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Hitler*

by DRYDEN GILLING SMITH.

(continued).

But the radical elements of the party were not the only people to make outspoken criticisms of the government in the summer and autumn of 1933. Von Papen himself was able to make his attitude clear in an address which he was invited to give in the Auditorium Maximum of the University of Marburg. A recording of the speech was to be broadcast afterwards. In it he stated that "If other organs of public opinion fail in this task, then it is the duty of the statesman himself to call things by their right names The Reich Minister of Propaganda seems pleased with the present uniformity and docility of the press He forgets that it has always been its duty to call attention to injustices, errors and the failings of individuals. An anonymous or secret information service, however well organised, can never replace these functions." He went on to accuse the party of trying to shatter all previous notions of hierarchy, security and freedom and to reduce the law to a servant of party doctrine. He made a public appeal to Hitler to break with all the members of the party who were 'distorting his policies.' Goebbels reacted quickly, cancelled the broadcast and tried to stop the press from discussing the speech. Von Papen protested violently to Hitler, who "tried to calm me" and promised that the ban would be rescinded. Five days later, von Papen attended the 'German Derby' at Hamburg and was greeted by thousands of normally phlegmatic Hamburgers shouting 'Heil Marburg,' while Goebbels who was also present was ignored.

In the spring of 1934, Roehm put up a demand to Hitler that the Brownshirts be incorporated into the army as officers and N.C.O.'s. "From this point on, Roehm must gradually have turned to the possibility of gaining his ends by force." A coolness was noted between Hitler and Roehm and it was believed that Goebbels was keeping in with both sides to ensure his own position, whatever the outcome. On June 29, Hitler flew to Munich and caught the S.A. leaders in their beds. Meanwhile in Berlin the Vice-Chancellery had been occupied by Himmler's people, von Papen's assistant, Bose, had been shot, and von Papen himself was surrounded by S.S. and members of Goering's own secret police on his arrival at his office. All his files had been removed. Things had become so heated that the S.S. and Goering's police nearly started shooting each other. "Clearly there were at least two groups at work, one of them led by Goering and the other by Himmler and Heydrich."

At his home he was completely cut off from the outside world and placed under the guard of a police captain who "Later told me that he was responsible with his own life for preventing any Brownshirt or Gestapo from attempting to abduct me, unless he received direct orders from Goering." Himmler and Heydrich had, it seems, decided to liquidate this 'Marburg reactionary.' "As I learnt later the only person who stood between me and this fate was Goering." President Hindenburg was ill and at his country home; von Papen's attempt to reach him and ask him to declare a state of emergency was hopeless. He was told that the President was too ill to see anyone. This was the most important factor in the situation. According to von Papen, had Hindenburg been in Berlin and well, he would have declared a state of emergency and used the army to restore order. Had this happened, the events of June 30 might really have terminated the revolutionary trend of the Nazi movement. As it was, other factions in the party were able to take advantage of the Roehm-Hitler dispute, and its culminating resort to force and lawlessness, to resort to lawless shooting of their enemies, and to entrench themselves in positions of control.

After the death of Hindenburg, von Papen hoped to persuade Hitler to accept a restoration of the monarchy. He pointed out to the latter that it would be impossible to have someone else elected to whom Hitler would be subordinate, and that a return of the monarchy would therefore be the only possible solution to the problem. He hoped that Mussolini, who had previously expressed himself in favour of a German restoration of the monarchy, might have a good influence on Hitler, and therefore persuaded Mussolini to invite Hitler for a state visit. The meeting of the two dictators however was a fiasco. Each talked at the other and any view which Mussolini expressed merely succeeded in persuading Hitler to take the opposite view. This was fatal for the monarchist argument which Mussolini had promised von Papen he would raise. Hitler said to von Papen afterwards, "If I have never been anti-monarchist before, I am now." He seemed offended at what he considered to be the snobbish attitude of the Italian Court. "On August 1, 1934, a few hours before Hindenburg died, the Cabinet had agreed to a law combining the offices of President and Chancellor. Hitler's next move was to get the armed forces to take a new oath to him personally (the previous one had been to the President and the Constitution). This must have been arranged beforehand with Blomberg, "otherwise it would have been impossible to arrange the swearing in to take place so quickly at every garrison in the country." Hitler had realised during the Roehm affair that an active Hindenburg with the army at

*Franz von Papen—Memoirs, André Deutsch, London, 1952.

his disposal might have made the situation very different for him. "With Blomberg on his side and the President kept in isolation, he had managed to bluff his way out of danger for the time being. He had no intention of facing the same risk again."

