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Wednesday
31st July, 1940

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PARLIAMENTARY DEBATES

HOUSE OF COMMONS

OFFICIAL REPORT

N° V

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HOUSE OF COMMONS.

Wednesday, 31st July, 1940.

OFFICIAL REPORT.

The House met at a Quarter before Three of the Clock, Mr. SPEAKER *in the Chair.*

ORAL ANSWERS TO QUESTIONS.

AUSTRIANS.

1. **Mr. Wedgwood** asked the Under-Secretary of State for Foreign Affairs whether, now that Czecho-Slovakia has been recognised as an Allied State and Czechs as friendly aliens who may serve against the enemy, the Foreign Office will consider extending the same privileges to Austrian citizens, in view of the fact that under the Treaty of St. Germains His Majesty's Government undertook that no alienation of the status of full independence of Austria would be recognised?

The Under-Secretary of State for Foreign Affairs (Mr. Butler): The circumstances in which His Majesty's Government have recognised and entered into relations with the Provisional Czecho-Slovak Government, established by the Czecho-Slovak National Committee to function in the United Kingdom, were described to the House by the Prime Minister, on 23rd July. The Czecho-Slovak army, first reconstituted in France under the auspices of the Czecho-Slovak National Committee, is being reorganised in this country by the Provisional Government. The same circumstances do not prevail in the case of Austrians, and it would not, therefore, be possible to make similar arrangements for them. Enlistment in the Auxiliary Military Pioneer Corps is, however, open to all former Austrian citizens, subject to their individual suitability.

Mr. Wedgwood: Is it not a fact that the Austrians constitute one of these small races who are anxious to bear arms in the same cause, and, if so, why should they be allowed to go only into a civilian force?

Mr. Butler: As I have said, the same circumstances do not prevail in the case of the Austrians. I am glad that there are these facilities for these Austrians to take up arms.

Mr. Gallacher: In view of the fact that the Czechs are regarded as friendly aliens, will the hon. Gentleman use his influence in the Home Office to get the two Czech Deputies released?

ANGLO-JAPANESE AGREEMENT (BURMA).

2. **Mr. Mander** asked the Under-Secretary of State for Foreign Affairs what rights have been granted to the Japanese in respect of inspection of traffic passing, under the recent Agreement, on the Burma road; how many persons are now included in the Japanese diplomatic and consular staff in Burma; and to what extent these numbers are to be increased, and for what purpose?

Mr. Butler: The recent Agreement does not grant rights of inspection to the Japanese authorities in Burma. There is no Japanese diplomatic staff in Burma, and the only Japanese Consulate is situated at Rangoon. The staff of the Consulate consists of a Consul, two Japanese Chancellors, two Japanese clerks, one Burman and one Indian clerk. No recent increase has occurred, and I have no information of any intended increase.

Mr. Mander: Would the Government approve of a substantial increase in the staff of the Consulate?

Mr. Butler: That is a matter for the Japanese Government, not for us.

Mr. Mander: Will certain statistics be made available to the Japanese as to the amount of traffic passing?

Major-General Sir Alfred Knox: Does the hon. Member represent the Japanese Government?

Mr. Butler: I understand that certain information will pass between us and the consular office; otherwise there would not be any point in their being one.

Mr. J. J. Davidson: Was not that last Supplementary Question asked during the Spanish dispute, and are we not very sorry for it now?

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SPAIN.

British Embassy.

5. **Miss Rathbone** asked the Under-Secretary of State for Foreign Affairs whether the hon. and gallant Member for Wellingborough (Wing-Commander James) is still attached to the British Embassy in Madrid; and whether, in view of this gentleman's persistent refusal throughout the Spanish civil war to recognise the extent and danger of German and Italian intervention, he will reconsider this appointment?

Mr. Butler: The answer to the first part of the Question is in the affirmative. Since he has been attached to His Majesty's Embassy in Spain, the hon. and gallant Member has rendered valuable services which my Noble Friend trusts he will continue to perform.

Miss Rathbone: Is the hon. Gentleman aware that this hon. and gallant Gentleman, in the teeth of the most irrefutable evidence, continued to believe that Guernica was destroyed by the Spaniards instead of by the German and Italian planes?

