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FOR POLITICAL AND ECONOMIC REALISM

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Occupied Germany

Impressions formed during a two months' visit to the French, American and British zones during the months of February and March, 1951.

On the surface the general conditions appear surprisingly good. The shops are full of goods, necessities and luxuries. There is no rationing other than the reach of one's purse. Fry's and Cadbury's, as all other makes of chocolate, are plentiful, with bananas and oranges on sale everywhere. German motor cars at comparable English prices can be bought for immediate delivery. Electricity and gas are in constant supply—"cuts" are unknown. If tea and coffee are only to be had at prohibitive prices, wines and beer are comparatively cheap and plentiful. Building activity is seen on all sides, of all descriptions, and is in large measure the work of private enterprise working on bank created credits. "Development Charges," as under our Town and Country Planning Acts, and "Permissions to Spend," as in England today, appear to be unknown. Anyone can start building anywhere so long as he has the money and conforms with the regulations. There is little obvious sign of poverty in the streets.

On closer examination and investigation: 1. *Wages and Salaries.* (Deutsche Marks, DM. 12 to £ sterling, 48 hour week, figures per annum). Statistics show that more than 50% of the working population earn less than £200, 25% including skilled workers, between £200 and £300, 10 to 15% including the "well paid business posts" around £500 and under, whilst salaries of £700 to £1,000 are "plums" and rare.

2. *Rents and Prices.* Rents are high. The destruction of so much house property by air bombardment and the arrival of so many refugees from former German territory east of the Oder/Nesse, as from the Russian zone, has necessitated a ration of one room per person—specifically, 12 square metres per person. Private building is encouraged in that anyone building a house can claim more than the space ration for himself. Most rents are controlled—houses completed since January 1, 1950, are uncontrolled. It is difficult for a working class family to find two rooms in the suburbs for £50 per annum.

Prices are at least 25% higher than in England for food and clothing necessities. Cigarettes cost as much as in the U.K., drinks at least 25% less. The complaint is general that whilst wages are nominally much the same as before the war, taxes and compulsory deductions are twice what they were, and shop prices twice and often three times what they were in 1939.

3. *Taxation and Compulsory Deductions.* A single man receiving £200, £500 and £1,000 must give up £40, £70 and £250 respectively. For a married man with three children, the figures are nil, £26 and £183 respectively.

4. *Employment.* "Full Employment" by most "bread-

winners" does not suffice to provide family sufficiency. For that, "Full family employment" is required. A recent survey of a South German town showed more than 60% of the families with at least two members in employment. It is said that at least 80% of the people's income goes in food, both necessities and luxuries—a catching up on their long years of abstinence. Saving is practically unknown, the cramped living conditions require little furniture, whilst clothes buying is kept to a minimum.

5. *Currency.* The famous, or infamous, "Currency Reform" of June, 1948, is never far from people's thoughts and conversation. On a certain day in that month the people of Germany awoke to find that whereas the night before they possessed DM 100, they then only possessed DM 6—that whereas the night before they possessed Government Stock, Debentures, Mortgages and similar monetary claims, entitling them to an eventual DM 100 repayment, that morning they only possessed claims to DM 10. The rest of their money, credit and monetary claims had been expropriated by the Government. The rentier and saving class found itself "liquidated" to the extent of 90% and more of its monetary property. Only the business man who had been astute enough to hold his capital in stock and had sold as little as possible for "cash" during the previous months escaped this massacre of the bourgeoisie. As wages and costs remained unaffected by the decree, prices next day in the shops were found to be unchanged.

Corporations suffered as did individuals. Whether banks or burial clubs, insurance companies or municipal treasuries—all lost the greater part of their reserves without ever a thought for the possible social consequences. Whilst it cannot be said that the Currency Reform was imposed upon the Germans by the terms of the Marshall Plan, it is being said that such a Reform would not have been practicable without the Marshall Plan.

6. *Inflation.* Notwithstanding the so recent and drastic removal of "too much money" chasing "too few goods," inflation is again in evidence. Bread which sold immediately after the "Reform" for DM 0.35, today costs DM 0.55 a kilo. Everywhere is found a reluctance to hold money. The ground sites of bombed buildings, often the only property left to a family, is sold with reluctance unless an immediate purchase of some other reality is possible with the sale proceeds.

7. *National Health Service and other Insurances.* The German N.H.S. is only compulsory for incomes up to £350—incomes over that figure are free to make their own medical arrangements. Doctors complain that since 1939 their number has doubled, the number of "panel patients" has remained about the same, that the N.H.S. government grant is the same and that in consequence their "panel" income has been halved whilst their prices and costs have more than

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PARLIAMENT

House of Commons: April 23, 1951.

Mr. Aneurin Bevan (Statement)

Mr. Aneurin Bevan (Ebbw Vale): . . . It has for some time been obvious to the Members of the Government and especially to the Ministers concerned in the production Departments that raw materials, machine tools and components are not forthcoming in sufficient quantity even for the earlier programme and that, therefore, the figures in the Budget for arms expenditure are based upon assumptions already invalidated. I want to make that quite clear to the House of Commons; the figures of expenditure on arms were already known to the Chancellor of the Exchequer to be unrealisable. The supply Departments have made it quite clear on several occasions that this is the case and, therefore, I begged over and over again that we should not put figures in the Budget on account of defence expenditure which would not be realised, and if they tried to be realised would have the result of inflating prices in this country and all over the world.