At the end of July, 1934, Herr von Papen received a frantic telephone call from Hitler in the middle of the night, telling him that he must immediately go to Vienna and take up the post of Minister there. He explained that Dollfuss, the Austrian Chancellor had been murdered and that Mussolini was massing troops on the Brenner Pass. "'We are faced,' he said, and I can still hear his hysterical voice, 'with a second Sarajevo.'"

The victory of the Nazis in Germany had given a tremendous boost to the Austrian Nazi party, who recognised the Austrian born Hitler as their own leader. They had made previous attempts on the life of Dr. Dollfuss. In March, 1933, the three Presidents of the Austrian Houses of Parliament handed in their resignations to the Chancellor, saying that the present state of political parties made the continuance of parliamentary government impossible. Dr. Dollfuss then followed the constitutional precedent of Brüning, von Papen, Schleicher and Hitler in Germany, and established a government independent of parliamentary majorities, but on a very different foundation from that of the German government under Hitler. Dr. Dollfuss had, according to von Papen, attempted to found a Catholic 'Corporate State.' In June, 1933, he banned the Austrian Nazi party, though he ought to have realised from the experience of Germany in the years before Hitler, that the banning of a party of this sort, was an ineffective procedure, and only strengthened the hand of the lawless members who found large numbers of people conveniently forced into their 'underground' movement.

After the death of Dr. Dollfuss, Dr. Schussnigg tried to continue his policy and banned all political parties with the exception of the Heimwehr, or Fatherland Front, led by Prince Stahremberg. Although this movement was the chief butt of Nazi campaigns, its upper hierarchy was weak and kept changing, with the result that it was extremely difficult to get the movement committed to any clearly defined policy. Prince Stahremberg had the 'aristocratic appearance and dashing manner' of a leader but not much else.

During this period Mussolini had considerable influence on the Austrian government. "At his suggestion legislation was discussed for increasing the size of the Austrian army and for reorganising the Heimwehr as its reserve formations. Mussolini seems to have assumed that the suggested Danube Pact would be simply a loose organisation of States, and he intended to increase their strength, in order to secure Austria's position against Germany, by installing Prince Stahremberg as a sort of Regent, rather in the manner of Admiral Horthy in Hungary."

Von Papen's attitude to the Austrian question was dependent on his differentiating between national loyalties and party sympathies. As a German, whose family loyalties had once been to the Emperor in Vienna, he had always been in favour of the *anschluss*, which the Austrians had been refused by the victorious powers soon after the first war. He objected to this long term aim being upset by its reduction to a party level. He saw the attempt to incorporate

Austria *qua* Nazi State as the surest method of provoking all non-Nazis in Austria against the *anschluss*. His own sympathies in Austria did not lie with the Nazis, and he had asked Mussolini at their second meeting, to emphasise to Hitler the strategic necessity of his *not* supporting the Austrian Nazi Party. However, though von Papen approved of the Austrian government, as a German he could not endorse Mussolini's policy of separating Austria from Germany and building it into a Balkan 'bloc' under Italian leadership.

Our habit of treating country and party, Germany and Nazi as synonymous, has blinded us to the possibility of anyone in von Papen's position pursuing a German objective, while regarding the Nazis as an unpleasant feature of the moment, but an ephemeral one. The condition which von Papen tried to impose on Hitler, though in this he was only partly successful, as necessary to the success of their common aim, was the cessation of all aid by the Germans to the Austrian Nazis and the closing of the camps that had been opened in Germany for the Austrian Nazis who had crossed the frontier. Von Papen's idea of an *anschluss* was one in which the governments of the two countries were sufficiently independent for neither of them to be adversely affected by the supremacy of any particular party in the other. He was in favour of the Austrian government's attempt to restore the monarchy, and saw no reason why this should not stand in the same relation to the Berlin government as the ruling house of Bavaria had stood to the Hohenzollern family before 1918. One of the particular advantages which he envisaged was that the Catholic population of Austria combined with that of Bavaria and the rest of Southern Germany, would have a better chance of neutralising the influence of the anti-clericals, in the protestant areas of the north, on German affairs.

Von Papen's policy was therefore to make contact with the leaders of the Heimwehr, and of Catholic bodies to outline his aims as distinct from those of the Nazis. He also removed from the Embassy staff anyone *whom he knew* to be in relation with the Nazi party. He knew that the possible international repercussions of the Dollfuss crisis had worried Hitler, and as long as any violence on the part of the Nazis would be likely to lead to similar results abroad, von Papen was able to get Hitler to stick to their agreed policy. He knew that the banning of the Nazi Party was not helping Austria but that the lifting of the ban as a result of von Papen's negotiations, would strengthen his position with the German government to obtain other concessions for Austria. Among these was the lifting of the German ban on tourists to Austria. In 1936 von Papen finally arranged a secret agreement on these lines (Schussnigg had asked for it to be kept secret to avoid party demonstrations at home while it was being discussed). However, "A remarkable light is thrown on Schussnigg's relationship with Archduke Otto by the fact that in spite of the undertaking he exacted from me to keep the affair secret, he sent the director of the Government Information Service, Herr Weber, at three hours' notice to obtain the Pretender's approval of the agreement. This Otto refused to give, and besought the Chancellor not to sign the agreement under any circumstances. This incident is more curious in view of the fact that even the Austrian President was only advised of the details of the agreement on the day it was signed.

