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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

The Water-on-the-Brains-Trust says that cats falling from a height of more than 2 ft. 6 ins. always land on their feet. Like politicians falling off pedestals.

Total allowances made for bad imported eggs since the beginning of the egg rationing scheme amounted to £98,154 of which 5.3 per cent. was on U.S.A. eggs, 5.8 per cent. on Canadian and 1.75 per cent. on Eireann eggs. This generous allowance leaves out of account those egg-eaters who swear and throw the thing away, not bothering to take it back. Major Lloyd George remarked demurely, "At anyrate 45 million people are getting these three doubtful eggs a month."

Pleading 'seasonal variation' he gave no figures in reply to Sir Leonard Lyle's request for a statement as to the number of poultry stocks now and six months ago, and to the suggestion that feeding stuffs should be imported instead of eggs he said that this alternative had been considered and rejected—and if feeding-stuffs were imported they might not go to the poultry keepers.

Coal dealers have had Form N.S./200, for deferment of call-up from three different authorities.

Teaching experts their business: How to send coals to Newcastle.

MILITARY JOURNALISTS' PARADISE

"There is room in the central section for both sides to advance at once."
— B.B.C. Bulletin.

"If this had been in Germany, the man responsible would have been shot, and I would be glad to shoot him," said Alderman George Hall, protesting at Manchester City Council recently that thousands of pounds of foodstuffs were allowed to go rotten in the city market because of the lack of transport and cold storage accommodation.

Alderman Hall, who is himself a market trader, said that the government was preventing road transport being used for the expeditious carriage of food from distant places. Only 10 days ago thousands of boxes of mackerel arrived in the city three day overdue, and unfit to eat.

Mrs. E. S. Hill said that traders could quote case after case, and that tons of food were being wasted.

The Chairman of the Markets Committee, Mr. S. Fitton, said the Markets Committee, alarmed at the large quantities of food condemned, had already made representations to the Ministry of Food, and he assured representa-

tives of the traders of the committee's whole-hearted support.

The Town Clerk is to bring the matter before the Ministry of War Transport.

An article in the *Daily Mirror* of September 25, written largely from American sources, shows how disastrously pre-war restrictions in production have prejudiced the Allies' war effort.

Despite plenteous supplies of bauxite, the ore from which aluminium is obtained, American production of aluminium for internal consumption in 1939-40 was only 400 million pounds—this year military demands will be just twice that figure, and the supply should just equal it. The *Daily Mirror* cites *The Bottlenecks of Business* by Thurman Arnold, Assistant Attorney-General of the United States as stating that after a 'world surplus' of aluminium had been produced in 1931 the Aluminium Company of America joined with aluminium monopolies in other countries and agreed to create an artificial shortage. Hitler, when he built his air-force, was able to obtain unlimited supplies for Germany on agreement not to disturb prices abroad or to increase his exports. Under cover of the restriction order which affected the rest of the world he rearmed Germany.

Magnesium is as necessary as aluminium for aeroplanes and munitions and it is the basis of almost everything incendiary. The American magazine *Fortune* estimates that in 1942 America will be 20 million pounds short of her own needs.

Essential patents were held by the German Dye Trust and the Aluminium Company of America.

The *Daily Mirror* continues:

"The Germans wanted as much magnesium as they could get. The American Company, on the other hand, saw its monopoly crashing if there were an open market for magnesium.

"They therefore did a deal, pooled their patents, and sealed up the world's supply.

"The patent laws of America and Britain and other European countries made it impossible for anyone else to produce magnesium, so the Germans assured themselves of an unlimited supply while the rest of the world was forced to buy aluminium at a completely fictitious price, and so enrich the coffers of the U.S. Company.

"Under the Agreement, America bound herself not to supply Britain with more than 300 tons of magnesium in a year. Thus, when war broke out, we were dependent on Germany for 35 per cent. of our magnesium needs. . . . In 1940, German production was still at least seven times that of America for the plant needed could not be built at once."

In 1940, production of steel was far ahead of needs, but this year the deficiency is estimated at ten million tons; in 1942, the shortage will be 27 millions out of a total production of 120 million tons.

A spread of the war in the Far East would cut off the United States from 98 per cent. of her supplies; she has developed no synthetic rubber industry.

On the other hand copper, zinc, brass, lead and tin are all in supply far ahead of any possible military demand.

The following statement of policy was made by the directors of Federal Union Limited in *Federal Union News* of September 13, 1941:—

"Federal Union stands for the proposal that Britain should unite with any other nation which is prepared to agree on a democratic basis for the common government.

"Federal Union believes that full constitutional federation with any country during the war is not likely to prove practicable, but it believes that immediate steps can and should nevertheless be taken to prepare for full federation.