Mr. Denville: On a point of Order. I would like to ask you, Mr. Speaker, whether the Chair has any power to prevent questions which are dangerous to the State?

Policy (General Franco's Statement).

43. **Miss Rathbone** asked the Prime Minister whether diplomatic or other action has been taken to meet the threat of General Franco's announcement in his address to the officers of his Army, Navy and Air Force, on 17th July, that it was Spain's duty to obtain command of Gibraltar and expansion in Africa?

The Lord Privy Seal (Mr. Attlee): There has, I think, been some misconception regarding General Franco's statement on this occasion. After a historical reference to the greatness of Spain under King Ferdinand and Queen Isabella, he went on to refer to the political testament of Queen Isabella as including what he termed:

> " the bequest of Gibraltar, the vision of Africa, and political unity; political bequests which, after four centuries, still endured as an eternal obligation."

Due note has been taken of this statement. But His Majesty's Government do not regard it as involving a fresh departure in Spanish policy. Accordingly no special action appears to be called for.

Miss Rathbone: Is the right hon. Gentleman aware of the importance attached in Rome to this and how the Romans have been glorying over the fact that if the Republicans had won the Spanish war Gibraltar would have been assured to Britain and Spanish minerals would have been safe for Britain?

Mr. Denville: On a point of Order. Is there any possibility of preventing these dangerous Questions? Is the hon. Lady aware that she is giving great publicity value to the Spanish Press?

BRITISH SUBJECTS AND REFUGEES, FRANCE.

3. **Mr. Sorensen** asked the Under-Secretary of State for Foreign Affairs whether he will approach the French Government with a view to securing the release and safe passage to this country of any British subjects still in France or any refugees in this country who volunteered for military service and became attached to French units and desire to return to this country; and whether further repatriation of French citizens will be effected in relation to this arrangement?

Mr. Butler: His Majesty's Government are doing everything possible to arrange for the early return of British subjects still in unoccupied France who wish to come back to this country. The Vichy Government are, however, unlikely to respond to a request for the return to this country of refugees attached to French units, seeing that under Article 10 of the Franco-German armistice convention they are required to prevent members of the French armed forces from going abroad; and in the circumstances my Noble Friend does not consider that it would serve any useful purpose to approach them on the subject. As regards the last part of the Question, with the exception of certain persons whom it is thought necessary to detain here for the time being, French citizens wishing to leave the United Kingdom receive the same facilities as nationals of neutral States.

Mr. Sorensen: Could not the right hon. Gentleman propose some reciprocal arrangement by which British nationals

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of this country who desire to go back to France could be exchanged for British subjects still in France, and also for those refugees who were in this country and who volunteered to serve but who were actually posted to French units when they got to France?

Mr. Butler: There is the difficulty of Article 10 of the Convention. With regard to the first point, we are satisfied that there are facilities for British subjects to return here from France and for French subjects to return to France, but naturally the hon. Member's point will have proper consideration.

AIRCRAFT PRODUCTION.

ALUMINIUM (CONTROLLER).

7. **Mr. Stokes** asked the Parliamentary Secretary to the Ministry of Aircraft Production the name of the controller of aluminium in his Department, together with the salary paid to him?

The Parliamentary Secretary to the Ministry of Aircraft Production (Colonel Llewellin): My Noble Friend has not yet taken over the control of aluminium, and no controller has yet been appointed in this Ministry. It has, however, been arranged for transfer of the control to take place to-morrow, and no changes in the existing Ministry of Supply arrangements are contemplated. Under these arrangements the controller is the Hon. G. Cunliffe, who is in receipt of a salary of £1,350 per annum.

Mr. Stokes: Can the Parliamentary Secretary tell us whether the controller is able to distinguish between an aluminium pot sent to Lord Beaverbrook and one that comes from a scrap-metal yard?

Colonel Llewellin: Certainly. He has very great experience in these matters.

USED AEROPLANES (SALE ABROAD).