Von Papen has been accused by English writers in-

cluding Winston Churchill, of playing a confidence trick on the Austrians which enabled Hitler to march in in 1938. However they ignore the fact that Hitler could just as easily have marched in in 1938 *without* von Papen's previous four years' work, for conditions had entirely changed.

The only European power that was in a position to carry out its guarantee to defend Austria was Italy. The Italian threat in 1934, in conjunction with that of France and Great Britain, had been sufficient to deter Hitler. In the meantime Hitler had witnessed the fantastic behaviour of the western countries over Mussolini's colonisation of Abyssinia. Even to this day Italians, whatever their views on Mussolini and the late war, can find no excuse for the bigoted behaviour of Great Britain, who after colonising a large part of Africa herself, goes soft and sentimental about poor little nigger boys when Italy tried to extend her colonial empire. In trying to find an explanation for the English people's acceptance of their government's behaviour at the time as normal, I looked through various newspapers of the period. Of course there was the League of Nations. Large numbers of people still took that sort of thing seriously: 'All nations are equal. Abyssinians are as good as you are' with overtones of noble savagery, and the flood of 'lefty' literature which 'presumed' that Nazism and Fascism were 'all the same' and 'common enemies.' As I have said, the generally accepted attitude to foreign politics has been unrealistic and sentimental ever since we became the world's prize muts and adopted the theatrical rôle of world policeman. We never stop to think that the local bobby is only obeyed because he has the whole power of the organised country behind him; we imagine that it is merely necessary to ape the bobby's mannerisms on a national scale, and everybody will be sufficiently awed and dumb-struck to do as we tell them.

However the terrific fuss that was made in this island about a wretched country that no civilised European would stop to argue about, was sufficient to break the English-French-Italian bloc. Mussolini was forced to change his foreign policy and try his luck on Hitler's side. His chances of playing a leading part in the Balkans were lessened, and Austria and the other Balkan countries knew perfectly well that France and England could do nothing to prevent them from being occupied by the Germans. They had to re-orientate their foreign policies, in the hope that by giving Germany everything she wanted, the latter would not think it worth while to occupy them. We have blamed countries like Hungary for appeasement and 'opportunism' but at least their foreign policy was more realistic than that of British politicians, who were prepared to let our interests in the European system of checks and balances go hang while they set off in pursuit of Abyssinian red herrings. It is interesting to note that the bull-headed Winston, in his book *The Gathering Storm*, turns the situation upside down. He says that Mussolini knew the other powers were dependent on him to hold Germany in check and therefore chose that moment to increase his African Empire. In his context this is an accusation against Mussolini of 'letting us down when we needed him.' We know that Churchill had a special enmity for Mussolini, and turned his 'moral indignation' full force against him for coming into the war to get what he could with as little fighting as possible. It would have to be an audience that was rotten through and through with sentiment, that would consider such an action on Mussolini's part as

reprehensible. Anyone sufficiently awake might have reminded Winston that it was the duty of a statesman to look after his country's interests, and to get what he could for his people on the best possible terms, and that if Winston didn't understand this he was no person to be looking after British interests. The only criticism of Mussolini's entry into the last war at the time when he entered was that it was a blunder. Germany had not won. If it had been a straightforward war between Germany and England, France, *etc.*, he might have gained much more by sitting on the fence, as did Franco. No doubt one of the main factors against this was the attitude of the English to the war, in treating it as a "crusade against Fascism." Mussolini no doubt knew that even if he could not stomach the German war aims, any opposition to this either in neutrality or war would meet with nothing but abuse and ill treatment on the part of the people in power in Great Britain. How right was his judgment in this particular is borne out by our behaviour for years on end to the Franco government in Spain.

(To be continued.)

Changing Times

The Editor, *The Social Crediter*.

Sir,—The extract from *The Policy-Holder* which you printed in *The Social Crediter* of 18th April is encouraging as showing that some economists are admitting the shortage of purchasing power which under the present industrial system prevents the workers from buying the goods which they themselves have produced.

This problem is likely to become more acute in the near future. President Eisenhower is already foreseeing that the armament drive cannot last for ever, and seems to be looking for a way in which the money now being spent on the piling up of arms can be diverted to other means of providing employment with its modicum of purchasing power.

