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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

"No egoist has the necessary energy to obtain the maximum of egoistic enlightenment."

—EZRA POUND.

The Treaty of Versailles was for all practical purposes the work of international financiers—chiefly Warburgs and Strausses.

"So far as I know, there is no precedent in any peace treaty of modern history for the treatment of [German] private property set forth below, and the German representatives urged that the precedent now established strikes a dangerous and immoral blow at the security of private property everywhere."

—J. M. KEYNES in *Economic Consequences of the Peace*.

Yes—who gets the property?

The brain-waves of Mr. H. G. Wells become more amazing as time passes. His latest blue-print for the millenium is to concentrate all sanctions—i.e. all power of enforcement, aerial, naval, military, and police in a World Federation, and to provide protection for the individual against this concentrated power, by a Declaration of the Rights of Man. Yes, he's quite serious about it, and can find a Sunday paper to print it.

"How oft the power to do ill deeds, makes ill deeds done." But not, you know, if the power is wide and large enough. The cure for a bad scheme is to have more of it.

There is completely convincing proof available that the policy of "national planned economy" is a purely artificial scheme emanating from the same group which surrounded President Wilson, and brought President Roosevelt to power. It has been imposed on Turkey, Italy, Russia, and Germany, and to a less extent, the United States itself. The Big Idea, of course, is to try it on the British dog, hence Lord Reith and Co.

Its immediate beginnings were the thirty-eight new central banks founded all over the world under pressure from the Federal Reserve Bank of New York, and the first activities of these were to instal so-called economic commissions under, e.g., Professor Kemmerer, accompanied by American industrial engineers, to centralise the main industries of each country.

In every case, the country has been involved in war, or the threat of war.

If you like the Egg Rationing Scheme, ask for more "Planning."

The main contributory cause of the policy is that it was becoming evident that the collaboration between revolutionary socialism and international finance and financiers was becoming too unreliable. International finance and international socialism are merely different aspects of the same thing, and, although the cause of war, postulate the abolition of war and nationalism. Nationalism, on the contrary, is stronger than ever, and such poisonous activities as those so engagingly explained by Arnold Toynbee as "working with all our might to undermine the sovereignty of our respective countries" while no doubt producing a useful crop of Quislings, have not been so successful as was anticipated.

A famous man, much of whose life has been devoted to unpopular causes, writes: "The major part of the population of these islands is the salt of the earth. The remainder, which includes *nearly* all the so-called Left Wingers, is the scum of it."

No matter. How would some Communist publishers we wot of get their books on every bookstall, and advertised in every paper, if there wasn't lots of scum? And fortunately, one grain of salt will outlast a gallon of scum.

"Mr. Fadden . . . is an accountant and taxation expert, popular with all parties."

—B.B.C. ANNOUNCER in the nine o'clock news, August 28.

Lord Beaverbrook's *Sunday Express* wants the British Army to be transported to Canada. For the defence of the United States?

"In Russia we have a vast, dumb people dwelling under the discipline of a conscripted army in war-time; a people suffering in years of peace the rigours and privations of the worst campaigns; a people ruled by terror, fanaticisms, and the Secret Police. Here we have a state whose subjects are so happy, that they have to be forbidden to quit its bounds under the direst penalties; whose diplomats and agencies sent on foreign missions, have often to leave their wives and children at home as hostages to ensure their eventual return. Here we have a system whose

social achievements crowd five or six persons in a single room; whose wages hardly compare in purchasing power with the British dole; where life is unsafe; where liberty is unknown; where grace and culture are dying; and where armaments and preparations for war are rife. Here is a land where God is blasphemed, and man, plunged in this world's misery, is denied the hope of mercy on both sides of the grave his soul in the striking, protesting phrase of Robespierre, 'no more than a genial breeze dying away at the mouth of the tomb!' Here we have a power actively and ceaselessly engaged in trying to overturn existing civilisations by stealth, by propaganda, and when it dares by bloody force. Here we have a state, three millions of whose citizens are languishing in foreign exile, whose intelligentsia have been methodically destroyed; a state nearly half-a-million of whose citizens, reduced to servitude for their political opinions, are rotting and freezing through the Arctic night; toiling to death in forests, mines and quarries, many for no more than indulging in that freedom of thought which has gradually raised man above the beast." — WINSTON CHURCHILL in *Great Contemporaries*, published in 1937.

Mrs. Winston Churchill, visiting Lady Melchett's holiday home for nurses near Bedford in June, spoke, according to *The Evening Standard*, "of 'complete union' between this country and America."

