

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

The sense of impending drama is almost oppressive, and we do not think it is only a reflection of Mr. Churchill's elation upon being for the first time in his life able, as Prime Minister of Great Britain, to choose his own team and chart his own course.

We note the early arrival of Mr. Harriman on the scene, so perhaps it isn't his own course. What for the life of us we cannot see is why Mr. Churchill shouldn't choose his own course—but we have been saying so for too long. If the Labour Party wanted to make the (finance)-capitalists squeal, it would put all its strength behind Mr. Churchill to scale down not only the untaxed salaries of Ministers but the taxed wages of workers: abolish taxes, reduce all incomes to a half of what they are, distribute the 'national' debt and stand by to see prices come tumbling down as the necessity to use money reduced the demand for it. Peace and prosperity? Foreign trade?—Oh boy; yes, if you like.

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In the meantime, more can be done to stigmatise the extraordinary cant that everyone's claims *except* those of the British must be realised, and, not only that, but everybody else's claims are to be realised *at the expense of the British*.

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We have never been able to understand the fascination which Lord Cherwell's personality has for Mr. Churchill, and can only remark that the displacement of the Chancellor of the Exchequer upstairs to make room for the Atomic Minister on the ground floor of No. 11, Downing Street, is a curious manifestation of it. The suggestion publicised across four columns last Sunday—"Monopoly" and "Lexicon"—hardly covers it.

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"Sir,—You report Mr. Dean Acheson as assuring the Egyptians that 'our (the United States) record in the Middle East is good and clean.' The reaction of every Arab who reads this statement will be to ask: 'What about Palestine?'

"The Arabs believe that but for American support the State of Israel would not have been made able, by a successful act of aggression, to drive a million Arabs from their homes.

"Unless and until our American friends realise that their support of Zionism is one of the principal causes of the xenophobia which prevails in the Middle East to-day, and that in consequence they are probably the most hated Western nation, they are unlikely to make any progress in tackling the problems of this vital and distressful area."

The above excellent letter was contributed by Major General Sir Edward Spears to the *Daily Telegraph* on October 25.

It is a long time since the description 'Nobles' was current when living English peers were indicated. The practice has been revived by the London *Evening Standard*, which observes that the new administration has eight 'Nobles' to Mr. Chamberlain's five and Mr. Bonar Law's six. The same newspaper (almost as much on tip toe nowadays as ourselves) dismisses Lord Mountbatten as a possible Ambassador to Washington on the ground that he is "of different political complexion altogether from the new Government." Oh, but not 'altogether' surely?

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" ere any heed

Was given to their approach, came crawling on
With anvils on their backs, that, beat upon
Never so much, are never wearied yet;
Crook-paw'd, and wrested on with foul cloven feet,
Tongues in their mouths, brick-back'd, all over bone,
Broad shouldered, whence a ruddy yellow shone,
Distorted and small thigh'd; had eyes that saw
Out of their bosoms; twice four feet did draw
About their bodies; strong neck'd, whence did rise
Two heads; nor could any hand be prise;
They call them lobsters; that ate from the Mice
Their tails, their feet, and hands, and wrested all
Their lances from them, so that cold appall
The wretches put in rout, past all return.
And now the Fount of Light forbore to burn
Above the earth; when, which men's laws commend,
Our battle in one day took absolute end."

Chapman's ending for Homer's Battle of the Frogs and Mice seems as good as any for the antics of our newspaper mice and frogs.

The Land Question: Pakistan

Under the heading "Muslims Try 'Catholic' Land Reforms," the Catholic Herald last week published the following:—

"Muslim politicians in Pakistan, in their determined fight against Communism, are using methods in the agricultural areas similar to those recommended to Catholics by the Holy Father.

"They are introducing agrarian reforms which not only are a positive answer to the Communists but are bringing great benefit to peasants . . . Says *Propagandus Fides*: . . . there is some division of opinion among members of the party [Muslim League] as to whether it is right for the Government to take land from land-holders and to give it to landless tenants. . . ."

Since expropriation is not, as far as we understand, a 'Catholic' proposal, with great respect, and asserting their
(Continued on page 3).

The New Administration

Mr. Churchill's Cabinet numbers sixteen, two fewer than Mr. Attlee's last Cabinet.

The full Cabinet is:—

Mr. Churchill (Prime Minister).

Mr. Eden (Foreign Secretary).

Lord Woolton (Lord President of the Council with special supervision of food and agriculture).

Marquess of Salisbury (Lord Privy Seal and Leader of the House of Lords).

Lord Simonds (Lord Chancellor).

Sir David Maxwell Fyfe (Home Secretary and Minister for Welsh Affairs).

Mr. R. A. Butler (Chancellor of the Exchequer).

Lord Ismay (Secretary of State for Commonwealth Relations).

