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"Full Employment" IV

By JAMES GUTHRIE*

In the modern political world the words "Full employment" are used as being synonymous with "Full Employment," or to be more explicit, "Full employment" has come to mean receiving a steady income by punching a clock in some organisation; the emphasis, of course, is on the income, not the employment.

It doesn't matter whether a person is doing useful work or not, or if his work is a menace to society, all that matters is that he punches a clock in the proper place at the proper time. It should be noticed as a strange and rather sinister fact that with the increase in the numbers of people uselessly employed, has come an increase in the demand to victimise those people who don't punch clocks, *i.e.*, those who receive dividends.

When the various "leftist" movements attacked the private ownership of property as evil and immoral, they showed that peculiar facility for wrong emphasis which we have come to expect from socialist writers; what the socialists should have done was, not to attack the private ownership of property, but to make it easier for more people to own property. The same applies to dividends; to suggest that employees should be the sole beneficiaries of the modern productive system is just silly. If labour-saving machines have any meaning then labour charges in industry should be decreasing and dividends increasing; the distribution of dividends would have to be on a national scale, increasing with the assets of a country. In other words, the income tax office would be used to pay dividends instead of collecting them.

The distribution of dividends on a national scale is justified on three counts:

- (1) The reduction of prices and hours is of little benefit to those not employed in the industrial system, or to those without an income; some other means of a distribution is therefore required.
- (2) Since the capital development of a country is based on the work of past generations, this forms the best possible grounds for the distribution of a dividend.
- (3) The capital assets of a country should appear in the balance sheet as an asset and not as a liability, and no matter in which way they were financed, and since the whole community bore the real costs of construction, the whole community is entitled to some kind of dividend.

The fact that the "income," or purchasing power, of a community is generated in the process of production has

several very nasty consequences. This matter is so important that it requires closer study than we can give it here; however, the main facts can be stated thus:

The money which a community receives to pay its debts is, in the process of production, distributed by factories and other organisations in the form of wages, salaries and dividends. These organisations are financed by credits created by the banks, and the producers' debts to the banks are liquidated by the community when it pays for their goods and services.

When, however, production stops, the distribution of purchasing power stops, irrespective of whether or not the shops are crammed full of goods for sale. This, then, was the position during the last financial "depression," which was epitomised under the phrase, "Poverty amidst plenty." Immediately the banks financed the governments to build armaments, money came into circulation, in the form of wages and salaries, and enabled the people to buy the goods already in the shops.

The manner in which purchasing power is issued and how it has encouraged a colossal waste of human labour, and degraded the whole conception of useful employment, is clearly stated by C. H. Douglas in *Economic Democracy* as follows:

"... if production stops, distribution stops, and, as a consequence, a clear incentive exists to produce useless or superfluous articles in order that useful commodities already existing may be distributed.

"This perfectly simple reason is the explanation of the increasing necessity of what has come to be called economic sabotage; the colossal waste of effort which goes on in every walk of life quite unobserved by the majority of the people because they are familiar with it; a waste which so overtaxed the ingenuity of society to extend it that the climax of war only occurred in a moment when a culminating exhibition of organised sabotage was necessary to preserve the system from spontaneous combustion.

"The simplest form of this process is that of 'making work'; the elaboration of every action in life so as to involve the maximum quantity and the minimum efficiency in human effort. The much maligned household plumber who evolves an elaborate organisation and etiquette probably requiring two assistants and half a day in order to 'wipe' a damaged water pipe, which could, by methods with which he is perfectly familiar, be satisfactorily repaired by a boy in a third of the time. . . . A little higher up the scale of complexity comes the manufacturer who produces a new model of his particular speciality, with the object, express or subconscious, of rendering the old model obsolete before it is worn out."

Major C. H. Douglas has gone to great lengths to prove that the main stream of purchasing power paid out by the productive system in wages, salaries and dividends is always

*In *The Australian Social Crediter*.

less than the prices of the goods produced. This fact was disputed by economists for many years, but every fact and every event of economic history stands as proof of Douglas' statement. Let us look at some of these economic facts:

- (1) Every industry expects to get back in prices more than it pays out in wages, salaries and dividends, Where does the extra money come from?
- (2) If current purchasing power is equal to current prices, why are private, municipal and government debts increasing?
- (3) If power-driven machinery is efficient, why does it not reduce prices?
- (4) If in an efficient industrial country like America, industry issues enough purchasing power to buy its own production, why have the financial houses to issue vast sums of money (as a debt) to help people buy the goods for sale by the hire-purchase system?