"It is the present policy of Federal Union to advocate these steps, which are:

"(i) The setting up of permanent joint institutions with the United States;

"(ii) The formation of an effective international movement on the Continent, by propaganda for a political programme of which democratic federation was a part;

"(iii) preparation for a post-war conference of authoritative representatives from Commonwealth, U.S. and European nations, to discover which nations are prepared to federate with us and to draw up a constitution."

At the P.E.N. Club congress writers representing over 30 nations were present.

Mr. J. B. Priestley emphasised the responsibility of the writer, towards whom, he believed, the public mind was turning more and more for advice and guidance on matters outside the scope of literature.

OPINION

The Relation of Science and Government

In the course of an editorial commenting on the British Association conference the *Dundee Courier and Advertiser* of September 27, 1941, said:—

"It is a theory that the bureaucracy is the servant of the community. Nowhere and at no time in history has that theory ever worked out. All bureaucracies are by nature machine tenders, and therefore masters of the machine. We have yet to discover how to make them the servants of society, recognised as an organism, and not masters of society conceived as a machine. And we shall be further than ever from the discovery when Science, with a capital letter, enters into full co-partnership with Government in the shaping and direction of the machine.

"... Science as a reinforcement of bureaucratic government is something to be watched with a jealous vigilance. It is always dogmatic and sure of itself, though always changing. Its certitudes of yesterday are its derisions to-

day. In so far as it adopts the planning thesis for society it has failed to grasp the significance of its own discovery that human society is an organism and not a mechanism with all its powers of growth and development within itself. When human society gets through this war its chief job will be to reassert its right to be an organism, and to put the planners, scientific and otherwise, in their place. To-day they are digging themselves in."

A Criticism

"*Werynajs* (or, in English dress, 'Very Nice') is one of a number of new Polish periodicals which have just made their appearance in Britain, and is a humorous fortnightly designed for the Polish troops. Unfortunately, the editors have their own brand of humour, and it is the Jews who apparently serve the paper as a fruitful source for its jokes....

"A drawing shows a Polish Jewish soldier, at night, saluting the stars—in fact, the five pointed star of the Soviet. And so the Jew, who has the long nose so often seen in the *Stuermer*, with fuzzy hair and thick lips, is a Communist. Thus, without words, the paper make the accusation that Jews in the Polish Army are Communists. A more mischievous accusation could not be thought of.

"The paper is printed and published by the Polish Army somewhere in Scotland."

—*Jewish Chronicle*, September 12, 1941.

On Freedom

Freedom is political power divided into small fragments.

—THOMAS HOBBS.

The most unfree souls go west and shout of freedom.

—D. H. LAWRENCE.

Is any man free except the one who can live as he chooses?

—PERSEUS.

Freedom exists only where the people take care of government.

—WOODROW WILSON.

Free men set themselves free.

—JAMES OPPENHEIM.

Countries are well cultivated, not as they are fertile, but as they are free.

—MONTESQUIEU.

Man is free at the moment he wishes to be.

—VOLTAIRE.

On This Journal

"... I pride myself on having every copy of *The Social Crediter* since its inception and most of the numbers of *Social Credit* prior to that.

"IT IS A WONDERFUL ENCYCLOPAEDIA TO HAVE HANDY PARTICULARLY DURING DEBATES IN THE HOUSE OF COMMONS.

"If for any reason you should be compelled to raise the subscription rate, continue to supply me with my copy and I shall remit promptly on hearing from you. I would rather miss several meals than miss my copy of *The Social Crediter*...."

—from a letter from a Social Credit Member of the Canadian House of Commons.

CORRESPONDENCE**"The Social Crediter" in Canada**

Sir,

As one who has been for many years, and still is a whole-hearted supporter of Major C. H. Douglas in carrying out the policy of Social Credit, and a subscriber to and constant reader of *The Social Crediter*, I feel no surprise at Mr. Elmore Philpott's resentment* at our alleged activities as expressed in your paper of August 13. To see one's aims uncovered and emphasised, even accidentally, and one's spiritual, though possibly unconscious, association with the Warburgs and others of that ilk made plain to all who will take the trouble to verify facts, must be exasperating indeed.