Sir Walter Monckton (Minister of Labour).

Mr. Oliver Lyttelton (Secretary of State for the Colonies).

Mr. James Stuart (Secretary of State for Scotland).

Lord Leathers (Secretary of State for co-ordination of transport, fuel and power).

Mr. Harry Frederick Crookshank (Minister of Health and Leader of the House).

Mr. Harold MacMillan (Minister of Housing and Local Government).

Mr. Peter Thorneycroft (President of the Board of Trade).

Lord Cherwell (Paymaster-General and responsible for co-ordination of scientific research and development).

Two statements from No. 10 Downing Street announced:—

Mr. MacMillan's primary task will be to forward the Government housing programme, and the title of his office is therefore being changed by Order in Council from "Local Government and Planning" to "Housing and Local Government."

Ministers will be appointed to take charge of the Fuel, Power, and Transport Departments. Lord Leathers will be concerned with issues of policy affecting this group of industries and services.

Mr. Brendan Bracken has declined a seat in the Cabinet on the grounds of ill-health.

In view of the number of conferences abroad which he will have to attend in the next few months, in addition to the heavy duties of the Foreign Office, Mr. Eden has asked to be relieved of the work of Leader of the House of Commons. The Prime Minister has agreed, and these duties will now be carried out by Mr. Crookshank.

At the Prime Minister's first Cabinet Meeting at No. 10, Downing Street all the members were present, with the exception of Lord Cherwell. After the meeting the Prime Minister issued the following statement:—

"During the period of rearmament or for three years, whichever ends first, Ministers who are entitled by statute to a salary of £5,000 a year will draw £4,000 a year. During the same period the Prime Minister will draw £7,000 instead of his statutory salary of £10,000. It is also intended to effect large reductions in the use of Ministerial motor-cars. Details will be announced later."

The King has also been pleased to approve the following appointments:—

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Parliamentary Secretary to the Treasury: *Patrick G. T. Buchan-Hepburn, Esq., M.P.*

Minister of State, Foreign Office: *Selwyn Lloyd, Esq., C.B.E., K.C., M.P.*

Mr. Buchan-Hepburn will be Government Chief Whip.

The King has been pleased to approve that Mr. Buchan-Hepburn, Mr. Selwyn Lloyd, and Mr. George Edward Peter Thorneycroft be sworn of his Majesty's Most Honourable Privy Council.

Further Ministerial appointments which have been approved are as follows:—

Chancellor of the Duchy of Lancaster: *The Rt. Hon. Viscount Swinton.*

First Lord of the Admiralty: *James Purdon Lewes Thomas.*

Secretary of State for War: *Antony Henry Head.*

Secretary of State for Air: *The Lord De L'Isle and Dudley, V.C.*

Minister of Supply: *The Rt. Hon. Duncan Sandys.*

Minister of Food: *Major The Rt. Hon. Gwilym Lloyd-George.*

Minister of Agriculture and Fisheries: *Major Sir Thomas Lionel Dugdale, Bt.*

Minister of Fuel and Power: *The Rt. Hon. Geoffrey William Lloyd.*

Minister of Transport and Civil Aviation: *The Hon. John Scott Maclay.*

Minister of National Insurance: *The Rt. Hon. Osbert Peake.*

Minister of State for Economic Affairs: *The Rt. Hon. Sir James Arthur Salter.*

Minister of Education: *The Rt. Hon. Florence Horsbrugh, C.B.E., M.P.*

Minister of State for Colonial Affairs: *Alan Tindal Lennox-Boyd, Esq., M.P.*

Minister of State, Scottish Office: *The Earl of Home.*

Financial Secretary to the Treasury: *John Archibald Boyd-Carpenter.*

Parliamentary Under-Secretary of State for Foreign Affairs: *The Marquess of Reading.*

Attorney-General: *L. F. Heald, K.C.*

Solicitor-General: *R. E. Manningham-Buller, K.C.*

Solicitor-General for Scotland: *W. R. Milligan, K.C.*

Under-Secretary, Air Ministry: *E. N. C. Birch.*

Under-Secretary, Commonwealth Relations: *J. G. Foster, K.C.*

Parliamentary Secretary, Ministry of Health: *Miss M. P. Hornsby-Smith.*

Parliamentary Secretary, Ministry of Housing and Local Government: *E. Marples.*

Parliamentary Secretary, Ministry of Supply: *A. R. W. Low. Secretary for Overseas Trade: H. L. d'A. Hopkinson.*

Parliamentary Secretary, Board of Trade: *H. G. Strauss, K.C.*

Parliamentary Secretary, Ministry of Works: *A. H. E. Molson.*

Lord Advocate: *J. L. McD. Clyde.*

Parliamentary Under-Secretaries of State for Scotland: *Commander T. D. Galbraith.*

W. McN. Snadden.

The King has also been pleased to approve that Sir Thomas Dugdale, Minister of Agriculture and Fisheries, Mr. Lennox-Boyd, and Mr. Clyde be sworn of his Majesty's Most Honourable Privy Council.