This shift of economic policy may have unexpected results. The armament drive was supported by fear. But will the emotion of general benevolence be sufficient to support a war "on the brute forces of poverty and need," when the public sees that the exports intended for "world aid and reconstruction" (unlike bullets and bombs) are the very goods which as consumers they want for themselves? The shortage of purchasing power will become a more pressing and urgent question when these goods shall be in actual existence and yet not available for people at home because supply of money will then, quite patently, be unequal to the supply of goods.

Yours faithfully,

London, April 20.

Alice Raven.

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Saturday, May 2, 1953.

From Week to Week

Despite "the universal thunder of acclaim" of the new Knight of the Garter (*vide the Sunday Times*), we can still detect the velvet rhythm of a Light Horse—nor is it drawing the chariot of the English Speaking Union to London, Edinburgh, Liverpool and Belfast with the Premier of Alberta as the first Lothian Orator (in commemoration of the late Marquess of Lothian—*q.v.*)

• • •
 "Musa dear—We knew him not!

"O Musa, what is fame?

"Tueton, Celt or Greek—or what

"Clay did his spirit tame?

"No word they spake. What's speech to them

"Who once have freely spoken?

"When falls the leaf, what need hath stem

"To say: 'Not I am broken'?"

• • •
 A correspondent who is not unfriendly reminds us of the concluding words of the leading article in the *Völkischer Beobachter* for a date in September, 1943:—"Die Italianische Wehrmacht besteht nicht mehr; aber was für ewigen Seiten bestehen bleiben wird ist die Verachtung der Welt für die Verräter." The stinging words, we are told, almost, if not quite, drew a cheer from the thoroughly British (not merely "English-speaking") denizens of at least one prisoner-of-war-camp, and if anyone knew "both sides," they did. In more or less the same spirit, we may modestly remark that the Secretariat "besteht" (endures), and that, however it may appear, the contempt of the world for traitors does, by some hidden but inexorable law, "last for all time," whoever they may be and whatever the cause they may betray.

• • •
 The Light Horse?—Ah, yes! The rhythm is indeed velvet, though audible:—

"To find a parallel [to Hitler] we must look, not to famous tyrants like Caesar, Cromwell and Napoleon, hardly even to the Jacobins, but to Titus Oates. One wonders whether this scoundrel might not have been similarly acclaimed as dictator, if in his time there had been wireless sets and plebiscites. How can democracy be secured against demagogues? It is difficult to labour through this book without succumbing to a vain and deplorable pessimism

about mankind in general and universal suffrage in particular." (Mr. Raymond Mortimer.)

• • •
 Admittedly, the more local scene is still at present clouded by some obscurities; but, pending their disappearance, we shall think the following to be a working hypothesis:— There will be a General Election of decisive importance as soon after the Coronation as possible; the new K.G. will either lose it or go to the House of Lords before it is fought; that in either case he will 'spill the beans' even if sober, in time to provide that superfluous gentleman, the 'future historian,' with opportunity for his unprofitable talents, but too late for anything that matters to us. Too late, he will tell us more about the "certain number of English people who wake up every morning—very brainy they are—and they think 'what is there we can find that belongs to our country that we can give away? What is there we can find that has made our country great that we can pull down?'"

And, too late, he will tell us more about St. George's arrival in Cappadocia "accompanied not by a horse but by a secretariat. He would be armed not by a lance but by several flexible formulas. He would be welcomed by the local branch of the League of Nations Union.

"He would propose a conference with the dragon. He would then lend the dragon a lot of money. The maiden's release would be referred to Geneva, or New York, the dragon reserving all rights meanwhile."

There is a curious synchronisation between this public reminder of what was said as ineffectually twenty years ago and the now exultant exposure of the predicament of the . . . States. While profoundly mistrusting Mr. Schwartz's faith in "the elect," we note the realism, not sustained in the context, of the following, however abhorrent the tone of cynicism and wayward ambiguity:—

"If you have sensitive ears attuned to the stirrings of this tremulous globe you can hear today from far and near ancestral voices prophesying peace. But mindless of your doom you hapless victims play, and when the spirit of concord, coming hot from hell, cries 'Havoc' and lets slip the dogs of peace you won't know what's bitten you.

"The aggressor on this occasion will be the United States, which without warning will launch a recession, the effects of which can be gauged with mathematical accuracy. A 2 per cent. recession set off there will rock the rest of the world on its heels. A 4 per cent. recession will lay it flat on its back.

"Not only is this bound to happen, it's got to happen. A huge amount of intellectual capital has been staked on the event. If the capitalist system doesn't break down with the onslaught of peace, the beliefs and hopes of thousands will be frustrated and in the ensuing bitterness anything can happen. In the temper of this age men will not sit by quietly and see exchange control disappear. They will not endure that the apparatus of the planned economy should be eroded by the cankers of a long peace. Peace has got to be something beyond all understanding, except by the elect, or else there'll be trouble."

