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Australia's Declining Production

The following is a passage from a speech by the Hon. Arthur Fadden, delivered in the Federal House of Representatives on September 20:—

An alarming condition of affairs prevails in rural industries today, and Australia's internal and external economy, and our responsibilities to our kith and kin in the United Kingdom, and to the starving millions of the world, demand that it be corrected. Admittedly, adverse seasonal conditions and a natural decrease of the productivity of the land have contributed to this dangerous and alarming decline, but much of it is due to artificial factors for which the Government is to blame.

Official rural statistics, which have just been released, are most disturbing. They reveal a position which demands immediate and practical consideration by the Government.

Throughout Australia, the number of sheep this year was 15,300,000 fewer than in 1939, and 673,000 fewer than a year ago.

Indeed, the figure for 1947 is the lowest recorded since 1924.

This is the second consecutive occasion on which the numbers have fallen below 100,000,000 since that year.

Again, the number of dairy cows this year is 197,000 fewer than in 1939. The total number of dairy cattle continued to decline in 1946-47. In 1943, when the Commonwealth Statistician first recorded dairy cattle separately, they numbered nearly 5,000,000. By 1944, the number had declined to 4,900,000; in 1945 to 4,800,000; in 1946 to 4,600,000; and this year to 4,590,000. The decline was most marked in New South Wales, Queensland and Western Australia.

In regard to the number of beef cattle, the figures show a steady decline from 9,300,000 in 1945 to 9,200,000 in 1946, and to 8,800,000 in 1947. Although the total number of cattle showed an increase of 565,000 over the figure for 1939, there were 451,000 fewer cattle than last year.

The number of pigs decreased from 1,700,000 in 1944 to 1,200,000 in 1947.

There has been a continuous decrease of the number of dairy cattle.

In Queensland the situation is just as alarming.

The number of sheep in that State in 1947 represented only 63 *per cent.* of the number in 1943, and there are now fewer sheep than there have been for 30 years, while prospects for the production of meat and wool have also been most adversely affected.

There were only 5,900,000 cattle in Queensland this year, which is the smallest number since 1933, and this represents a substantial decrease of last year's figure of

6,500,000. Since 1943 there has been a continuous decrease of the number of dairy cattle.

The total area under crop in Australia in 1945-46—the last year for which figures are available—show that there were 3,000,000 acres less than in 1938-39.

There were nearly 8,000 fewer rural holdings than in pre-war years, while the total area of land used for rural purposes was 1,900,000 acres less than in 1942-43.

Compared with the figures for 1938-39, the total area under wheat in 1945-46 was less by 2,900,000 acres, under barley by 45,623 acres, under maize by 88,417 acres, under hay by 500,000 acres, under sugar-cane by 31,632 acres, under cotton by 58,772 acres, under tobacco by 3,948 acres, and under orchard and fruit gardens by 2,415 acres. Those statistics reveal a decrease of the areas used for the production of eight important crops, and should be sufficient to cause the Treasurer and his colleagues to initiate a searching inquiry into the reason for this appalling situation.

When we consider the figures relating to rural production, we find that they are equally disturbing. Milk production in 1945-46 was 112,000,000 gallons less than in 1938-39, butter production fell below the pre-war production by more than 53,000 tons, while wool production declined by 47,300,000 lb., and wheat production showed a decrease of approximately 13,000,000 bushels.

The number of persons permanently employed on rural holdings last year was 19,000 fewer than in 1938-39, and lower by at least 27,000 than in 1937-38.

Production of silver and gold in 1945-46 was lower than during any wartime year. In 1946, production of silver fell below the 1939 figure by more than 3,000,000 oz., while production of gold declined by more than 770,000 fine oz., and of lead by 62,000 tons. . . .

The production of wire has decreased from the pre-war figure of 12,000 tons to approximately 7,800 tons.

The production of bricks, which is averaging about 40,000,000 a month is only approximately two-thirds of that of the pre-war year.

These highly unsatisfactory results have been achieved during the term of office of a Government which claims that it was responsible for the re-absorption into industry of more than 420,000 ex-servicemen. If we are to believe Government propaganda the highly unsatisfactory statistics which I have quoted are the results of the country's effort at a time of almost 100 *per cent.* employment. But the most disturbing feature is that only 50,000 ex-servicemen have returned to the land, and two and a half times that number have sought employment in factories.

The Government cannot plead that it has been handicapped by lack of money, because it has enjoyed complete control of the nation's credit. Since 1945, and even before, it has possessed dictatorial powers over the national banking system.

PARLIAMENT

House of Commons: December 12, 1947.

Palestine

Mr. Dodds-Parker (Banbury): . . . we must appeal to the Zionists to restrain those hotheads among them who are appealing to forces inside and outside Palestine not to regard this present settlement as permanent. On page 8 of the *Manchester Guardian* to-day there is a statement by the Hebrew Legion that this settlement should not be regarded as final, and they state that they aim at the whole of Palestine and not just the awkward, truncated part allotted to them under partition. If such ambitions are to be stirred up on the one side, I must take the opportunity of warning those Zionists that there will be reprisals and that reprisals can be taken against those unfortunate Jews, as the hon. Member for Ipswich pointed out, who are amongst the Arabs in such numbers and have nothing to do with the present quarrel.