Lord Cherwell is to occupy No. 11, Downing Street where the Chancellor of the Exchequer will also have rooms.

First Impressions

by H. SWABEY.

Toronto's Bay Street, called "Bay," is known as the Wall Street of Canada. And so possibly the impressions picked up within 50 miles of this artery may be of a little more than personal interest. This part of Ontario had more than its share, in the early days, of orangemen: an "old" local church, for instance, has a memorial window to a clergyman who was "chaplain to the Masonic and Orange orders." The lone ornament on the altar was a collection plate. And the orange or black protestant spirit serves to split Canada in two, between the French-Catholic element on one hand (spiced with Irish mischief) and the British-cum-Protestant-cum-crank on the other. Possibly Bay supplies both factions; it would be an obvious and simple strategy. Toronto "the good," incidentally, has been gaining rather a nasty reputation for crime and vice.

But it takes time for English blood to run thin. There was quite a scare in the Province over the omission from automobile registration plates (changed annually) of the crown. But it was only introduced in about 1937. "God save the King" is sung more frequently than in the "The Old Country" and the Englishmen who have been here for 25 years or so are a good deal more 'English' than many business men at home. "I hate to do a dirty deal," one of them said to me—a man who is not a hypocrite—and pointed out that the Americans would call such a deal "smart." Probably the slight misfire in the earlier stages of the Princess's reception—if the advertisement-ridden newspapers' hints are to be noticed—was due to the general feeling that the tour was being restricted to officials. In the West tension is relaxed and the Duke has been reported as enquiring about a social credit lapel button. All this does not excuse a meanly vicious article in the Liberal (Catholic-cum-* * *) press on an early banquet.

General Motors are the big regulative factor in the lives of many within a 20 miles radius of Oshawa, (Indian for "land portage"). The men are paid well and although the two shifts are at awkward times, they have quite a short week. There is nothing much to go bolshie about, but they are bored. So some of them build their houses, others take up 'hobbies,' possibly some of them think. They have come to the root problem of a beehive organisation. In Europe excuses are found or manufactured to avoid facing the problem. In the home—with 'frig,' washing-machine, Hoover, etc., etc.—the woman too is met by herself with leisure on her hands, and probably her own children are married by the time she is forty. It would be a pity if these potentialities were dissipated in arguments over local option (liquor laws).

The grocer pointed out to me two tins of meat. The tin of Canadian meat (15 oz.) cost 69 cents. The other tin (15½ oz.) of similar meat cost 45 cents, but this meat had been first shipped to Britain from Canada or the Argentine, processed, and sent back to Canada. But whether it is biscuits, chocolates or steel, Britain still has the "know how"; that is generally admitted. The American blend of tobacco is not very popular; Real English china is displayed admiringly; but English car sales have slumped heavily.

The boom due to Alberta Oil and Quebec minerals diverts people's attention from the progress of taxation

(cigarettes moved up the other day from 40-42 cents for 20), the price of meat, fuel, telephones (Bell monopoly) and parcel post. The habit of shouting instead of talking destroys the finer shades, and perhaps the ability to listen. We found ourselves almost killed by kindness.

But the mid-Victorian Manchester atmosphere of Toronto ('No smoking here, by order, February, 1951') is hardly leading to socialism yet. The Province is rather big. No village school may be closed unless there are fewer than six pupils; and if six pupils appear, the closed school must be re-opened. Churches ('Anglican' and others) and railways are opened or closed on a similar principle. Non-conformity is strong as Methodists, Congregationalists and two-thirds of the Presbyterians did a merger some years ago and are now "The United Church."

THE LAND QUESTION: PAKISTAN (continued from page 1).

applicability to Pakistan in principle only, we append proposals made by Major Douglas in 1942 for dealing with the land racket:—

(1) Absolute security of tenure for life, including complete abolition of land taxation of every description. The imposition of a land tax shall be *ultra vires*.

(2) Abolition of land sales between individuals as of right. Registration of sale to take place five years after payment of purchase price, on petition by purchaser supported by six adjacent neighbours, who are landowners.

(3) County Council Authority to be obliged to purchase at valuation (see 6 *infra*) all land offered for sale, and to advertise for re-sale only to approved purchasers who must obtain support of six adjacent landowners.

(4) No State or Public Body to hold land for which a properly supported application from a private individual is made at the valuation price.

(5) Where a legatee is non-resident on land which he inherits, he shall be given twelve months to take up the occupation of it. If he decides to reside, his title shall be confirmed after five years. If not, his land shall be acquired by the County Authority for re-sale as in (3) *supra*.