It is now perfectly clear to any one who examines the matter objectively that the lurchings of the American economy, the extravagant and unpredictable behaviour of the production machine, the failure on the part of the American Government to inject the arms programme into the economy slowly enough, have already caused a vast inflation of prices all over the world, have disturbed the economy of the western world to such an extent that if it goes on more damage will be done by this unrestrained behaviour than by the behaviour of the nation the arms are intended to restrain.

This is a very important matter for Great Britain. We are entirely dependent upon other parts of the world for most of our raw materials. The President of the Board of Trade and the Minister of Supply in two recent statements to the House of Commons have called the attention of the House to the shortage of absolutely essential raw materials. It was only last Friday that the Minister of Supply pointed out in the gravest terms that we would not be able to carry out our programme unless we had molybdenum, zinc, sulphur, copper and a large number of other raw materials and non-ferrous metals which we can only obtain with the consent of the Americans and from other parts of the world.

. . . The administration responsible for the American defence programme have already announced to the world that America proposes to provide her share of the arms programme not out of reductions in civil consumption, not out of economies in the American economy but out of increased production; and already plans are envisaged that before very long the American economy will be expanded for arms production by a percentage equal to the total British consumption, civil and arms.

And when that happens the demands made upon the world's precious raw materials will be such that the civilian economy of the Western world outside America will be undermined. We shall have mass unemployment. We have already got in Great Britain under-employment. Already there is short-time working in many important parts of industry and before the middle of the year, unless something serious can be done, we shall have unemployment in many of our im-

portant industrial centres. That cannot be cured by the Opposition. In fact the Opposition would make it worse—far worse.

. . . I therefore do beg the House and the country, and the world, to think before it is too late. It may be that on such an occasion as this the dramatic nature of a resignation might cause even some of our American friends to think before it is too late. It has always been clear that the weapons of the totalitarian States are, first, social and economic, and only next military; and if in attempting to meet the military effect of those totalitarian machines, the economies of the western world are disrupted and the standard of living is lowered or industrial disturbances are created, then Soviet Communism establishes a whole series of Trojan horses in every nation of the western economy.

It is, therefore, absolutely essential if we are to march forward properly, if we are to mobilise our resources intelligently, that the military, social and political weapons must be taken together. It is clear from the Budget that the Chancellor of the Exchequer has abandoned any hope of restraining inflation. It is quite clear that for the rest of the year and for the beginning of next year, so far as we can see, the cost of living is going to rise precipitously. As the cost of living rises, the industrial workers of Great Britain will try to adjust themselves to the rising spiral of prices, and because they will do so by a series of individual trade union demands a hundred and one battles will be fought on the industrial field, and our political enemies will take advantage of each one. It is, therefore, impossible for us to proceed with this programme in this way.

I therefore beg my colleagues, as I have begged them before, to consider before they commit themselves to these great programmes. It is obvious from what the Chancellor of the Exchequer said in his Budget speech that we have no longer any hope of restraining inflation. The cost of living has already gone up by several points since the middle of last year, and it is going up again. Therefore, it is no use pretending that the Budget is just, merely because it gives a few shillings to old age pensioners, when rising prices immediately begin to take the few shillings away from them. [HON. MEMBERS: "Hear, hear."] It is no use saying "Hear, hear" on the opposite side of the House.

The Opposition have no remedy for this at all. But there is a remedy here on this side of the House if it is courageously applied, and the Budget does not courageously apply it. The Budget has run away from it. The Budget was hailed with pleasure in the City. It was a remarkable Budget. It united the City, satisfied the Opposition and disunited the Labour Party—all this because we have allowed ourselves to be dragged too far behind the wheels of American diplomacy.

This great nation has a message for the world which is distinct from that of America or that of the Soviet Union. Ever since 1945 we have been engaged in this country in the most remarkable piece of social reconstruction the world has ever seen. By the end of 1950 we had, as I said in my letter to the Prime Minister, assumed the moral leadership of the world. [Interruption.] It is no use hon. Members opposite sneering, because when they come to the end of the road it will not be a sneer which will be upon their faces. There is only one hope for mankind, and that hope still remains in this little island. It is from here that we tell the

world where to go and how to go there, but we must not follow behind the anarchy of American competitive capitalism which is unable to restrain itself at all, as is seen in the stock-piling that is now going on, and which denies to the economy of Great Britain even the means of carrying on our civil production. That is the first part of what I wanted to say.

. . . May I be permitted, in passing, now that I enjoy comparative freedom, to give a word of advice to my colleagues in the Government? Take economic planning away from the Treasury. They know nothing about it. The great difficulty with the Treasury is that they think they move men about when they move pieces of paper about. It is what I have described over and over again as "whistle-blowing" planning. It has been perfectly obvious on several occasions that there are too many economists advising the Treasury, and now we have the added misfortune of having an economist in the Chancellor of the Exchequer himself.