Mr. Mikardo: I am sure everyone would wish to associate himself with the appeal that the hon. Gentleman is making to the Arab countries with regard to their behaviour to the Jews within their boundaries, but I think we should not blind our eyes to the fact—and I am sure the hon. Gentleman will agree—that the only anti-Jewish pogrom which has so far taken place in an Arab country has taken place in a British Colony.

Mr. Dodds-Parker: I quite agree, and it is most unfortunate that that should have taken place; but I am warning the Zionists that here is a very genuine fear, which has existed for a long time, that the Zionist claim is not to be limited to Palestine—that they may prepare a movement on the lines of the *Volkdeutsche* movement when Hitler came to power, and which stirred up German minorities living in countries across the world from Patagonia to the Volga. There is a fear there might be a movement which would suggest that because, say, there are 100,000 Jews in Baghdad, the Jews had a claim on that city and to other regions outside the present boundaries of Palestine. We heard an hon. Member say yesterday that Transjordan is part of Palestine, and so the claim has already gone forth for land outside the boundaries of Palestine as they are to-day. . . .

Dr. Santo Jeger (St. Pancras, South-East): . . . The hon. and gallant Member for the Isle of Ely (Major Legge-Bourke)—whom I am sorry to say is not here—spoke of the great natural wealth of Palestine, saying that there were all sorts of things under the surface. He talked about gold under the Dead Sea, but he did not mention uranium, although I am pretty sure there is uranium in Palestine. The hon. and gallant Member seemed to regard the attitude of everybody, Jews included, towards Palestine as being another great hush-hush mystery. He seemed to suggest that there was a great conspiracy to keep everything in the dark. The only thing lacking in his great mystery story was the old exploded Protocol of the Elders of Zion, which to my great surprise has not yet been introduced in this Debate. . . .

Mr. Beverley Baxter (Wood Green): . . . even the most ardent Zionists, should recognise, that out of the population of Jews in the world Britain was responsible for the happiness and security of 600,000 of those people. Especially, the "bad hat" crowd in New York, who did so much to finance the Zionist Movement in Europe against us, should take cognis-

ance of this fact, and realise their responsibility for many things which have occurred. I would say to them, if my voice could possibly carry across the Atlantic, that they failed to realise what we were doing for them, and that they only increased the suffering of their own people by those methods.

When we were in the unhappy position of having to bring back that convoy of ships from Palestine I thought it a dreadful thing to put those people back into Germany, because, although there are supposed to be no Nazis left, that dark country, with its persecution of the Jews, has not altered fundamentally, and it must have been a cause for despair to those people, who had hoped to reach Palestine, to be turned back. I wish the Government had sent those ships on to New York. I say that with an absolute sense of responsibility. Why not? There is room for them in America, lots of room, and it was from America that this violence was financed. I wish His Majesty's Government, instead of turning those people into Germany, had sent them to America. I believe the Americans, with their combined sense of justice and humour, would probably not have resented it. It would have put the proposition at the door where it belongs.

Mr. Orbach (Willesden, East): . . . It ought to go on record that the Members who have been responsible for making such insinuations know perfectly well that they have been talking the most arrant nonsense, the same type of nonsense as I received in a letter from a constituent of mine who, writing quite seriously, said:

"There are 150 Jewish Members of the House of Commons and, apart from one or two like yourself, all the rest are relatives of the 150."

Those of us who have made a study of this problem know perfectly well that there are 28 Members of this House who are of the Jewish faith, and who are prepared to declare that they are members of the Jewish faith. Almost all of them are at variance with each other on the different subjects which we discuss here. . . .

. . . I welcome the fact that representation is to be given to all persons above the age of 18. It seems to me to be carrying democracy a stage further even than in this great country. In so far as there is to be transit permissible for persons from one of the states to the other without let or hindrance, we have something we ought to be thankful that the United Nations has agreed to. In so far also as every individual in the present state could opt as to what particular state he would belong, we ought to thank the United Nations for reaching that useful conclusion.

Having said that, we have to say one or two words—and I would follow the hon. Member for Reading (Mr. Mikardo)—about the economic position of Palestine and about the economic position of this country. One hon. Member opposite yesterday who discussed world Jewish sovereignty, and everything else contained in the Protocols of Zion, without mentioning it, that in Palestine there is a great deal of gold. Thousands of millions of pounds were mentioned. I do not think that anybody in this House is seriously concerned about that. Getting gold from Palestine would be almost like getting gold from Fort Knox for redistribution all over the world. But he did say there was potash in Palestine, one of the products of the Dead Sea, as a result of the engineering and chemical operations for which we are all very grateful. Another hon. Member said that uranium might be found. . . .

House of Commons: December 15, 1947.

Economic Secretary to the Treasury (Duties)

Mr. Pitman asked the Prime Minister what are the functions to be performed by the Economic Secretary to the Treasury.

The Prime Minister: Put very shortly, the Economic Secretary will assist my right hon. Friend the Chancellor of the Exchequer on questions of general economic and financial policy and planning.