The hire-purchase system is worth discussing at some length. *It means that even in a "prosperous" period in a prosperous country the people have to call on next year's salary to pay for this year's production, even in spite of the fact that vast quantities of goods are being given away each year in "Marshall Aid."*

The fact that big financial organisations in America have convinced the people of the necessity of hire-purchase shows that, they know quite clearly, that the people cannot purchase this year's production with this year's income, nor have they been able to do so for very many years. And the fact that vast sums of money are tied up in consumer credits (hire-purchase) is causing a fair amount of misgiving as to the stability of the American financial position, and it looks as if "organised sabotage [will be] necessary to prevent the system from spontaneous combustion."

The orthodox economist (socialist economist) maintains that the productive system in the process of manufacturing goods issues sufficient purchasing power to liquidate the price of the goods for sale. This is quite untrue. Major Douglas, as a logical consequence of his analysis, suggested that the prices would have to be reduced by means of a subsidy, so that the current incomes of the people would equal the current prices of goods and services they collectively produced. In America the consumer credits (hire-purchase) finance, issued to augment the people's incomes and raise them to parity with prices, comes into circulation as a debt, and is a process that obviously cannot continue for long.

Major Douglas suggested that the consumer credits created and issued as a price subsidy, *i.e.*, to reduce prices, should not come as a debt but merely as a financial instrument to balance a fault in the accountancy system.

There is little doubt that the fate of the Menzies Government depends on how it tackles the problem of rising prices, Mr. Chifley prepared trouble for Mr. Menzies when he withdrew price subsidies; the question is, will Mr. Menzies have enough courage to defy his socialist "expert advisers" and re-introduce price subsidies. If he does not, the only thing that can save his party from the wrath of the electors, and save the system he administers from spontaneous combustion, is WAR.

American Reviews State Medicine in England

Socialised medicine is growing more unpopular in Great Britain, Miss Elizabeth W. Wilson, one of the leading American writers on compulsory health insurance, said today [August 22] on her return from three months' investigation of the new British system.

"A year ago practically everybody thought the new National Health Service would develop satisfactorily," Miss Wilson recalled. "This year three out of four persons interviewed criticised it severely.

"The people who have not used the service resent the deduction of a tax for it every week. The people who have used the service feel a sense of frustration. Many have to wait in long queues to see the general practitioners. In one doctor's office I saw women waiting 2½ hours for a two-minute consultation.

"Doctors frequently see as many as 90 patients in three hours, they say. That is why they are so tired and rushed.

"A vast majority of the people one interviews say that the quality of medical care is not as good as formerly.

"There are many more now on the hospital waiting list than when I made my first investigation in 1948. General practitioners in London report it is almost impossible to get a person over 60 into hospital. Many wait up to two years for an operation.

"Appointments with dentists must be made about four months in advance. A man with a serious case may have to wait two weeks. Of course, if he wishes to pay as a private patient he will probably get an appointment within a day or two."

During her stay in Britain, Miss Wilson interviewed about 500 persons from high government officials and members of the nobility to charwomen and railway porters. She talked with leaders on both sides, seeing officials of the Ministry of Health as well as officers of the British Medical Association, bankers, economists and businessmen.

"The health service is costing a tremendous amount, and yet not a new hospital has been built by the government, though the waiting list grows longer and longer", Miss Wilson continued.

"Not a new nursing home has been constructed, although Mr. Bevan, the Minister of Health says that 40,000 more nurses are needed and could be got if there were accommodation for them.

"Only three health centres are even in the blue-print stage, although the Ministry hopes to have 3,000 some day.

"Sir Stafford Cripps has decreed that little more may be spent this year than last. The important question is how to make the economies necessary to get the funds for the hospitals and health centres. Mr. Bevan cannot reduce the pay schedule of the personnel much further.

"Already the pharmacists of Northern Ireland and Scotland have given notice of withdrawal from the service because of the recent cuts made in their remuneration.

"The general practitioners have notified the minister of health that unless they are satisfied within six months that he is paying them as much as he promised before the National Health Service was started, they will withdraw.

"The reductions made in the dentists' pay by Mr.

Bevan have caused dental practitioners to give more and more time to private practice, thereby curtailing the amount of service given in the governmental scheme."

"On high authority I learned that even if the insurance companies should finance the building of hospitals, payment by the system would amount to many millions of pounds.

"Many doctors and dentists resent what they term their lack of freedom," Miss Wilson added. "A doctor has to apply to the local executive council for permission to go on an extended vacation, to move from one house to another, or even to change his hours of consultation.