(6) All land to be classed as A, Amenity Land. B, Agricultural Land. C, Industrial Land. All land titles shall restrict the land to which title is given, to the class in which it was placed on the grant of first title. No change of Class shall be permitted without the offer of sale as in (3) *supra*.

(7) The initial valuation of land to be that shown in the last conveyance as consideration. Every five years, a landowner shall be entitled to make a claim, properly substantiated by accounts, in which his own activities shall be included as manager, for increased value. On the admission of this claim by a properly constituted County Authority against whose adverse decision appeal to a Committee appointed by the Land Agents Society shall lie, seventy-five per cent. of the cost of this increased value shall be refunded to the Landowner in County Bonds bearing interest at three per cent., and twenty per cent. of the increased valuation shall be added to the transfer value of the land.

(8) No public official shall have any right of entry whatsoever, without a magistrate's Warrant.

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Correction

Until a brighter day dawns, *some* mistakes on pages 1 and 4 of *The Social Crediter* are almost unavoidable. They are prepared too late for a proof to be read. Will readers kindly alter *mutantur* to *mutamur* in the first line of the article on page 4 last week before handing it on to any 'new reader'?

The Monopoly of Credit

The revised and enlarged edition of THE MONOPOLY OF CREDIT published in 1937 will again be on sale on

NOVEMBER 12.

The price is 12/-.

The considerable delay in the republication of this work of Major Douglas's since supplies of the earlier editions became exhausted is not, in present circumstances, a matter within the control of the publishers, though it is to be regretted. The considerable advance in price is not at their determination either; but it is a reflection of the generally worsening situation which it is the purpose of the book to contest and to reverse.

THE MONOPOLY OF CREDIT is a major work of Social Credit. It was chosen for reissue from a list of possible works of like calibre by Douglas because it is the work which is, before others, the technical manual of Social Credit, and, as such, is the one which should be brought, though not exclusively, to the attention of anyone who may desire to be informed at first hand of Major Douglas's analysis of the present financial-economic system, its effects and the means available to correct them.

It is the standard literary instrument for the correct information of the public concerning the technical aspects of Social Credit, and, as such, its availability and continuous distribution is a primary concern of the Social Credit Secretariat. How can this be secured?

In general, it is not a policy of choice that Social Crediters themselves should absorb the total literary output of Social Crediters, or even a great proportion of it. Our objective is to reach those members of the public who are able and willing to profit by Social Credit ideas. But extensive experience has shown that unusual obstacles are placed in the way of our reaching this objective. The organisation of the sale of even the most trivial and evanescent work is highly elaborated, beyond our means to imitate; and, in addition, it is controlled, we are satisfied, at every point:

24.

production, distribution, advertising, criticism. Beneath the avalanche of printed matter which effects nothing whatsoever to the true advantage of mankind, but definitely the reverse, it is calculated that any reparative agency will be buried and obliterated.

The ever-continuing attacks on Social Credit, dishonest in form and probably in intention, are proof that incomplete reliance is reposed in this calculation: that all the time Major Douglas's ideas are spreading. Every assistance must be given to an extension of this process. Accessibility of important sources is the key to the achievement of this end. Every reader of *The Social Crediter* should have in his own possession at least one copy of THE MONOPOLY OF CREDIT, and it should be his constant practice, as an integral part of his work for Social Credit, to urge the purchase (not the borrowing, though that has its place) of copies by every member of the public who shows any sign of genuinely seeking information on the critical question of our generation. No public library is properly serving the community if it does not possess a copy freely obtainable by its readers. No book list is complete which does not give accurate information of its authorship and place of publication. In all of these directions, our readers can do something to increase the distribution of THE MONOPOLY OF CREDIT, and to overcome the psychological resistance to Social Credit ideas.

The Tory Back-Benchers

We are judiciously if not decidedly of the opinion that there are patriotic and able men among the Conservative back-benchers. For years a large part of their attention has been taken up with "getting the Party back," as well as with the careful (and ineffectual) advocacy of their opinions in the House of Commons and in party discussions.

In so far as treason (if successful) is always right, their reputations may not suffer if treason to Great Britain succeeds. But it is the opinion of some of them, as it is ours, that treason to Great Britain at this stage is treason to the cause of a settled and a prosperous world. In other words, every stage of treason but the last can succeed. The last cannot succeed.

We commend this assessment of our plight to the notice of those who are already, as well as of those who may become unhappy as the Churchillian plan unfolds. They will have to bend their minds as well as their wills to a due consideration of political realities; but they are not without guides through their jungle.

Douglas Books

A reader of this journal who has collected what may be described as a private distributing library of Douglas and other Social Credit books is prepared to lend single copies "to reliable people who will guarantee to return them" of the following:—

Social Credit, Monopoly of Credit, Warning Democracy, Control and Distribution of Production, Credit Power and Democracy, Economic Democracy, The A.B.C. of Social Credit (Houlter), The Douglas Manual (Mairet) and Economic Nationalism (Colbourne).