It is through our *Social Crediter* that a small but increasing number of people in Victoria and Vancouver are in a position to verify in the Carnegie libraries and elsewhere how, according to our British Ambassador in the U.S.A. during the last war, Paul M. Warburg of Hamburg was naturalised as an American citizen, and appointed head of the Federal Reserve Board in 1914, while the firm from the directorate of which he had just resigned, financed German espionage against England. . . . It was in our *Social Crediter* that reference was made to the speech of the Chairman of the Congressional Finance Committee in U.S.A. on December 15, 1931, stating that the Federal Reserve had up till that date financed the rearmament of Germany and of Russia, behind the backs of the American public, to the extent of at least thirty thousand million dollars. See also *Vancouver Daily Province* of August 5 last, page four. It was through reading this in our *Social Crediter* that I applied for and received from the government at Washington, D.C. a copy of *Congressional Record* containing this speech. It was supporters of our *Social Crediter* like myself who, again with the help of the *Vancouver Daily Province*, the *Edmonton Bulletin*, and *Today and Tomorrow*, focussed some public attention last autumn on the Gruenebaum's reported business association in Germany with Hitler's backers, Hirschland, Krupp and Thyssen; on their departure from Germany, months after the outbreak of war, on the almost immediate appointment of one of them to the Canadian Foreign Exchange Control Board, on their speeches in Edmonton and Vancouver under the auspices of the Canadian Institute of International Affairs. It was in our *Social Crediter* that the close connection between the Institute of International Affairs and Federal Union was publicly brought out. It was our *Social Crediter* that, by direct reference to and quotation from Federal Unionist, Nazi, Communist, Socialist literature, threw light on that identity of philosophy which aims, in some cases by brute force, in others by law or persuasion or hypnotism, to decrease the individual's control over his environment, as distinct from Christianity, science, social credit—all of which aim at increasing it. . . .

Again, it was through reference to *Who's Who in America*—not from any mark of identification in his writings, that Social Crediters like myself were able to verify that James P. Warburg, who has written brochures and a book

leading the reader up to Streit's *Union Now*, is a son of the Paul M. Warburg already mentioned and holds a dominant position in Wall Street. It is direct reference to our *Social Crediter* that will prove whether Mr. Philpott's charges against us are correct. . . .

As a Christian, a British subject (and intending to remain one in spite of Hitler, Stalin, Mussolini and Federal Union) and a Social Crediter, I work with others to extend the political, economic and cultural rights of every citizen, whether Jew or Gentile, and to bring to an end the monopoly of money and "news" now in the hands of a few at the expense of whole communities. What I am concerned with therefore, in this letter, is less to illustrate Mr. Philpott's spiritual association with birds like the Warburgs than to emphasise my own spiritual association with Douglas.

Mr. Philpott cannot mind my asserting that democracy for him means federal union as it is understood in the States. Has it not yet struck him then, that in this war, the object of which is for him the extension of an "American way of life," the number of countries which the United States has been unable, and is still unable to help to an American way of life *on even terms* is, to say the least of it, becoming rather top-heavy? Let him open his copy of *The Case for Federal Union* at page 170, or *Union Now*, and tick them off in the list.

When as a high school teacher I received official instructions from the Department of Education last June that a dispassionate study of Federal Union would be part of next year's work in Social Studies V, I had an exchange of correspondence with Dr. Weir, in which I expressed my willingness to teach anything on the Course of Studies with an open mind, but expressed my wish that in addition to this new study, there might be also a dispassionate study of Social Credit. I suggested as a text book or book of reference, L. D. Byrne's *The Nature of Social Credit*, and also the use of some pamphlet on Socialism by a writer approved by the Socialist Party in B.C. It might be one proof of Mr. Philpott's open-mindedness if he were to assist us Social Crediters in this attempt to introduce a study of Social Credit into our schools, or does he believe in a dispassionate study of Federal Union, but a dispassionate silence towards Social Credit? If he joins us, may I ask him first to delouse himself spiritually and mentally from the obvious results of his association, however slight, with the Warburgs and those members of The Institute of International Affairs who cannot claim to have been deluded. If Dr. Weir allows him to see my letters—in case they are not yet destroyed—as I hope he will, Mr. Philpott will see for himself whether I have made any attempt to block Federal Union in schools. My claim is that the more the public knows about Federal Union and its fundamental opposite, Social Credit, the better. We could not know too much of either. Both should be judged on their merits and demerits.

Yours sincerely,

ARTHUR V. MCNEIL.

1876 West 45th Avenue, Vancouver, British Columbia,
August 14, 1941.

Federal-Fabian

Mr. John Parker, Labour M.P. for Romford and Secretary of the Fabian Society, has accepted co-option to the Board of Directors of Federal Union Limited.

*In an article in the *Victoria (B.C.) Daily Times* of August 13, to which this letter is a reply, Mr. Elmore Philpott made a violent attack on Mr. Aberhart and on *The Social Crediter* for opposing federal union.

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Saturday, October 11, 1941.

Lord Vansittart's Manifesto

That Lord Vansittart has published his *Manifesto* in fifty-one lines of verse does not make it any less a manifesto, and a manifesto is 'a public written declaration of the intentions, opinions or motives of a sovereign or of a leader of a party.'

We copy the closing words from Chambers's dictionary without guile. Nor would it be fair, we discover on reading the lines, to paraphrase. We have always 'laboured in grey seas of prose,' a phrase which admonishes us not to do it once too often.