OPINION

U. S. AID

On August 31 *The Sunday Times*, in a very strong leading article entitled *Now we Talk to the American People* said:—

"We say this because we are frankly disappointed with the American contribution to the rescue. Only a fraction of American industry is harnessed to war production, and even that portion is subject to delay. What is the result? Take a single example. The last published figure of monthly American aircraft production was under 1,500, presumably including trainers. After two years of war what are these among three Powers? Russia also needs her share, and needs it urgently, and she is not getting it. . . .

"It is time these people realised that they are living on earth and not in the clouds. Cloud Cuckootown, as a telegraphic address, confers no immunity. 'The Hun is at the gate,' we and the Russians are keeping him out with our bodies. If we failed, America would not have three years of independence ahead of her. Let it roll, said Mr. Churchill, of Anglo-American co-operation. But it doesn't. There is a stream but no river. Poor glorious Greece got literally nothing. Is blushing a lost art?

"Another American attitude makes simultaneously for insufficient production, for Nazi delusion, and for American danger. Certain sections of Americans, who cannot nerve themselves to face unpalatable truth, are playing ostrich by pretending that they are not called upon to differentiate between good and evil because good is not perfect. . . . If you listened to these talkers you would think that they alone were virtuous. That is exactly what Germans have been telling themselves for generations, and it led straight to the *herrenvolk*. Look out, young America, if you are going to be 'superior,' too. There is no room in the world

for two superiorities. We believe that there is not even room for one, and we are trying to cleanse the earth of it. But that is your job, too—on your own showing. Yet you would leave it all to us. Do you wonder if the Germans think that the 'brave new world' is so brave after all? Are you even wise? Without us you would have but a short reprieve. You must do more for us and for yourselves. You had better face it. On Wednesday we shall have been in the fight for two full years. It really is worth while."

ALBERTA

Mr. Aberhart on the Reform of the Money System

In a statement published on August 2, Mr. Aberhart, Premier of Alberta advanced "broad proposals for democratic reform of our money system."

In the first part of his statement he reviewed the effect of the present monetary system in war in piling up huge national war debts, and he gave the following table:—

| | Canada | Great Britain | U.S.A. |
|------------|--------|---------------|--------|
| 1914 | 544 | 3,530 | 1,188 |
| 1919 | 2,676 | 37,455 | 25,482 |
| 1940 | 4,028 | 57,500 | 42,968 |

(Expressed in millions of dollars, exchange about par.)

He pointed out that under the present system it is impossible to repay debts except by incurring greater debts, and every increase in debt meant payment of a larger total of interest and so an increase in taxation.

Whereas in 1900 the average annual federal tax burden on every person in Canada was \$7, by 1914 it had increased to \$16, by 1930 to \$37 and today to \$90. On top of this the taxpayer has to meet provincial and municipal taxes.

He asked whether Canada's part in the struggle was to be financed by national debt or national credit. Would the federal government assume the sovereign power of issuing and controlling our money?

"The broad proposals for a democratic reform of our monetary system are simple and straightforward. Moreover they provide the only way of escape from the creeping paralysis of debt which threatens us at this crucial time. The main features of such a scheme are outlined below:

"1—NATIONAL CONTROL OF MONETARY POLICY: Control of the monetary system automatically carries with it control over the entire economic life of the country. It is a sovereign power which should be vested only in parliament on behalf of the people.

"Therefore a national finance commission should be established, to be responsible to parliament through the minister of finance (a) for the issue and withdrawal of all money (both currency and credit) in accordance with the nation's need and (b) for the administration of the monetary system in accordance with the principles of true democracy.

"2—BANKS AND BANKING: It is manifestly undemocratic that the sovereign power of creating, issuing and withdrawing money or credit, thereby controlling economic policy, should be exercised by private institutions. This

power vested in the chartered banks at the present time should be discontinued and the banks elevated to the position of 'servants of the public' under the effective control of the government.

"Moreover, it is an obvious absurdity that a democratic government vested with sovereign authority over the monetary system should be obliged to put the nation in pawn to the banks in order to borrow money for national purposes. In point of fact the position should be reversed.

"Therefore, chartered banks should cease to create, issue and withdraw financial credit, except as agents for the National Finance Commission, and they should be required to hold currency or credit certificates, issued by the National Finance Commission through the Bank of Canada, against their total deposits.

"3—SAFEGUARDS AGAINST INFLATION AND DEFLATION: It is a basic principle of any scientific monetary system that money should be created and issued as goods are produced, and it should be withdrawn and cancelled as goods are consumed. Furthermore this should be done in such a manner that at all times the public should have purchasing power equal to the collective prices of goods on the market, wanted by the public.