I therefore seriously suggest to the Government that they should set up a production department and put the Chancellor of the Exchequer in the position where he ought to be now under modern planning, that is, with the function of making an annual statement of accounts. Then we should have some realism in the Budget. We should not be pushing out figures when the facts are going in the opposite direction.

I want to come for a short while, because I do not wish to try the patience of the House, to the narrower issue. The Chancellor of the Exchequer astonished me when he said that his Budget was coming to the rescue of the fixed income groups. Well, it has come to the rescue of the fixed income groups over 70 years of age, but not below. The fixed income groups in our modern social services are the victims of this kind of finance. Everybody possessing property gets richer. Property is appreciating all the time, and it is well known that there are large numbers of British citizens living normally out of the appreciated values of their own property. The fiscal measures of the Chancellor of the Exchequer do not touch them at all.

. . . The conclusion is as follows. At a time when there are still large untapped sources of wealth in Great Britain, a Socialist Chancellor of the Exchequer uses the Insurance Fund, contributed for the purpose of maintaining the social services, as his source of revenue, and I say that is not Socialist finance. Go to that source for revenue when no other source remains, but no one can say that there are no other sources of revenue in Great Britain except the Insurance Fund. . . .

. . . I say this, in conclusion. There is only one hope for mankind—and that is democratic Socialism. There is only one Party in Great Britain which can do it—and that is the Labour Party. But I ask them carefully to consider how far they are polluting the stream. We have gone a long way—a very long way—against great difficulties. Do not let us change direction now. Let us make it clear, quite clear, to the rest of the world that we stand where we stood, that we are not going to allow ourselves to be diverted from our path by the exigencies of the immediate situation. We shall do what is necessary to defend ourselves—defend ourselves by arms, and not only with arms but with the spiritual resources of our people.

House of Commons: April 25, 1951.

Highland Development

Lieut.-Colonel Elliot (Glasgow, Kelvingrove): . . . The debate has been interesting because it has ranged over both the traditional and non-traditional activities of the Highlands. That is in a way the interesting point about this programme for Highland development. We have had other programmes and plans. The Hilleary Report, for instance, which we should never forget in these discussions, was also a very full and fair report. Here is a programme which touches both on the traditional and non-traditional activities of the Highlands. The traditional might be taken as agriculture, forestry and fishing; the non-traditional are hydro-electricity, mining and industry, with tourism occupying a half-way house; and with whisky also occupying a halfway house. I say that because whisky occupies a new place in our economy as something which we manufacture and give away to other people. Previously, we used to manufacture it and consume it ourselves.

Traditional activities will undoubtedly need to be further developed. My hon. and gallant Friend the Member for Pollok (Commander Galbraith) explained that he would not touch on agriculture, or indeed on fishing, because we should have an opportunity later of going into those matters. But no debate on Scottish affairs, even a general one, would be complete without a certain study of agriculture, and we have had that from hon. Members on both sides of the Committee who are well qualified to speak on that subject.

The new emphasis, which is turning towards cattle, is an old emphasis re-stated. The question of cattle is still rather in the balance because of the question of winter keep. Everyone knows that great numbers of cattle can be kept on the hills of Scotland in summer. Everybody also knows that the question of how many cattle can get through the winter on the hills is a matter which is in the hands of the good Lord and not ours, because in winters like the one through which we have just passed even the deer have been unable to live on the hills, whereas in certain winters cattle can be carried right through on the hills without any particular trouble.

There will, of course, be special problems in this particular departure. My hon. and gallant Friend the Member for Angus, South (Captain Duncan), emphasised again what has often been emphasised in the course of this debate, the importance of silage. Yes, but not for the hills. A bale of hay can be carried about, thrown over the cart-side, and cut up. It requires less labour, and the most expensive thing in the world is not silage, or cattle, but men's time. The real advantage of hay for cattle on the hills is the ease with which it can be transported or moved about. Silage cannot completely replace it. In the same way most modern people speak contemptuously about turnips, that they are expensive to grow, that they are not much use when one has them and that they are 98 or 99 per cent. water. I am reminded of the old farmer who, when told that, said, "It must be wonderful water." The convenience of the turnip lies in the ease with which it can be moved about, its size in comparison with the animal. It is something which we cannot do without. In these agricultural matters we depart from tradition at our peril. We have to be sure that we are not embarking upon something which looks very attractive at the

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Saturday, May 12, 1951.

From Week to Week

As many of our readers have concluded (without great disturbance of mind), "MacArthur," first word of column 1, page 4, T.S.C. for April 28, and "MacArthur," foot of column 2, page 1, T.S.C. for April 21, should both read "Marshall."

• • •
MacArthur?—

(1) "The first day's testimony ran to 220 pages—55,000 words, of which 11 pages—3,000 words were deleted by the censor." The hearing lasted three days.