What a thought, that Marx and Engels might have written their terrible manifesto in fifty-one lines of verse! Then everyone who approached it would have been under the necessity of seeing for himself what it meant, and eschewing it, a workable order of society would have been attained instead of this chaos.

If paraphrase is forbidden, there seems to be nothing against making a modest list of Lord Vansittart's 'intentions, opinions and motives.'

Opinions first—after all everything proceeds from either knowledge or opinions, if it proceeds at all.

Lord Vansittart thinks we are the children of calamity, who kept hope through slaughter but let it slip in peace.

Between the wars set in great weariness,
And building out of it the promised land,
We built an age with every value wrong.
This was the Day of Double Negatives,
Meiosis, Compromise, the fear of heights,
Avoidance of the open and offence.

An interesting list. Meiosis, Compromise, the fear of heights. Avoidance of offence. Avoidance of the open.

Intentions:

Starting afresh must found the Will to Peace
Of [not on] something more than nations. . . .

. . . .
Go forward much but also back a little
To the simplicities our fathers had
And blushed not for them. . . .

Motive? to restore poetry and faith to Life.

In one line, Lord Vansittart suggests that in trying to raise life's standard, man has contrived to set it—'gain' From the last war to this, industry as a whole has not 'gained' anything: it has made a loss, not a profit. Faith can hardly be restored if life's major activities continue to

be the pursuit of a will o' the wisp. Faith can be restored if the expenditure of due effort results in due gain. But if there are many more people in England besides Lord Vansittart who are not 'afraid of heights' the optimism of Douglas and Social Crediters is justified. But the labour will not be 'in grey seas of prose.'

T. J.

'Brains Trust'

It is a pleasure to hear people so pleased with themselves, pleased with each other and generally pleased with what they are doing as are the members of the 'Brains Trust' which performs to the Forces on the "B."B.C. on Sunday afternoons, but it is doubtful if this is the pleasure we are intended to reap. Possibly it is not the fault of the Brains Trust that the questions put to it are so futile, but a rich variety of sometimes rather patronising chuckles and chortles over ultimate and other realities is not always a fair answer.

In tackling a question as to whether they thought Members of Parliament should undergo an intelligence test they got as entangled in the parliamentary system as a company of kittens in a ball of wool. This was because none of them had a clear conception of the function of parliament, which must obviously determine the sort of people needed in it. Miss Wilkinson did say that it should consist of a cross-section of the community.

Professor Joad approached the root problem when he pointed out the difficulty of combining democratic government with Plato's statement that government was a matter for experts with philosophers to guide them. As it was difficult to find a way of selecting the proper philosophers ("who should devise the tests?"), he plumped with Miss Wilkinson for a cross-section of the community and no questions asked. Mr. Malcom Sargent suggested that we have one test already in the general election—provided party politics were eliminated—and the ability to answer a hail of questions from electors was a test judged by the public themselves in a practical fashion at the polls. Mr. Julian Huxley pointed out that people had no choice of representatives when only a few candidates were put up, each by a party caucus which had its own methods of selection. He suggested that a certain amount of experience should be the qualification, and that M.P.s might be trained in a Governmental Staff College. Shades of Lord Hewart and the Greater Bureaucracy!

What none of these eminent men and women saw, or at least expressed, was that the solution of the paradox set out by Professor Joad lies in the distinction between the policy of the people, the function of parliament and the administration of the civil service. The policy of the country should be determined by the people themselves and it is not the prerogative of knowledgeable politicians (or any party caucus) to lay it down, but only to transmit it to the hierarchy of experts best qualified to carry it out, and see that the results produced by the experts conform with it. In his function as representative, therefore, the M.P. needs experience of the wishes of his electors, the integrity to represent them rather than to impose his own ideas, enough knowledge to recognise whether the results offered him by the experts are in line with those required of him by his electors, and the resolution to apply sanctions if they are not.

An Intellectual Despotism

By B. M. PALMER

To wish to be a despot, "to hunger after tyranny," as the Greek phrase had it, marks in our day an uncultivated mind. A person who so wishes cannot have weighed what Butler calls the "doubtful things are involved in." . . . The notion of a far-seeing and despotic statesman, who can lay down plans for ages yet unborn, is a fancy generated by the pride of the human intellect to which facts give no support.—BAGEHOT: "The English Constitution."