"A lay administrator of a hospital refused a surgeon permission to use his own instruments, and many workers in hospitals complain of the sense of frustration due to red tape and governmental interference," she said.

"The Minister of Health is recommending that practitioners refrain from prescribing proprietary medicines. Several older doctors said that this was undoubtedly the forerunner of a complete standardisation in the procedure for treatment for various sicknesses.

"This, coupled with the overworked conditions of the doctors, would lead to a further deterioration in the quality of medical care.

"Patients, too, may be regimented. In a certain rural area where the government will not allow any new doctors to practice, the doctors have agreed not to take each other's patients. Therefore, the patients have lost their freedom of choice of doctors in that particular neighborhood.

"Already the cost of the health service is responsible for 10 per cent. of the national taxes," Miss Wilson commented. "But there is no way to place an upper limit on the cost of the service by making economies that will last," she said.

"To meet the rising costs, the productivity of the country must increase," she declared. "But the high taxes are a deterrent to this.

"The health service thus contributes to a situation dangerous to the health, the economic prosperity, and the freedom of the individual and the country."

Miss Wilson has been studying and writing on compulsory health insurance for nearly 20 years. She has a Ph.D. in economics from Radcliffe College and is an associate of the Society of Actuaries. She worked for a time in the office of the actuary of the Social Security Board at Washington. In 1947 she wrote a book, *Compulsory Health Insurance*, for the National Industrial Conference Board. Her home is in Cambridge, Mass. — F. W. Carr in *The Christian Science Monitor*.

Modern Education.

The *Daily Express* for September 11 prints in conjunction the following items:—

"The University of Georgia will include in this year's correspondence studies a course on how to make out income-tax returns."

"General Mark Clark, chief of America's ground forces, promised today that army recruits will now be ready 'for the most brutal kind of warfare' after six months of training."

Money Goods and Prices

The following letter appeared in the *Bournemouth Echo* (Hants.) of September, 6, 1950:—

To the Editor, *Bournemouth Echo*.

Sir,—As a good deed shining in a naughty world, your leading article (August 30) contrasts much of the editorial comment which ought to, but does not assist its readers in these critical times. Possibly I may be permitted to carry the clarification a short step further.

The situation you describe was the subject of fierce and in many cases unscrupulous controversy during the Armistice years but is now closed. Technically the point at issue was "Is the orthodox financial system self-liquidating, or not?" No reputable economist would now contend that it is. In every-day language, no cycle of production can be carried through by accepted accounting and banking methods without creating a debt which can only be liquidated through the creation of a still greater debt. The practical effect of this is that although a unit of production is physically cheaper than ever before, prices, at the best, do not fall, and at the worst rise continually. In order to keep the system going, continuous inflation is a necessity and continuous inflation is a continuous fraud upon the public differing only in its greater magnitude from the coin-clipping visited by the severest penalties in the Middle Ages.

At this point it is essential to identify the problem in its political aspect. The Governments of this country prior to 1945 were not, and did not pretend to be composed of experts. They were advised and often very badly advised by experts, but in theory at least reached their decisions by the exercise of their own judgment. But our present Government is radically otherwise. It is a Government trained by the London School of Economics, claims, in propria persona, to understand finance, and knows quite well all that your excellent article would tell it. It would be unwise to assume that this situation is unwelcome to it, that it does not know what to do to alter it, or that a Conservative Government would be necessarily more amenable to "instruction" than Sir Stafford Cripps.

There is little doubt that the difficulty goes to the very roots of our Constitution (if any) and is unlikely to be dealt with effectively except by a drastic reconsideration of many of our popular political beliefs.

C. H. DOUGLAS,

Fearnan, Perthshire.

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Saturday, September 23, 1950.

From Week to Week

The British Association has a well-earned reputation for the occasional publicity given to eccentric views as an offset to a rigid orthodoxy, but we should imagine that a certain Dr. Salaman has touched low water-mark on the subject of, of all things, the humble potato. In his opinion, the potato is anti-social, because it enables the populace to feed itself with less labour.

But it would not be wise to assume that this scion of an ancient race is unorthodox. His view is that of the progenitors of Full Employment since the days of his (nearly) namesake, the builder of the Temple. Keep 'em busy, and then they won't notice how the rabbits are eased out of the hat.

• • •

The death occurred in South Africa on September 11, of Jan Christian Smuts, at the age of eighty.

EPITAPH: "The relations between Capetown and Washington are close."—*News Review*.

The "B."B.C. Memorial Oration was, fittingly, given by Lord Samuel.