Artificial Insemination

Sir J. Barlow asked the Minister of Agriculture whether he is aware of the criticism in dairying districts, especially in Cheshire, concerning the free issue of beef bull semen, as it is likely to prejudice the dairy herds of the future; and whether he will take steps to stop this practice.

Mr. T. Williams: I am aware that there has been some criticism on these grounds. The free provision of artificial insemination from colour-marking beef bulls is intended to encourage the breeding calves suitable for rearing for beef only from those dairy cows which are unfitted for the breeding of dairy replacements. I am confident that the degree of control which will be exercised by officers of my Department will be sufficient to prevent abuse, and I do not propose to vary or terminate the arrangements.

House of Commons: December 16, 1947.

Oatmeal (Points Rationing)

Mr. Spence (Aberdeen and Kincardine, Central): I beg to move,

"That the Food (Points Rationing) Order, 1947 (Amendment No. 4) Order, 1947 (S.R. & O., 1947, No. 2586), dated 3rd December, 1947, a copy of which was presented on December 8, be annulled."

I wish to direct attention to page 2 of the order, paragraph (h), which is that part which, once again, puts oatmeal on points. So far as I understand it, oatmeal is to be on points at four points a pound. I say at once that it is fully appreciated by hon. Members on this side of the House that we have had a short crop of oats this year due to the late winter and the very great drought in the summer.

... In 1946 we had an oat crop of three million tons. In 1947 our oat crop was 2,500,000 tons. In both cases, I have included imports from Canada, thus showing the oats available to the Minister for disposal before he considered the terms of this order. Perhaps hon. Members who have not gone into this matter in detail do not appreciate the fact that all that is used for milling, malting or flaking—that is, for human consumption or alleged human consumption—is only 12 per cent. of the total crop. In the year 1946, the amount allocated to the millers, the maltsters and those who make oat flakes, was 350,000 tons from a total crop of 3,000,000 tons. There we have a clear picture. The great proportion of our oat crop is fed to animals. I wish to make that point clear, for it has been said so often, that we must not allow oatmeal to be free of points because someone might give it to chickens. The main oat crop of the country is allocated for animal, and not for human, consumption. That is a fact that cannot be gainsaid. These figures are taken from the returns of the Ministry of Food and the Ministry of Agriculture.

Oats are used for three purposes. There is the seed for

next year which amounts to 12 per cent. or a little more. That cannot be reduced because we must ensure next year's harvest. Approximately 12 per cent. of the total crop is for human consumption, and the remaining 76 per cent. is fed to stock. . . .

I want to deal first with our objections to the rationing system as it stands, under which oatmeal is raised to four points per pound all over Britain. Let us remember that, last July, when oatmeal was put on points, it was then on a basis of two points per pound, and we then had 32 points for our monthly allocation. To-day, oatmeal has gone up to four points a pound, and we only have 28 points for our monthly allocation. The position which has arisen to-day for a heavy oatmeal user who does not happen to be an agricultural worker is that he must give 28 points to get half a stone of oatmeal; in other words, he has to sacrifice the whole of one month's points for 7 lb. of oatmeal, and, as I shall soon show, that is entirely inadequate.

During the last week-end I had a very short survey made of the consumption of oatmeal by ordinary families in the part of Scotland in which I live—not agricultural workers, not workers who are necessarily hard workers in the country. I took 12 families whom I knew normally used a good deal of oatmeal, and I was able to get the oatmeal accounts for the whole year, and I can assure hon. Members that the figures are correct. The picture that is shown is really quite amazing. These people were warehouse workers, lorry drivers, motor mechanics and office workers, and I took 12 families, who had a total of 43 people with ration books in their households.

The statistics revealed that 12 wage-earners, supporting 43 consumers, including themselves, had a monthly need of 25½ stones of oatmeal, which is what they had been used to buying. The combined points buying power of the 43 people is 1,204, and that is required for oatmeal alone. No fewer than 1,428 would be required to buy the oatmeal they need, which shows a deficit of 224 points. Assuming that every point is expendable on oatmeal, the immediate reduction of the buying power of the 43 persons is 56 lb. a month, equal to 1.3 lb. per person, but no household can afford to give the whole of its points to buy oatmeal, and I maintain that my case is proved that on certain sections of the community—I do not say all—this order will inflict very great hardship indeed.

The Parliamentary Secretary to the Ministry of Food (Dr. Edith Summerskill): It is not often that I interrupt, but may I ask the hon. Gentleman whether he also inquired whether these families kept chickens?

Mr. Spence: I did not do so, but I should be very glad to make inquiries and inform the hon. Lady in due course.

Sir William Darling (Edinburgh, South): Do not these people live in towns?

Mr. Spence: I thank my hon. Friend for his help. These people live in towns. I could give another instance where there is a blacksmith in my constituency whose family consumes a ton of oatmeal a year if they can get it. So that we are not exaggerating when we say that people do need oatmeal. . . .