"If the total purchasing power is more than the total prices of goods for sale, a condition of 'inflation' will at once become evident and must be rectified forthwith. If the total purchasing power is less than the total prices of goods for sale then a condition of 'deflation' will immediately reveal itself and more purchasing power must be released to enable producers to obtain fair prices and overtake their production costs.

"The principle of maintaining balance between consumer purchasing power and the prices of goods for sale to consumers is fundamental to any sound monetary system, either in peace or in war.

"Therefore the National Finance Commission should be required to establish a proper system of accounting, and, from time to time, ascertain the total prices of goods available for purchase by consumers and the total purchasing power of the public. Any surplus purchasing power should be withdrawn by means of an equitable system of taxation and any deficiency of purchasing power should be corrected by reduced taxation or by an increased issue of credit in the most equitable way possible.

"4—ORDERLY PRICE REGULATIONS: (a) The prices of primary products and in particular agricultural products as required, should be regulated to provide producers with guaranteed prices equivalent to the average cost of production plus a reasonable profit for their services to the nation.

"(b) A system of price regulation should be introduced to ensure that prices will not be inflated by unwarrantable profit taking. Goods in short supply, either because of curtailed production due to the prior needs of war industries or to restricted imports for conserving foreign exchange, should be apportioned for the period of war on an equitable basis.

"5—WAR FINANCE: During wartime a vast amount of energy and resources are consumed and destroyed in fighting the enemy. This diversion of economic effort and materials used in the production of war supplies constitute what is called the real economic cost of the war. At the end of this conflict, since this energy and these resources have been

all consumed, the real economic cost has been supplied.

"The monetary system, as such, should accurately reflect the foregoing reality. There should be no war debt after the struggle is over, except for external debt payment for which has not been made in terms of exports.

"Moreover, it should be noted that in the production of war supplies incomes are distributed to those engaged in these war industries, and in addition, incomes are distributed to the fighting services. These incomes constitute a demand on the available supply of goods for sale to consumers. If these incomes should cause 'a surplus' of purchasing power, the inflationary tendency could be met by the provision of Section 3 above. In other words the nation could 'pay as we go' for the financial cost of the war.

"Therefore, it should not be necessary for the Federal Government to borrow for either war or normal expenditures (except for the purchase of war supplies from outside the country, settlement for which is not made by exports). The requisite money should be made available by the Bank of Canada and 'surplus' purchasing power should automatically be withdrawn *via* taxation. By this means a scientific check against inflation would be in operation continuously.

"6—FINANCING INDUSTRY AND TRADE: Industrial and trade requirements would be met, as at present, by means of loans from chartered banks on such terms as the National Finance Commission may authorise as being equitable to both borrowers and the banks. Special facilities should be provided for firms engaged on war contracts."

Mr. Aberhart quoted Demosthenes: "Are you so unintelligent, men of Athens, as to hope that the same policy that has brought our state from success to failure will raise us from failure to success?"

He concluded by showing that the responsibility to see that these principles, which alone would avert disaster, were put into operation rested with the people themselves.

Progress in Alberta Industry

Today and Tomorrow reports statements by Alberta officials of progress during 1941 in many fields of economics and industry.

Wheat marketed, rose by four per cent. to a value of \$60,043,310, compared with \$63,593,730 in 1940; the number of bushels sold rose from 122,295,635 in 1940 to 137,590,221. Coarse grains rose by five per cent.

In 1941 7,114,715 lbs. butter was sold for \$2,192,282, an increase of 40 per cent. Sales of cheese rose by nine per cent. to 624,343 lbs., valued at \$102,092.

The value of cattle exports rose by five per cent., sales of coal by five per cent. (to 2,127,776 tons) and petroleum by 45 per cent., 3,151,971 barrels being produced.

Other industries that showed pronounced expansion were the concentration of milk, building construction (68 per cent.), cement production (359 per cent.), and timber (107 per cent.) The increase in wholesale trade was 20 per cent.

Bank clearings rose by 16 per cent. to \$187,124,142, and bank debits by 18 per cent. to \$484,159,544.

Unemployment relief dropped by 59 per cent., only 15,152 persons receiving it.

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THE GRID

A few years ago we were assured by all the organs of publicity that when the great Grid scheme was complete electricity would be available for all at 1d per unit.

The wonderful efficiency of the new super-power stations has been continually vaunted and but few people seem to challenge it although they are instinctively aware that, judging by results obtained, something is seriously wrong.

This is partly because, used in the exact sense, the word has lost all meaning to the general public and the only person who can understand what "efficiency" means is the engineer.