• • •

The relations between Capetown and Westminster. Mr. Eric Louw to Mr. John Strachey. "Mind your own business, and keep your nose out of South Africa."

• • •

It becomes daily more evident that the Lost Word of Power, straight from Mount Sinai, is "Only in war, or under threat of war. . ." Its magic is boundless; it solves every difficulty. Do we insist on the retention of a financial and price system which requires continuous inflation to keep it going? The Word of Power supplies it by making useless articles not for sale, distributing wages and salaries in respect of their production. Do we wish still further to soak the rich, lest they combine against us? More sacrifices "fairly shared," accompanied by fantastic wage increases. "Full Employment?" Certainly, Sir, to any extent you please.

Anyone who cannot connect the Powers interested in all these and other current lunacies with *both* Wall Street and Moscow, will believe that the Conservative Party hates Sir Stafford Cripps.

• • •

30, September, 1794.

. . . The King of Prussia . . . does nothing but takes and spends money on all sides, succeeding by his unheard-of behaviour in encouraging the French and disheartening the

Germans. The Prince is led away and blinded. He is feebler, more blameworthy than the unfortunate Louis XVI, though he was much better brought up, and educated in a very different political and military school. They attribute all our calamities to a dangerous and accursed agency, the chief instrument of the cannibals, by means of which those monsters have continued to influence and corrupt every one and ensure the success everywhere of the French! This infernal instrument is called *Les illuminés*, and has been formed from amongst the Free Masons. These dangerous emissaries of the regicides were, it is said, the first to sow all over France the seeds of revolution. They had been for some years at work here, and your war in America opened the ball. [Emphasis added].

These hot-headed people, adorers of all novelty, attracted by the riches of the Jesuits with whom they fraternized and formed a rallying centre while all the time pretending to be good Free Masons (who while receiving them into their bosom were totally ignorant of their odious principles), managed to get hold of the Duke of Orleans (through the power of curiosity and of the purse), whose contemptible character was just what they wanted, coupled with the dignity of his rank as a Prince of the Blood, and made him a Free Mason, together with certain other nobles of the same sort. Through them were brought about all the horrors we have witnessed and the French Revolution. But even this was not enough to satisfy them, for they aimed at overturning not only France, but the whole of Europe!—*Life and Times of Sophie Countess of Bentinck (1715-1800)*.

• • •

"The most powerful American leadership in planning, in producing, and directing the defence of the West, was the very heart of the original Atlantic Pact plan. For us to lead was essential, because of the divisions and suspicions among our Transatlantic allies.

. . . This was true even before the Atlantic Pact was imagined. . . Even at that time, the British and French could reconcile their differences only by a secret understanding that, in the event of war, an American general would instantly succeed Field Marshall Montgomery as Western Union high commander."—*Saturday Evening Post*. (U.S.A.)

Secret from you, that is.

The pattern is becoming fairly plain. Frederick "the Great," the rise of the Rothschilds (Red-shields), *Les Illuminés*, the French Revolution, the Lafayette aid to the "American" Revolution, the domination and corruption of France by the Rothschilds, the concordat between France and Russia and the corruption of Russia, the financing of the "Russian" Jewish terrorists by Schiff, the prolongation of the Great Wars by the New York Jews, the conquest of Europe, the Dominion of the World.

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PARLIAMENT

House of Commons: September 12, 1950.

Defence (Government Proposals)

The Prime Minister (Mr. Attlee): ... We are asking the support of the House and of the country for a programme for increasing the strength of our Armed Forces... This programme will entail sacrifices from the people of Britain. It involves an interruption of the progress which has been made since the war in building up the economic position of this country and the standard of life of our people... this action has been forced upon us owing to the growing tensions in the world. The steps which we are now asking the House to endorse are taken solely with the intention of preventing another war and resisting in its early stages the onward march of aggression. We all know from bitter experience that aggression unchecked grows with success. Sacrifices now can prevent greater sacrifices in the future, but sacrifices there must be. It is, therefore, I think, necessary for me this afternoon, without dealing at length with foreign policy, to place our present action in its perspective.

... We are proposing, as the immediate and the most practical step which can be taken to meet conditions at the present time, the lengthening of the period of full-time National Service from eighteen months to two years...

As was indicated in last year's Defence Estimates, and in the Defence Debate in July last by the Minister of Defence, we are now embarking on a policy of arms production. My right hon. Friend informed the House that an immediate programme amounting to £100 million for the re-equipment of the Services was being put in hand.

