a united, heroic, and gallant people (like the obliterated American-Indian) struggling against white men all modelled on Simon Legree of "Uncle Tom's Cabin", conferring no benefits and grinding out astronomical taxes for the benefit of a degraded Yurrup. Hence the new nationality, "Indonesian," plugged by the "B."B.C. but unheard of ten years ago.

The "Indonesians," in fact, although not so widely heterogeneous as the "Indians" in process of being "liberated" from the predatory British, comprise at least seventy different races, in widely different stages of civilisation, from the Sundanese of West Java, a well-educated and cultured race, to the Dyaks of Borneo, whose grandfathers were expert head-hunters. The Dutch have done a remarkable job with this menagerie. They have brought order and a far higher standard of living all round than the indigenous inhabitants would ever have achieved if left alone. The sob-sisters are encouraged to suggest that, in doing this, the Dutch have done very well for themselves, which is abominable, and can only

(continued in next column).

Random Reflections on the Budget

In the course of the speeches in the House of Commons, mention was made of the complete change in the character of Budget Debates since the time of Gladstone. In his day a Budget largely consisted of the presentation by the Government in power of the proposed expenditure for the coming year and the collection of the Revenue to cover it. Since those days, by slow degrees at first, but now at a much more rapid pace, the Budget has become a vehicle for introducing into the national affairs a sociological philosophy

"From Week to Week"—(continued from page 4)

be allowed in Amurrica. It is important to notice the evidence of a common ethic running through these agitations—spoliation under the guise of egalitarianism.

While British officials and soldiers are being murdered in Palestine, and the Chief Rabbi of Jerusalem expresses his horror at the dastardly crimes "to which the Jewish people have been driven by the failure of those responsible [i.e., the British] to carry out" promises which were never made, we notice that the so-called Co-operative Movement and its Collectivist Press are steadily demanding the suppression of opinion voicing what it chooses to label "Fascism." There is only one kind of "Fascism" in this country, and that is the totalitarianism of our Socialist Government backed by the monopolistic cartels, of which the so-called Co-operative Movement is becoming one of the most dangerous. We notice various symptoms of the same kind of propaganda in the student bodies of some of our provincial Universities, and we think that attention should be maintained on the remarks of several Canadian M.P.s in the debates on the Espionage case. A surprisingly large proportion of the individuals involved in various ways were, or had been, connected with McGill University, the Principal of which is Dr. Cyril James, late of the London School of Economics. It may be coincidental that Montreal, in which beautiful city McGill University is situated, has the largest Jewish population of any city in Canada, and Mr. "Fred Rose", M.P., now serving six years for conspiracy against the country to whose Parliament he sought and received election, was Member for the Jewish quarter of Montreal-Cartier. But Mr. "Rose" was a leader of the Fifth Column. And one of its demands was that "steps should be taken to see that Fascism did not revive in Canada."

During the nineteenth century, and in fact until the ruin of this country had been compassed by the throwouts of Europe, utilised by an international oligarchy, who so fulsome in praise of freedom of speech, freedom of the Press, and the other virtues of the Political Asylum of the Persecuted as they were? Asylum appears to have been *le mot juste*. They were allowed to vilify and attack individuals and classes native for a thousand years. Now that our grateful refugees have seized, at least temporarily, the keys of power, largely by the dissemination of a mass of lies, distortions and half-truths which concealed the fact that the major defect of our civilisation was financial, and they were determined that it should not be rectified, freedom of speech and of the Press has served its turn. The only kind of freedom they are disposed to tolerate, and that only for the shortest practical time, is that variety so tellingly exposed by Sir Waldron Smithers—four Commu-Socialists, to one "Tory." It is a pretty game; but it is not played out yet.

or policy which the Budget sets out to finance. The result is that Members of the House of Commons indulge in speeches during the Budget Debate which are hardly intelligible, except perhaps to each speaker, who is inspired by either an inner-conscious notion or one acquired by rumination on the theories of such bodies as the London School of Economics. To his own satisfaction each such speaker conveys the impression that he possesses in the back of his mind an exact idea of the reformative effect of well considered taxation and that he knows precisely how his particular nostrum will work in practice. Reading such speeches, however, is more often productive of yawns than enlightenment, an enlightenment, which, if it reaches the embryonic stage, must be overshadowed by doubt about the morality of taking, without their sole consent, money from the rich to benefit the poor. That was Robin Hood's way, long previously decried by the eighth Commandment. It is difficult to believe that the Political Edifice of Virtue, which such Political Architects pretend to the ability to erect, will be secure on such foundations. Thrift as an economic foundation is reminiscent of the house which is built upon the sand. English virtue has, however, such peculiar quality that it may feel able to disregard the old fashioned truth in that New Testament allusion.