Now the engineer's idea of efficiency is strictly limited: it is, with respect to any process, the energy ratio of output to input. Energy is not "produced" in the exact sense of the word, but only converted. The thermal energy from the coal is converted in a power station into electrical energy, and the "efficiency" which the engineer is trained to chase is this same ratio of output to input. But that is "efficiency" from the point of view of the engineer. The "efficiency" of the process for the public is the ratio of the output of energy available to individuals, to the energy input. The public, judging by its numerous expressions of exasperation, is evidently not satisfied by the results which it is getting. The real question is a question of policy. For whose benefit is this electrical energy produced? To anyone who is at all familiar with any phase of modern engineering it will be obvious that quite a large part of the products are not for the public's consumption at all, but for some other purpose. It is a practically self-evident proposition that if the public possessed sufficient purchasing power to buy the products of industry then all industry would function to the demands of the people. The fact is that the large scale industries are operated mainly to supply other large scale firms in order to manufacture more goods for building more and more large scale firms, which in turn manufacture goods for export. These are not exchanged for foreign goods which may be made available to the people, but for foreign exchange and a "favourable balance of trade."

That this policy of large scale electric power supply undertakings functioning solely to supply other large scale industries is common to all industrial countries is instanced by the following quotation taken from the *Edmonton Journal* for January 25, 1941:—

"The Consolidated Mining & Smelting Co., Ltd., hydro-electric power project at Bluefish Lake, 20 miles north of Yellowknife, has been completed. . . . 4,700-h.p. was sent coursing through 22 miles of high tension transmission

lines to turn the heavy drums of three GOLD MINES." "Provision has been made to supply light and power to the settlement of Yellowknife but as the company will not undertake to retail the power, no advantage can be taken of the available supply at present." [My italics].

We possess in this country now sufficient converted solar energy to supply every householder with an abundant supply of electricity or gas for lighting, washing, cooking and any other power they may require. But this energy is not for the people: it is for further capital production.

It was reported that the man who introduced the great PLAN for a Grid scheme to this country was a certain Samuel Insull from America. But the man who was persuaded to usher this scheme through Parliament was Lieut.-Colonel Moore-Brabazon. It was shown in an earlier article (March 9, 1940) how finance operating with powerful financial sanctions forced the majority of self-contained electricity undertakings into the orbit of their financial control. It is control which matters. Everthing else is subservient to this policy.

Lieut.-Colonel Moore-Brabazon was reported to have announced on the B.B.C. a few weeks ago "that if we had not possessed a Grid Scheme we should have had to make one." If this is true, then how is it that, since the war started, the whole policy of centralisation has been reversed and an intensive policy of decentralisation and dispersion put into force? Main feeding cables have been duplicated, supply centres multiplied, and power stations which have not been scrapped have been allowed the necessary loans for new plant and extensions in a frantic effort to get back to the safety of pre-war supply systems as far as this is now possible.

The great force which is behind this policy and which operates against the vast majority of the interests of the people is being counteracted by those vital interests called into play by the immediate danger in which we stand.—B.

Masters of Industrial Mobilisation

"As there is a science of war, so there is a science of industrial mobilisation. The great masters of it are few. Only two appeared in the World War before. One was B. M. Baruch in this country and the other Walther Rathenau in Germany."

— *The Saturday Evening Post*, July 12, 1941.

A "Times" Advertisement

Truth and *John Bull* have published a statement of the results of answering an advertisement in *The Times* which invited applications for posts as "local correspondents" in every "town, city and locality" in this country on behalf of a press agency in Montreal. *The Social Crediter* "lifted" *The Times's* advertisement and published it without comment expecting that thereby attention might be drawn to its curious features. It would be interesting to learn whether all these features have been discovered by *Truth* and *John Bull*, which allege that the "ramp" is merely one enrolling ill-qualified persons at the price to themselves of five dollars a head in an "organisation" run by one "J. Aubin." *Truth* invites an explanation from *The Times* and the *Daily Mail* (also said to have published the advertisement). *John Bull* says the advertisements are "appearing in small English newspapers."

Shutting Up Shop (II)

By W. W.

According to an article in the *Spectator* by Charles Madge, of the National Institute of Economics and Social Research, over 40 per cent. of the shopkeepers of Slough were living last March at working class standard.

Mr. Madge also states that 17 per cent. of the shops in Glasgow have been liquidated since war began and that he has no doubt that the number will have risen to 25 per cent. by the end of the year. (In round figures, this means between 4,500 and 5,000 shops).

Now Slough is a good class district. It is unlikely that the country as a whole has a lower percentage of 'working class level' shopkeepers. Nor is there any reason to suppose that Glasgow is exceptional, in fact my private observations in other towns suggest that 17 per cent. to 25 per cent. would make a fairly accurate estimate for the number of shops closed down in most districts.

