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FOR POLITICAL AND ECONOMIC REALISM

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Were We Cultured?

By H. SWABEY.

When Henry James revisited America in the first decade of this century, he remarked (*The American Scene*) on " the difference made, in a land of long winters, by the suppression of the two great factors of the familiar English landscape, the squire and the parson." Throughout his writings, in fact, America and American men are characterised by a thorough bareness. He could find nothing to say about the business man, although he found his daughters interesting. When the 1914 war broke out, he was writing about two old business rivals, one of whom had come to watch the other die. And, describing a country district not far from New York, he said: " The only revelation seemed really to be that, quite as in New Hampshire, so many people had 'left' that the remaining characters, on the sketchy page, were too few to form a word." Or, " The field of American life is as bare of the Church as a billiard table of its centre piece."

He travelled to the South in the hope of finding something richer there. He found the result not of an aristocratic culture, but of something else: " Since nothing in the Slave-scheme could be said to conform to the reality of things, it was the plan of Christendom and the wisdom of the ages that would have to be altered. . . . the history of everything would be rewritten. This meant a general and permanent quarantine, meant the eternal bowdlerization of books and journals; meant in fine all literature and all art on an expurgatory index. . . an active and ardent propaganda; the re-organisation of the school, the college, the university, in the interest of the new criticism."

Yet Henry James lived for the last twenty years of his life at Rye, in Sussex, and found plenty to write about Englishmen. He took our citizenship, and was awarded the O.M. He is, unfortunately, chiefly known now as the writer of ghost stories, but his interest was principally in people of different cultures and their relations. Few writers could claim to be more " cultured." In one novel he did describe the life that went on below the bright surface of London—" Hyacinth's subterraneous politics and occult affiliations "—but it ended in tragedy. Mainly he described the bright surface itself, but not unsympathetically to those who ministered to it. There was the butler, for instance, who lived for the brilliant conversation of his master's circle, and could not survive the breaking up of the circle. A pretty lavish country life was described as well. But James was far too wise to suggest that this civilisation thrived at the expense of the poor.

London was becoming something of a civilised centre, and in an essay written in that period—and lost for 37 years—E. Pound said: " English conventions and manners are a system of defence, evolved with great skill and wisdom, born of the sort of necessity that presses upon people living close together. . . . This English procedure is rational, and very well suited to the metropolis of a fog-enshrouded island." (*Patria Mea*). Wyndham Lewis, later to describe the softening-up process, was beginning to paint and T. S. Eliot was taking the first steps towards his naturalization and O.M.

It was, of course, not a perfect society. The gold standard and the monopoly of credit were driving the nations to war; the forces that directed Lloyd George—and possibly Sir William Harcourt—were not inactive, and had found some favour at Court. " Prussia " — disliked by James — was menacing. But Britain was a sovereign power and not entirely materialistic.

Among the causes that have blighted this culture, education is prominent. " Education consists of a decade of soaking in certain beliefs and conventions. It is character-stimulus and the reverse of mind-stimulus," wrote Wyndham Lewis. " Popular education has only resulted in people being infinitely more gullible. It is the most remarkable instrument of deception so far invented." (*Art of Being Ruled*, 1926). Instead of improving what has been found good in the past or looked promising for the future, we have imitated the New York builders of James's day, who had no sooner completed a building than they *threw down* one near it and ran up something uglier and dizzier. Nothing was likely to survive long, and no building, he complained, looked as if it was sitting down: they were all standing up. Inside too, there was no comfort. No house appeared to have a door or indeed a room in it.

So successful has the instrument of deception proved that the advantage has been pressed home. Some of Mr. Eliot's remarks on and around the 1944 Education Act are worth studying in this context: " We remark the enthusiasm with which education has been taken up as an instrument for the realisation of social ideals. . . The prospect of a society ruled and directed only by those who have passed certain examinations or satisfied tests devised by psychologists is not reassuring. . . . *Education* in the modern sense implies a disintegrated society. . . . *Education* has become an abstraction. . . When we come to mean by 'education' that limited system of instruction which the Ministry of Education controls, the remedy is manifestly and ludicrously inadequate. . . . In our headlong rush to educate everybody we are lowering our standards." (*Notes Towards a Definition of Culture*).

Mr. Butler told his constituents recently that he was watching the growth of his child.

" I Believe in the Value of the Small Nations "

" I believe in the value of the small nations. I believe in the value of the minority. The world will be saved by the few."

According to *The Observer*, these words were André Gide's, spoken to a group of writers in his flat in Paris a week before he died.

PARLIAMENT

House of Commons: March 2, 1951.