8. **Mr. Hubert Beaumont** asked the Parliamentary Secretary to the Ministry of Aircraft Production whether he has considered the advertisement, a copy of which has been sent to him, inviting overseas buyers to purchase stock of used aeroplanes and stating that there are over 100 aeroplanes from which to choose; and, as it is not desirable in the present emergency to allow aeroplanes to leave this country, and as such aeroplanes could be of service if only for training purposes, will he exercise his powers to prevent any export of either machines or parts of machines?

Colonel Llewellin: Yes, Sir, I have considered the advertisement to which my hon. Friend refers and have also procured a full list of the second-hand aeroplanes advertised therein. No aircraft or aircraft parts can be exported from this country without the authority of the Ministry of Aircraft Production, and I can assure my hon. Friend that permission is not, and will not be, given for the export of any aircraft which can be used to better purposes in this country than in the Dominions and the Colonies. A large number of aeroplanes in this country which are suitable for elementary training purposes have already been impressed.

MEMBER'S SERVICES.

9. **Mr. G. Strauss** asked the Parliamentary Secretary to the Ministry of Aircraft Production what remuneration and allowances are being paid to the hon. Member for Wood Green (Mr. Beverley Baxter) for his services?

Colonel Llewellin: The hon. Member for Wood Green receives no remuneration in respect of his services to the Ministry of Aircraft Production. He is reimbursed the out-of-pocket expenses incurred in the performance of his duties.

ARMED FORCES (RAILWAY DINING CARS, TIPS).

10. **Mr. Robertson** asked the Minister of Transport whether he will request the London Midland and Scottish Railway Company to stop making a compulsory tipping charge to sailors, soldiers and airmen using the dining-car services?

The Minister of Transport (Sir John Reith): A minimum charge in lieu of tips is paid by all passengers using London Midland and Scottish dining cars, first and third, and I do not feel justified in asking the company to discriminate between them.

Mr. Robertson: Does my right hon. Friend realise that the Government are in an invidious position, inasmuch as they are participating in these things either by saving of wages or by the guarantee, or

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[Mr. Robertson.]
by sharing profits, and will he also take into account that fighting men cannot afford these charges?

Mr. Shinwell: Is the right hon. Gentleman aware that I have heard soldiers in a train complaining about having to pay 1s. 3d. for a bottle of beer, 3d. being the tip? Why should they have to pay the extra 3d.?

Mr. Lyons: Is not the railway company being subsidised by public funds?

Sir J. Reith: I do not know what a bottle of beer costs in a railway carriage.

Mr. George Griffiths: A bottle of ginger beer then?

Sir J. Reith: I will try to find out. What I do know is that in platform buffets there are discriminating, special rates for members of His Majesty's Forces.

Mr. Hubert Beaumont: Will the right hon. Gentleman also consider proposing to the railway companies that they should offer a lunch at less than half-a-crown, which, unfortunately, the soldiers cannot pay?

Sir J. Reith: Yes, I am quite prepared to pass on that suggestion.

Mr. Denville: Will the right hon. Gentleman try to secure facilities for soldiers, sailors and airmen while travelling similar to those in the buffets?

MINISTRY OF INFORMATION.

BRITISH BROADCASTING CORPORATION (FRENCH BROADCASTS).

11. **Mr. Vernon Bartlett** asked the Minister of Information how many experts on the French situation are now employed on the preparation of British Broadcasting Corporation programmes in French; and how many hours a day programmes are broadcast by the British Broadcasting Corporation in that language?

The Minister of Information (Mr. Duff Cooper): The British Broadcasting Corporation employs a specialist staff of 12 concerned with the announcing and translation of news bulletins and programme material in French. Of the total number 10 are born Frenchmen. There are at present six 15-minute news bulletins, one half-hour programme and three quarter-hour programmes, making a daily total of $2\frac{3}{4}$ hours of exclusively French broadcasts. Of this time General de Gaulle and his organisation, with the approval of my Ministry, contribute a five-minute period each day under the title, "La France Libre." In addition to the purely French broadcasts, three hours of programmes are presented every day in both English and French.