The Times published this passage under the heading *Old and True* on September 23. It should have formed a fitting foreword to the international conference of scientists organised by the British Association for it is not only statesmen who lay down plans for ages yet unborn. The despotism of the intellect is, and always has been, the greatest despotism of all. Every centralised state, empire, or federation has been built upon the tyranny of an idea, and has enforced its edicts by military power. But the idea was stronger than the state: when the idea lost hold, the state fell away. Ancient Egypt was supreme only while its people devoted their lives to the supposed necessity of building the Pyramids to enshrine the remains of their rulers. The proposed world-wide sway of Federal Union has been preceded by a world-wide attempt to capture and enslave men's ideas to the necessity of Federation, enforced by military power. But the idea, whether in ancient Egypt, the Roman Empire, or present-day England is not a disembodied thing. It lives in the brains of priests, philosophers and scientists, and can only become a tyranny in-so-far as they plan to make it so and sanctions can be obtained to enforce it.

"We intellectual workers," said Mr. Wells at the conference, "have to decide whether we are to be like Greek slaves and do what we are told by our masters, the gangsters and profiteers, or whether we will take our rightful place as the servant-masters of the world. We have the makings of a great international for pulling our scatter-brained world into a sane effective mentality. We are the small beginning that may start an avalanche that will clean the world for a new beginning."

There is no need to reproduce his passionate demands for political, scientific, philosophical and religious inter-communication, and a world encyclopaedia (!). His views on these things and his contributions in their direction are sufficiently well known. But *The Times* does not report that any of the scientists present objected to his suggestion that the intellectual workers should set up an international dictatorship of ideas. There is much reason to fear that most of them would consider such a prospect with complacency, only too ready to step into the places which they hope will be left vacant by the priests and philosophers.

The "servant-masters of the world"! Mr. Wells has invented a new phrase which must be scotched without delay. Let him understand that he can never be anything greater than a servant. If he is tired of being the servant of gangsters and profiteers, and it is to his credit that he has confessed that he is, let him try for a change to be the servant of the British people, and humbly seek to understand their policy.

There are plenty of capacities in which his talents could be put to good account. He that is faithful in that which is least. . . .

October 1, 1941.

The Leadership Principle

By A. A. CHRESBY

The pagan milk—to use some of Miles Hyatt's words—on which we are suckled throughout our life of education may be defined as the "Leadership Principle." It is of the very Devil, for it includes what was the greatest temptation of Christ, the offer of power to remould things.

We find it developed very early in childhood by a system of rewards and punishments; we grow up and go to the university, leaving with a wonderful education and a string of degrees or diplomas: and we know how men should run their lives according to our ideas.

As Miles Hyatt says, Leadership is based on the idea that by superior birth, education, bank balance, push, debating skill or manipulation, we become endowed with the belief that we know best how people should live their lives. All the so-called world leaders and statesmen, the would-be-if-they-could-be's, say in effect, "Now we have a particular idea of Utopia, follow us and we will get it for you."

In actual fact the Leadership Principle constitutes a moral and intellectual slavery of mankind to a few, probably well-intentioned but nevertheless self-satisfied individuals. We see this quality exhibited every day by people who try to interfere with the life and liberty of their fellows, telling them that they mustn't drink, smoke, eat this or that, do this or that—restrictions which are not a physical necessity except in the extreme rigour of war-time conditions and even then should be applied only as little as is consonant with getting on with the job (which is far less than authoritarians would like us to believe.) For the less restriction people are subjected to the more satisfaction they will find in their association as a group or nation, and the more they will do voluntarily to preserve it. The most interesting point of this attempt to impose restrictions is the fact that those who would rule others, are very often the first to resent any interference with their own lives. They strive their hardest to protect their own liberties, whilst they would deny them to their fellows.

This principle of Leadership is inherent in the wearing of all coloured shirts in the cause of politics—green shirts, black shirts, brown shirts.

Against such a false leadership may be set the only real leadership, that described by Christ when he told his followers that he who would be greatest among them, let him be the servant of them all.

Social Crediters don't pretend to tell people how they shall live their lives, but they do say, "If you desire to live your life in conformity with your own desire and your creator, then *there* is the way towards your being able to do it." If people will not take that way then it is not our prerogative or responsibility to force them to do so. In attempting to use force we would deny our own rights. "Freedom," says Douglas, "is a real thing. It consists in freedom to choose or reject one thing at a time." It is for personal freedom that men fight and will continue to fight, and when they have achieved that they will fight no more.

We are passing through that period which Douglas referred to in 1923 when he said that there would come, well within the lives of the present generations, a period when the forces of darkness would appear to be in the ascendent: and ours is the beacon from which shines a light that is becoming brighter as the darkness grows greater.

PARLIAMENT

Planning—Budgetary and Economic

SEPTEMBER 30.

Oral Answers to Questions (34 columns)

POST-WAR PLANNING (LEGISLATION)

Mr. Mander asked the Minister without Portfolio, whether he is now in a position to state when it is proposed to introduce legislation consequent on the recommendations of the Uthwatt Committee, and to set up a central planning authority as recommended therein?