The make-up of that programme, which is designed mainly to deal with immediate deficiencies, has been agreed. Orders have actually been placed for aircraft, military and naval equipment to the value of more than £50 million, and many others are in process of negotiation. This programme can be achieved by the expansion of our existing capacity. But the question may be asked, why, having announced this programme, do we now come forward with proposals of far greater magnitude? The answer is that since the Debate of July a new factor has arisen.

We in common with our allies of the North Atlantic Pact, were approached by the Government of the United States. Reference was made to the request of the President to Congress for additional funds to help establish and maintain the common strength of the United States and other free nations at an adequate level, and we were asked what we could undertake. Our reply was that it was physically possible for us to undertake a programme which would, over the next three years, increase expenditure on Defence in the United Kingdom to a total of £3,400 million; but that how far it would be possible to attain that level would depend on the amount of assistance forthcoming from the United States. Since that time the increases in the pay of the Services and their numbers will bring the total to £3,600 million in the next three years.

This great expenditure represents the maximum that we can do by expanding and using to the full our industrial capacity without resorting to the drastic expedients of a war economy. Discussions on this programme are proceeding with the United States Government. They are not yet concluded, but I would inform the House that, in addition to the

£100 million in the initial programme, we are proceeding with measures which will involve the expenditure of another £100 million...

... We are, in fact, now seeing the coming into being of what we have been striving to create—a European Defence Force, made up of the forces of Western Union and the North Atlantic allies, fully knit together to defend the democracies. My right hon. Friend the Foreign Secretary is about to discuss defence problems in New York, first with M. Schuman and with Mr. Acheson, and then with the Foreign Ministers of the other Atlantic countries. Meanwhile, experience has shown that there is room for some simplification of the planning and higher command organisation under the Atlantic Pact. Proposals are being put forward to this end. They will be discussed at the forthcoming Atlantic Council in New York, and subsequently at a meeting of Defence Ministers in Washington. We recognise that it is not very easy to work out these things with a number of States.

... I would not like to leave this part of my speech without referring to Commonwealth Defence. My right hon. Friend the minister of defence lately laid great stress on this point in his speech in the last Debate. The Chief of the Imperial General Staff recently paid a visit to Australia and New Zealand and carried out there a very full review of defence problems, both with Ministers and with their Service advisers. Later on this month we are to have a visit from Mr. Erasmus, the South African Defence Minister; we have also welcomed recently visits from Mr. Menzies and Mr. Spender which have given us the opportunity for further talks on defence problems. My right hon. Friend the Minister of Defence hopes to pay a short visit to Canada in the near future.

I would now like to say something of the effect of these proposals on our economic position, and what they will mean to the citizens of this country. The effect must be great and must cause some degree of hardship, because this added effort is not being undertaken by a country with a lot of spare capacity and with a lot of spare labour, as was the case when the rise of Hitler made it necessary to rearm in the 1930's. We are having to rearm when we are devoting all our resources to rebuilding our economic position, and we have very few unemployed who can be brought in to increase our production. We have been working at full stretch and with good effect. Britain was paying her way for the first time since some years before the war. Along with our sterling area partners, we were in approximate dollar balance. We were, indeed, making some increase in our reserves. We had had some relaxation in the austerity imposed on us by our economic circumstances, and we were all looking forward to more. It is hard now to have to take steps which must mean some set-back to that recovery. The task before us is to provide for our Defence without injuring the economic strength and stability which is an essential basis of all Defence. This was recognised clearly by the United States Government in the note they sent to us wherein it was stated that

"the continuance of economic recovery in the near future, though possibly at a less rapid rate than heretofore, will be essential not only to the attainment of the broad objective, but to the attainment of the immediate objective of greater military strength."

We started this year with a level of defence expenditure higher in terms of national income than that of any other of the Powers in the North Atlantic Treaty. Since then we have done, and are planning to do, much more from our own

resources. There was first the July programme, then the increase in Service pay, and the first steps were taken in Civil Defence. We are reaching the limit of what we can do unaided without impairing our economic position. In particular, we have to consider always the problem of our balance of payments, especially of dollar payments. We are going ahead with a three-year programme, but as I have said, before we can decide the exact extent of our effort we must know what assistance will be forthcoming from the United States of America. The full utilisation of our capacity depends on aid from the United States in two forms—material and components from dollar sources, and assistance to maintain our economic strength. Over the last month there have been constant discussions with the United States both directly and through the meetings of deputies of the Atlantic Powers in London . . . one fact stands out quite clearly. Those industries which, as I have said, will be most affected account for over 40 *per cent.* of our export trade, while much of the rest of their production goes to essential home industries. It is, indeed, precisely in this field that the competition between the needs of economic stability and of Defence is greatest. We shall require increases in the labour force in some directions, although I think that in shipbuilding the new orders will fill a gap which was beginning to show itself in unemployment. There will have to be restrictions in the home market; there cannot be an increase in the number of private cars available; there will be a decline in the provision of radio and television sets; a decline in the availability of various products of the engineering industry. There will be some demand on the textile, chemical, and building industries.