... There is no suggestion that the people of Scotland want to have all their bread and an extra helping of porridge, as the hon. Lady suggested last year. It is simply that a very

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From Week to Week

The *Daily Herald* apparently asked Colonel Robert McCormick, of the *Chicago Tribune* and a virulent Anglophobe, to contribute his views of present-day Great Britain. Under the plea of lack of newsprint, the publication of them did not materialise.

We never expected to find ourselves in agreement with Colonel McCormick, but we have seen the article, can easily understand why it did not suit *The Daily Herald*, and concur with almost all of it. What could be better than this:

"Today, your system is revealed as all sail and no anchor. You are no longer teaching constitutional government to Europe; you are adjusting your governmental forms in more or less candid imitation of the dictatorships on the Continent."

It is really rather remarkable (or is it?) that the article is almost entirely devoted to the Constitutional question. Colonel McCormick moves in circles which have been attacking and undermining the British Empire since at least the later nineteenth century, and, our downfall having been accomplished, evidently has no reason to refrain from explaining the cause of the debacle.

It view of its capture by the pro-Zionist infiltrators in Alberta, it may be advisable to state that *The Canadian Social Crediter* is not, and never has been, affiliated with *The Social Crediter* or the Social Credit Secretariat. A somewhat precarious sympathy of policy has been maintained, largely by the single-hearted devotion of Mr. Gillese, the Editor-in-Chief, who has just "resigned". This link will certainly be broken, and it is more advisable than ever to scan the sources of any information which comes from the re-orientated Social Credit Government, and its press.

The *Calgary Herald* an honestly anti-Social Credit daily of respectability, evidently finds the situation just a little too much for its stomach, and in a leader entitled "Dropping the heretics, or dropping the Faithful?" remarks in this connection "Norman Jaques, M.P., has been informed that his anti-Semitic (*sic*) diatribes have no place in the chaste—or chastened—pages of the party organ. The writings of Major C. H. Douglas will also be subject to purification." . . . "Is there a Manning Social Credit, or a Low Social Credit, distinct from Douglas Social Credit? Or has the government so far departed from the true philosophy that it can no longer countenance the very teachings that gave it birth? Is it the heretics who are going to the scaffold—or the true believers?"

There is a sub-acid reflection on human nature in this which pleases us. We congratulate the *Calgary Herald*—we couldn't have done it better ourselves. The leader-writer even says all he wants to say, without even once mentioning the word "Jew".

It is to be hoped that no Social Crediter will miss the lessons which Alberta affords or fail to derive both benefit and encouragement from them. The most depressing, and dangerous, situation which could have arisen in Edmonton would have been that the present, or any popularly elected government should be left to work out its own salvation.

That would have meant that its failure could be foreseen as certain and automatic.

We cannot too often re-affirm our complete disbelief in d'markrazi, and its constituent Party system *as at present operated* and our aversion from Social Credit Parties is if anything stronger than from any other. There were special and quite possibly unique, circumstances which brought Mr. Aberhart to power, and he was an unusual man. He was learning, and he "died"; and the opportunity which he had had only very partially been grasped. Unless the population of Alberta can grasp the elementary fact that they must stop firing into the brown, and locate the enemy, then, if the Gods are good to them, and they are given other unusual men, these will also "die" if they show signs of learning. And soon, there will be no opportunity left to grasp.

In this connection, and with due warning that "the letter killeth, but the spirit maketh alive", we quote from "The Jewish Encyclopædia": "His (Jesus) life, although indirectly of so critical a character, had very little direct influence on the course of Jewish history and thought. It is difficult to decide the question whether Jesus contemplated a permanent organisation to carry out his ideas. *The whole tendency of his work was against the very idea of organisation.*" (Our emphasis).

This is, of course, the problem of the group and the individual, which Jesus understood perfectly; perhaps as no one else has ever understood it. Organisation is magic; and the man who touches a high-tension "Grid" circuit, is wise in comparison to the dabbler in magic.

"The Tragic Paradox"

"The brand on the brow of our generation, and the source of its disruption and decadence, is the tendency, every day more obvious, to insincerity, a lack of honesty; and this not merely as an occasional expedient, a contrivance to save one from embarrassment in moments of unexpected difficulty or of obstacles unforeseen. No; today it amounts practically to a system. It has been raised to the distinction of a strategy, in which the lie, the garbled word or fact, and trickery, have come to be accepted weapons of offence which some people wield with the skill of professionals, boasting even of their competence. So, as they view it, the suppression of all sense of right and wrong has come to be part and parcel of modern technique in the art of forming public opinion, controlling it and making it serve their political ends. For they are bent on winning at any cost the battle of class interests and theories, of ideologies and power politics.