Since the bureaucratic process makes it inevitable that the poorest trader shall be the victim, and since 25 per cent. is considerably less than 40 per cent. we may infer that an overwhelming majority of the closed shops were earning, at best, little more than a pittance for their owners. Against this, the worry and responsibility of running a shop, not to mention the hours of work, are immensely greater than would be borne, say by a machine operator working under Union rules and drawing an equivalent income. By paper logic therefore it can easily be reasoned that the deposed shopkeeper is better off in an ordinary war job. This makes it all the more interesting and (to the social creditor) encouraging to see that this kind of logic has not entered his head.

Any man whose object were 'bread alone' would choose the occupation that gave him maximum return for minimum work and worry. Clearly the small shopkeeper is not of this type. Work, risk, responsibility—he shoulders them all, and still goes on fighting to the death against the unseen power that seeks to drive him into the wage-slave market. And (good for him) he does it neither as an altruist nor sentimentalist, but solely because his head is screwed on right. If questioned, he would probably say he was fighting for 'all he's got,' but from the material point of view this usually means little or nothing—a few pounds' worth of stock offset by terrifying liabilities for rent and rates and rapidly diminishing returns. Nevertheless, his instinct is sound. His shop represents his last scrap of freedom, and that means everything to him. This is well expressed in a leader article in the *Cabinetmaker*:

"He is . . . a freeman even in his misfortunes, whom this nation (unless we are totally at a loss to understand this question) is fighting to secure his freedom. There is a tendency for the sake of symmetry in our bureaucratic arrangements to liquidate many of his number, and if the tendency develops we must brand it as a shame, and an abortion of our war aims."

Good reading, but, in my view, it does not go far enough. It does not make clear that the retention of a shop-holding and the maintenance of a man's freedom are not necessarily the same thing. It is unfortunately true that while war conditions last, and the main object of the government is to distribute a minimum quantity of consumable

goods, a fairly sound case can be made for the closing of the smallest retail units on the score of efficiency. This is a technical matter which the wise shopkeeper will not oppose—at least, not to the point of voluntary blood-letting. But he *will* let his M.P. know that if his shop is sacrificed, he will expect safeguards—first, of a reasonable compensation; second, that his power to trade again as a free man after the war is not withdrawn; third, that any compensation made shall be paid from new credits and not out of taxation.

Who Wants Safety First?

By B. M. PALMER

"In the bad old days when life was an adventure and not a plan or a skedule—" Dick Turpin leaped the turnpike gates on brave black Bess, and those who travelled by stage carried pistols as a matter of course; and two women to whom life meant nothing apart from their husbands went into the battle of Vittoria riding pillion behind them (and all four came through it safely, too); and brave young naval captains knew that a lucky prize capture from the French might bring them as much as £10,000 with which to buy a country house and marry the girl of their dreams, and no income or surtax either; and there were no social services and no forms to fill in and sometimes even the squire could neither read nor write; and hardly anyone thought he knew what was happening on the continent; and the population was less than eight million and consisted almost entirely of narrow-minded peasants with magnificent common sense: and there were only a few poor because, in spite of rigid class distinctions, nothing prevented a man making good if he had brains and character.

In those bad old days before the rampant growth of the Banking System and the Social Services there were many abuses. There were Newgate Gaol and the Press Gang, and dens of iniquity in the slums of London, and frightful conditions among the sailors, and nobody had ever heard of vitamins or sterilisation. Epidemics broke out every few years, and were nearly as death-dealing as air raids on modern crowded cities like Plymouth. But, of course, if you are wounded in an air raid, you have all the benefits of modern medical science to cure you, or provide you with a becoming artificial limb, whereas if you took smallpox in the bad old days you either died in delirium or recovered, according to your own constitutional vitality.

One of the characteristics of ruling historians is to write as though every development of legalism were of enormous benefit, relieving the whole population of insupportable abuses: as though our history from early times were a triumphant progress in the right direction, this and that abuse being wiped out by such and such a reform. Frequently the reverse is the truth; the reforms themselves often become greater abuses in the hands of the self-appointed rulers of the universe than the vices they "correct."

All the gaols and debtors' prisons in the country could only have housed quite a small proportion of the population; and there was always a possibility of escaping the press gang (villages in "vulnerable" areas organised a look-out of small boys so that when the gang arrived there was not a man to be found); and even if the highwayman relieved you of twenty guineas on your journey to York, there was always a

chance that you'd get there safely; and though the doctors might kill you by bleeding, at least no-one ever dared to manipulate your food supply, which consisted entirely of non-synthetic products in their natural state. You were in a position to demand quality and to get it.