RAW MATERIALS (SHORTAGE)

Mr. Russell (Wembley, South): I beg to move:

That, in view of the growing shortage of many vital raw materials and its effect on the cost of living, employment, re-armament and the export drive, this House regrets that steps were not taken earlier to build up substantial reserve stocks, and that more use is not made of private traders in ensuring continuity of supplies.

. . . This Motion "regrets that steps were not taken earlier to build up substantial reserve stocks" of raw materials. The Government take pride in the fact that during 1950 gold and dollar reserves increased by no less than £575 million, but the tragedy is that, during the same period, our stocks of vital raw materials not merely did not increase, but actually declined. The Financial Secretary of the Treasury, in answer to a Question put by my hon. Friend the Member for Barnet (Mr. Maudling), a short time ago, made the statement that the value, at constant prices, of stocks of all imported raw materials except petroleum decreased during 1950 by more than 15 *per cent.*

Another striking indication of the decline is provided by the figures of our trade with Canada, which is a great supplier of raw materials and foodstuffs. While imports from the world as a whole were 14 *per cent.* greater in value in 1950, as compared with 1949, our imports from Canada were no less than 20 *per cent.* lower; in fact, they decreased in value from £225 million to less than £180 million. May I now deal with a few of the raw materials from a shortage of which we are suffering at the moment?

Let me take the case of zinc. According to the Monthly Digest of Statistics and figures which the Parliamentary Secretary to the Ministry of Supply gave in a written answer to a Question of mine yesterday, we have now got, roughly speaking, two tons of zinc for every three tons that we had a year ago. I do not want to weary the House with too many figures, and I therefore put it in that way. Early last year, the Government abandoned a long-term contract with Canada for supplies of zinc, although I believe the Canadians were willing to continue, and the result was that we imported from Canada during 1950 only 32,000 tons of unwrought zinc, compared with 47,000 tons in the previous year. I believe that a delegation has now been sent to Canada to negotiate another long-term contract, and I hope it is successful. We could also have got more zinc from Belgium last autumn if we had been a little quicker in deciding to buy it. I understand that it was available, but that somebody else jumped in and bought it while we were considering the matter.

A similar position exists regarding copper. Our stocks of virgin copper have gone down from 130,000 tons a year ago to 101,000 tons, which was the figure given yesterday. Imports of special shapes of copper from Canada have fallen off during the past year. I think that was due to the fact that the Canadians were given to understand that, owing to the dollar shortage, we would try to get more special shapes from sterling copper sources in Southern Rhodesia. Naturally, as a result, the Canadians sought alternative markets, but, later, supplies from Northern Rhodesia were not available in such large quantities as expected. Perhaps that was largely owing to the coal shortage, and, once again, we went back to Canada for more.

Last summer, the Government wanted to cut down imports of aluminium from Canada, and I understand that it was pointed out that the United States demand was beginning to increase, so that a shortage might result and the price would probably go up. Finally, after some delay, we agreed to make purchases, but, as a result of that delay, we imported last year only three tons for every four which we imported in 1949. I believe we were rather lucky to get even that amount, and we were able, fortunately, partly to offset the drop from Canada, to get some increased imports from foreign countries. Fortunately, another long-term contract has been completed with Canada for further supplies.

Then there is the vexed question of iron ore. I know full well that it is imported on private account under exchange allocation, and that it is not bought in bulk by the Government. This situation rather puzzles me, because in the Trade and Navigation Accounts for December our imports of iron ore from Newfoundland in 1950 totalled only 123,000 tons, which was about one-sixth of the quantity imported in 1949. I am wondering why this drop occurred, and if the Government reduced the number of dollars available. I would also like to know if they intend this year to import iron ore at the same rate as in 1949 and previous years, or whether they are only expecting to bring in the reduced amount of last year.

Another striking example of the reduction in stocks concerns tin, of which our stocks have gone down from nearly 16,000 tons in January, 1950, to 9,300 tons in January of this year, but perhaps the most shattering example of the fall in stocks is provided by wood pulp and other forms of paper-making material. If hon. Members will turn to Tables 59 and 60 of the Monthly Digest of Statistics for January they will find very substantial drops in the stocks of that type of materials. The total stocks of paper-making materials fell from 165,000 tons in November, 1949, to 83,000 tons in November, 1950. . . .

I am sure that every hon. Member will be glad to see, from the January trade statistics, that more raw materials are now being imported, compared with the same period of last year. At any rate, I am speaking of the month of January, and, in that month, the value of imported raw materials rose by about £80 million as compared with the same month of last year, but, unfortunately, that only means that we are paying the price for not beginning our stockpiling programme very much earlier.