" . . . When Herod of old was plotting anxiously to slay the Babe of Bethlehem, he hid his plans under a pious mask and tried his best to make the honest Magi into unwilling spies. Likewise today his modern imitators move heaven and earth to conceal their real purpose from the masses and make them the unconscious instruments of their designs. But once they have won power and feel the reins securely in their hands, little by little they let fall the veil and pass by successive stages from the oppression of the dignity and liberty

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Inflation

It is of vital importance that the key demonstrations which together constitute the case for Social Credit should receive simultaneous expression. This is exactly what the authors of the Revolution are bent upon preventing, and whereas large-scale organisations, business or political, meet deeply considered and organised opposition late rather than early in their progress, and after rather than before they have secured for themselves an adequate 'platform', personal and financial, we, owing to the exceptional insight displayed by Major Douglas into the realities of the world historical development, have to make headway, if at all, in face of powerful, resourceful and determined opposition from the start. Most if not all issues of *The Social Crediter* contain material carrying forward the argument 'on all fronts'; but we appreciate that, to make full use of it, reference backwards and forwards is an assistance, and readers have not the time to complete this preparation for themselves. As a collateral rather than a subordinate service in helping readers to extend the influence of the paper, we print the following collection of references on the Inflation issue:—

Now there is one unchanging feature of every social, economic, and military conflict of the last two thousand years at least. Governmental systems may change, kings may be replaced by presidents or dictators, feudal customs may give way to oligarchies or soviets. Through them all runs the dual thread of money and prices.

Yet this purely artificial, and fundamentally helpful system has been the target of attack throughout the ages. Not once, but many times, men have risen to denounce the evils which they have traced to its perverted use. And all these men, as far as I am aware, have come to the same conclusion. The evils which have arisen from a defective use of the credit system are without exception due to the use of it as an instrument of policy and not as an accounting and distributive system. This is the financial embodiment of the basic cleavage between Socialism and Social Credit, between Judaism and Christianity.—C. H. DOUGLAS, *Programme for the Third World War*, p. 54.

Shortly, the characteristics of inflation are: enormous increase in production, fantastic rises in prices, speculation, submergence of the professional and so-called cultured classes, centralization of economic power, and industrial serfdom. There is little unemployment, at any rate for a time, but if you are unemployed, you starve immediately. Your immense output cannot be internally absorbed . . . the urgent necessity of markets means certain war, sooner or later, and the greater the inflation the sooner the war must come. In the meantime, however, you become more capable of the immense output which war demands; and your centralized industrialists, who do not expect to line the trenches, regard the prospect with complacency.—C. H. DOUGLAS, *The Breakdown of the Employment System*, p. 3.

If I have made myself clear, you will see that credit issue and price-making are the positive and negative aspects of the same thing, and we can only control the economic situation by controlling both of them—not one at a time, but

both together, and in order to do this it is necessary to transfer the basis of the credit-system entirely away from *currency*, on which it now rests, to *useful productive capacity*. The issue of credit instruments will then not result in an expansion of money for the same or a diminishing amount of goods, which is inflation, but in an expansion of goods for the same or a diminishing amount of money, which is deflation.—C. H. DOUGLAS, *The Control and Distribution of Production*, p. 49.

No monopoly has ever existed in the world such as the monopoly of credit: the monopoly of those tickets which are producing your effective demand.

No monopoly has ever existed of such far-reaching powers as this monopoly, and it would be absurd for us to say that those who are in possession of that monopoly will not fight to retain it, and therefore you may expect that all possible misrepresentation and confusion, which can be thrown into this matter, will be thrown into it, and is thrown into it, and one of the very favoured devices is to suggest that anything which is a change towards producing more purchasing power is something that is called "inflation."

Well, now, let me define the thing. There is such a thing as inflation: there was inflation in Germany after the War, and in Russia and elsewhere. Inflation is an increase in the number of tickets accompanied, mark you, by a corresponding increase in prices. So that both price and effective demand are equally raised, and the purchasing power in that case is decreased. That is true inflation, and simply amounts to a tax upon those people who already have purchasing-power because their purchasing power, owing to the rise of prices which is produced by true inflation, will buy less.

They are simply taxed to the extent of the inflation, and that is exactly the thing which the orthodox economists and the bankers are asking to take place at the present time when they say that what is required is a rise in prices. So that we are at one with those people who say that inflation is to be avoided.—C. H. DOUGLAS, *The Use of Money*, an Address at Christchurch, New Zealand, 1934.

In fact, although it has been kept out of the daily press, with the exception of brief references in the financial columns, it is becoming generally known that the banks have already created large amounts of credit which has been used as additional purchasing-power by the Government to pay for war supplies . . . but the money (credit) which the banks create and make directly available to the Government, does not come through the productive process. It does not form part of the costs of any product, and it need not therefore raise prices. It is not the same thing as increasing salaries or wages which have to be entered into the costs of some product. This being the case there is absolutely no reason why the Government cannot by legislation regulate prices at a level which makes a reasonable allowance for cost plus profit. The Government has shown already that it can regulate prices. If this is done, therefore, whatever the amount of new money issued as purchasing power, prices can be prevented from rising and the producer and retailer will not suffer, because their costs are not increased.—*The Inflation Bogey* by J. M. in *The Social Crediter*, February 22, 1941.

The extent to which *Inflation* has been 'groomed' for star-bogey-dom was apparent from the manner in which Mr. Montagu Norman was able to address his listeners over the wireless on October 9. Discussing the sources of money to finance the war he stressed the necessity of investing in war bonds lest we should have recourse to, "the source I hesitate to mention—the unmentionable source . . . which makes everyone tremble at the knees to mention its name—inflation.