The Minister without Portfolio (Mr. Arthur Greenwood): Considerable progress has been made in the drafting of legislation consequent upon the recommendations of the Uthwatt Committee, and the Government hope to introduce the Bill before Christmas. On the question of a central planning authority, I would refer my hon. Friend to the answers which I gave to Questions on July 17 and September 9.

Mr. Mander: Would my right hon. Friend say why the Government are not to accept the recommendation of the Uthwatt Committee on this fundamental point of a central planning authority, and will he give it reconsideration?

Mr. Greenwood: If my hon. Friend will look at the report of the Uthwatt Committee, he will see that they do not recommend a central planning authority. They assume, quite rightly, that it is the Government's policy to set one up, but as the issues involve so many Departments and an important central planning authority should act with proper powers, it is a matter for close consideration, and I hope before long to make a statement to the House.

Mr. Pickthorn: Is it intended to pay more deference to this Uthwatt Committee than was paid to the last Uthwatt report?

Mr. Greenwood: We are considering the last Uthwatt report.

Mr. A. Bevan: In view of the complexity and importance of this matter, will arrangements be made for a reasonable period of time to elapse between the availability of the Bill in the Vote Office and its introduction into the House?

Mr. Greenwood: Most certainly.

Written Answers (40 columns)

NATIONAL FINANCE—INCOME TAX

Sir E. Graham-Little asked the Chancellor of the Exchequer whether, in view of the increase in the cost of living, he will consider exempting for the duration of the war all members of the armed forces from paying Income Tax on their service pay?

Sir K. Wood: I regret I cannot see my way to adopt this proposal.

Sir F. Sanderson asked the Chancellor of the Exchequer whether he is aware that the chief reason why married women are not coming forward in adequate numbers to engage upon work of national importance is because they

cannot afford to do so, due to the incidence of high taxation on joint incomes of a husband and wife, absorbing practically the whole of what she earns; and, in view of this fact, will he consider between now and the next Budget that, in the case of a married woman going to work, her income should be assessed separately, and at the same time the husband should receive his full allowances as a married man?

Sir K. Wood: I do not accept the assumption on which my hon. Friend's Question is based, and I could not adopt the suggestion he makes. I may, however, point out that under the existing law the personal allowance for married persons is increased, where the wife has earned income, by nine-tenths of the amount of her earned income up to a maximum of £45.

RETAIL TRADE

Mr. Groves asked the President of the Board of Trade whether he is aware that, resulting from the restriction orders and the corresponding lack of supplies, it is estimated that one retail shop out of every four may be closed down; and whether he will consult with the various chambers of commerce for the preparation of a scheme for compensation for retail tradesmen who are so affected?

Sir A. Duncan: I have seen such an estimate but I know of no authority for it. It is, however, unfortunately true that, owing to restriction of supplies and for other reasons, a number of shops have already had to close and more may have to do so. This is one of the problems before the Retail Trade Committee who have sought the views of Chambers of Commerce and other interested bodies on the possibility of devising some scheme of mutual help. As has previously been made clear, public funds cannot be made available for this purpose.

OCTOBER 1.

SUPPLY (57 columns)

REPORT [September 30] SUPPLEMENTARY VOTE OF CREDIT, 1941. EXPENDITURE ARISING OUT OF THE WAR.

The Chancellor of the Exchequer (Sir Kingsley Wood): . . . As I have explained previously, these Votes of Credit are available only for war services. When we include the service of the Debt and the Civil Votes, including those of our extensive social services, we are now spending in all some £13,000,000 a day. . . . at the peak of our activities in the last war the Vote of Credit expenditure averaged about £7,000,000 a day and the total expenditure about £8,000,000 a day. . . .

. . . If I take Income Tax and Surtax alone, the additional taxation imposed by the first three war Budgets was estimated to yield £250,000,000 a year in all, while in the fourth Budget a further sum of the same amount was levied at one stroke. The total increase of £500,000,000 in these two taxes was about one and three-quarter times the whole of the Income Tax and Super-tax paid in 1918. With the combined taxation on the highest slice at the rate of 19s. 6d. in the £, it is clear that the maximum rate has been practically reached, at least in certain ranges of income. . . .

In the last two years we had to find, in addition to the Budget deficits, nearly £150,000,000 for the repayment of

debt in the hands of the public and other smaller capital payments, so that in all we had to raise, by means other than revenue, no less than £4,380,000,000. Again, I would point out that the full magnitude of figures such as these soon lose their reality, and I think it would be more informative if I referred in terms of percentages rather than of totals to the principal sources from which that sum of £4,380,000,000 was raised.