For example, we bought 28 million pounds more raw cotton last January than in January of the previous year, but we paid nearly £15 million sterling for it, and the Chancellor of the Exchequer said recently that we might have to pay this year £400 million more for the same volume of imports as in 1950. An appreciable amount of that will clearly be due to raw materials, and that is possibly a measure of the price we shall have to pay for the delay. I believe that this is really due to a wrong financial policy during the past five years, and it shows how much economicc forecasts and attempts to plan our whole economy have gone wrong. In fact, I think it is quite impossible to try to plan on such a large scale and in such detail as has been done.

Up to 1949, we were incurring enormous expenditure on foreign exchange which, as everybody knows, ran down our gold and dollar reserves to a dangerously low level. Since devaluation, we have tried to build up those reserves, and have

succeeded beyond the expectations of even the Economic Survey for 1950. I am sorry that State trading in metals was not abandoned last year when the time was more right than at present, because I believe that if the trade were free, private traders would scour the world for small lots of metal—200 tons here, 500 tons there. They would know where to find it and would get it, whereas State trading and bulk buying is unable to do that.

Another great disadvantage of State trading is that there are, I believe, 600 different consumers of zinc in this country who would, in normal times, do their own buying, and no fewer than 2,000 consumers of copper. It is unthinkable that all those consumers would be wrong if they decided to buy or not to buy, and, in cases like that, an error made by one buyer would probably be cancelled out by that of another. But if the Government make a mistake there is no compensating advantage and everybody suffers. That is the cardinal disadvantage of State trading. When mistakes are made by the Government, either the taxpayer or consumer has to pay for the loss.

Another great disadvantage is that when the commodity markets are open and future markets are in existence, traders insure against price fluctuations. But the Government cannot do so, and again we suffer from that defect. One point which I think is inclined to be lost sight of is that it has been estimated that the commodity markets before the war earned very valuable foreign exchange to the total of £400 million a year, which we are not getting at the present time because the markets are not open, and because the trade is being dealt with elsewhere.

I think I am right in saying that we shall not feel the full effect of the shortage of materials and the increase in price for another three months. The copper shortage and the increase in price are bound to affect the cost of living very substantially, because copper enters into the manufacture of so many different articles. There is a serious shortage of nickel which is bound to affect re-armament because nickel is used not only in gun-barrels, but also in radar valves and jet engines. There is an appalling shortage of packaging material, which I know has already been dealt with in the House, of paper board for cartons and tinplate. In one salt manufacturing firm which I know the shortage recently caused 2,000 employees to be put on to other work in order to keep them busy.

Then there is the shortage of shipping, with which I know other hon. Members will deal in much greater detail, due to the fact that these three Government Departments were competing with one another for space last autumn in order to bring in supplies of wheat, timber and coal. That all helps to send up costs which is bound to be reflected in the cost of living. There are many other examples which could be given, and which I know many of my hon. Friends will be giving.

In conclusion, all I would say is that I am sure every hon. Member in the House hopes that whatever Government is in power for the remainder of this year, this appalling volume of shortages will be overcome: If the worst comes to the worst, and we are again involved in war, it is absolutely vital that we should start with substantial reserve stocks of essential raw materials.

The President of the Board of Trade (Mr. Harold Wilson): . . . The American crop [of cotton] accounts for between one-third and one-half of the total world supplies each year. Last year the American crop had threatened our American friends with conditions of embarrassing surplus and they imposed an acreage restriction on production. This restriction, in addition to natural conditions, resulted in 9.7 million bales against 15.9 million bales in the prevous year. In those circumstances the United States Government, who have now of course removed the acreage restrictions in the hope of a much better crop this year, introduced a very severe export allocation system; the total so far is only 3½ million bales compared with the figure of 5¾ million bales of the previous year.

As the House knows, this is not all. The United States Government decided to allocate this total—and I must emphasise there has been no set international discussion of this allocation—on a basis which resulted in giving to us only 265,000 bales or little more than one-third of the imports in the previous year. I have already made clear that the imports in the previous year were reduced to the absolute minimum. As my hon. Friends who represent Lancashire constituencies will know, this bitter pill has not been made any sweeter for Lancashire by the fact that Japan has been allocated, not 66 *per cent.* below previous years, but actually 6 *per cent.* above the previous year's consumption.

Mr. W. Fletcher: Were not there direct discussions between His Majesty's Government and the United Sates?

Mr. Wilson: Yes, on very many occasions indeed, and at the highest possible level. . . . At the present time imports of raw cotton from the Colonies have increased to about 8 *per cent.* compared with 3 *per cent.* of total imports in pre-war days.