Mr. Bartlett: While thanking the Minister for his reply, might I ask him whether it is not the fact that for considerable periods of the 24 hours there is no special expert on French affairs on duty, and, in view of the very vital importance at the present time of doing everything we can to persuade the French that our cause is just, will he look into that matter further?

Mr. Cooper: I fully appreciate the importance of the hon. Gentleman's suggestion, and I will consider it.

Mr. Thorne: Have there been any broadcasts about love, unity and fidelity?

POSTAL AND TELEGRAPH CENSORSHIP.

12. **Mrs. Tate** asked the Minister of Information whether he is satisfied that the censorship department has effectively prevented all trading with the enemy by British nationals and residents; and whether he will consider again placing the department under the control of the military authorities?

Mr. Cooper: The postal and telegraph censorship department is only part of the system for the prevention of trading with the enemy by British nationals and residents. I am satisfied that its function has been effectively performed. The reasons which led to the transfer of the control of the postal and telegraph censorship department from the War Office are still valid. The answer to the second part of the Question is, therefore, in the negative.

Mr. Mathers: How many aliens are employed in this department?

Mr. Cooper: I could not say without notice, but I do not think there are any.

NEWSPAPER ARTICLES (WOMEN CENSORS).

13. **Mr. Gledhill** asked the Minister of Information the number of women employed in censoring the articles of newspaper correspondents for British papers

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overseas; the salaries paid to them; whether they have had any experience of this type of work; and what are their educational qualifications?

Mr. Cooper: There are 23 women in the department, which deals with the censoring of articles for British papers overseas. Their salaries are £4 a week or at the rate of £320 a year, according to grade. At least 10 have had relevant previous experience, although only two were censoring in the last war. All the censors in question have had a university education or have exceptional linguistic attainments.

Mr. Gledhill: Would it not be better to employ duly qualified people and pay them at an adequate rate?

Mr. Cooper: It is difficult to define what are duly qualified people, because we do not do this work in peace-time.

WAR-TIME SOCIAL SURVEY.

14. **Commander Sir Archibald Southby** asked the Minister of Information, for what purpose he has authorised persons employed by his Department to make a personal canvas of householders in different areas?

19. **Mr. Lyons** asked the Minister of Information the number of persons employed or to be employed by his Department for the purposes of personal interrogation of citizens; the salaries paid to these officials and by whom they were selected; and to what Departments is the information taken?

Mr. Cooper: One of the main duties of the Ministry of Information is to keep as closely in touch as possible with public opinion, in order that the Ministry may find out upon what subject information is required. It is more difficult to ascertain public opinion in war time than in peace, but it is also more important. Of recent years, there has been a great development of scientific methods of testing opinion. Many organisations have been set up for this purpose, and have been made practical use of by commercial firms and newspapers.

The Ministry of Information, having made careful inquiries, decided many months ago to make use of such methods, by an organisation known as War-time Social Survey, which acts under the auspices of the National Institute of Economic and Scientific Research. The number of persons employed by War-time Social Survey on behalf of the Ministry is about 60, and the salaries paid to them are in accordance with the importance of the tasks they perform and are equal to those paid by the best type of market research organisations. These officers were selected by Professor Arnold Plant, Professor of Commerce in the University of London.

Information thus obtained is transmitted to the Ministry of Information by means of statistical reports, and is forwarded to other Departments likely to be interested. In no case are names and addresses of persons interviewed divulged, either to my Ministry or to any other Department. I found this system in existence when I arrived at the Ministry, and there was, therefore, no need for me to confirm it, which I could certainly have done.

Sir A. Southby: Has my right hon. Friend's attention been called to a statement recently made by his Parliamentary Secretary, that the function of these people investigating is to mix with people and listen to what they have to say? Does he appreciate the great resentment that there is at this wanton spying? Does he not think that public money would be better spent in another direction than in paying people for this kind of work in order to "fascinate" the Parliamentary Secretary?

Mr. Cooper: This is not spying. This is a method which newspapers and commercial firms have been following in this country for the last 30 years in order to ascertain public opinion. There is nothing new about it, nor is it underhand or in any way connected with spying.