In the first place, 17 per cent. was covered by the realisation of our holdings of gold and foreign exchange and by borrowing balances on non-budgetary official funds such as the War Risks Insurance Funds and the Unemployment Fund. There is another striking figure. No less than 21 per cent. of the considerable total to which I have referred was provided by small savings—the net proceeds of National Savings Certificates, Defence Bonds, and deposits in the Post Office Savings Bank and Trustee Savings Banks. . . .

Subscriptions from non-official sources to medium and long-term market issues provided for 33 per cent. of our borrowings, and outstanding among such issues were National War Bonds which provided 19 per cent. out of the 33 per cent. . . Treasury Bills and Treasury Deposit Receipts taken up by the banks and other financial institutions provided 26 per cent. of our borrowings. The new system of borrowing from the banks by means of Treasury Deposit Receipts provided 12 per cent. out of the 26 per cent. and has amply fulfilled our expectations that it would prove to be a convenient innovation, though it must not be supposed that such short-term borrowings are, in any way, a substitute for borrowing as much as we possibly can direct from the public and for long periods. I think we may regard it as a matter for satisfaction that no more than 26 per cent. of our borrowings has been achieved by additions to the Floating Debt in non-official hands. . . .

Mr. Stokes: Before the Chancellor of the Exchequer sits down will he kindly explain what he meant by the term "non-official sources"?

Sir K. Wood: Banks and financial institutions, etc.

Mr. Lewis (Colchester): . . . At present, our relations with the United States of America are of a very nebulous character. The Government are in close touch with the Government of the United States and we are not told much of the negotiations that go on between them. Nobody complains about that, because of the obvious importance of preventing our enemies knowing what the two Governments are planning. But I have wondered whether anything has been said about the financial problems which will arise after the war, and, in particular, whether any engagements have been entered into, or are being contemplated.

The assurance that I hope to get is a perfectly plain and categorical one. It is, that the Government have not agreed and are not contemplating agreeing to any arrangement with the United States which would tie sterling either to gold or to the American dollar. I cannot see that our war interests can be damaged by a disclosure on that point. I do not wish it to be thought that I have any but the friendliest feelings towards the United States or that I wish to suggest that after the war we should pursue any policy but one of close collaboration with them, in finance or in other ways. But Americans have the peculiarity that they are

generous givers but very hard bargainers. If you ask them for a gift, you will probably get a magnificent one; if you go to them to discuss a bargain, you are certain to have a very hard bargain. I can foresee that if we are so foolish now as to enter into any commitments about the future of sterling with regard to gold or with regard to the dollar, that might prove a most awkward obstacle in any subsequent negotiations with the United States. With that characteristic of hard bargaining they might, even though it were against their own interests, allow that to become a great obstacle to us. I do not wish to suggest whether, at some time in the remote future, there may be some definite relation between sterling and gold, but I am certain that the experiences resulting from our mistaken return to the gold standard after the last war show the great danger of being too precipitate in these matters. I am for the moment concerned only to secure that when the vital time comes we may have our hands entirely free to act, as my hon. Friend the Member for East Birkenhead said, with common sense and skill in these matters. . . .

Mr. Loftus (Lowestoft): . . . When we vote such a sum as this we reach a stage where money is subordinated to materials. We have realised that whatever it is physically possible to accomplish in the war effort we will accomplish. We will use every ounce of man-power, every piece of machinery, every piece of material that we can acquire in the vital effort to win the war, to preserve ourselves and to preserve freedom for the world. Whatever is physically possible we will do, and we will then provide the money. I think that contains a lesson which I hope we shall remember in future when peace comes. We have accomplished this immense expenditure, we have utilised the whole man-power and much of the woman-power of the country, we are utilising it for utterly non-productive purposes with very little inflation so far—a certain amount, but very little. This makes one reflect that if during those bitter years 1929, 1930 and 1931 we had looked at the material facts and used some of our man-power, as we could have used it, for revenue-producing schemes, we could have raised the standard of life without any inflation whatever and largely solved the bitter tragedy of unemployment. . . .

My hon. Friend the Member for Chesterfield dealt with the gap between genuine savings and created money, a gap which, he pointed out, amounted to hundreds of millions. That gap has to be bridged by the creation of money through the banking system. I repeat what I have said on many occasions, that where there are genuine savings, especially by the small man, rates of interest up to 2½ per cent. can be given. Where there is a creation of money to bridge the gap through the banking system, the rate of interest should cover only the cost of the creation of that money. The *Economist* estimated that that cost was 1 per cent. To-day on Treasury deposit receipts we are giving 1⅓ per cent. I am willing to accept the point that the servicing of Government expenditure costs 1⅓ per cent. What does concern us is that it is a short-term method of raising money. These Treasury deposit receipts can be converted, and are, I think, being converted, into long-term loans at 2½ per cent. I feel that where money is created to bridge the gap it should be perpetually at no higher charge than 1 per cent. . . .