I am sure that hon. Members, particularly those representing Lancashire constituencies, will realise the grave position with which we are faced in the consumption of American-type cotton, because of the United States allocation, despite all that has been done to bring in supplies from other countries, often at very high prices. Whereas last year American cotton represented 58 *per cent.* of the total usage of cotton of American types, this year under the present allocation it will be only 36 *per. cent.*

If I could draw a conclusion from the case of cotton because it is relevant to the Motion of the Hon. Member, our shortage here is due to the severely restricted allocation from North America, and, as I said in the House last week, the amount of cotton we get in this country is directly the result of the size of the allocation made by the United States Government. Private buying or centralised buying would make no difference to that. . . .

. . . Let me turn to a second item, sulphur, about which we are extremely anxious although it is in fact on public purchase. . . . About two-and-a-half years ago, long before Korea, the American sulphur producers, who were kept fully informed of forward requirements, said they could not provide more sulphur than was needed for acid plants then in operation or being erected. This was because they were worried about mineral reserves, as a long-term problem and so the Government had to place a limit on further expansion of sulphur using capacity, and enforce a switch to pyrites or other alternatives.

We were informed last July that the supply for acid products in 1951 would be considerably less than expected and we had to make emergency arrangements to reduce

(*Continued on page* 6).

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The Policy of Monopoly *

Late last year the Commonwealth Bank issued a directive to the trading banks which can only mean an intensification of the policy of monopoly. This totalitarian directive, the details of which have not been made public by Socialist planner, Dr. Coombs, has been issued under the powers conferred upon the Commonwealth Bank by the 1945 Banking Legislation. Apparently with the approval of Treasurer Fadden, Dr. Coombs is continuing the policy of Socialisation denounced so strongly by Mr. Menzies and his associates when they were in the Opposition.

Although the Commonwealth Bank talks about a "more selective credit policy to limit the inflationary effect of expenditure financed from bank advances, on goods generally and on capital goods in particular; the real meaning of its directive is that all small business organisations, who normally work on overdraft, must seek their financial requirements outside the banking system. While it is possible for the more highly centralised economic units, particularly public companies, to survive the Coombs directive, it is almost impossible for smaller units to do this.

The inevitable result can only be more economic centralism leading to more monopoly. As J. T. Lang pertinently states: "It is difficult to see what nationalisation of banking would have achieved that it (the Commonwealth Bank) is not in fact achieving under its present policy, approved by the present Government."

The present Government is as much under the domination of the Socialist "experts" as was the Chifley Government. It is, however, heartening that a section of the Government parties is becoming increasingly concerned about the direction in which the Government is proceeding. With another Federal Election getting closer, an increased effort to influence rank and file Government members might produce a "show down" on the question of whether the Government is to honour its pre-election anti-Socialist promises.

"Variations on a Theme by Nash"

The following by Lord Lloyd in the House of Lords on March 6 seems to us to be deserving of preservation:—

"My Lords, I think that my noble friend Lord Mancroft has rendered a really valuable service in bringing this question of Carlton House Terrace to your Lordships' attention this afternoon. My feelings on this matter are similar to those expressed by him and by many other noble Lords on these Benches—that is to say, I admire Carlton House Terrace as it stands and I think that the alteration and the proposed additions would destroy a fine building. In this view I realise that I may differ from some other noble Lords who have much greater knowledge of architectural matters than I have. If it were a question only of taste and knowledge I should be hesitant about putting forward my opinions this afternoon, but I feel that something more than a mere matter of taste is here involved. I suggest that there are two important matters of principle.

"In the first place, I cannot help feeling—I hope the noble Lord, Lord Mottistone, will agree with me—that a good architect should be regarded as much an artist as a good painter, musician or writer. If that be so, clearly Carlton House Terrace is a work of art by an artist known as John Nash. Some people may regard it as a very indifferent work of art, and as one which ought to be entirely demolished. Such a view is I think mistaken, but it is a perfectly understandable and logical view. In fact the noble Lord, Lord Harlech, said exactly that. Others think that it has merit and should be preserved, and that also, I think, is a perfectly logical point of view. But what is entirely illogical and unjustifiable is the attitude of those who want to tinker with Nash's work. If it were suggested, for example, that some of the old masters in the National Gallery should be touched up by a modern painter there would be a general outcry; but because a place is lived in, and therefore serves a utilitarian purpose, a great many people seem to be prepared to do to it things that they would not think of doing to pictures and other works of art.