What hope there still remains lies for us in minuter

(continued on page 8.)

PARLIAMENT

House of Commons: April 15, 1953.

International Wheat Agreement (Prices)

Mr. Osborne asked the Minister of Food why the negotiations of the International Wheat Agreement have continued for two months without a settlement; and whether he will make a statement on the position.

Major Lloyd George: By a majority vote the International Wheat Council has decided to recommend to member Governments that the International Wheat Agreement be extended for a further three year period at a new price range per bushel of 2.05 dollars maximum and 1.55 dollars minimum to replace the present range of 1.80 dollars maximum and 1.20 dollars minimum.

After mature consideration Her Majesty's Government have decided not to accede to the new Agreement. In the judgment of Her Majesty's Government the maximum price of 1.80 dollars written into the present Agreement—with the valuable insurance afforded by the guarantee at the minimum price—is a fair reflection of the value of wheat in present conditions in a free market.

We were nevertheless prepared, in a sincere attempt to reach a settlement acceptable to all, to agree to an increase of 20 cents in the maximum price—and an increase of 35 cents in the minimum price—despite the heavy additional dollar expenditure this would have involved. Her Majesty's Government consider that this would provide a generous settlement and feel unable to go further.

Mr. Osborne: Is the Minister aware that he will have the whole country behind him in refusing to pay an exorbitant price for wheat? Can he say whether the British negotiators pointed out to the American sellers how unreasonable it is for them to demand higher prices for their wheat at a time when they are buying sterling commodities like rubber and tin so much cheaper? Has he ever bought wheat at the minimum price or is the maximum always the minimum?

Major Lloyd George: In answer to the last question, I would say that the experience of the last four years of the agreement has been that on almost all occasions the maximum price has been received by the exporter and paid by us. Of course, every possible occasion was taken during the negotiations to make clear what the hon. Gentleman suggested, that in our opinion it was too high a price.

Mr. T. Reid: What is the cause of or the justification for, this increase in price? Is not it that the American Government have a farm support policy which pushes up the price of wheat and now they are asking us to meet the cost of that policy?

Major Lloyd George: I think that there is a great deal in what the hon. Gentleman says. They have a support price policy which involves them in considerable payments. We think that the price we offered was very generous. Naturally we were prepared to make certain payments for an agreement, but an agreement at any price was more than we could support.

Sir W. Smithers: Is not the cause of all these difficulties the fact that the Government still persist in bulk purchase?

Why not get out of the business and let the experts deal with these matters? It may be that we want to buy wheat, but the Canadians also want to sell it.

Mr. Bottomley: In view of the decision announced earlier today that the purchase of cereals and feedingstuffs is to be handed over to private traders, can we have an assurance from the Government that those traders will be prevented from paying a higher price for this wheat?

Major Lloyd George: It would be a very clever man indeed who could forecast the price of wheat for the next three or four years. I am perfectly satisfied that the price will have to come down, especially in view of the stock position which is very plentiful. [*] I cannot possibly foretell what the position will be, but I am satisfied that we could not possibly have agreed to the suggested figure of 2.05 dollars.

Flour (Content)

Dr. Stross asked the Minister of Food (1) if the number of days involved in the original experiment in 1942, when, after a diet in which 50 per cent. of the calories were supplied from flour of 92 per cent. extraction, it was noted that absorption of calcium decreased;

(2) his reasons for continuing the fortification of bread with chalk; and whether, in view of recent research he will consider revising his policy; and

(3) whether he has noted the fact that the human body can and does acclimatise itself to high intakes of phytic acid if ingested over a prolonged period; and whether he will now cease to fortify bread with chalk.

Major Lloyd George: In the 1942 experiment referred to the subjects were under observation for 21 to 28 days. As stated in my reply to my hon. Friend the Member for South Bucks on 11th February calcium carbonate is now added to flour to ensure that total food supplies provide sufficient calcium to meet nutritional requirements. Flour provides nearly 30 per cent. of the total amount of calcium in the diet; and any adverse effect of phytic acid on its absorption is of small importance in relation to that amount.

Dr. Stross: Does the Minister think that after all these years we should still be tied to one single experiment which lasted only three or four weeks as a result of which we have been imbibing or ingesting large quantities of chalk in our bread ever since? Has not he been informed of more recent work which shows that phytic acid is not detrimental to human beings, and that we do not need to nibble away the cliffs of Dover entirely against a danger which we feel now does not exist at all? Will not the Government look at the matter again?

Major Lloyd George: We are prepared to look at anything, because this is a matter of tremendous importance to the nation as a whole. It is true that the experiments lasted only three or four weeks, but they were repeated on several occasions during many months. The best opinion at the moment is that there would be a deficiency of calcium in the national diet of 30 per cent. if we did not add to the flour.