There are two practical points calling for an application to them of the Wisdom of Parliament which seem to have been overlooked by the rhapsodical speakers in the House. The first is concerned with the much talked of danger, "Inflation." As a protection against "Inflation" the Chancellor of the Exchequer appears to be relying to a great extent, on remedial "mopping up" through high taxation and National Savings. The 9/- Income Tax and the Purchase Tax are examples of the relation taxation and the £520,000,000 of National Savings which the Chancellor of the Exchequer says he is depending on towards balancing his Budget, constitute the second string to the "mopping up" bow. It is apparent, or am I mistaken in thinking? that the Chancellor of the Exchequer, as the receipts from all these heads fall into his bag, will spend them in the course of the year's National Expenditure. He has no intention of collecting them and locking them away in a chest to be gloated over as by a miser. The practical question therefore arises in what way is his spending of the amounts any more a guard against "Inflation" than if a greater part of those taxes were remitted and left in the pockets of the taxpayers who, for the most part, would pay them into a bank and use the credits at discretion? The taxpayers would not be as certain to spend the sums as must be the Chancellor of the Exchequer. That is one question. Here is another. He made, in his Budget speech, a great song, perhaps more accurately described as "a tune in his head," about the total relief from Estate Duty of estates of less than £2,000 and the partial relief from Estate Duty of estates from £2,000 to £7,500. But as he thus proclaims himself anxious to relieve the "small man" at death from that hitherto inroad on his property, how can he reconcile logically that new policy with the continued income-taxing of the whole of an annuity, which comprises partly interest and partly the return to the annuitant of a portion of his own capital? 9/- in the £ represents an estate duty of 45 per cent., a very heavy rate of death duty, but perfectly iniquitous as an *inter vitam* duty on capital. Why should annuitants be picked out for this special Capital-tax attention? The taxation of annuities is, of course, an old subject, but a Chancellor of the Exchequer

with "a tune in his heart" for the "small man" might well turn his attention to a reform if only for the sake of logic in his attitude. It is never too late to bow to reason.

Yet one other point. On the subject of Economies, Mr. Dalton challenged his critics to say what economies can be effected. Both he and Mr. Assheton appear to agree that there can be no going back on the programme of reform, which, they allege, the people voted for. One of the reforms, and a costly one, is the National Health Insurance Scheme ("Eventually it is going to cost £152,000,000," according to a member of the House, but many times that annual sum according to other estimates.) The question is—What is the authority for alleging a popular vote in favour of that particular measure, when "the People" have been given no information in a form which enables each individual to work out, under the contributory heads of stamps, rates and taxes, what his total annual payment is to be? Quite recently Mr. Dalton, in answer to a question by Sir Waldron Smithers, said that the cost would be the equivalent of a 9d. income tax. Is it not curious in these days of "intolerable" income tax to be not only foisting a plan of that burden on the country, but doing so under a false allegation that the people have voted for it? How can the people be rightfully held to have voted for anything, about the cost of which they have never been told in intelligible terms? To speak of hundreds of millions a year conveys nothing concrete to anybody, as the utterers of the millions well know. Here then is a possible way to a substantial economy. Refer to the electorate the acceptability or non-acceptability of the National Insurance Scheme with a full explanation of its poundage cost, in order to ascertain whether that economy is desired or not. If it be, it will greatly ease the Budgetary position of the country and of the present Chancellor of the Exchequer.

There is one final point. The 9/- Income Tax was generally described in the House as "intolerable." Large numbers of Taxpayers have been able to readjust their income by increases during and since the war, but some taxpayers have not been in that happy position. They have had to bear the heavy rate on a fixed income which has remained at the same figure throughout the war and now. Are not such entitled to a reduced rate of tax (adjustable by repayment at the end of the financial year), owing to their having been unable to alter their position, as have their more fortunate brethren, M.P.s. amongst them?