"Of course, the modernisation of the interiors of buildings is inevitable, and it is not undesirable provided that it is carried out with proper discretion and sense. But it is quite another matter to change the exterior of a building so that the architect's original conception is entirely lost—and that is what I suggest is being done in this matter of Carlton House Terrace. I cannot believe that any contemporary architect would like to contemplate his own best work receiving such cavalier treatment from future generations. I am more than surprised when I see contemporary architects doing what I should always imagine they would not wish to be done to them. For that reason, I sincerely hope that we shall keep to the original intention of the architect, and that we shall not have pinned upon it some 'variations on a theme by Nash. arranged by the Ministry of Works' . . . ."

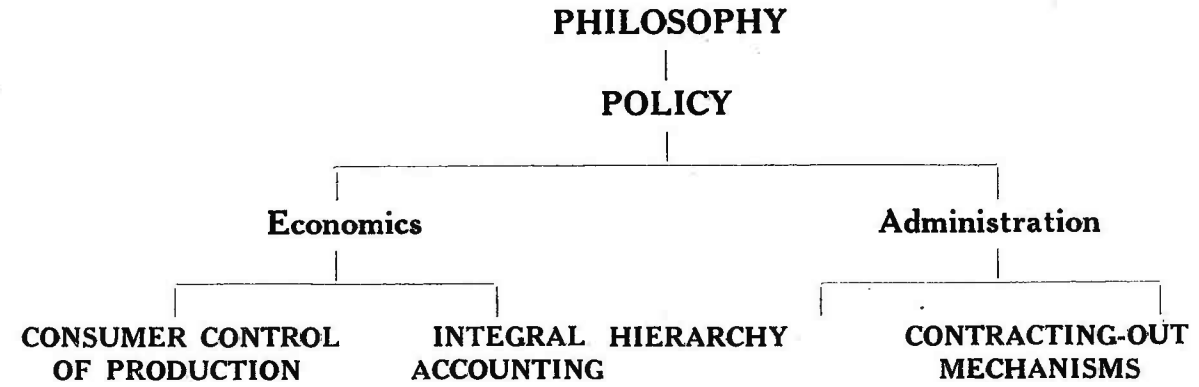
Zionist Power in U.S.A.

"I can tell you that the best brains in the highest ranks of the Armed Services, in Japan and Washington, are becoming impatient with the Zionist power. Anna Rosenberg already has antagonized a number of the highest officers (while still effectively sweet-talking the ageing Marshall) and there is now unmistakable evidence that the President at last is forced (by the desperate international situation brought about by Acheson's pro-Soviet policies) to listen to the best military brains."—(*Williams Intelligence Summary*—U.S.A.)

* In *The New Times* (Melbourne), January 12.

WHAT IS SOCIAL CREDIT?

Social Credit assumes that Society is primarily metaphysical, and must have regard to the organic relationships of its prototype.



OBJECTIVE: Social Stability by the integration of means and ends.

INCOMPATIBLES: Collectivism, Dialectic Materialism, Totalitarianism, Judæo-Masonic Philosophy and Policy.

Ballot-box democracy embodies all of these.

C. H. Douglas

February, 1951.

The Power of the Larder

After many centuries, we have reached the apotheosis of the Power of the Larder, with all its attendant evils.

The use of this evil power first started with one man trying it out on his brother. In Genesis 26, vs. 29-34 we read that Jacob bided his time until his brother Esau came back from a hunting expedition, exhausted and hungry. He then proposed the kind of deal so common to the tribe: — "Food? —yes, *on condition* you give me your birthright." In order to give the Power of the Larder a real try-out, Jacob next approached his dying father with food supposedly supplied by Esau, and so stole Esau's blessing. The Power of the Larder, plus the "double-cross," proved invincible. The end justified the means. If that could happen in a family circle, need we wonder at the effects of the same policy when applied to strangers?

The next test occurred when Joseph was in Egypt. Having prophesied that there would be seven years of plenty, followed by seven years of famine, he proceeded to organise the famine by storing all the corn surpluses in the plentiful years, and by cutting down the seed-corn issue. (Gen., 47, vs. 13-26). Within two years the Food Dictator Joseph, by the Power of the Larder, had reduced a nation to slavery. He then handed out seed-corn and the slaves thanked him for having saved their lives! Incredible?—not at all. The "slaves" of today accept the same preposterous conditions without a murmur.

When the tribe was scattered abroad, their peculiar method of rule was foisted upon any nation among which they chose to live. The selected rulers secured the allegiance of the necessary "Larder Guards"—statesmen and soldiers—by awarding them a goodly share of the Larder. (Our own "statesmen" are paid £1,000 a year in lieu, but the principle is the same.) Always, underneath, was the vital power of the Larder—the power to grant or with-hold Food—the power of Life or Death in the physical sense.