(2) "General MacArthur said earlier that Russia had for centuries sought expansion of her shipping into warm waters. 'For centuries the fundamental political policy of the British Empire . . . has been to prevent that, and always they have been successful. The objective of Russia for many decades was the Mediterranean. It not only would have given her warm water, given her a chance to develop her transportation, her water transportation facilities, but would have cut the lifeline of her great rival. Whether you believe in the British or whether you do not, they were amazingly successful, either on the field of battle, in the utilization of the principle of the balance of power, or in combinations and leagues of various nations, to prevent that tremendous expansion. Without that, Russia could not dominate and control the world. . . .'"—(The Times report, May 4).

(3) "The General gave his present ideas on this subject [delegation of responsibility for army—navy co-ordination] to Senator Green yesterday afternoon: 'The general definition, which for many decades has been accepted, was that war was the ultimate process of politics; that when all other political means failed, you then go to war; and when you do that the balance of control, the balance of concept, the main interest involved, the minute you reached the killing stage, is the control of the military. A theatre commander, in any campaign, is not merely limited to the handling of his troops, he commands that whole area politically, economically, and militarily. You have got to trust at that stage of the game when politics fail, and the military take over; you must trust the military, or otherwise you will have the system that the Soviet once employed of the political commissar, who would run the military as well as the politics of the country.'"—(The Times report, May 5).

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Without any extravagant expectation that we shall be listened to with complete understanding by more than a few, we assert that Englishmen, Scotsmen, Welshmen and Irish-

men are more deeply and vitally interested in the policy to be pursued in regard to (2) and (3) above than in the success or otherwise of rival gossip writers and their habitual fodder, the party politicians of Great Britain and the United States. Even MacArthur the Magnificent becomes insignificant before this issue. (While still suspending judgment concerning more than the local and temporary importance of The Magnificent at this juncture, we do not record it as a mark in his favour that he is alleged to have entrusted "a special and exclusive message" (unpublished) to a much advertised review of world affairs). We have the Prime Minister's own word for it that he is not bound to pursue a national policy—i.e. one in the national interest. If and when he is charged with defection in the House of Commons, he has only to repeat it, and what answer is there?

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The three reputed centres of occult activity are Thibet, Denmark and Capri. Have you noticed that the threatened invasion of Thibet seems to have petered out?

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"In all men who have devoted themselves to any study, or any art, with sufficient pains to attain a certain degree of excellence, there must be a fund of energy immeasurably above that of the ordinary herd. Usually this energy is concentrated on the objects of their professional ambition, and leaves them, therefore, apathetic to the other pursuits of men. But where these objects are denied, where the stream has not its legitimate vent, the energy, irritated and aroused, possesses the whole being, and if not wasted on desultory schemes, or if not purified by conscience and principle, becomes a dangerous and destructive element in the social system, through which it wanders in riot and disorder. . . . No state is ever more in danger than when the talent, that should be consecrated to peace, has no occupation but political intrigue or personal advancement."—(Bulwer Lytton, *Zanani*)."

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SIDELIGHT: "The intensity of feeling over the differences between General MacArthur and the Administration is such that Mr. Churchill's decision not to come to speak at Philadelphia on May 8 was taken on the advice of Mr. Bernard Baruch, presumably with the agreement of Mr. Stassen, who had invited him. It was the events in the United States—not those in England—which stopped the trip. Mr. Baruch and Mr. Stassen were concerned that, should Mr. Churchill say anything which might suggest that he was not whole-heartedly on the General's side, he would be attacked all over the country."—(Washington Correspondent of The Times, May 1).

“MacArthur Market”

"The reaction of the stock market to the news of MacArthur's ousting is significant. On the morning after the amazing announcement the market opened on a jittery note; prices were below the closing prices of the night before. Within an hour, however, the losses were regained, and the gradual upward trend of the past year resumed. Why? The sensitive pulse of the market records only economic forces, and heeds political events only as they might affect these forces. The dropping of MacArthur in no way indicates either a cessation of war spending (whether for the Korean war or the anticipated war elsewhere), or of other inflationary moves of the government. . . ."—(Frank C. Hanighen in *Human Events*).

Mental Maiming

Mr. Charles Morgan is convinced that "in the modern world, not only the liberties of conduct, but the liberties of the mind itself are in peril." (*Liberties of the Mind*). The method of destroying an individual's mind he calls "Switch Control . . . which implies maiming." He mentions as evidence for his theory the Soviet trials—particularly the altered mind of Cardinal Mindszenty—and the words of his American friend who reported progress in ways "to help the human mind." The object is control of the personality similar to possession in the New Testament sense. Moreover, "in the conditioned mind, there would be no knowledge of servitude." The mechanism is apparently physical rather than suggestive or hypnotic.

He asks, in the new introductory chapter, what "the devil in the wind" was in the era of Tennyson and Gladstone, and castigates the "compound of numerical-thinking and power-thinking"; and gives promise of a concrete answer to his question about the devil when he points out that "The U.S. is happily protected by its Constitution" from some aspects of numerical thinking, while "In England . . . every constitutional barrier against tyranny has been removed. If an effective Second Chamber is not re-created, the Executive has to take but one step to dictatorship." (He does not refer to the King, of course.) Mr. Morgan contends for "an immortal part of us, called the spirit," which he says "is being attacked through the mind." The errors of statesmen "wear in retrospect an alarming air of having been compelled," and he gives Yalta as an example. Unfortunately the diabolical precision instrument, in personal and international affairs, is not matched in this book with equal precision: there is no suggestion, for instance, that Hiss might have had something to do with Yalta. But at least Mr. Morgan has no illusions about "superficial education" which has made the Western peoples "gullible by their terror of being gulled." He comments on film fans who are practically "addicts." But there is still a line between addiction, however fostered, and possession, which he is not always too careful about smudging.