Please mark envelopes "F.A.H." and address:—The Social Credit Secretariat, 7, Victoria Street, Liverpool, 2.

Four Thousand Years of Price Control

We are indebted to *Congressional Record* for the following report of a speech by the Hon. Ralph W. Gwinn of New York in the United States House of Representatives on August 7, 1948. The first part of Mr. Gwinn's review of Four Thousand Years of Price Control appeared last week:—

(Concluded)

The picture of what happened to the French revolutionary price-control system runs true to pattern.

As one historian, Andrew Dickson White wrote in 1876:

The first result of the maxim was that every means was taken to evade the fixed price imposed, and the farmers brought in as little produce as they possibly could. This increased the scarcity, and the people of the large cities were put on an allowance. Tickets were issued authorising the bearer to obtain at the official prices a certain amount of bread or sugar or soap or wood or coal to cover immediate necessities.

As another historian reports this era:

Prices were fixed. Any attempt to profiteer on necessities was made punishable by death. To break all opposition, the terror was established. The tribunal revolutionnaire began sending scores of innocent people to the guillotine every day. Between March of 1793 and July of 1794 nearly 3,000 people were executed in Paris and about 15,000 in the provinces. At Nantes three or four thousand prisoners were thrust into old boats that were sunk in the middle of the river; at Lyon they were shot down in groups of as many as 200 at a time.

The Civil War of the Vendee began in 1793. Insurrection against the revolutionary government spread into Poitou, Anjou, and Brittany. Threat of famine compelled the rationing of food. There was much discontent on that account. The Hebert group attempted to incite the famished people to an attack on the convention. Robespierre acted swiftly. Hebert and his chief lieutenants went to the guillotine. That was in March 1794.

Robespierre, then 35, became the uncontested master of the situation. From April to July 1794, his authority was unchallenged. He moved rapidly toward his goal of complete social equality. It was ordered that the confiscated properties of enemies of the republic should be given to deserving patriots. Saint-Just was charged with this distribution, and was authorised to revise the code of social institutions in the interest of pure democracy* * * trial by jury was denied to those suspected of conspiracy and the tribunal was authorised to make condemnations without the hearing of witnesses. Heads began to fall faster than ever. It was the Great Terror. In 45 days there were 1,285 executions

The Great Terror was an expression of Robespierre's impatience to realise his ideal state. He wished to destroy all opposition to the establishment of social and economic equality. But he had overreached himself. The razor of the republic began to lose its popularity. The pitiless apostle of liberty, fraternity, and equality began to lose prestige. The word "tyrant" was murmured. * * * On July 28, 1794, Robespierre and his brother, Saint-Just, and 19 others were executed. That ended the terror, and it all but ended the republic. Democracy had followed autocracy to the guillotine. The death of Robespierre ended the dream of pure democracy and equality. No man dared to espouse the perilous cause that had brought death to its devotees. The Robespierre legislation in the interest of equality was either suppressed or ignored and, to the delight of the merchants, price control was abandoned.

All price fixers do not meet so violent an end as that of Robespierre but the wrath of the hungry and disillusioned people always descends upon them.

A sigh of relief and a new spirit of self-governed activities swept through France. The farmers plowed and planted, and during the month of July, 1795 they could once again harvest their crops as free men after the disastrous and negative years of revolutionary price control. Liberty had conquered once more.

Coming now to the United States, we find the resistance to Government tampering with the laws of supply and demand greatest of all. A limited price control was attempted during the American Revolutionary War, but the alert and freedom-loving citizens, taught by experience, soon totally rejected this Government interference with the economic life of the States.

Led by Connecticut and Massachusetts, the New England States went in for regulating prices early in the Revolutionary War. This emergency measure was motivated quite as much by the fact that the Continental currency lost its monetary value as by the self-evident fact that British blockade created a severe shortage of consumers' goods. The inevitable result was that the 1774 price level soon broke down, and as early as the spring of 1777 Connecticut, Rhode Island, and New Hampshire were forced to raise the level for maximum prices. In Rhode Island, however, the town of Providence objected strenuously. It directed its representatives in the legislature to fight such measures, as they created scarcity and produced animosity.

In Connecticut, Governor Trumbull warned in a public statement:

If we affix a low price to provisions and articles of importation we shall find that the farmer will cease to till the ground for more than is necessary for his own subsistence, and the merchant will not risk his fortune on a small and precarious prospect of gain.

The good Governor was really advocating what later generations prefer to call controlled inflation, even though he must be excused for not knowing the modern devices of economic deception called farm subsidies and cost-plus contracts. . . .