In Joseph's time, although a simple form of money was in being the slave-driver's whip and the hang-man's noose were undoubtedly the chief "persuaders." Over the centuries the persuasive power was transferred from the visible to the invisible, from the slave-driver to the Debt Monetary system. Debt is, of course, the financier's reprieve from Death to Penal Servitude for Life.

Each nation in turn, under the Power of the Larder, rose to great heights of superficial prosperity, only to sink to destitution when the descendants of that first ingenious, but infamous power-grabber passed on to fresh conquests. Needless to say, England, under this pernicious system of rule, has had her day. Always the method is the same—Corner the Larder and all else follows, as Joseph so clearly showed in Egypt.

"Cornering" is now operating on a world scale in preparation for the reign of the "Prince of this World." The latest attempts at Grand Monopoly are not running too smoothly. Although the Dollar is nearly "Almighty," the

Sterling opponents seem to have managed, temporarily, to corner wool, rubber, and tin. The rubber position is, however, untenable, as rubber cannot be processed without sulphur, and the Dollar has cornered sulphur! In answer to the tin corner, all the relatively scarce metals for hardening steel have been cornered by the opposition.

The Dollar's answer to the wool corner was to corner cotton. In 1950 U.S.A. reduced the cotton acreage by 60%. Part of the resulting short crop was rationed between England, Germany and Italy. England received the smallest ration. This sort of "help" does not assist our old friend "Full Employment" in Lancashire. (The Lancastrians thought to get out of the difficulty by using English rayon, only to find that it was ear-marked for export at 18d. per lb. They had to import rayon from Norway at 23d. per lb!)

At the moment, the Wool Corner is not too happy. Australia, New Zealand, South Africa and ourselves had built up a Corporation to make sure there would not be a "disastrous fall in the price of wool." Armed with large buying powers, their agents bought all the fleeces in sight from the farmers — at a price satisfactory to the farmers —then. Owing to an excess of zeal on the part of the buyers—U.S.A. and Russia chiefly—and the rules of Debt Finance—the price of wool rocketed to 5 times what had been paid to the farmers! This was good business for the Corporation but a bone of contention for the farmers. The new proposed Wool Corporation is in danger of sinking as it is launched, as, quite naturally, the farmers—especially Australian—hate the scheme like poison. The Corporation hopes to by-pass the farmers of New Zealand and South Africa by legislation, but they cannot do this with the Australians who are to have a ballot on the scheme. May the Australians dig in their heels. They could, by determined opposition and publicity, even at this late hour, start a move in the right direction which would postpone indefinitely the reign of his Satanic Majesty. The Power of the Larder and Wardrobe must be broken. For this job, social credit is the only remedy.—H.E.B.

PARLIAMENT. (*Continued from page* 3.)

fertiliser production and so on. In October reports reached us that the United States were contemplating export licences and strong representations were made to them about the allocation we should require—representations again at the very highest level. But when we received notice of the allocation at the end of December we were in fact given 81,465 tons for the first quarter against a requirement even on the present restricted basis of something like 112,000 tons.

We therefore had to introduce immediately restrictions on supply both of sulphur and sulphuric acid. We have been working on a detailed allocation scheme for sulphur and for sulphuric acid. That allocation scheme is now ready for introduction. I am bound to tell the House that it presents a very grave picture indeed. With the amount of sulphur that appears to be in sight, unless the allocation is increased, the allocation means that, while we should maintain supplies at as high a level as possible for steel production, oil refining, tin plate, vegetable oils, metal extraction and refining, and essential food and health services, there would be a serious reduction in the general chemical industry and a very serious reduction indeed in the rayon industries and in many industries using both sulphur and sulphuric acid.

The effect on the rayon industry is one which it is most serious to contemplate, since it would involve a cut in production—which has already been affected by some 20 per cent.—as serious as 40 per cent. of the output of the industry. . . .

. . . I want to turn now to one or two representative materials bought on private account, and I would start with wool, which, more than any other item, is causing deep concern because of its effect on the cost of living. The average price of wool is now something like 12½ times the 1934-38 average figure, and for the lowest qualities the price is about 15 times that average figure. Some types have, in fact, trebled since last June. There has been a shortage of production against consumption ever since the end of the war, and that shortage was masked by large stocks accumulated in the war and since disposed of—I think very efficiently—by the Joint Organisation over the past five years. The disposal is now virtually complete.

Immediately following Korea, the world scramble for wool began, and prices rocketed in world markets. We had an international discussion here in London last autumn, followed by a special conference in Melbourne, particularly directed to the problem of meeting the greatly expanded United States military requirements. We examined the best means of meeting that situation with the minimum effect on the world wool market, such as by pre-emption schemes and so on, but it was not possible to find any agreed solution, and the situation was left to be dealt with by the auction system, while prices continued to rise.