The next chapter was the first Zaharoff lecture, previously noticed in *The Social Crediter*, dealing with Montesquieu (1689-1755) and opens with the great Frenchman's principle: "To avoid abuse of power, power must check power." ("Il faut que . . . le pouvoir arrête le pouvoir"). Montesquieu—whose nature was "aristocracy without an unjust pride, Christianity without fanaticism, and liberalism without any enduring equalitarian delusions"—visited England in 1729, and based his system on the example of England, whose constitution he called a Mirror of Liberty. He taught that constitutional liberty rests upon the Separation of Powers. The historians Macaulay and Trevelyan ridiculed Montesquieu but Madison called him "the oracle who is always consulted." (Blackstone cited him with great respect). Charles Morgan specifies Montesquieu's governing ideas as relativity, balance, the Rule of Law, and contrasts the words of Marx, "Men are not free to choose their own productive forces" with Montesquieu's strong repudiation of *une fatalité aveugle* (blind fate). Two quotations are significant: "If we want a people to be honest, we must not so oppress them with taxation that honesty becomes the worst policy. . . . Probity has ceased to be valued because it has been made impracticable." And, he wrote, England "will perish when the

Legislature becomes more corrupt than the Executive." (*Esprit des Lois* appeared in 1748). Mr. Morgan points out that the checks on the concentration of powers in one set of hands have gone, and mentions the king's veto and the legislation with regards the Upper House in 1911. He omits the common law, and his idea that the situation in England is redeemed by the doctrine of District Capacities is pretty thin. And he holds that there is need for "a reconstituted Second Chamber . . . in great part elective." But the Zaharoff lecture is worth reading.

From this point the book appears to recede. This may in part be due to Mr. Morgan following up with older papers. A critic has complained that *Liberties of the Mind* does not "lead into" anything, and has likened it to vaccination. It is true that Mr. Morgan quotes some good writers, and that he is correct in trying to specify "Liberties" instead of confining himself vaguely to "Liberty." We may be grateful for reading K'ung's insistence on the value of "good men," and Trollope's preference of a "tendency towards equality" to "proclaimed equality." Also for G. M. Young's phrase that in 1867 and 1885 the educated classes were disfranchised. But Mr. Morgan's advice to "fluidify the present" so that it becomes a "continuous flow" is strange when he suggests calling in the present to redress the balance of the past and future.

Mr. Morgan calls for the unity of "romanticism" and "classicism" against collective materialism, the "gangsters of the spirit." But Shelley's immediate relevance is not obvious, nor is the vagueness of Bergson. Maritain's suggestion of "proportional equality" is valuable, as is his insistence on the right to private ownership of material goods, but it is spoiled by Maritain's quotation from Cardinal Verdier, who demanded "the making available to all citizens of public employment." This suggests that after all we are ants, in spite of Mr. Morgan's dislike of the team spirit and of compulsory games and although he commends the "Landors of the classroom."

Mr. Morgan is genuinely enough concerned with the materialist's attack in which no holds are barred. But his apparent ignorance of the power nexus which the materialists manipulate leaves the reader with a blurred idea of how he can defend himself. Mr. Morgan gives him some hints from a few text books and tells him that Shelley "raises earth-bound humanity's outstretching hand"; but the reader is left exposed to his adversary who, in various disguises, is robbing him of his credit and reality and existence. Perhaps if he regained his individual credit, he would be able to look after his existence.

H. SWABEY.

Unemployment Benefit

On April 25 Mr. Boothby asked the Minister of National Insurance to what extent it is the general practice, in cases where a four-day week is being worked, to include unemployment benefit for the remaining two days, by arrangement with the local Employment Exchange in the weekly pay packet; how many firms have made this arrangement; and how many workers are affected.

Dr. Summerskill: Only one arrangement on such lines has been made; it covers about 2,500-3,000 workers. Benefit is, however, paid quite separately from wages.

PARLIAMENT.

(Continued from page 3)

beginning, but which will not work out well at the end.

Many eloquent tributes have been paid to the new large-scale developers who are carrying on very interesting experiments. There is a recent one at Fort William which was referred to by the right hon. Member for Clackmannan and East Stirlingshire (Mr. Woodburn) who said, with a certain amount of rueful regret, that the owner had a distillery to back him up. So far as I understood him, the right hon. Gentleman said, "How I wish I had a distillery also." But these are large-scale experiments which are not always on the line of development in the Highlands. I distrust this vast mass idea.