Even the *Financial News*, which has recently been advocating the restoration of the incentive of monetary gain to both employers and employees in order to increase production, while admitting that in such a case inflation might tend to occur, says that its evil effects could be countered by certain measures—it suggests strict rationing.

Possibly the financial powers foresee that in the near future they will be forced into openly unorthodox methods of finance, and by keeping alive in the minds of the public the fear of inflation are leaving themselves a backdoor to regain more 'orthodox' methods when the pressing need of war time conditions is past.—*The Social Crediter*, October 25, 1945.

The Inflation Racket: Prices current in Chester in 1740. Beef and mutton, 2d. per lb.; pork 1½d. per lb.; tobacco, 10d. per lb.; beer, 3/6 a barrel. The rise in prices very roughly parallels the increase in the National Debt minus improvement in process, and dates from the foundation of the Bank of "England." It has operated to defeat all improvement of process, and invention, resulting in forced exports and war. The mechanism is simply the price "system" of charging the highest the public will pay, and issuing new money as loans, thus reimbursing the financial institutions for taxation and higher costs.—*The Social Crediter*, September 18, 1943.

Algerian Burgundy, which is a good and wholesome wine costing about twopence a quart in Algeria, is now on sale in this country being distributed "under the direction of His Majesty's Government" at a controlled price of *eight shillings a bottle*.

You see . . . how important it is to avoid inflation, which is a rise of prices, and how "the Government" is taking the lead in this noble cause. But you may overlook two other facts: (a) that Algerian burgundy won't keep, and so we must stop getting something for our trouble in North Africa, (b) That, after taking ten shillings in the pound off you in income tax, "the Government" is doing everything possible to give a lead to price-inflation so that your remaining ten shillings will buy less than half what it otherwise would purchase. Beginning with 2½d. stamps in the first week of the war.—*The Social Crediter*, September 25, 1943.

It will be noticed that managed currency systems ostensibly intended to keep price levels constant, are incompatible with economic decentralization. Managed currencies are controlled currencies and require a controller. The essential requirement of a free economy is radically different. In such an economy the proper function of money is to reflect facts, not policy. If it is a fact, as of course it is, that the "costs" of production are in reality, if not in unstable currency units, decreasing, then both individual prices, and consequently

price levels ought to move to lower levels to reflect this process. The argument that falling prices mean loss to production and stagnant trade is merely perverse. Compensated prices even of a crude and unscientific type are a day-to-day process at the present, and deal with this situation simply, comprehensively and successfully.

. . . every rise in price, whether direct, or in accompanying taxation, is a transfer of economic sovereignty from the individual to a centralized Sovereign. And the imposition of any condition of law on the free purchase of any article is a similar transfer . . .

Falling prices, by themselves, are the most perfect method of passing improvement of process on to consumers. They have the effect of increasing real and psychological credit, and raise the international exchange value of the unit, which loses any economic reality if "controlled" or "pegged."

There is no evidence to indicate that a nationalized banking and currency system would be anything but more oppressive than a partly decentralized system. Each approach to centralization, and this approach has been rapid, has increased the tyranny of Finance, a tyranny which in itself is technical, but becomes political by reason of the immense advantages which accrue to its manipulators. There is no more effective claim to totalitarian power than the claim to the sole right to issue and withdraw (tax) money, and no mere manipulation of monetary technique which does not resolve and decide this question can do anything but complicate the problem.—*The Social Crediter*, 1945.

Mr. Herbert Morrison bids fair to rival Viscount Snowden as the darling of the City and the international financier. At a love-feast to celebrate the centenary of the *Economist*, which is edited by the ineffable Geoffrey Crowther, and commonly considered to represent the views of Sir Henry Strakosch, who in turn represents the South African Gold interest, Mr. Morrison and Mr. Montagu Norman appear to have been the chief guests. Mr. Morrison did not repeat on this occasion the celebrated dictum of Viscount Snowden acclaiming the Bank of "England" as the greatest moral force in the world, but just you wait, Clarence.—*The Social Crediter*, September 18, 1945.

Certain propositions have always been fundamental to the Social Credit approach to the Finance-Economics problem, and are unique to it. They are:

The core of the problem is *cost*. Either the industrial-technological system provides lower unit costs or it is valueless. It is not an attractive system, *per se*. If it provides lower unit costs these ought to provide lower unit *prices*, *i.e.*, higher purchasing-power *per* monetary unit.

We are more than ever, if possible, convinced that a falling price-level, without loss to producers and entrepreneurs is the very core of social and industrial pacification. And we are equally convinced by thirty years specialised experience and observation that the coterie which is at the core of world unrest knows it too, and is determined at whatever cost, extending to the complete destruction of civilisation and even of the terrestrial globe, it will not have that solution, which would automatically wrest power from it as nothing else would. That is the problem of the Sphinx, which man has to solve or die.—*The Social Crediter*, September 20, 1947.

CONSUMER CONTROL OF PRODUCTION IS THE ONLY POSSIBLE BASIS OF FREEDOM; AND NO METHOD OF OBTAINING CONSUMER CONTROL HAS EVER BEEN TRIED WITH SUCCESS WHICH DID NOT BAN STATE CONTROL OF MONEY AND CREDIT AND INCLUDE DECENTRALISED INDIVIDUAL CREDIT POWER.