I need not stress the effect of high wool prices on the cost of living. We are familiar with the very serious influence of the increased cost of blankets, a representative pair of which cost £5 a year ago, cost £6 12s. 6d. just before Korea and now selling in the shops, under a strict price control, at £10 10s. at the present time. A pair of blankets contain about 9½ lbs. of wool at the September price of 130d. per lb. Manufacture costs 35s., and the cost of wholesale and retail distribution is 70s. I would put to the hon. Gentleman

who moved this Motion a question on this subject. Hon. Members of his party go round the country seeking votes by promising to reduce the cost of living, but I would challenge their slogan that the high cost of living is the high cost of Socialism.

I ask the hon. Gentleman and Members of his party how they would reduce the price of a pair of wool blankets under present conditions, when they contain 9½ lbs. of wool at 130d. per lb., and how that wool could be bought cheaper on private purchase in the world markets? Do they suggest that they would reduce prices, or do they think that they could reduce factory production costs? Would they reduce manufacturers' profits? Would they reduce wholesalers' or retailers' profits, or would they reduce the cost of labour in the production of blankets? If they cannot tell us which of these items they would reduce, we are forced to the conclusion that their claims to be able to reduce the cost of living on these very items which have risen most are completely false and are based on no substantial plan or policy at all.

If we take the example of a man's top grade utility suit, we find that the cost of the cloth going into the suit has risen by 53s. Have the Opposition any plan for reducing the price of cloth, which is based on private enterprise buying through world markets?

. . . The hon. Gentleman who moved the Motion regretted that steps had not been taken earlier to build up substantial stocks, and that more use had not been made of private traders. Well, why did not these traders take steps to build up their stocks at an earlier time? There was nothing to stop them, and there was no question of dollar allocations. I am not blaming them; they use their judgment on the market, and no one is infallible, but it is not for the hon. Gentlemen opposite to chide the Government for not doing what uncontrolled private enterprise failed to do for itself. The wool problem cannot be solved by actions taken by any single country. It is an international problem to be considered on an international basis by the Committee Meeting in Washington next month, and I am sure that the House would not expect me to anticipate the discussions of that Committee.

Perhaps I ought to refer to one other matter about which there have been disturbing reports. The suggestion has been made that the American Administration intend to build up a stockpile of 350 millions lbs. of raw wool. Hon. Members with knowledge of the wool trade will know what that figure means, because it represents about 35 *per cent.* of the entire annual exportable surplus of the five major exporting countries, and in the qualities likely to be bought about 65 *per cent.* of their annual exportable surplus. I do not want to anticipate international discussions, which I am sure the House will agree would be concerned with a very grave situation if this report turned out to be true.

Mr. Nabarro: Could the right hon. Gentleman answer a question on one point? I quite agree with him about the difficulties of international control of wool prices, but surely he should not neglect the home clip of wool, which is at present being bought at 30d. per lb. from English farmers and auctioned at 150d. per lb., which is largely the cause of the inflation?

Mr. Wilson: The hon. Gentleman is really talking utter rubbish when he suggests that the cause of inflation is the home wool price. He knows that the prices of home-produced wool, by arrangements which we have had in force for some time, rise and fall in accordance with the selling price on the world market, and that was done so that farmers might be able to buy at fixed prices and sell at world prices. The hon. Gentleman has put the cart before the horse in suggesting that the domestic price is in any degree at all an influence on world wool prices. . . .

Sir Herbert Williams (Croydon, East): I listened with very great interest to the speech of the hon. Member for Rossendale (Mr. Anthony Greenwood), who seems to have made the most powerful speech so far against the Amendment. Like other hon. Members opposite, he is full of enthusiasm for the " New Deal " which is the American brand of the kind of thing that we denounce over here. The hon. Member asked what they were doing in the United States, and spoke about organising the scarcity of cotton. The American Government did that, and not private enterprise. If the abolished Liverpool Cotton Exchange were in existence nowadays it would be more valuable than it was in the old days. The Government which organised the scarcity of cotton also organised a glut of maize. Fantastic quantities were stored up in the United States last year when we were short of feedingstuffs. The other point which the hon. Member made was against the action of a government——

Mr. Anthony Greenwood: Not a Socialist Government.

Sir H. Williams: It does not matter what we call the Government. A socialist act is the same evil thing whether done by a Liberal, Conservative or Socialist Government. It does not matter who commits the folly. Whether the Government be American, British or Canadian, any Government indulging in a socialist act commits folly. That is why I am an anti-Socialist.

Mr. Mulley (Sheffield Park): Would not the hon. Gentleman agree that, in comparing the Government's attitude to restriction, it is more akin to the Conservative Government's attitude to agriculture between the wars?