Mr. Lyons: Will my right hon. Friend kindly answer my Question as to what are, in fact, the salaries paid to these people? Further, does he not realise that this waste of public money is one of the circumstances by which his Ministry is getting entirely out of touch with public opinion and making itself a laughing stock throughout the country, when it ought to be serving a more useful purpose?

Mr. Granville: Is it not the function of Parliament to represent public opinion?

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Mrs. Tate: What proportion of the 60 people engaged are women? [*Interruption.*] They find out a good deal more than men.

Mr. Cooper: As to the salaries paid, I can circulate that information in the OFFICAL REPORT if my hon. and learned Friend so desires, but I can assure him that these salaries are in accordance with those paid by numerous similar organisations throughout the country to people carrying out this sort of work. As to whether Parliament represents public opinion, I would say that, of course, Parliament should represent public opinion all the time, but one of our difficulties at the present time is due to the fact that because—I am glad to say—of the lack of political party warfare and the usual clash of opinions, the holding of public meetings, and, above all, the holding of by-elections, and owing to the fact that there has been no general election for five years, it is not so easy to ascertain public opinion. There is a good deal that cannot be said in open Session or publicly advertised in the Press. For these reasons it is very necessary to pursue the usual normal methods of trade organisations, which newspapers have been pursuing for many years.

Sir A. Southby: In view of the unsatisfactory nature of the reply, I beg to give notice that I shall raise the matter on the Motion for the Adjournment.

Mr. Lyons: In view of the fact that the salaries paid, which were asked for in the Question on the Order Paper, were not disclosed, and in view of the very unsatisfactory nature of the reply, I beg to give notice that I shall raise the matter on the Motion for the Adjournment.

Hon. Members: Too late.

BRITISH PRISONERS OF WAR.

15. **Major Milner** asked the Minister of Information why he permits a gratuitous advertisement of the German wireless transmission in English to be printed in the newspapers daily in connection with the lists of prisoners in Germany; and will he devise a different form of publication omitting the origin of the information?

Mr. Cooper: Newspapers were asked to publish the names of British prisoners of war announced on the German wireless with the express object of removing a reason which might naturally induce people to listen to that wireless. If the source of the information was not stated, readers might imagine that the accuracy of the lists was vouched for by His Majesty's Government, whereas this is not the case.

Major Milner: Is the right hon. Gentleman not aware that there are many well-authenticated cases of anxious mothers continuing to listen in, with quite serious results? Is is not sufficient to use the term "German sources," without indicating that those sources are wireless sources?

Mr. Cooper: I will consider that suggestion.

LOCAL ADMINISTRATORS, PHOTOGRAPHS.

16. **Mr. Davidson** asked the Minister of Information whether he will issue instructions prohibiting the photographing of prominent local councillors, provosts or lord provosts, at military inspections of British, French or Polish soldiers, appearing in films in all parts of the country, as this gives away the location of units?

Mr. Cooper: Films and photographs of troops which also contain photographs of lord provosts, provosts and other well-known citizens, when submitted for censorship, are carefully considered in consultation with the Service advisers. Their release for publication depends on whether the troops are in transit or not.

Mr. Davidson: Might I ask the Minister to make inquiries with regard to a recent inspection of Polish troops? Is he aware that the presence of a prominent head of the local administration indicated where the inspection took place to many members of the audience in a different town?

Mr. Cooper: I shall be very glad to consider that.

STEAMSHIP "LANCASTRIA" (NEWS OF SINKING).

17. **Mr. Granville** asked the Minister of Information why it was that the news of the bombing and sinking of the "Lancastria," and the story of the heroism of the British troops on board, was not published in this country until after it had appeared in the American Press?

18. **Lieut.-Colonel Sir Assheton Pownall** asked the Minister of Information what were the reasons which caused him to

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withhold for five weeks the news as to the sinking of the " Lancastria "?

20. **Mr. Shinwell** asked the Minister of Information whether he can explain why a request by the " Journal of Commerce," submitted on 24th June, to publish a paragraph on the sinking of the steamship "Lancastria " was refused; why, though the Minister promised to make a report on 2nd July, no report appeared until 24th July, when the American Press disclosed the facts; and is he aware that the attitude of the Ministry has caused bewilderment in Liverpool and in shipping circles, where the facts were known three days after the event?