Captain Crookshank: [In reply to Mr. Lewis's question] . . . that Question has been asked before and answered quite categorically. All I need do is to remind him of the reply which my right hon. Friend gave on December 10,

1940, to a Question put by the hon. Member for Ipswich (Mr. Stokes) in which he asked:

"Whether he will give an assurance that no undertaking, specific or implied, has been or will at any time be given to the United States of America that this country will return to the gold standard after the war without first consulting this House."

The answer was:

"There has never been any question of giving any undertaking of the kind suggested." — [OFFICIAL REPORT, December 10, 1940; col. 785, Vol. 367.]

That still stands, and for the further comfort of my hon. Friend I would say that one must remember that anything that has to do with the gold standard requires legislation and it would be necessary for this House, as was the case when it happened after the last war, to deal with it should it arise.

Mr. Lewis: Is my right hon. and gallant Friend in a position to say that no understanding has been come to between ourselves and the American Government as to linking sterling in any way with gold or the dollar after the war?

Captain Crookshank: I cannot take it any further than what I have said in reference to it. These are not matters to be lightly bandied about, and a shade of meaning of one word or another might cause very great difficulty. The statement to which I have referred conveys the position of the Government, and I would ask hon. Gentlemen to leave it at that. If my hon. Friend wants a further considered statement, as he or any other hon. Member is entitled to receive, perhaps he will put a Question on the Paper and give my right hon. Friend the chance of putting exactly the words that are suitable. Words are very often open to misinterpretation when used on matters of high policy in this House. Even if my hon. Friend has not tried to lead me into a trap, I hope that he will not let me get even into the danger zone.

Material for Reconstruction

Says the *Liverpool Daily Post*:—

"Mr. H. Hinchcliffe Davies has just joined the quite formidable number of Liverpool architects and planners who are associated with Lord Reith in plans for the present and the future. . . . *He lives not in one of his own houses but in a charming old Georgian house near St. Asaph, North Wales.*"

So!

Cold Outlook

"... Even in war-time there is a limit to human endurance and tolerance. Means must be found to lift the brake on production. The muddle into which coal production has fallen is one clear instance that everyone can understand. In spite of our export markets being cut off, we cannot supply our full home requirements. This is the prime failure of bureaucracy. Each home will suffer this winter through the lack of sufficient coal. Yet the Government have had the matter in their hands since the outbreak of war, and the men who have been at the head of the Mines are the same windy theorists who have been in the coal industry for many years."

—*The Stock Exchange Gazette*, September 27, 1941.

REGIONAL ACTIVITIES

Information about Social Credit activities in different regions may be had by writing to the following addresses:

BELFAST D.S.C. Group: Hon. Sec., 17 Cregagh Road, Belfast.

BIRMINGHAM (Midland D.S.C. Association): Hon. Sec., 20 Sunnyside Road, Boldmere, Sutton Coldfield.

BLACKBURN S.C. Association: 168 Shear Brow, Blackburn.

BRADFORD United Democrats: R. J. Northin, 11 Centre Street, Bradford.

DERBY: C. Bosworth, 25 Allestree Road, Crewton, Derby.

LIVERPOOL S.C. Association: Hon. Sec., 49 Prince Alfred Road, Liverpool, 15. Wavertree 435.

LONDON Liaison Group: Mrs. Palmer, 35 Birchwood Avenue, Sidcup, Kent. Footscray 3059.

MIDLAND D.S.C. Group: see Birmingham.

NEWCASTLE and Gateshead S.C. Association: Hon. Sec., 108 Wordsworth Street, Gateshead.

PORTSMOUTH D.S.C. Group: 115 Essex Road, Milton, or 50 Ripley Grove, Copnor.

SOUTHAMPTON D.S.C. Group: Hon. Sec., 19 Coniston Road, Redbridge, Southampton.

BOOKS TO READ

By C. H. Douglas:—

Economic Democracy	(edition exhausted)
Social Credit	3/6
The Monopoly of Credit	3/6
Credit Power and Democracy	3/6
Warning Democracy	(edition exhausted)
The Use of Money	6d.
"This 'American' Business"	3d. each 12 for 2/-

ALSO

The Bankers of London by Percy Arnold	4/6
Lower Rates (pamphlet)	3d.
Hitler's Policy is a Jewish Policy by Borge Jensen and P. R. Masson	6d.
Southampton Chamber of Commerce Report	6d.
Is Britain Betrayed? by John Mitchell	2d. each 12 for 1/6
How Alberta is Fighting Finance	2d. each 12 for 1/6

(All the above postage extra).

Leaflets

Bomb the German People	100 for 1/9
The Attack on Local Government by John Mitchell	9d. doz. 50 for 2/6
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Taxation is Robbery	100 for 3/- 50 for 1/9

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