Sir H. Williams: The hon. Gentleman must have been reading some of the little pamphlets called " Twenty Years of Tory Mis-rule." No policy of restriction was applied to British agriculture between the wars. What was done, despite the opposition of the hon. Gentlemen opposite, was that the Sugar Beet Subsidy Act was passed, and, later, the Wheat Act, and later a series of protective duties were introduced, all of which vastly contributed to the increasing production of British agriculture. . . .

. . . I have always been against bulk purchase, and I arrived at my conclusions on the matter long before there was any public controversy. In 1929, in conjunction with the late Lord Melchett, Mr. Amery, and others, I was studying the problem of Empire trade to see what methods should be adopted to steer trade in what I regarded as the right direction. We examined State bulk purchase, licensing systems and tariffs, and we came to the conclusion that a tariffs system had immense advantages over the others because it permitted freedom of trade.

We were convinced that State bulk purchase would lead to all kinds of problems, because one person or one group of persons would make the decisions. If the matter were left to private enterprise one had a varying selection of views from which could be obtained a good average conclusion. That has been our experience. We might get all the geniuses in industry and put them in a Government Department and the moment it became known that they were serving in a Government Department trouble would arise. People said that State

bulk purchase was a marvellous system during the war, but we do not know that it was because the results were kept from us. . . . .

Mr. Walter Fletcher (Bury and Radcliffe): . . . If ever an indictment had been made out against the Government; if ever a flimsy pretext had been made to conceal the inertia, the lack of knowledge, the clinging to their own theories and a complete disregard of facts, it has been made by this debate. I hope therefore that the House will not have the slightest hesitation in endorsing the Motion.

Question put, "That the words proposed to be left out stand part of the Question."

The House divided: Ayes, 167; Noes, 163.

. . . Main Question put, and agreed to.

Resolved:

That, in view of the growing shortage of many vital raw materials and its effect on the cost of living, employment, re-armament and the export drive, this House regrets that steps were not taken earlier to build up substantial reserve stocks, and that more use is not made of private traders in ensuring continuity of supplies.

Mr. Eden (Warwick and Leamington): May I ask the Government what steps they propose to take to implement the decision which the House has just registered?

Hon. Members: Answer.

Mr. Eden: May I ask, at least, if we might have an assurance from the Leader of the House, or whoever represents the Government at the moment, that they propose to take into consideration and give effect to the decision which the House has just voted?

Hon. Members: Answer.

Mr. Eden rose——

Mr. Bing (Hornchurch): On a point of order. Are we in order in continuing the debate?

Mr. Eden: May I conclude my question? If no Minister is prepared to declare that the Government will give effect to this decision, is it the Government's intention to flout the registered wish of the House?

Hon. Members: Answer.

Earl Winterton: Surely, it is contrary to the whole procedure, practice and sense of courtesy of the House for whoever is in charge of the Front Bench to refuse to answer a question put by the Deputy-Leader of the Opposition?

Mr. H. Wilson: The right hon. Member for Warwick and Leamington (Mr. Eden) addressed a question to my right hon. Friend the Leader of the House. I have no doubt that my right hon. Friend will be prepared, when he has had time to consider the implications of this decision this afternoon, to indicate to the House what action is appropriate in the light of it, but the right hon. Gentleman will hardly expect me to answer this afternoon, so soon after the debate has ended.

Hon. Members: Resign.

Keynes?

"At lunch yesterday Mr. Roy Harrod was talking to the Conservative Political Centre at Caxton Hall about his biography of Lord Keynes. . . .

"Countless friends spoke of Lord Keynes's wit and brilliance. Asked to quote a single example, they looked absolutely blank."—("Peterborough" in *The Daily Telegraph*, March 7.)

Abandoned

Sir Rowland Evans wrote to *The Daily Telegraph*, March 5:—

"Sir.—In view of Mr. Attlee's apparent lack of personal interest in the appointment of a Supreme Naval Commander for the Atlantic, it is relevant to recall a passage in a speech which he made at Stanmore just 15 years ago. According to the report of it Mr. Attlee said:

> We shall have to give up certain of our toys. One is 'Britannia Rules the Waves,' for this is not compatible with a full League (of Nations) system.

"Interesting also is the fact that, at the Labour Party Conference in 1934, Mr. Attlee said, as quoted in the Labour Party's Official Report:

> We have abandoned the whole idea of the national order. We mean to put on the Statute Book a law which will make people in this country citizens of the world before being citizens of this country. The Executive (of the Labour Party) had actually abandoned national allegiance.

"Yours, &c.,

"ROWLAND EVANS."

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