Mr. Cooper: The reasons for holding the news of the bombing and sinking of the steamship " Lancastria " were the following. This ship was engaged on a military operation, and it was evident from the German wireless announcement that the enemy were totally unaware of the identity of the ship which had been sunk. Further, it is contrary to the general policy of His Majesty's Government to announce the loss of individual merchant ships. The number and the total tonnage of merchant ships lost is given in a weekly statement. The tonnage of the steamship " Lancastria " was included in the statement issued on 2nd July. This policy is well known, and I cannot, therefore, understand why on this occasion bewilderment should have been caused in Liverpool and shipping circles.

Mr. Shinwell: Is the right hon. Gentleman aware that I have in my possession a copy of a letter in which his private secretary, writing to the " Journal of Commerce," promised that a statement would be made on this matter on 2nd July, and that, in fact, no statement appeared in the British Press until the American papers reported the matter? Why did the right hon. Gentleman's private secretary make that statement to a British newspaper?

Mr. Cooper: It referred to the normal statement which appeared giving the total tonnage sunk during the period.

Mr. Granville: Is the right hon. Gentleman aware that the story of this heroism was known on Merseyside two or three days afterwards, that it was given out on the German wireless, that it was in the " New York Sun," and that it was not until five weeks later that it was referred to in the B.B.C. News Bulletin; and is he further aware of the considerable anxiety in the public mind due to this delay?

Mr. Cooper: There were so many stories of heroism connected with the evacuation from Dunkirk that this one, I regret, did not receive at the time the publicity it deserved. I am quite sure that all those concerned deserved it.

Mr. Granville: In view of the statement of the Prime Minister that he would reveal the losses of men in warships and merchant ships as soon as possible, does not the right hon. Gentleman think that it is better for a statement to be made in this country, rather than that it should come from Germany?

Mr. Cooper: I do not think that the Prime Minister ever made a statement to the effect that he would give the names of merchant ships.

Mr. Logan: As one who knew many of the crew who were lost on board that ship, may I ask how it was that the parents were not notified, and why, when it was public property all over the City of Liverpool when the loss occurred, publicity was not given to the people particularly concerned whose sons had gone down to the sea in ships?

Mr. Cooper: I am sure that the relatives of those who were lost were informed as soon as their identity was established.

Overseas Publicity.

21. **Mr. Kenneth Lindsay** asked the Minister of Information what are the precise responsibilities of Sir Maurice Peterson as successor to Lord Perth and Controller of Overseas Publicity; what is the division of territory between his Department and the British Council; and who now is responsible for broadcasts, both foreign and Empire?

Mr. Cooper: Sir Maurice Peterson's functions as Controller of Overseas Publicity are to superintend the work of the Foreign Publicity, Empire Publicity and American Divisions of the Ministry. As regards the second part of the Question, there is no division of territory between this Ministry and the British Council as the activities of the latter are confined to the cultural sphere. As regards the last part, the B.B.C., acting under

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[Mr. Cooper.]
the general guidance of this Ministry, are responsible for both foreign and Empire broadcasts.

Mr. Noel-Baker: Is the right hon. Gentleman considering new and more adequate arrangements for the foreign broadcasts now conducted through Broadcasting House?

Mr. Cooper: I am keeping constantly in touch with that question, and I am hoping to improve upon the broadcasts.

Mr. Lindsay: Is the Minister satisfied that there is a real concentration of effort between these three different aspects of the same problem?

Mr. Cooper: We are endeavouring to increase the concentration.

TELEGRAPHIC COMMUNICATION, UNOCCUPIED FRANCE.

22. **Major Sir Jocelyn Lucas** asked the Postmaster-General whether he will make public the fact that telegraphic communication is open between unoccupied France and this country, but that persons inquiring for relatives should pay the reply, owing to many people being without funds?

The Postmaster-General (Mr. W. S. Morrison): Telegraphic communication with France has been very precarious for some time, but a service is now available to and from the unoccupied territory of France subject to censorship. The reply paid facility is available for the present by this service. A public announcement on the subject is being issued to-night.