PARLIAMENT—continued from page 3.

large section of the community live on oatmeal because they find it convenient, they like it, and it suits them. I suggest they have a right to be catered for, and could be, if the Minister would readjust this matter, and allow B.U.'s to be converted into oatmeal points.

We have a crop of 2½ million tons of oats this year. We are going to need between 350,000 and 400,000 tons for seed, and about 350,000 tons for human consumption, allowing it to go on at the 1946 level. Therefore, we have, allowing for normal consumption, approximately 1,700,000 tons. The trouble is really that a price control exists with fixed prices for milling oats. To-day milling oats are 55s. per quarter, and feeding oats, for feeding back to livestock, 54s. 3d., which is only a 9d. difference. In the case of seed oats the price the farmers can get is not controlled.

A farmer can get 65s. today for good seed oats, and that is a fair price. I would suggest the market price is far too near the feeding price and by increasing the market price the Minister would take oats off the farm. At the present moment farmers are saying, "I can make 65s. if I sell them for seed; if I do not they are worth 54s. 3d. for feeding to stock." There is only 9d. difference between that and the milling price. I am certain that, if the Minister would review this matter and would consider raising the price for milling oats, he would attract off the farm the requisite amount of oats to give the oatmeal consumer a fair proportion of the available quantity of oats; whatever it may be.

... By increasing the price of milling oats, oats would be attracted off the farm. If the Minister would adopt that course, I believe there would be no need to have oatmeal on points. By all means control it and see that it is not misused, but let us remember that nearly 80 per cent. of our oat stock is fed to animals, and we are only touching the fringe of it in taking a little away for human consumption. The margin we require to make the difference between oatmeal on points and oatmeal free of points is extremely small. . . .

Mr. E. P. Smith (Ashford): . . . I want to come to the question of barley. As everyone knows, there are masses of barley in this country. The distillers have just received a large additional allocation, I believe. . . . I dare say the brewers had the same as the distillers. The barley plants—I am speaking of machinery and not botanically—are working the 24 hours round the clock, as they have for months past—that is the plants for milling barley. They cannot turn out more than they are doing.

I want to know why these products should be up-pointed, or pointed at all. It cannot be to reduce output. That is obvious. It can only be to reduce consumption. If so, why? There must be some matter, here, of deep Governmental policy, and I think we are entitled to an answer. Is it to equalise whatever shortage there may be of processed barley as far as possible, because, as the hon. Lady knows perfectly well, rice has gone from the daily menu of the people and barley has, to a large extent, taken its place. . . . we are entitled to know exactly why pearl barley and barley products

have been up-pointed when, at the same time, manufacturers of barley for other perfectly laudable purposes are getting large increases in their allocations of a raw material. . . .

The Parliamentary Secretary to the Ministry of Food (Dr. Edith Summerskill): . . . He also asked why barley products were up-pointed. The reason is that they can be an alternative to oats products and, as I am going to explain shortly, we have found it necessary to points-ration oats products and it would be a short-sighted policy to exclude barley which can be used as an alternative. . . . the problem with which the Ministry is faced is how to attract oats from the right source. That is what we are trying to do. The reason we are putting oats on points is in order to prevent the illicit feeding to animals and to attract these oats into the stomachs of the people where the hon. Member for Coatbridge (Mrs. Mann) wants them to go.

Mr. Snadden (Perth and Kinross, Western): How does the hon. Lady expect to get oats when the farmer gets no feedingstuffs? The farmer devotes only a part of his crop to oatmeal. He would rather put it down the throats of the animals and use it for seed.

Dr. Summerskill: . . . we are trying to get oats from abroad—from Australia, the Argentine and Russia. We have great hopes of getting some from Australia.

The shortage is so great that the mills are either running on short time, and, as the noble Lord the Member for Roxburgh and Selkirk (Lord William Scott) said, they are short of stocks. In the face of the shortage hon. Members opposite must realise that if we are to ensure equitable distribution we must in some way divert the oats, which are being used for animal consumption, to human consumption. I would remind hon. Members that when we put oats on points the offtake of oats dropped immediately, but it was very curious that at the Ministry we had very few letters of complaint from consumers. I think it is fair to assume that if the consumers were being satisfied while the oats were pointed, it was the animals who were getting less.

Mr. Spence: By what amount did the consumption of oatmeal increase after the Ministry took it off points?

Dr. Summerskill: I could not tell the House that at the moment.

Mr. Spence: The answer is 2½ per cent.

Mr. J. S. C. Reid (Glasgow, Hillhead): If the hon. Lady had come down to the House and said, "I recognise that we are imposing privation on the people but this cannot be helped for the following reasons," we might have had some sympathy with her method of presenting the case. However, she comes down and tries to pretend that the only creatures who are going to suffer are the animals. She must know perfectly well that this is a misleading observation. The very idea of this being treated in the lighthearted way in which the hon. Lady has treated it this evening—[HON. MEMBERS: "Nonsense."] I adhere to the words I have used. The fact that this will mean real hunger to a number of people is a sad commentary on the way in which our affairs are now conducted. [Interruption]. I say so, and I stick to it.