Soon the States, including New York, Pennsylvania, and New Jersey, began to labour under keen misgivings, however, that the price control as such was a deceptive technique. This discovery led to an interstate convention being called in New Haven in January, 1778. The war was still raging and the longed for victory for independence still did seem far away. In a stampede of economic panic the delegates voted, therefore, to adopt a price advance of 75 per cent. above the 1774 price level.

What was meant to be a radical cure threatened to become a disaster, since a run-away inflation soon began to encompass the national economic life. The Continental Congress very quickly realised that it had to reverse its policy in order to avert sure economic doom. In its meeting of April 8, 1778, it declared, therefore, to the sorely tried war-torn Nation:

It hath been found by experience that limitation on the prices of commodities is not only ineffective for the purpose proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals.

The courageous and wise pronouncement by the Continental Congress had a reassuring effect upon the States. In fact, so much so that price fixing was permitted to lapse for about a year. During this period, the American people discovered that price fixing could not serve as a safeguard against the heavy inflation which their just war of Independence gave them to carry as an additional price for freedom. They recognised this as an economic fact which proved that, measured in money values, they all were becoming poorer as together they were winning their freedom.

In 1779, the last brief attempt was made at price fixing as a remedy to control a deeply wounded war economy. On May 25, 1779, the town of Boston adopted a price schedule for 15 articles on a month-to-month basis. And in July of the same year, a State convention at Concord adopted a general price level, stipulating that "violators were to have their names published in the newspapers as enemies of the country." The background for this threat against violators was, of course, the fact that the very outcome of the whole war hung in the balance.

Yet, even so, history records that penalties were rarely imposed. Indeed, the laws were, for the most part, not enforced. They remained, as Prof. Allan Nevins has pointed out, on the statute books.

And as soon as the fortunes of war turned, the States rid themselves of the fruitless and scarcity-producing price-control system, which they had grasped in a moment of panic. It is to the undying glory of the men and women of the Revolutionary period that a whole year before Cornwallis surrendered at Yorktown, all the States had already repealed their price-control laws.

Such was the depth of their belief in freedom as a producer of goods and services. Price control in America was over—not again to be revived for 160 years.

They fought not merely for independence. They fought for freedom and learned right in the middle of war itself that freedom produces more food and clothing and shelter than controls can produce. They emancipated freedom from Europe and European controls.

During the postwar period, under the Articles of Confederation, our colonial ancestors lived in an era of high prices. The unsecured revolutionary currency was issued in such quantities that "not worth a continental" became a popular phrase. The monetary situation interfered seriously with trade and tended to foment discord, distrust, and disunity.

It was in this atmosphere that the Constitutional Convention met in 1787. It is worthy of note that no delegate to this Convention seriously proposed that our Government should have the power to fix prices. Their generation had learned that Government price fixing would not work and so this power was not listed among those delegated powers which the people gave their Federal Government.

To exercise such power now is sheer usurpation. It was the adoption of our Constitution with its limitations on control that brought the new era of food and shelter. We need to remind ourselves that this era started right here in America. Our example spread around the world until the world rejected freedom for many forms of collectivism. With that has come again the ghastly prospects of starvation and famine. That has been the rule of life throughout history except where for brief periods of time freedom of the people has been maintained.

This has always existed whenever land has been used in common and regulated by some central authority. The planned economies of lords, kings, and dictators have always resulted in famine and want.

Freedom, which is synonymous with ample food and shelter, is the first great achievement of modern times. Under the Constitution, Americans were free to own their lands, work out their own plans, and enjoy the fruits of their

labour without regulations by authority or oppressive taxation. With this freedom has come agricultural science and invention of machinery, increased supplies of food, intellectual advance, improved means of communication, steam, electricity, and all the wonders that only the imaginative and creative minds and spirits of free men and women may comprehend for the future blessings of mankind.

Mr. Speaker, this debate has clarified one fundamental thing; namely, the fact that we are today witnessing the old, old fight between two contradictory political systems of government. On the one hand we have the advocates of government control over national life and national production. They willingly abandon freedom. To adopt price controls in peacetime would be clear proof that the European idea of government control and government domination and compulsion has moved permanently into the political philosophy and political life of this great Republic.

Those who do not believe that freedom will solve our economic problems should stop fooling themselves. They continue to talk about freedom, but they do not really believe in it. They give lip service to liberty, but the moment the test comes they call for continued and increased power for public officials.

Mr. Speaker, the test is here. The test has been long overdue. Are we going to give our people, and the rest of the world true statesmanship, built on first principles?

I am reminded of the words of a free American from the debate on price regulations of February 14, 1777, in the Continental Congress, where Mr. Benjamin Rush stated:

The salvation of this continent depends upon the authority of this Congress being held as sacred as the cause of liberty itself. It becomes us, therefore, to be careful of the remains of our authority and character.