W. B. LAURENCE.

PARLIAMENT

(continued from page 3)

Mr. Wilmot: I have said that they will in future be put in the public auction. These vehicles were sent to Ruddington for breaking down before the auction was decided on. . . .

Question of Privilege

Captain Crookshank: With your permission, Mr. Speaker, I should like to ask for your guidance on what may or may not be a matter of Privilege, but which at any rate

has troubled some hon. Members, including myself. I have received a letter, and I think many other, if not all, hon. Members, and possibly you, Mr. Speaker, have received similar letters, from an organisation which I must admit I had never heard of, called Service Equity. It is a printed document, and it is not signed, although the name of the secretary is shown at the bottom as F. R. Muddle—there is nothing to show whether it is a Mr., Mrs., or Miss. The letter, with which I need not trouble you, Mr. Speaker, deals with some service organisation. It is the last sentence which, in this connection, is of importance, and I will read it to the House.

"In the event of no reply, we shall be forced to assume that the Member of Parliament concerned is against us." . . .

Mr. W. J. Brown: In view of the fact that Erskine May lays it down that it is improper to influence by threats Members of Parliament in their conduct, may we assume that the doings of Party Whips in this House are equally out of Order?

Mr. Speaker: The hon. Member speaks as an Independent, and I do not know what his Party Whips try to do.

House of Commons, July 16, 1946.

Bread Rationing (Petitions)

Mr. Norman Bower: I beg to ask leave to present to the House a Petition, signed by 300,000 people in all parts of the country, which states that the petitioners are already undernourished—[HON. MEMBERS: "Oh."] . . .

Mr. Skeffington-Lodge: May I take it that none of the petitioners' claims to have been a prisoner at Belsen concentration camp?

Sir Waldron Smithers: I beg to present a humble Petition of the undersigned residents in the Parish of Chelsfield and its vicinity, in the County of Kent, which: . . .

Supply: Broadcasting

Mr. Henderson Stewart (Fife, East): . . . I am not aware of any special efforts having been made to seek support for the Motion put upon the Order Paper recently by the right hon. Member for Woodford (Mr. Churchill), but I observe that it has now 211 names attached to it. [That the question of the renewal, with or without amendment, of the Charter of the British Broadcasting Corporation be referred to a Joint Select Committee of both Houses.] We know that the right hon. Gentleman the Lord President of the Council is not particularly impressed by that type of demonstration; nevertheless it is an important fact that about one-third of the membership of this House has signified a desire for a full-dress inquiry into the working of the broadcasting system before the Charter ends. . . .

The Lord President of the Council (Mr. Herbert Morrison): . . . I must confess that the appearance of this Motion on the Order Paper was a matter of some surprise to the Government, because many of those subscribing to it were Members of the Coalition and "Caretaker" Governments, and must have known at that time that the future of the B.B.C. was being carefully examined by Ministers. . . . Why was the

right hon. Gentleman the Member for Bournemouth (Mr. Bracken) so slothful as the responsible Minister in the Coalition Government in not seeing to this inquiry which he and his friends now want all of a hurry and at this very late stage?

Mr. Bracken: Does the right hon. Gentleman mean when we were in office?

Mr. Morrison: When we were all in together.

Mr. Bracken: As the right hon. Gentleman makes that assertion, let me tell him that were it not for the interference of the General Election I imagine that a committee of inquiry would now be sitting on the B.B.C. It certainly was clearly the intention of the "Caretaker" Government and, I think, of its predecessor to grant an inquiry into the B.B.C. . . .

Mr. Morrison: The right hon. Gentleman is in danger of trouble and I am in danger of trouble if I dare to follow him, for if we are not careful we shall both reveal Cabinet secrets and we cannot do that without authority. However I challenge entirely his assertion that either of those Governments had decided in principle that there should be a public inquiry, and if the matter is to be pursued and the necessary authority given, I could indeed reveal the facts and tell a very good story on the matter. I merely tell a very convincing one. . . .