The Highlands, of all the parts of this Island, and indeed of almost all the parts of Europe, are the most ancient. They are the remnants of the old continent which was drowned when the North Sea came in and flooded over the plains to cut off Britain from the mainland. They are far older than the present shape of the Island. They go back to immemorial ages and they have qualities of their own. There is a certain breath which distinguishes the glens which people challenge at their peril; as Lord Leverhulme discovered when he tried to run counter to the wishes of the people of the Hebrides. We have to keep in mind the small man as well as providing development which is attractive to the big man. The kind of development which has been discussed tonight and which is of great interest should not be entered upon too rashly, because there are imponderables in the Highlands which we neglect at our peril.

I have a slight uneasiness even when the enthusiastic speak strongly about this large-scale forestry. I am a flockmaster myself, a grazier. I do not go so far as the famous retort of Ibn Saud when President Roosevelt, wishing to be kind to him, was explaining that he would develop Arabia and encourage forestry. Whereupon Ibn Saud said with great bitterness, "The Bedouin hates trees." That is the attitude of the grazing man towards forestry. He feels uneasy about it. Here are these forests, which cut him off from his familiar grazing grounds and harbour all sorts of vermin which attack his young lambs. They are uneasy and difficult things to live amongst. He is uneasy about the tree. This is a large-scale enterprise which later may be profitable. I do not share the view of the hon. Member for Motherwell on this development of the Highlands, but I think it is a capital development which will not give capital returns for some 40 years.

Mr. Kirkwood: What would the right hon. and gallant Member suggest?

Lieut.-Colonel Elliot: When I have a sheep which will give a lamb every year, and a fleece as well every year, I would think twice before I turned off that sheep-stock which will give 40 lambs and 40 fleeces in that time, for a tree which will do nothing in the whole of that time. . . . I would hesitate before embarking upon a further programme of large-scale forestry development, which can give no return for many years, clearing off development which can, and does, give the greatest value at the present moment.

I would speak for a moment about the wool cheque which the right hon. Member for Clackmannan and East Stirlingshire commented on. It is quite true that if we had had a good lambing and a mild winter, we would be in the way

of receiving a very considerable wool cheque indeed this year. But as is well known, with the winter we have had, some areas will barely balance out, even with the wool cheque. Others will do better. It is true, as the right hon. Gentleman said, that the wool cheque is, in a way safe, because of the profits of the previous year; and, as it is running over a five-year period, it may well average out at a high figure.

Unless, however, we refrain from removing all the reserves by taxation the moment they accrue, then we have to give them back again by way of grants and loans later on. It is the most uneconomic thing in the world first to take all the reserve away and think that one has got it, as current income, and then to return it by means of a complex bureaucracy, losing a good deal on the way. I suggest that in the Highlands, at any rate, although I should like to extend it to other marginal areas, if the wool cheque is being used for development, it should be allowed to be ploughed back into the land and not be taken away in the form of extra taxation. It is extra taxation which is killing the Highlands. Taxation is getting a great deal higher than ever it has been, and it has been intensified lately, notably by the 66½ per cent. Purchase Tax which was complained of by several hon. Members. [Interruption.] There is no suggestion at the moment that social credit will or will not save the Highlands.

We are dealing with the question whether the money that has been earned in the Highlands should be allowed to remain there. I am putting forward a plea that we should devise some fiscal device by which a larger amount of the money earned should be allowed to remain, if it is ploughed back into the land. We have taken several steps against that. We are taking one in the present Budget. We are removing the 40 per cent. depreciation allowance. That is a bad thing.

We are clamouring for more mechanisation in the Highlands. This allowance might be allowed to remain in this area. If we desire development and mechanisation, surely it is a piece of great folly to remove an allowance which was given to encourage development, when admittedly it has not succeeded so far in accomplishing its object in the Highlands—the area that we are talking about. It may be that it has done it elsewhere, but it certainly has not done it in the Highlands. A great deal more capital equipment could well go into the Highlands. For the Government to remove the 40 per cent. depreciation allowance from agriculture and to slam a 66½ per cent. Purchase Tax on the tweed industry, and then for us to sit here in this Committee considering how grants or loans or finance corporations can be brought into existence, and money can be lent by the bankers and stockbrokers of Edinburgh, does not make sense. This is feeding the dog with its own tail. It may be a nutritious process at one end of the dog, but it can lead to a heavy haemorrhage at the other.

I can only say a few words on fishing. Fishing is traditionally a matter of boom years and blank years. If all the money in the boom years is treated as current income and swept away, then there is no money for the bad years. Unless we can devise some means by which boom money is not treated as current income but is allowed, under some fiscal device or other, to be ploughed back into the enterprise and left there, then we shall always be faced with this business. We find that we have first skinned the industry

and then, somehow or other, we have to put back some kind of synthetic overcoat over it. I have heard it said that the fleeces are now so valuable that the Aberdonians run the clippers over the lambs before they send them to market and then give them overcoats to keep them alive until they are graded. I think that is an exaggeration, but it certainly is a faithful reflection of what the Government's fiscal policy is at the present moment.