We know that what this Nation and other nations expect from the United States at this crucial moment in history is production and more production of vital foods and clothing and shelter for consumption at home and especially food for people abroad. Half of the starving are dependent upon us. The managed, controlled, and forced spirit of man will neither produce nor work nor fight nor make sacrifices necessary to re-build a world civilization which was wrecked by an evil domination system which was built on absolute government control.

It is deplorable that 15 years of false indoctrination has dulled our sense of liberty, our passion for its products. Having won a complete victory over government-controlled systems in Germany and Japan, we too are in danger of continuing to follow the false philosophy of good coming from government interference, the Hegelian doctrine of the omnipotent state. It is Hegel who said:

A state is the divine idea as it exists on earth and we must therefore worship the state as a manifestation of the Divine on earth. The state is the sole condition for the attainment of the particular end and good. The state must, in its constitution, permeate all situations.

The Members of this House are the representatives of a free people against these prophets of doom and gloom and their fundamental philosophy of life and government so completely out of line with truth and fact. I agree with Mr. Chester Bowles that "what is at stake is our entire economic future," only I believe that our future, as our glorious past, should be dedicated to freedom and faith and not to price control and fear.

We have corruption and we have black markets because we have man-made control instead of adherence to that fundamental law called the law of supply and demand.* A natural law which is as inevitable and basic as the law of gravity cannot be set aside by any law even of Congress. Free-men meeting in a free market doing their free selling and buying proves to be far more honest in the long run than people who have Government officials looking over their shoulders every time they turn or every time they finish a product. Freedom is more honest than government and so much more productive

Everything that is happening now points to the fact that if we now continue to substitute expediency for faith in freedom we are on the road to weakening more and more the central idea upon which the Republic was founded. We are on the way to corruption and disintegration. To guarantee that this catastrophe shall not happen to the last bastion of free enterprise or free economy in the whole world we must keep free from price controls and hold fast to our free economy.

If we cannot read history so well or act so courageously as our forefathers in dealing with price controls, we can imitate them. Let us take a leap of faith in freedom if we would have food, clothing, shelter, and the good life.

Butter for Soap

Housewives Today (November) quotes *The Grocer* of October 13 for the following:—

"In their quest for raw materials, German soap manufacturers are wondering how long it will be before they are offered 80,000 tons of butter—the quantity their country expects it will shortly have to declare as surplus. Western Germany's dairies will produce 300,000 tons of butter this year, about as much as the population can purchase whilst the price is held high. Farmers everywhere like protection, and those of the Federal Republic have seen to it that their prices should not suffer by the pressure which freely available supplies would exercise. For there is that extra 70,000 tons which Germany has undertaken to import under trade agreements, and to this can be added another 7,000 tons cold-storage surplus from 1950.

"By British standards these quantities are considerable. That expected surplus of 80,000 tons could supply us with a 4-oz. ration for three months, but for the Germans it raises all sorts of problems. Who, if anyone, is to advance the approximately £17 million for their farmers if the butter has to go into cold-storage, and, even then, when it is safely put away it still remains to be sold. Neither Government nor private bankers are willing to risk their money. If the butter has to be sold now at whatever it will fetch, then producer interests foresee a drop of 25 per cent. in the price and ruin for many. Hence their suggestion that there should be compulsory admixture of butter to margarine—to find a use for the former and to make the latter dearer and less competitive."

*If he were asked why matches, however scarce, never cost £20 apiece, while motor cars however plentiful rarely cost less than £20 apiece, Mr. Gwinn would doubtless make quite a sensible reply without realising that, whatever it was, it restricted the operation of the so-called 'law' of supply and demand. When production is not controlled by regulation there is a *just price*, which is "what you ought to pay." What is it? Mr. Gwinn does not tell us.

"God and Man at Yale."

Thomas G. Deering, reviewing "God and Man at Yale" by W. F. Buckley, Jr., in *Human Events* (Washington D.C.) quotes Montesquieu ("The Spirit of Man") for the statement that the decadence of a nation, begins when it loses sight of the *principles* on which it is founded. In the *Revival of Absolutism*, Roscoe Pound warns that the Republic is already on the decline, because the *principles* underlying its origin are being discounted to such an extent that absolutism is no longer the frightening idea it once was in this country.

"If Pound is right," Deering goes on, "if Americans no longer hold inviolate the doctrine of individual rights, as enunciated in the Declaration of Independence, and are ready to throw it overboard, along with the Creator from whom these rights are presumed to stem, curiosity asks: how did this happen? The answer is difficult for the origin of ideas is most elusive, and the causes for their general acceptance are so varied as to defy capture. But, on one thing we can be certain, that the educational institutions are most affective in both promulgating new ideas and submerging old ones. If we accept Montesquieu's definition of decadence, and Pound's charge that America is on the decline already then we must look to our schools and colleges for a cause. In the way of *principles*, what do they teach?"