But now, under the Whig assumption that we all want Safety First, all chances are steadily eliminated.

Though Macaulay is one of the worst of the Whigs, his imagination was too much for his puritan scruples when he wrote *The State of England in 1689*. What a wild paradise it was—a place where a man, and a woman too, perhaps, had a far greater chance of leading the life he wished to lead than he has to-day.

By what other means can we possibly control our happiness—the chance or the choice? I know of no other way to grasp the perfect moment, which is my policy as an individual. If you read Macaulay with what you already know about life well in the foreground of your mind, you'll see how he tried to alter the values in the picture in spite of his better self, which was his imagination.

Who would not prefer to hand over twenty guineas to Dick Turpin once in a while, rather than write out a biennial cheque to a humble servant who relieves us, one way or another, of nearly half we earn, pretending that the money is to be used to keep Dick Turpin down (as if they could do more than force him to be an income-tax official)? And who pines to put money in a collecting box for Air Raid Distress which appears on our doorstep at the very moment when we have opened a demand note for Air Raid Insurance? And who wants a *legalised* press gang, which, with all the sanctions of the law, gives its polite orders to men and women alike to leave house and home for an unspecified period (no escape possible—try it, and don't forget you are living in an immense legalised poor house where you can't get food without a coupon)? What a pity so many of us can read and write!

Is it worth this price to get rid of the old, picturesque abuses? There is now no choice, no chance, no real adventure. Rationing and registration will halt the rolling stone. Do you ever see a tramp nowadays? Even Sherlock Holmes's style might be cramped if he had to give up eleven coupons each time he wanted a new disguise, or had to stop his hansom to show his identity card to a policeman. Only a super-crook can diddle legalism, and even the detective yarn, which is the modern adventure story must be progressively more difficult to invent. When Gulliver is tied, hand, foot, and head, adventure can only live in the past: which means it is dead.

But Gulliver will not remain tied up for long. Even now the bonds are cracking, and he'll rise to the greatest adventure of all: not to go back, but to change his direction.

New Leaflet

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PARLIAMENT

AGRICULTURE

AUGUST 7.

Oral Answers to Questions (36 columns)

CHANCELLOR OF THE DUCHY

Sir Irving Albery asked the Prime Minister whether a statement can now be made concerning the duties overseas of the Chancellor of the Duchy of Lancaster?

Mr. Attlee: I would refer my hon. Friend to the announcement which appeared in the Press on July 21 last.

Sir I Albery: Is it not a fact that the only information given to the House on that occasion was as to who would perform the functions of the Duchy of Lancaster over here, and that no information was given about the duties?

Mr. Attlee: My hon. Friend is mistaken. The statement made was that the Chancellor of the Duchy of Lancaster was proceeding to the Far East charged with the task of examining, on behalf of the War Cabinet, the present arrangements for consultation and co-ordination between the various British authorities, military, administrative and political, in those regions, and of reporting to them how these arrangements can be made more effective.

Sir A. Southby: Will the Chancellor of the Duchy return from time to time and report to this House?

Mr. Stephen: Does not the Lord Privy Seal think that an important statement referred to should have been made to this House and not to the Press?

Sir A. Southby: Might I have a reply to my Supplementary Question?

Mr. De la Bère: Is not the practice of ignoring the House of Commons becoming more prevalent each day?

Mr. Stephens: May I have an answer to my Supplementary Question?

Mr. Attlee: That matter should have been raised at the time.

AGRICULTURE (SCOTLAND)

Mr. Robertson (Streatham): . . . The State is the sole buyer of mutton. Prices are fixed by the Ministry of Supply, without negotiations with the farmers. Representations are made by the farmers, but no attention appears to be paid to them. I have here a letter from the Ministry of Supply to the Scottish Farmers' Union. It is dated July 18, and it says:

"The price of wool is fixed in consultation with the Scottish Office, and is fixed in relation to general agricultural policy, and not merely to the selling value of wool."

Hitler himself could hardly do better than that. The farmers are plainly told that the price of wool is not their concern; that they are only the producers; that it is the concern of the bureaucrats in Bradford, the Adelphi and Whitehall. Do we buy our tanks like that? Do we buy army boots, and say to the manufacturers, "We want your boots, but we are not concerned with your manufacturing costs; we are concerned with agricultural policy in regard to hides, and we are going to give you less than cost"? . . .