ROYAL NAVY.

Ship Losses (Courts-Martial).

23 and 24. **Mr. Ammon** asked the First Lord of the Admiralty (1) whether the old-established custom of holding naval courts-martial following the loss of ships of the Royal Navy in order to determine the circumstances of such loss, is being adhered to; whether such courts-martial have been held as to the sinking of His Majesty's Ship "Glorious"; and what were the findings of the courts;

(2) whether any inquiry has been held into the conduct of the naval operations following the evacuation of Narvik, which led to the loss of His Majesty's Ships "Glorious," "Orama" and two destroyers; and, if so, whether the findings of the court will be promulgated?

The First Lord of the Admiralty (Mr. A. V. Alexander): A court-martial is not held of necessity and as a matter of course whenever one of His Majesty's ships is lost. The circumstances of the loss of His Majesty's ship "Glorious" and the ships in company were investigated by a Board of Inquiry, but it was decided that there was no advantage to be gained by holding a court-martial in addition. The findings of these Boards are confidential, and I regret that I cannot add anything to the official announcement concerning the loss of these ships.

Mr. Ammon: Is my right hon. Friend aware that there is considerable perturbation in the Navy among the officers concerned?

Mr. Alexander: I do not know where the evidence of perturbation may be, but if officers of the Navy have such perturbation, they might communicate it to me. At any rate, I see no reason at present to change my decision.

Sir A. Southby: Is the First Lord aware that the old established custom was, I think up to the last war, that there should be a court-martial in the case of the loss of one of His Majesty's ships; and can he say why that rule has been departed from, observing that naval officers themselves welcome the opportunity of a legal court-martial following the loss of a ship so that the circumstances may be made as public as possible?

Mr. Alexander: It is true that up to 1914 it was not the invariable rule but a very general direction to have courts-martial, mostly in peace-time, with regard to the loss of ships, but during the first two years of the Great War it became necessary not to follow that practice, and even in the last two years of the Great War courts-martial were not excessive in number having regard to the heavy losses of ships. In regard to the procedure, it means, of course, that, if you have a court-martial, all the evidence is in public, and in the present circumstances I am not prepared to publish it.

Sir Herbert Williams: Have any persons who witnessed the sinking of the

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"Glorious" been in this country since the event?

Mr. Alexander: We have conducted a Board of Inquiry, and the witnesses examined have included survivors.

PROMOTION.

25. **Mr. Ammon** asked the First Lord of the Admiralty whether any steps are being taken so to accelerate the promotion of naval officers as to allow the more able officers to achieve Flag rank, and hold high commands at ages comparable to those of the commanders of 1914-18?

Mr. Alexander: For some years past it has been the practice of the Admiralty to give to particularly promising lieutenant-commanders and commanders, very early promotion to the ranks of commander and captain respectively, with a view to accelerating the promotion to Flag rank of the most able officers. Similarly the number of captains who have been placed on the retired list on promotion has recently been greatly increased. The Admiralty have also taken the power to retire Flag officers and captains whom it is not intended to employ further. On the average the officers at present on the Flag list are younger than were the officers on the Flag list at the corresponding period in the last war, and for the reasons I have given this difference will become much more marked as time goes on. The Admiralty will certainly give promotion, acting or substantive, to any officer whose service during the war may give promise of his suitability for higher command.

Mr. Glenvil Hall: Will my right hon. Friend also see to it that under regulations which are already in existence men can come up from the lower deck and get advancement to commissioned rank?

Mr. Alexander: My hon. Friend knows my interest in this matter, and perhaps as soon as I have a little time after present operations, I may be able to do something more with regard to the great work in that connection which the Prime Minister has already started.

ENEMY SUBMARINES (LOSSES).

26. **Mr. Glenvil Hall** asked the First Lord of the Admiralty whether, since the enemy is aware of its own submarine losses, he will state the number, respectively, of German and Italian submarines known to have been captured or sunk, or so seriously damaged as not likely to have returned to their bases, together with the number of submarines each was thought to have at the outbreak of war?