[*] Surplus wheat stocks now in the United States and Canada would supply the whole of the wheat-importing 'sterling-area' for three years.—Ed. T.S.C.

Dr. Stross: Is the Minister aware that no one denies the validity of the specific experiment which he mentioned but that recent research has shown that chalk in flour is not needed, for the human body adapts itself to the increased phytic acid which is found in wholemeal flour?

Major Lloyd George: As the hon. Gentleman appreciates, this is a technical matter. While I should be only too happy to discuss it with him, I think that it would be far better if he discussed it with someone with greater knowledge than I possess.

National Wealth (Estimate)

Mr. Ellis Smith asked the Economic Secretary to the Treasury to give, in 1945 and 1953, values of our pre-war stock of national wealth, the present figures, the amounts liquidated during the last war, the value of lost shipping, physical destruction of land, and the amount paid in compensation for foreign assets that were taken over by the Government, in what countries and in which year.

Mr. Maudling: No official estimate has been made of the national wealth since pre-war years. The pre-war figure was roughly estimated at £30,000 million (at 1945 prices) in Statistical Material presented during the Washington Negotiations (Cmd. 6707 of 1945, page 14).

In the same Command paper, estimates were given (page 14) of the losses of national wealth during the war, as follow:

	£'000 million.
Physical destruction—on land	1.5
Physical destruction—shipping (including cargoes) ...	0.7
Internal disinvestment	0.9
External disinvestment	4.2

These figures omitted any estimate of private (*i.e.*, non-industrial) disinvestment—deterioration of dwellings, reduction of household inventories, etc.—for which no estimate could be given. On the other hand, it also allowed no correction for any possible post-war value of war-time capital work undertaken by the Government. But the total of £7,300 million was regarded as being of the right order.

Compensation by H.M. Government for securities vested during the late war was paid out of the Exchange Equalisation Account, the transactions of which are not made public. But the figure of external disinvestment given above (£4,200 million) included £1,118 million for the proceeds of sale or repatriation of overseas investments during the war.

Further details of the various figures were given in the Command Paper. The details included (on pages 9 and 11) geographical analyses of the external disinvestment and (on page 12) estimates of the changes in each year of the war.

Budget Proposals

Mr. Cyril Osborne (Louth): . . . The test of the Budget will be solely this: Will it help to increase productivity? If it does that, it will succeed; if it fails in that, it will fail in everything. The most ominous sentence in the Economic Survey is that productivity in 1952 fell by 4 per cent. and that the output per man-year fell considerably. Unless that is altered, and altered soon, this nation must face shorter rations and, ultimately, unemployment. Therefore, it is on

that narrow question of productivity that the Budget must be judged.

Before long we all hope that there will be general peace following on the ending of the Korean war. When that comes about there will be much more intense competition in international markets. In the last 10 years the American productive capacity has doubled. Germany, Japan and possibly Russia will be coming into the international markets and we shall not survive at all unless our productive machinery is better and keener than it has ever been in the past.

A few weeks ago I attended the Productivity Council Conference at which the Chancellor urged upon the trade union leaders and the heads of business firms the need for greater productivity. He described that not as a demand for gross increase of production but for the production of better goods at lower prices. Nearly everyone at that Conference agreed with the wisdom of his policy, but also agreed that unless that message reached the man at the shop level, all the talking in the world would produce no results.

To my mind here lies the crux of our national economic problem: How can we get the man on the shop floor to realise this? It is obviously unfair to him to expect him to do something to increase productivity—that is, producing more units at less labour cost per unit—unless he realises the urgency of the matter. The Budget calculations and the Budget figures that we heard yesterday are to him just higher mathematics or, at their worst, they are incomprehensible hieroglyphics which mean nothing. All that he is bothered about is how the Budget affects himself and his family, and in that connection I want to make a suggestion or two which I hope my hon. Friend will pass on to the Chancellor.

I suggest that the Chancellor should undertake an intensive drive throughout the country: that he should stump the country for the next six months trying to educate our people in our basic economic problems because, until they realise these it is unreasonable to expect them to make the necessary effort. In doing so, his first and perhaps most difficult task will be to try to remove the fears and misconceptions about industry that are held largely by men who work at the shop floor level. For example, many men still fear, to my mind reasonably, that if they work harder and produce more they are likely to work themselves and their pals out of a job. Until that fear is removed, we cannot expect men to do their utmost and so all of us should try to get rid of that fear.