Mr. W. J. Brown (Rugby): Before I went to America, I published an article in the *Sunday Pictorial* calling for candidates to fight by-elections. That was during the war. When I came back from America, I fought a by-election at Rugby and won it. From that day onwards I had nothing but trouble from the B.B.C. It bothered me a great deal. Finally I went to see them. This is what transpired—and when I am told that the B.B.C. is not susceptible to pressure groups and the rest of it, I denounce those statements as nonsense. This is what I was told by the B.B.C.: They said, "The circumstance that a man is a bad broadcaster enables us to keep him off, provided he does not hold office. The circumstance that he is a good broadcaster does not of itself enable us to put him on, because other things have to be taken into account. For example, if there are too many Members of the Labour Party broadcasting there is a row from the Tory machine. If there are too many Tories broadcasting there is a protest from the Labour machine. If, however, an Independent broadcasts, even if he does it superlatively well, there is a chorus of protests from both parties!" After that experience it is no good asking me to believe that the B.B.C. operates in an atmosphere of impartial detachment from party ties and loyalties.

Mr. Blackburn: Surely the hon. Member remembers that Independent Members of this House have had a disproportionately large share of broadcasting. The hon. Member for Bridgwater (Mr. Bartlett) is almost the sole adviser on foreign policy to the B.B.C. The hon. Member for—

Mr. Brown: I take the point. As the right hon. Member for Woodford (Mr. Churchill) said in this House during the war, the hon. Member for Bridgwater is much less a Member of Parliament than he is a journalist and a broadcaster. His journalistic and broadcasting reputation was established long before he came to this House, and he has continued to carry on with that journalistic and broadcasting work. That case does not answer what I have just said. That is my first criticism—that improper pressure is

wrongfully applied to the B.B.C. from the party organisations of this country.

My second point is that there is no room in the B.B.C. for heresy, and the intellectual life of the nation depends on there being a reasonable freedom for heresy. It is timely that I should say this, because as we progress towards totalitarianism the position of the heretic will get more and more difficult, as we have seen in the history of Russia, until finally the expression of heresy, as in the case of Trotsky, may bring a pickaxe down across one's head. . . .

. . . There can be no freedom in a totalitarian State, whether it is nominally Fascist or nominally Communist. [*Interruption.*] . . .

Mr. Pickthorn (Cambridge University): . . . The general policy of the B.B.C. is the day-to-day work of the people who choose the stuff, and the two are not distinguishable. . . .

. . . They almost all, I think, believe themselves to be the evangelists of a new political dispensation which shall combine liberty with governmental control of all economic processes. I believe that most of them honestly believe themselves to be the evangelists of such a gospel. I think it is nonsense, in the strict sense, but I think they believe it. If so, I beg them to consider this: They have never faced, in any public Debate I have heard of, the difficulty that if you have a single authority controlling the production and distribution of all material goods, how on earth are you to have any freedom in the production and distribution of immaterial goods—ideas and sentiments? It is not an easy problem to answer, but if they do not answer it they will not last long. There will be a human reaction against Socialism which will kick Socialism to smithereens. . . .

House of Commons, July 17, 1946.

Bread Rationing (Petition)

Sir Henry Morris-Jones: I beg to ask leave to present to this Honourable House a petition, signed by 514 housewives of the town of Llangollen in the country of Denbigh. . . .

House of Commons, July 18, 1946.

Bread Rationing (Petitions)

Sir Waldron Smithers: I beg to present a Petition to the honourable Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled. This humble Petition of the undersigned persons resident in Ruislip, Middlesex, sheweth: . . .

Mr. Maude: I beg leave to present to this honourable House two petitions from certain citizens of the loyal city of Exeter. The material allegations in the first petition are that the bread rationing will impose unnecessary hardship, particularly on the poorer classes, and the aged people. . . .

Brigadier Low: I beg leave to present to this honourable House a Petition signed by 11,890 housewives from all parts of Blackpool. The housewives pray that bread shall not be rationed . . .

Mr. Driberg: On a point of Order. Might I respectfully draw your attention . . .

Mr. Cocks: Further to that point of Order. Could not these Petitions be taken as bread?

Viscount Hinchinbrooke: I beg leave to present two

Petitions, the first signed by a number of housewives in the borough of Wareham, Dorset . . .

The second Petition, signed by a large number of housewives in Portland, Dorset, makes the same statement and concludes . . .

Privilege (Poster)

Mr. John Freeman: In accordance with notice, which I have already given you privately, Mr. Speaker, I beg to draw your attention to a matter concerning the Privilege of this House. I have here a copy of a poster which has been posted up in London this morning . . .