I will submit evidence conclusively proving that the hill sheep farmer is subsidising the State. The net result

of the Government price for wool and mutton in the two years of compulsory control has been serious loss to the farmer; and this, added to pre-war losses, has brought the industry to a state of bankruptcy. The Department of Agriculture for Scotland have investigated the profit and loss accounts of a number of farmers in Scotland. Thirty-six hill sheep farmers in South-East and South-West Scotland were examined for 1938-39 and for 1939-40. The average loss for each of these farmers over the two years is £1,046, or £523 per annum. I have allowed the farmer 4 per cent. interest on his capital. He could get that at least from a combination of investments in debentures, preference shares, and Government securities. I have allowed the farmer and his wife £300 a year in wages, for labour and management. For the privilege of risking his savings and of working long hours in all weathers, producing urgently-required mutton and wool, those hill sheep farmers have been permitted to subsidise the State to the tune of £10 10s. a week each. . . .

. . . . The figures are the Government's figures, not mine, and do not include the results of the hill sheep farms in the Highlands, Argyllshire, Inverness-shire, Ross and Cromarty, Sutherland, Orkney and Shetland. I am told that they are in a worse position than the Lowlands. By what authority and by whose authority is the hill sheep farmer compelled to work at a loss? We know that it is not the wish of Parliament or the wish of those whom we represent here. We know that the responsibility lies with my right hon. Friend the Secretary of State, but I am positive that he is not the instigator of this unworthy policy, and I am sure he disapproves of it. He must bring it to an end, and if he meets with opposition, I hope he will take the matter to the War Cabinet. . . .

. . . . again taking the latest figures of the Department of Agriculture in Scotland for the years 1938-39 and 1939-40, I found that the trading and profit and loss accounts for 29 sheep rearing farms, sheep rearing and feeding farms and Lowland sheep rearing and feeding farms were examined and revealed that the average loss on each of these farms over the two years was £303, or £151 10s. per annum. . . .

Major Lloyd (Renfrew, Eastern): . . . This is a seriously depressed industry. It is being ruined and is making very heavy losses. In practically no instance are farmers making profits. It is an intolerable situation which covers an enormous acreage in Scotland. . . .

The farming community have officially put up in the form of a memorandum what they are asking for. It is a price solution, for, after all, it is a question of price. They want an increase of 3d. per lb. on the price of mutton and an increase of 2d. on small weight lambs under 35 lbs. in weight. . . .

If none of these things can be given, they want some assurance that costs, which are steadily rising, shall be reduced, for this might have the same effect. They want the costs of their production covering so that they can make even only the barest margin of profit instead of, as at the present time, in almost every case a substantial and ruinous loss. . . .

The Joint Under-Secretary of State for Scotland (*Mr. Wedderburn*): . . . I want to separate the problems facing the hill farmers from those of the arable farmers. I think my hon. Friend proposed to raise the price of mutton by 3d. per lb. and also the price of wool, on the ground that

these large additions to the present prices would benefit directly or indirectly the hill sheep farmers. But they would also add enormously to the rewards earned by the lowland feeder of sheep. . . . I would remind my hon. Friend that only about one-third of the sheep in Great Britain and about half the sheep in Scotland are hill sheep. The greater number of breeding ewes are not hill sheep at all. If you wish to increase prices you have to bear in mind what the effect will be on the profits of the Lowland farmers, who have, on the whole, twice as many sheep as have the hill farmers.

. . . . on the present basis of costs, I do not think a case has been made out for increasing the price of mutton. It was decided last year to deal with the hill sheep farmer by way of a special subsidy and I thought I had expressed the situation concisely in the phrase which my hon. Friend quoted. . . .

Mr. Robertson: I very much regret to say that I find the statement of the Under-Secretary far from reassuring, and it is my intention to raise this matter on the resumption after the Recess.

AGRICULTURE (WAGES)

Mr. T. Smith (Normanton): . . . Agriculture is the first and most important industry in the world. Men can live longer without coal than without food. It matters not how that food is served up, whether in the big hotels in the West End or in the humblest cottage, or by whatever name you call it when it is cooked; that stuff has to come from the land. It is amazing that in the most important industry there are the lowest rate of wages and the worst general conditions. . . .

While it is perfectly true that a good many farmers are making more than they made some years before, it is also true that there are farmers who are not making money. Some of the small farmers, some tenant farmers, and small owner-occupier farmers, deserve a good deal of consideration. I believe that the farmer should receive sufficient for his product to enable him to pay all his overheads—seeds, fertilisers, etc.—and to pay a decent wage to the worker. My point is that if this extra demand for 12s. a week increase were conceded, it would cost inside £10,000,000. If the industry or the prices of agricultural products are not sufficient to pay it, then the farmers have just as much right as mineowners to ask for an adjustment of prices. . . .