I know that the memories of the 1920s and the 1930s are still vivid in the minds of older men. Most of us know that these are the old Luddite fears which, 130 years ago, were proved to be groundless, but they are still held by some people so I ask the Chancellor to try to remove them. Furthermore, I ask him to explain to the country that increased productivity does not mean merely putting more profits into the boss's pockets. Few men at the shop level realise that between 60 per cent. and 70 per cent. of all the profits in a company go to maintain the welfare state of which we are all so justly proud. There is no link in the minds of the men working at the shop level between the profits that they think they are earning for someone else and the privileges they enjoy in the shape of social services which they value so highly, so the Chancellor must get that point over to them.

In America the workers are proud and pleased to be engaged by big profit-earning concerns. They know from experience that the big profit-earning companies guarantee to them good wage packets, regular jobs and make big contributions to the Welfare State. It is the successful business man who is the greatest prop of the Welfare State for, without him, unless there were immensely increased taxes, the Welfare State could not be maintained. This, I think, is the root of the problem that the Chancellor will have to face, and I want him to go up and down the country and try to explain these matters.

Next, the Chancellor of the Exchequer could do very well to spend some time explaining to the man at the shop level that increased productivity—greater output for less costs—is well within the national capacity. A 10 per cent. increase would put us completely right, and it could be done without any national nigger-driving. It could be done quite easily. Some industries are doing much better than others. As a general rule, I should say that those industries whose products are being sold either abroad or in competition with imported goods at home are more efficient than the sheltered industries. It is within the scope of the sheltered industries that great improvements have to be made.

... I should also like my right hon. Friend to explain to the men at shop level that while "the carrot and the stick" policy has been abolished, oftentimes—far too much—it is still applied to us in the export markets. If we do not compete, the foreigner has no concept of an international welfare State that will cause him to be kind to our exports. If he can push us out of the markets he will do so.

Then, I should like it to be explained to the man at the shop level how fortunate we are as a nation—all of us, in all walks of life—compared with the man against whose products we are having to compete. For example, we now have to start to compete with the textile products of India. But India has, on an average, a standard of living which is one-twentieth of what we have; and against Japanese products with which we have to compete, the Japanese have an average standard which is only one-seventh of ours. . . .

I am grateful to the right hon. Gentleman the Member for Ipswich (Mr. Stokes) for his courtesy in coming into the Chamber, to hear what I have to say, because I want to refer to the circular that he sent to his 1,300 workpeople. . . .

The right hon. Member is, quite rightly, proud of the success of his business, and its success is as much due to his brains and drive as to the work of the men on the shop floor whom he employs. At the end of last year, he sent this circular to his workpeople. It is headed:

"Hard facts about the world economic situation."

On the front page the right hon. Gentleman said:

"In 1953, we must make greater effort and get bigger output still. The Chancellor has called for a 20 per cent. increase all round, especially of capital goods."

I discussed this with the right hon. Gentleman and he quite rightly points out that he was asking his workpeople for an extra 10 per cent. output so that he could get a 20 per cent. increase in his exports. I wish that every Tory business man had the common sense shown by the right hon. Gentleman.

There are three out of the 11 points in the right hon. Gentleman's circular that I commend to the Committee. I

commend hon. Members opposite to get a copy—I have two. In paragraph 9, with great courage and common sense, the right hon. Gentleman told his workpeople—and I commend this to the hon. Member for Newcastle-upon-Tyne, East (Mr. Blenkinsop), who has talked too glibly about the social services:

"Between 1945 and 1952 the British social services have, in considerable measure, been financed by wealth taken from West Africa, Malaya, etc. Not only is this immoral, but it cannot go on. It is well to remember that no one owes us a living, least of all the poor people overseas."

That is the message I want the Chancellor to ram home.

In the next paragraph, the right hon. Gentleman—I admire him immensely for his courage—says:

"In other words, we cannot have welfare unless we ourselves produce wealth sufficient to provide it. We have for too long been living in wealth created by our forebears. Our economy will come to a standstill and our standard of living, which, at present, on average, is the highest in the world, will suffer a catastrophic drop unless this process is reversed."

The next sentence is in italics:

"We must, in fact, create more than we consume if we are to survive. At present, we consume more than we create."

I ask that the Chancellor should use such courageous words. Whether it gets votes or not, for goodness sake let us tell the people the truth.

Lastly, I commend the right hon. Gentleman for paragraph 11, in which he says:

"It is a profound mistake to think that we can get out of our difficulties by heeding only our own domestic affairs. We can only maintain"—

I commend this specially to the hon. Member for Newcastle-upon-Tyne, East—

"the social services we now enjoy so long as we can pay for them ourselves, which we are not now doing and have never done in full since the Welfare State started in 1945."

Tell the people that. Do not fool them that they can have something without working for it. This is something that affects the Committee as a whole, and not one side alone. . . .

House of Commons: April 17, 1953.