I have dealt with agriculture, forestry and fishing. On the two half-way items, tourism and whisky, I would say again that whisky, which is one of our big dollar earners, is at present being produced at the rate of some 30 million gallons a year, of which only 2.6 million gallons goes to the home market. But only about 9.6 million gallons are going for export, so that a considerable stock, as I understand, is building up. We ought to have an indication from the Government of what their policy is towards this industry. Obviously it is a very important matter that a dollar earner of this importance should be kept going and should be able to look ahead.

Every member who has spoken of tourism has mentioned the difficulty of the regulations under the Catering Wages Act. The Right Hon. Thomas Johnston has mentioned this with far greater force and authority than I can possibly do. We keep mentioning it, but we do not seem to get any further with it. I think it is a tragedy that hotels are actually being closed down at a time when we are trying to attract people to the Highlands, simply because of regulations which are perfectly sound when applied to hotels like the Dorchester and the Ritz, but are a different matter altogether when we attempt to apply them to a small hotel in Scotland.

As to railways and civil aviation, the two great nationalised bodies in whose hands tourism lies, I am not sure that the Government are applying the full amount of imagination, or even the full amount of administration, which they ought to this problem. That is why some of us on these benches have stressed very strongly the necessity for some Deputy-Secretary or somebody who does not have to spend his life in first-class railway carriages. When a man is appointed Secretary of State for Scotland he buys a pot of geraniums and puts it in a sleeper to make the place look homely because that is where he is going to spend the most of the rest of his life. Nobody is as good after a night in a sleeper as he was before, and nobody is nearly as good after two or three or four nights in a sleeper as he was before. . . .

OCCUPIED GERMANY

(Continued from page 1).

doubled. Patients of the middle class envy the English N.H.S. with its known obligations. Such patients are often insured against illness—but even here the Sick Funds had their reserves almost destroyed by the "Currency Reform" and cannot pay out the full amount of claims. Doctors complain that their private patients' debts are generally "doubtful" and often "bad."

Pension and Unemployment Insurances are compulsory for incomes up to £600.

8. *Politics.* An atmosphere of apparently complete indifference prevails. The sufferings of war and the bitter experiences both of "nazification" and "denazification" during the last fifteen years have taught Germans the advisability of avoiding all party or other 'membership' whatever the movement. The average German today is beyond the reach either

of political Force or Make-Believe. His "could not care less" attitude is expressed in the two, now famous words, *Ohne mich*—"Do what you like but leave me out." The German press and radio breathe a peace and moderation in pleasant contrast with the feverish and constant apprehension of crisis in England today. The awareness of Russian proximity of Russian ability to occupy the whole of Germany should she so desire, as of what such Russian occupation has meant for their fellow countrymen in the Russian zone is ever present but like death itself, is kept fatalistically in the background of consciousness. No German wishes to stick out his neck and be marked for eventual Russian vengeance. And as a current joke has it, "Better fight with the Russians and be captured by the Americans than the other way round." Germans still contrast the ham and egg breakfasts that awaited America's prisoners of war with the tragic lot of their unfortunate comrades in Russian labour camps where some half million Germans are still presumed to exist.

9. *Military Rearmament.* The "Ohne mich" or "Leave Me out" attitude is very strong and probably beyond the power of either Fear or Make Believe to alter for the present. A current doggerel has it:

"Vote for the Christian Democrats and a soldier you'll soon be,

"Vote for the Socialist Democrats and you'll certainly be a soldier,

"Vote for the Communist Party and you'll find yourself in the People's Police,

"Therefore stay what you are—National Socialist!"

There is no desire that I found to return to the Nazi regime, even if prices were so much cheaper then, but there is equally no illusion as to the fraud of the present "political party democracy" where no real attempt is made to represent the will of the people and the parties offer much the same policy under different slogans. More than one intelligent German stated that he intended to spoil his ballot paper as the only sensible manner of its use. The post-Korean "volte face" of the "democracies," now seeking to make "reputable" what so recently was proclaimed "disreputable" has confirmed Germans more than ever in their satirical outlook.

It should not be forgotten that the German States, by their constitutions, allow every German the right to refuse military service.

10. *Nazification and Denazification.* Tales of proscription, both by and against Nazi party members, are constant in family conversation—how since 1945 simple membership has meant loss of job when not imprisonment, just as before 1939 the same job, however ordinary, was only possible to those who took out party membership. Not that non-membership of party or even persecution by the party and dismissal can by itself assure restitution of job or post or a certificate of "democratic cleanliness." The unlucky one may have blotted his copybook by having a child who was a party member or by having himself worked alongside party members. Many a young woman in the Young Women's movement of the Nazi Party who had risen to any sort of authority, however modest, has since 1945 served her one to three years' imprisonment for no other "crime" than that of a too innocent "School Prefect" sense of "service" and "duty," as her idealism and will to self-sacrifice conceived those terms. Let "service mongers"

and "common welfare seekers" in the "democracies" beware!

11. *Moral Rearmament.* Under the conditions prevailing in Germany today—of sorrow for the killed, despair for the still reported "missing" in Russia and anguish for the known prisoners of war in Russian hands, as of insecurity of person, confusion of thought and distrust of party politics—it is perhaps not surprising that a movement such as Frank Buchman's "Oxford Movement," now rechristened the "Caux Movement for Moral Rearmament" (MRA) from its headquarters town in Switzerland, should have made considerable progress among the German non-Catholic middle class.