The fundamental point which the hon. Lady sought to establish was that only 100,000 tons of oats can be milled this year, if I got her figures aright—an incredible statement. Out of 2,400,000 tons of oats grown in this country the whole resources of the Government are not able to deflect more than

4 per cent. into the mills. Does the hon. Lady really mean to put that forward seriously? It was clear many months ago that there would be this shortage. What attempt has been made to get more oats into the mills? None at all, that I know of. The point has been made that the price is still within a small fraction the same as the price for feeding oats. Surely, the first thing to do, if a shortage of this sort was contemplated, was to put up the price of milling oats in order to give an inducement to divert these oats to human consumption. But, of course, the Minister here, as elsewhere, prefers cheap food to plentiful food. If you put up the price of oats to the miller, you have to put up the price of oatmeal, and then this facade of cheap food for the people begins to crumble. . . .

Scotland (School Textbooks)

Mr. Emrys Hughes asked the Secretary of State for Scotland if he intends taking steps to ensure that accurate historical textbooks are studied in Scottish schools.

Mr. Woodburn: The selection of textbooks for use in Scottish schools rests within the discretion of education authorities and their teachers, and I have no power to prescribe which books shall be used. The present acute shortage of textbooks often precludes the discarding of books already in use, but, as supplies improve, I intend to impress upon authorities the need for replacement where textbooks in any subject are unsatisfactory or out of date.

House of Commons: December 17, 1947.

Russian-born Wives (British Ex-Service Men)

Mr. Gammons asked the Secretary of State for Foreign Affairs if, during the Foreign Ministers' Conference in London, he has represented to Mr. Molotov the concern felt by the continued retention in Russia of the Russian-born wives of British ex-Service men; and what is the result of any such representations by him.

Mr. Bevin: No, Sir.

Mr. Gammons: Can the right hon. Gentleman hold out any hope to the husbands of these women that they will ever see their wives again?

Mr. Bevin: No, Sir.

Mr. Henry Strauss: Have the Russian Government ever revealed their motive in retaining these wives.

Mr. Bevin: No, Sir.

Mr. Douglas Marshall: "No, Sir," is catching.

Control of Fuel Order (Enforcement)

Sir E. Graham-Little asked the Secretary of State for the Home Department if he will for the next six months make a monthly return of the amount of petrol used, the time consumed, and the cost incurred, by police officers in enforcing the Basic Petrol Cancellation Order, so as to furnish information on the economic result of that legislation.

Mr. Ede: I should be reluctant to burden chief officers of police with the preparation of returns of the kind suggested, and I doubt the practicability of doing so since police enforcement of the Control of Fuel Order will normally be combined with the performance of their general duties.

Exports

Mr. Spence asked the Minister of Food what export target he has set for his Ministry; to which countries food is being sent; and if he will show the varieties, quantities and values of these foods.

Dr. Summerskill: The export target for the food and drink industries as announced by my right hon. and learned Friend the Chancellor of the Exchequer on September 13, 1947, is £5,500,000 monthly by the end of 1948. The principal commodities are whisky, gin, beer, refined sugar and processed foodstuffs which have a high conversion value. Manufacturers are being urged to direct these exports, wherever possible, to hard currency countries.

Mr. Spence: Can the hon. Lady give an assurance that no oatmeal or oat products will be exported while oatmeal remains at four points a pound in this country?

Dr. Summerskill: I think I can, Sir.

Mr. J. S. C. Reid: What proportion of the £5,500,000 is attributable to food as distinct from drink?

Dr. Summerskill: I would have to have notice of that Question.

Mr. J. S. C. Reid asked the Minister of Food what was the value of foodstuffs exported during the last three months, for which particulars are available, to dollar countries, non-dollar countries and the sterling area, respectively.

Dr. Summerskill: In the three months August to October, the latest period for which figures are available, the value of exports of foodstuffs, produced or processed in the United Kingdom was as follows: dollar countries, £3,562,000; non-dollar countries excluding the sterling area, £3,669,000; sterling area, £4,822,000.

Mr. Reid: Does not the hon. Lady agree that that is rather a large proportion for the non-dollar countries, and that our main object in exporting food, obviously, should be to get dollars?

Dr. Summerskill: I cannot agree with the right hon. and learned Gentleman. He must realise that we are under obligation to export some of this food to our Colonies.

Mr. Reid: Certainly.

Dr. Summerskill: Of course, a great deal of that is contained in these figures.

Margarine

A correspondent states that the *South African Jewish Times* of August 1 warned its readers not to eat margarine.

"THE TRAGIC PARADOX" *Continued from page 4.*

of man to the abolition of all authentic and independent religious life.

"Here, then, is the question which we put to all honest men: How is humanity to recover, how can any new order worthy of the name emerge from the mistakes and agitation of this present hour of confusion, if the lines which mark of friend from foe, yes from no, and faith from lack of faith, are to be erased and moved about?"—*Christmas Eve Broadcast of Pope Pius XII.*