Sugar Production (World Supplies)

Mr. Boothby asked the Minister of Food for what reason he has supported the activities of the International Sugar Council in favour of controlling and reducing the production of sugar in all the main sugar-producing countries of the world, having regard to the fact that he is still unable to obtain sufficient sugar to meet the requirements of housewives and manufacturers in this country; and whether, in view of the fact that such action has already led to a decision by the Cuban Government to reduce their output of sugar for the current season by more than four times what is required to deration sugar in this country, he will arrange for British policy in connection with this council to be modified.

Major Lloyd George: The resolution adopted by the International Sugar Council on 24th November, 1952, the text of which was given in reply to my hon. Friend the Member for Louth (Mr. Osborne) on 8th December, 1952, was conveyed to the Secretary General of the United Nations who has now announced that a conference will be convened in London on 13th July, 1953,

"to discuss measures which might be taken to meet the difficulties arising in international trade in sugar and, if considered desirable, conclude an international commodity agreement."

The policy of the United Kingdom Government in this regard rests on Article 9 of the Commonwealth Sugar Agreement, 1951. I understand that the Government of Cuba decided to restrict production of sugar this year before the resolution was adopted by the International Sugar Council. That decision, however, has not prevented my buying enough to enable sugar soon to be derationed in this country.

The National Dividend

Most of our readers who are technically prepared will know that we do not and why we do not accept Mr. Ezra Pound's assessment of Gesell. The following letter (1938) has just come to our notice and has other points of interest:—

*N'y rien que la bêtise humaine qui donne une idée de l'infini.**

BUGROCRATS.

BUGROCRATS naturally would come in and increase under the reign of a cod-faced cockroach and enemy of the people like Woodrow Wilson.

But of simple and clear statements which apparently do NOT enter the mind of the general reader, let us take Douglas, C. H., on the subject of pests, govt. inspections, etc.

When some horrified slug asked *re* national dividend: "What, would you give a dividend of five pounds a year to Rothschild who doesn't need it?" Douglas replied: "Much rather give five quid to Rothschild than spend 50 quid on government officials enquiring into his income."

That is the sort of sense that the owners of the press, whether Meyers, Sulzbergers or British born seem to grudge their readers, and are hence presumed to be enemies of god, man and all decency.

There is also the imbecility of the tax system, its cost, its unfairness, the manifold chances of squeeze and favouritism. As opposed to the simple tax on the circulating money itself as proposed by Gesell.

There is also the obvious clarity of Thos. Jefferson's objection to all public debt not repayable in 19 years. This Jefferson held to be tyranny, taxation without any representation of those under voting age, and those unborn. E.P.

Dr. Joyce Mitchell

We regret to record the death at Bromley, Kent, on April 14, of Joyce Clementine Blackwood Mitchell, M.B., Ch.B., (Edinburgh, 1918) (Mrs. James Ewart Purves). Dr. Joyce Mitchell was one of the early supporters of Social Credit.

Power and Authority

A correspondent draws our attention to the identification of Power and Authority in the English version of *Quadregesimo Anno*.

*Nothing so conveys an idea of the infinite as human stupidity.

Paragraph	LATIN	ENGLISH C.S.G. version
25	civilem potestatem	civil authority
49	res publica	ditto
80	rei publicae auctoritas	the state
88	auctoritas publica	ditto
92	civilis potestates	ditto
108	viribus atque potestate	resources and authority
109	publicae potestatis	civil authority
110	publicae auctoritate	public authority
114	imperium quoddam sociale dominum	social authority authority
	publicae potestati	state
119	sociale auctoritate	social authority

The distinction, he says, is kept clear in the Greek, Latin and English of the Gospels. Nevertheless, even in the Encyclical it should be noted that *dominus* is the sole original for unqualified "Authority."

FROM WEEK TO WEEK

(continued from page 4.)

attention to those opportunities for sound action which this paper has ceaselessly indicated with a directness more dangerous to success in their prosecution than we wished. Witness the following:—

"Members of the General Council, especially those who have a special responsibility for shaping T.U.C. economic policy, have been at pains to ascertain rank-and-file opinion. They are convinced that the average worker is much more concerned for his job, conditions, and future than for any 'ism,' and that the Labour Party must therefore proceed carefully, without doctrinaire preconceptions, if it is not to disappoint working-class hopes, and if it is to retain working-class loyalty.

"The advanced planners of the Left are regarded with particular doubt, as people with authoritarian minds—though they may not be aware of it, and would not admit it—who would bring wages and the jealously-guarded freedom of the unions into their all-embracing measures. Deep down there is probably a wider gulf between these and the top-level trade union leaders than there is between the trade union leaders and the Tory Party." (The Sunday Times, April 26.)

SOCIAL CREDIT IN 1952 ALBERTA: 1953

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