. . . One of the effects of the situation will be an increase in the prices of our imports. That, I am afraid, is bound to have an effect on the cost of living. We shall be devoting to the production of war material energies which would otherwise be producing goods and services for civilian use. There will be fewer commodities available to meet the home demand unless we can increase production to fill the gap. . .

Mr. Churchill (Woodford): . . . One hundred and ten jet aeroplanes were sold or given to Egypt, and what we read in the papers seems to show that it has not at all improved their good feeling towards us. Fancy sending them away. Then, 100 to the Argentine. These are sent away at a time when our auxiliary air forces are hopelessly lacking and eagerly longing for these machines. The right hon. Gentleman said that it would have upset all our financial and economic arrangements, or words to that effect. What nonsense. The aeroplanes that were sold to the Argentine, were, I believe, credited for about £2 million or £3 million. We are dealing with a Budget for which we voted £700 million or £800 million, and now we come forward into these colossal figures. This £2 million or £3 million, for an absolutely vital asset which we require, is brought up as a reason for this very gross neglect.

The Government have now, according to the broadcast of the Prime Minister, definitely decided that any machine tools, no matter how vital their war potential, which has been ordered by Soviet Russia or its satellites before the British restrictive regulations of 18 months ago, must, when made, be delivered to Soviet Russia. . . .

The Prime Minister: What I said was that the machinery and tools were being delivered in respect of contracts already entered into, and the statement made in 1949—I think in February—by the President of the Board of Trade

to this House was that that was the practice we were following. I did not say that if at the present time we required these we should not step in and take them over. I was referring to what the practice was then. As a matter of fact, a whole lot of trading goes on which is outside the control of the Government.

Mr. Churchill: It is very extraordinary that the right hon. Gentleman should take the tremendous step of proposing a £1,100 million three-year plan, announcing to the country the lengthening of service from 18 months to two years, and no one in the Government should have seen that at some time a stoppage should have been put on vital military materials leaving this country. No, Sir, what I gathered from what the right hon. Gentleman said led me to preserve this particular phrase: "The matter is to be kept under continuous review."

Surely, if the Government's view is maintained this altogether ignores the position. These tools take a long time to make, and the British machine tool industry has for years been pressed with orders which it can only fulfil in sequence. There is an endless queue of orders for machine tools, and only comparatively few firms and craftsmen can make them. We have now reached the point where vital war-making materials are to be sent in an increasing flow for some time from this country to Soviet Russia. We think that is wrong and ought to be stopped. . . .

. . . I feel sure that all this process of bringing the Germans back into the family of united Europe and enabling them to take a part in a European army or European defence force for the defence of freedom and civilisation—for which some of us on this side of the House have worked so hard for several years—has been helpful not only to the free world but, even to the British Socialist Government. The Prime Minister should welcome it instead of discouraging or even disparaging it. But whatever his feelings may be he would be wise to accept it, because a European army with a strong German quota is going to be formed quite quickly and very soon—that is to say, if we are given the time. That is a fact that none can challenge or deny.

I have never seen an occasion when what is going on in Europe generally is more uncertain and what we ought to do is more clear. Never was the future more inscrutable and never was our policy and duty more plain. We have to form, as fast as possible, a European army of at least 60 or 70 divisions to make some sort of front in Europe to close what I have called "the hideous gap" in the protection of Western Europe from a Russian-Communist onrush to the sea. For this purpose every nation still enjoying freedom from totalitarian tyranny should make extreme exertions. Each of the countries ruled by parliamentary democracies must dedicate their quota of divisions. Since these matters were last debated in this House, in March, the French have resolved to contribute 20 divisions, I understand, but it may be 15 divisions. I rejoice to see the famous French Army lift itself again in the vanguard of freedom.

There should certainly be 10 divisions from the United States, two or three from Canada and six or eight from this island. I must say that the suggestion of three from Germany and 1½ or two available here does not seem to me to be a proportionate contribution, even making allowance for the fact that although we have got rid of India we have still important obligations to meet in tropical countries. I do not think that that should be accepted as a full and complete contribution on our part. Germany and Italy should

also contribute eight or ten divisions apiece and the Benelux countries, comprising ancient and characteristic States, at least four more. Then there is Scandinavia. So here are 60 or 70 divisions which can be produced and organised.