(The London headquarters, 45, Berkeley Square, once the home of Clive of East India Company fame, is pictured on the frontispiece of the March 1951 issue of their English publication, *New World News*, presented to me by a German fervent, as the "Home Of History" . . . "Where once was the glitter of balls, now miners, dockers and trade unionists meet with business executives, military leaders and members of parliament, in a living democracy . . . the house belongs to no one person but to all. It is embassy, home and battle-headquarters for the men and women of this century who commit themselves to the task of rebuilding the world." The editorial informs one that "The search for scapegoats is one of the most dangerous elements in the situation facing the West today," that "The unity of the West will be like an atomic bomb in the Kremlin," that "mutual trust should be the touchstone of united action" and that in "the need to put industry on a war footing, the cuts in civilian production and the sharp rise in prices of consumer goods reflects the swing in a nation's thinking.")

The Catholic Church, the greatest spiritual power in Western Germany, continues as ever its "moral rearment" efforts, but even German Catholics admit that its efforts towards "political and economic rearment," in the sense of infusing a clearer sense of political and economic realism among its members, is disappointingly feeble, notwithstanding the nearness of and its proclaimed hostility to the "Communist menace."

12. *Population and Displaced Persons.* The original population of 40 millions in the Western zones has been increased since the war to 48 millions by the arrival of German refugees from the Eastern and Russian zones. The provision of their barest maintenance and their putting to employment present very grave problems.

13. *National Budget and Occupation Costs.* 1950 saw a Federal budget of £1,100 million, of which £500 million represented "Occupation Costs." 1951, I was told sees the sum of £1,000 millions demanded for Occupation Costs alone and no one seems to know where the Federal revenue is to come from.

14. *Universities.* These are full, notwithstanding the unemployment which exists among graduates and professional men generally and the fact that the professional "standard of living" is today often little above that of the skilled workman. Of those attending lectures, few are in receipt of State or other "scholarship" and fewer still of private or parental support. The vast majority must find work, especially during the three months' vacation, to cover their expenditure on board, lodging and books.

15. *"Anti-Semitism" and Jewish Property Claims.* Very few Jews are to be seen in public. Very few anti-Jew

sentiments are heard. The average German is ashamed of the Nazi party's persecution of the Jews as individuals (intensified by an increasing awareness that Jewish bankers finance the persecution) and is too indifferent to get excited about anything very much. It is possible, however, that the present spate of Jewish property claims may produce its reaction.

In many such cases, I was told, the one-time Jewish owned property has been declared by the German courts to be still the property of its former Jewish owner. It matters not that the property has been since acquired by third parties in good faith, nor that often the former Jewish owner himself sold at an agreed price, and that even if the sale was not exactly "free" nor the purchase price "fair," money was paid which should be taken into account. The Jew retorts that the money was paid into a Nazi bank and that very little, if any reached him abroad. Anyhow, I was told, such sales are now declared null and void and the Gentile owner is lucky if allowed 10% of the property value. In other cases, I was told, "Partnership Agreements" have been arranged out of court between the present Gentile owner and the Jewish claimant whereby the Jew agrees to remain a "sleeping partner" in the business—"sleeping" quite possibly as far afield as New York or Tel Aviv! The bulk of these cases appear to be conducted in the courts by Jewish Claims Organisations which have acquired the "interests" of the absent Jewish "owner." These organisations, so I was told, conduct their cases most ruthlessly and regardless of any personal consideration. It is suspected that the intention is to make Germans "legally" and by the decrees of their own courts, the "hewers of wood and drawers of water" for absent Jewish "task-masters," it is suspected that the intention may well be to oblige Germans to assist in the financial support of Israeli Palestine. Could sweeter vengeance be conceived!

"Anti-Semitism" is presented in Germany today as a "crime against humanity" and no unfavourable judgment concerning Jews as a race is permitted—notwithstanding that the hand of the Jew is suspected in most cases of "denazification" as well as the latest "spoiling of the Egyptians" technique.

16. *Trade Unions.* The only matter of political significance in Western Germany today is the persistent pressure of the T.U. bosses to acquire legal and official representation on all industrial boards, and the feebleness of resistance, if not reluctance shown by the political parties and occupation authorities to prevent such quite possibly Communist inspired strategy. It is generally realised that it must result in grave prejudice to private property and a weakening of personal responsibility in industry and that such surreptitious "sovietisation" by Trojan horse technique will only require the opportune time and circumstance for the "democracies" to be stormed from within. But it is also realised that such is apparently the accepted policy of the Western "democracies" and American "new orders" and that it is not for Occupied Germany to resist this much boosted "moral rearment" "Mond-Turnerism" policy for "Peace in Industry." Germans point out that the T.U. "right to vote" on industrial boards, in its present extreme form, was first granted by the Allies in their controlled raw material industries—a fact which has led to the naive supposition that the Allies regard the T.U.s as fighting units in war against Communism.—T.V.H.