The reviewer sees in Buckley's book an answer in part to this question. He says:— "... at one of our oldest institutions of higher learning, one that is generally regarded as the citadel of conservatism, the fundamental American doctrine of inherent rights, upon which rests the sanctity of private property, is made light of in its basic courses in economics. That being so, we are not surprised to learn that even in its school of theology the emphasis is on agnosticism, if not atheism; for, since the only origin of individual rights the human mind can posit is an undefinable natural order, or a personal God, it follows that the rejection of one involves the rejection of the other.

"This philosophic comment, however, must not be ascribed to the author of this book on Yale; he merely reports. He reports on what he observed during the four years he spent at the school—from which he graduated only last year—meticulously and with plenty of supporting evidence. His story is all the more convincing because of the obvious reluctance of a loyal son of Yale to find fault with his alma mater. He calls attention to facts that must have caused him chagrin, even as they arouse astonishment in the reader. Yale is lined up with all the forces that are driving this country away from the individualistic ideology that was dominant at its birth, and towards its complete negation, collectivism.

"After telling this story, Mr. Buckley attempts an explanation that throws light on the vulnerability of our colleges. He points out that the ideological transformation at Yale was facilitated by the abuse of a principle long held high in American values: Academic Freedom. 'The freedom of the faculty member to teach what he sees fit to teach' opened the Yale curriculum to doctrines that run contrary to its heritage as well as to fundamental American principles. But, Yale University is a private institution, maintained in large part by its alumni and presumably managed by its board of trustees. Is it honest to teach values which may be repugnant to these supporters? Have the managing officials no responsibility as to the curriculum? These are vexing questions, not only for Yale men but for

all who are concerned with our educational system.

"This is an important book; for, though the author confines himself to the situation at Yale, it is obvious that the same situation prevails at many of our colleges. It presents a problem that every alumnus, every father, every American must sooner or later face. Its importance is emphasized by the attacks on it and its author that began within a week after the date of publication, not only by 'leftist' reviewers but also by writers whose opinions show unmistakable signs of official Yale influence."

Loan Council Government in Australia

Although the electors are not being told too many details before the Referendum is safely out of the way, enough has been revealed concerning the general proposals of the coming Budget, to make it clear that the Fadden-Menzies Government and its economic advisers are going to intensify their economic warfare against the Australian people. A number of people are already talking about the "Depression Budget," but we are of the opinion that it is more likely that the threat of a depression is being developed for the purpose of regimenting the economy to fit in with the central plan being devised by the planners at Canberra.

The central control, through which the planners hope to obtain their objective, is the financial system. Centralised control of financial policy is already starting to make itself felt in numerous ways. Uniform Taxation is being used by the Federal Government to slowly strangle the States. Although in theory the States should be able to dominate the Loan Council, it is again the Federal Government which in actual fact does the dominating. Victorian Premier McDonald is finding this particularly true at the moment, when his various development projects are threatened because of cuts in funds by the Loan Council. It is interesting to recall that it was Mr. Menzies who, when a State Member, warned about the implications of the Financial Agreement, and said that the Loan Council would become the real governing body of Australia.

But it was also Mr. Menzies, when Leader of the Federal Opposition, who said, during the debates on the 1945 Banking Legislation, that he would, when re-elected to the Government benches, repeal this Socialist legislation. Not only has Mr. Menzies not repealed it, but his Government has sanctioned its use in the programme of economic warfare. Credit supplies to "non-essential" industries are already being restricted. Centralised control of credit is a key control. As one business man told us recently: "It is always possible to get manpower and supplies by various methods. But, once our credit supplies are cut off, we are helpless."

Taxation is, of course, another method of centralised control. High taxation, in conjunction with "selective" credit control, permits the economic planners to bring enormous pressure upon the individual. Not only is taxation to be increased, thus undermining still further the sovereignty of every individual, but, like credit control, it is also to be "selective." "Luxury goods" will have their prices inflated

by increased sales tax; thus, it is anticipated, discouraging people from purchasing these goods. It is argued that less sales of "luxury goods" will compel the manufacturers to engage in "essential production." The direct and indirect effects of high taxation are to intensify the momentum towards economic centralism. The smaller and medium sized business organisations are compelled to amalgamate or become part of existing organisations. Many business men are so short-sighted that they feel that bigger and fewer industries increase their power. What they overlook is the fact that a large number of decentralised economic units provide a most formidable barrier against the policies of the central planners. But, once industry has been centralised, the planners can more easily force a comparatively few economic units to submit to their plans. The politicians may not be aware of the inevitable final results of a policy of progressively increasing taxation. But the Socialist planners certainly do.

—(From *The New Times*, Melbourne.)

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