The Minister of Defence (Mr. Shinwell): When? [Laughter].

Mr. Churchill: . . . If such an army can be deployed on our gaping Eastern front, the greatest danger of a third world war in the next three or four years will be substantially diminished, if not indeed removed. We shall become free from the present horrible plight in which the American possession of measureless superiority in the atomic bomb is our only safeguard against what might well be the ruin of the world. This will undoubtedly give the Western democracies the best chance of securing the return to the normal relationships of States and Nations. Whether we shall have time or not no one can tell. There are two factors which we cannot measure, let alone control, either of which may prove decisive. They are the following: first, the calculations and designs of the Soviet autocracy in the Kremlin, and, secondly, the anger of the people in the United States at the treatment they are receiving and the burden they have to bear. Neither of these is within our control.

. . . We cannot control, and no one nation can control, the march of destiny, but we can at least do our part. It is because the Motion now before us offers a minor but none the less considerable make-weight to the peaceful settlement of world affairs that we on this side of the House, Conservatives and Liberals alike, will give it our united and resolute support.

Mr. Boyd-Carpenter (Kingston-upon-Thames): . . . I should like to refer to a matter which I have, with complete lack of success, been pressing on His Majesty's Government for the last three years, a matter that has increased in urgency by reason of the very circumstances which we are now discussing this afternoon, and by reason, in particular, of the lack of immediately available operational forces. There are still in this country quite a number of men who served in the forces of our Allies during the war, trained and practised soldiers, who would be available should His Majesty's Government decide to recruit a Foreign Legion. They are not so many in number in this country as they were when this proposal was put forward but there are still some—and many of them are men with not merely military training but battle experience of the highest type—trained professional soldiers. It seems to me that now, when the whole safety of the Western world depends upon the provision of large adequate forces in the quickest possible time it is wrong to neglect any possible source from which even small contributions towards those forces can be found.

This matter was raised in the last Parliament, and the Chancellor of the Duchy of Lancaster, as he now is, who was then Minister of Defence, gave most courteous consideration to it. On 28th February last year I received, in reply to certain representations I had made, a letter. I should like to read from it the relevant paragraph. In it the Chancellor of the Duchy of Lancaster says:

"A good deal of thought has been given to this suggestion, and the conclusion I have reached, which is shared by all my Service colleagues, is that it is far better to distribute the aliens in question throughout the Army and R.A.F. rather than to segregate them in a Foreign Legion. The main argument which leads us to this decision is the fact that certain restrictions would necessarily attach to the employment of a Foreign Legion which would not apply to British units even though they contained a

small percentage of aliens. Flexibility of movement being such an important consideration where our Armed Forces are concerned, we feel that on these grounds alone there are strong objections to the formation of a Foreign Legion."

With great respect to the noble Lord, as he now is, that is not good enough.

The fact remains that we cannot recruit into British units more than a very limited number of aliens without altering the character of those units fundamentally. It is equally a fact that no appeal to these aliens has been made publicly. No attempt has been made to suggest to them they will be welcome, in any numbers that cared to come, into the Armed Forces of the British Crown. Then there is the objection, which is less valid now than it was then, that there will be limits upon the places in which such units could be employed. I can see no restriction possible upon those units other than perhaps their use in industrial disputes in this country. But there is no form of service abroad, whether in Korea, Malaya, the Middle East or in Europe where such men could not be used. It is utterly wrong at a time such as this for any possible source of recruitment not to be used.

All Members are aware of the fact that the French make full and successful use of precisely such a unit, and their Foreign Legion is fighting for France at this moment in Indo-China. If the administrative and other difficulties that undoubtedly exist can be overcome by our French allies could they not be overcome by our own Government? I hope that we shall hear a good deal more about this matter than merely to be put off about difficulties about flexibility such as apparently defeated the Chancellor of the Duchy of Lancaster 18 months ago.

(To be continued next week).

"Spanischer Sommer"

This book was reviewed in *The Social Crediter* of July 1, 1950. In this connection a letter has been received from the author, whose non-de-plume is Severin Reinhard. Below are extracts and paraphrases from this interesting letter.

"Switzerland is stony ground for my books", because of "the connection between Finance and the powers that be". It has always been my view that money has become a modern heathen god, brought to power by occult forces. With its help, mankind is being driven into catastrophes and degeneration. I have studied the methods of money creation, the systems for restriction of production, and the practices whereby the human race is being degraded."