The contents of the poster are as follows:

"The names of M.P.'s voting for bread rationing in the Commons on Thursday will be published here as public enemies and dictators. Face the Facts Association, 6, Lower Sloane Street, S.W.1."

Mr. Speaker: After what I had to say the other day, it must be perfectly obvious that I must declare this to be a *prima facie* case of breach of Privilege.

Mr. Oliver Stanley: . . . Can I ask, therefore, what distinguishes the case of Mrs. Tennant, today, which is, *prima facie*, a breach of Privilege, from the case of Mr. Muddle on Monday?

Mr. Speaker: I think it most extraordinary that I should be asked to give reasons, and I must deprecate that most strongly. . . .

Question put, and agreed to.

Bread (Rationing) Order

Mr. Churchill (Woodford): I beg to move,

"That the Bread (Rationing) Order, 1946, dated 12th July, 1946 (S.R. & O., 1946, No. 1100), a copy of which was presented on 15th July, be annulled."

The House divided: Ayes, 182; Noes, 305.

House of Commons, July 22, 1946.

India:

Central Internment Camp, Dehra Dun

Mr. Gallacher asked the Under-Secretary of State for India how many persons, and of what nationality, are at present lodged in the Central Internment Camp at Dehra Dun in the special wing called the anti-Nazi and anti-Fascist Wing No. 2; and on what grounds are any of such persons so detained.

The Under-Secretary of State for India (Mr. Arthur Henderson): As the reply is somewhat long and contains a number of figures, I will, with permission, circulate it with the OFFICIAL REPORT.

Following is the answer:

I have received a report from the Government of India stating that the total number of internees in Wing 2 is 69, made up of 35 Germans, 9 Italians, 14 Bulgarians, 4 Hungarians, 1 Rumanian, 3 Yugoslavs and 3 Czechs. All but nine of these persons were sent during the war from other countries to India for detention, and as soon as the necessary arrangements have been made they will be returned to their own countries or to the countries from which they have been received. Of the nine who were interned while in India, two wish to be repatriated and the remainder, whom the Government of India are not prepared owing to their record

to release in India, will also be repatriated as soon as arrangements can be made. As regards the 60 internees received from abroad the Government of India is not aware of the reasons for their original detention by the Government from whom they were received. I am asking the Government of India for the grounds on which the other nine were interned, and will communicate the reply to my hon. Friend.

Ministry of Supply: German and Italian Motorcars

Mr. Shawcross asked the Minister of Supply whether he will provide facilities to British manufacturers to manufacture or assemble in this country German and Italian motorcars such as the Volkswagen, the Fiat 500 or other motorcars costing only £80 to produce.

Mr. Wilmot: Proposals have been received for the manufacture in this country of certain makes of German and Italian motorcars; they are now being examined.

Motorcars (Prices and Designs)

Mr. Shawcross asked the Minister of Supply whether he is aware that the prices of many popular makes of new British motorcars are more than 100 per cent. above prewar level, although the costs of labour and material used in their manufacture and assembly have risen less than 70 per cent.; and what steps he proposes to take to prevent further increases in the prices charged for new motorcars.

Mr. Wilmot: I would refer my hon. Friend to the reply which I gave to the hon. Member for Preston (Dr. Segal) on 1st July.

B.B.C. (Governors, Conditions of Appointment)

Sir Ian Fraser asked the Assistant Postmaster-General whether on the appointment of the new governors to the B.B.C., he continued the war-time practice of asking for undertakings from, and giving instructions to, them and in what form.

Mr. Burke: No undertakings were sought from the recently appointed Governors, nor were any instructions given to them on appointment. At the stage, however, when they were invited to accept the appointments they were informed of the conditions of their appointments in the following terms:

(1) Governors of the British Broadcasting Corporation act primarily as trustees to safeguard the broadcasting service in the national interest;

(2) with the Director-General, they discuss and then decide upon major matters of policy and finance, but they leave the execution of that policy and the general administration of the service in all its branches to the Director-General;

(3) Governors should be able to judge of the general effect of the service upon the public and are, of course, finally responsible for the conduct of it;

(4) under Clause 12 (b) of the Charter a Governor is disqualified if he holds any office or place of profit in which his interests may conflict with the interests of the Corporation.