Mr. Henderson Stewart (Fife, East): . . . These unhappy and disturbing conditions, which are to be found throughout the country, are not the fault of the workers or of their employers; they are the direct result of the failure of His Majesty's Government to pursue a bold, decisive policy on the whole question of wages.

Mr. De la Bère (Evesham): A national wages policy?

Mr. Henderson Stewart: Certainly, a national wages policy. This problem lies at the root of domestic happiness, and therefore, of national morale. Not everybody seems to realise that the amount of money which goes into a poor man's house each week is probably the most important thing that happens in that house during the week. Therefore, national morale is affected. Despite the importance of this problem, the Government have failed to face it. On the contrary, they have consistently funk it. Their latest gesture, this pitiful White Paper on prices

stabilisation, condemned alike by labour and capital, is not only funk, but blind funk. I gather from Sir Walter Citrine that the principal authors of the White Paper were the Chancellor of the Exchequer and the Minister of Labour. They really ought to consult the Prime Minister in these important matters. It is all set out in *The World's Crisis*, which I have found to be an invariable guide to the efficient prosecution of the present war. As we used to say in another sense of *Mein Kampf*, *The World's Crisis* never lets us down. I commend to the Chancellor of the Exchequer and the Minister of Labour a passage which occurs on page 1130 of *The World's Crisis*:—

"There is an extraordinary contrast between the processes of thought and methods of management required in war and those which serve in peace. Much is gained in peace by ignoring or putting off disagreeable or awkward questions, and avoiding clear-cut decisions which if they please some, offend others... In war everything is different. There is no place for compromise in war... In war the clouds never blow over, they gather unceasingly and fall in thunderbolts. Things do not get better by being left alone. Unless they are adjusted, they explode with shattering detonation."...

Captan Conant (Bewdley):... The other point relates to a disease which in my innocence I had imagined was confined to soldiers. I refer to the paper plague. It is well known that a great many divisions of the British Army are employed in compiling paper forms, and that the disease had spread even before the war to agriculture and other industries. I know of actual cases where production has been diminished by the enormous number of forms which farmers are called upon to fill up. There is a village in my constituency which was without milk for 10 days because no one could be found who would fill up the forms necessary with regard to milk, risking the enormous penalties to which they would become liable if they filled them up incorrectly. Ultimately it was settled by the good offices of the Ministry of Food.

I would beg the Minister to do everything he can to cut down the use of paper. I know it is inevitable, when you have control, to have an enormous number of forms filled up, but it should be cut down to the minimum, because it is seriously affecting production. I heard of a small farmer who wanted to mow a field, and he applied for a piece of barbed wire to cut the field in halves so that his stock could occupy one-half while he mowed the other. When the wire arrived, after many visits from officials and the filling-up of many forms, it was too late to mow the grass....

Mr. De la Bère:... You may multiply the most wonderful machines and have the most modern methods but the human element is the most important, and will remain the key to the situation. I believe in the human element, and the only reason I am in this House is because I want to assist those who need assistance; and I lend my voice to what has been said to-day.

The Minister of Agriculture (Mr. R. S. Hudson): One of the most interesting facts arises out of the speech made by the hon. Member for North Cornwall (Mr. Horabin), who said that the important thing was that farmers should be placed in a position to pay decent wages. The hon. Members for the Eye Division of Suffolk (Mr. Granville), East Fife (Mr. Henderson Stewart), and Carmarthen (Mr. M. Hughes) agreed with him. One of the main reasons why we are facing the present difficulties is that the agricultural labourer is the worst paid worker in the whole

range of industry, partly because of the policy which has been followed and advocated by these hon. Gentlemen in peace-time. No-one more delighted than I at their speeches to-day, and I hope it is a permanent conversion. One of my most important tasks is to see whether we can work out details of a satisfactory post-war policy to safeguard a sound and healthy agriculture as the central part of our national life. You cannot have a healthy and well-balanced agriculture unless farmers are in a position to pay reasonable and decent wages to their workers.

Mr. J. J. Davidson (Glasgow, Maryhill): Surely the Minister is not suggesting that Members who made representations in the past on behalf of the agricultural industry were in favour of low conditions for the agricultural workers.

Mr. Hudson: Hon. Members may not have been in favour of them, but the effect of their policy certainly was to put farmers into the position that they could live only by paying miserable wages to their workers... The hon. Member for Normanton (Mr. T. Smith) asked me why I had refused to see the farmers. I refused because Parliament has entrusted the task of discussing and deciding on a minimum to the Board, and not to me. The Board was deliberately set up as a buffer between the State and the county committees, and it would be most improper, in my view, for me to exercise any influence over the Board. It would be most improper for me to see the chairman, and it would be most improper for me to see either the men or the farmers. I have consistently refused to do so...

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