"Spanish Summer has received here nothing but condemnation. It's sale has been prohibited. This move originated in England. . . . In Germany a bookseller who sold the book was locked up. . . ." The only consolation he has is that "a few important individuals have praised it highly." He has had letters from all over the world. Some reputable Swiss periodicals, he mentions two, have not printed a word about the book although they know of it. Presumably these will not stoop to smear it and dare not publish their true opinion. "All this will not get me down and I propose to continue to dedicate myself and my careful researches to truth. I am in possession of ample documentation, have personally conducted my researches, even in the U.S.A. and granted that certain gaps are inevitable, I declare that I can prove and document everything I have said and intend to say." — H. R. P.

Eighty-three to Protect Truman

The Washington correspondent of the *Daily Telegraph* in its issue of September, 9, said the American Secret Service had asked Congress for funds to employ 23 additional men to help to guard President Truman. Officials were reported to have told the Senate Appropriations Committee that there had been an increase in threatening letters to the President. There are at present about 60 men in the Presidential Protection Service.

MacArthur and Truman

"The affray between the President and the General may prove a major political event before many months, but you would not suspect it judging by the sayings of many tame commentators. Some editorial writers and radio commentators have applied the soothing explanation, 'There's no fundamental difference between the views of the two men.' Actually, a very sharp difference emerges from the statements and letters of both. The President wants to play it (the Formosa problem) within the halls of that international liability, the United Nations. MacArthur wants Formosa kept as part of our strategic defence system, no matter what the U.N. says. The President keeps open a way for another of his diplomatic messes in the not too distant future—with the U.S.A. cast in the role of a violator of the U.N. principles by defending the vital island. The *Washington Times Herald* hit the nail on the head (August 30), remarking editorially: 'Mr. Truman has jockeyed himself into the position where we are the agent of U.N. in one nasty war while U.N. stands to disavow us in another even nastier.'

"So far as the average citizen of the U.S. is concerned, MacArthur has performed a big service for him—by breaking down the Administration's habit of using the military for political purposes. . . . Privately Democratic circles are speculating with keen interest about the results of the MacArthur affair on Acheson's status: conservatives perceiving hope that, as a consequence, he will resign before the election; Fair Dealers gloomily conceding that may happen. Certainly MacArthur has figuratively slapped Acheson's face, in a move by a military commander such as has not been seen since 'the general's crisis' days of the North in the Civil War. . . ."—Frank C. Hannigan in *Human Events*, (Washington D.C.).

"SORRY YOU HAVE BEEN TROUBLED"

The *Daily Mail* on September 9 reported the case of Mr. D. H. Boggis Rolfe, a retired Civil Servant, tired of filling in official forms, who has found a way of dealing with them. He sends the department concerned a claim for a fee for the time involved—and gets no more forms.

At his home in Wormingford, Essex, he told the reporter:— "After careful experiment I believe a great deal can be done to restrain the overwhelming hunger for form-filling shown by Government Departments and local authorities.

"It is sometimes expedient to refuse point-blank, sometimes to demand a fee.

"I have not yet had a fee—but after the demand no more is heard of the form."

He gave some examples of his technique. Form B.F. 69 came from the Ministry of National Insurance about an alleged former employee.

"I replied that if the Ministry are entitled to have this form completed by me I request them to establish that they are entitled to have it done free. Otherwise a small charge would be made.

"After reminders I am still waiting after three months for the authority for the demand."

A postcard from the county council asked him to complete Form R.F. 16/7, and threatened a penalty of £20 for non-compliance.

"I refused to comply, and after an inappropriate delay received a letter expressing regret that I had been troubled."

A collector of taxes demanded that Form P.30 be filled in.

"I was badgered for two years, but refused. Nothing happened."

To all Social Credit Groups and Associations, Home and Overseas

*Associations desiring to act in accordance with the advice of the Secretariat are asked to fill in the following:—

Name, address, and approximate number of members

of Association

We desire to follow the advice of the Social Credit Secretariat.†

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to subscribe to *The Social Crediter* regularly in the proportion of at least one copy for every five members.

We agree not to discuss with others, without authorisation, the details of special advice received from the Secretariat.

Date..... Deputy's Signature.....

To accompany the above form, a brief statement is requested giving the history or account of the initiation of the group, and its present activities and intentions.

HEWLETT EDWARDS,

Director of Organisation and Overseas Relations.

*For this purpose an Association to consist of three or more Social Crediters.

†The Secretariat is the channel used by Major Douglas, the Advisory Chairman, for the transmission of advice.

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