Mr. Alexander: I regret that I cannot agree to give this information. While the enemy obviously knows the total of his submarine losses, our silence about our successes prevents him discovering how they were obtained. This knowledge would obviously be invaluable as it would help him to gauge the relative efficiency of our various methods of countering his submarine and the approximate dispositions of our patrols. There are, of course, occasions when considerations of this nature are outweighed. Instances are the Admiralty communiqués issued between 16th June and 10th July announcing the destruction of 14 Italian U-boats. As regards the last part of the Question, I would refer my hon. Friend to the standard books of reference.

Mr. Davidson: Is it true that British seamen when out on the water call out "Waiter," and Italian submarines come to the top?

BRITISH ARMY.

JEWS, PALESTINE.

28. **Mr. Wedgwood** asked the Secretary of State for War whether Jews in Palestine are now being enlisted into the British Army or their services being used in any way for the Fighting Services?

The Joint Under-Secretary of State for War (Sir Edward Grigg): Yes, Sir. Jews in Palestine are being enlisted into the British Army.

FOREIGN VOLUNTEERS.

29. **Mr. Wedgwood** asked the Secretary of State for War whether he will make a statement as to the possibility, in the near future, of refugees from Nazi oppression being permitted to serve in the Armed Forces of the Crown, and of those now interned being set free to do so?

Sir E. Grigg: I cannot at present add anything to the statements made by the Secretary of State in answer to my right hon. Friend's Questions on 23rd and 30th July.

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Mr. Wedgwood: When may we have a statement, as we have had that answer for the last eight months? Can the hon. Gentleman try and give us any hope of getting the answer before the Session ends?

Sir E. Grigg: There is a great deal of information in that answer, if my right hon. Friend will look at it.

MANURE FACTORY, SHEPHERDS BUSH.

30. **Mr. Charles Brown** asked the Minister of Health whether he is aware that the business of manure manufacturer is being carried on in Wood Lane, Shepherds Bush, within the Metropolitan borough of Hammersmith, in close proximity to the bottling depot of the London Wholesale Dairies, Limited, which deals in normal times with 40 per cent. of the milk supply of London; that the manure so produced has been stated on oath by an eminent bacteriologist in recent proceedings to contain B coli and streptococci of faecal origin in considerable quantities; and what steps he proposes to take to prevent the milk being contaminated?

The Parliamentary Secretary to the Ministry of Health (**Miss Horsbrugh**): My right hon. Friend is aware that the works of Hyganic, Limited, are situate as described. He has no knowledge of the evidence which was tendered in the proceedings to which the hon. Member refers, but he is advised that the process does not constitute a danger to health and with the precautions in force is unlikely to contaminate the milk supply specified.

Mr. Brown: Does the hon. Lady think that it is necessary, even in war-time, that processes like this should be carried on in the midst of crowded populations, especially when they are prohibited by Act of Parliament?

Miss Horsbrugh: If the hon. Gentleman will look at my reply, he will see that my right hon. Friend has looked into this case, and as far as we can see there is no danger to health or to the milk supply, but if the hon. Gentleman can bring forward any further evidence, my right hon. Friend will be very glad to receive it.

Mr. Brown: I will send the hon. Lady the evidence I have been given.

Mr. Lipson: Cannot the Ministry call the attention of the local authorities to the offensive trades regulations?

Miss Horsbrugh: We are aware of them.

COAL INDUSTRY.

EXPORTS.

32 and 33. **Mr. Magnay** asked the Secretary for Mines (1) whether he is aware that an order placed on 12th July, 1940, for Durham coals to be delivered to consumers in the Argentine cannot be given a clean acceptance because the South Wales Coal Control refuses to give permission to Durham to export the cargo; and, as the buyers want Durham and not South Wales coal, and it is admitted the order is additional to orders and requirements for Welsh coals ordered by the same buyers, will he take steps for the Durham Coal Control to issue a sales permit without delay;

(2) whether he is aware that the attitude of the South Wales Coal Control in putting their own interests before those of the nation is obstructing the Government's need of increasing our exports; and will he take steps to permit the prompt shipment of Durham coals whenever orders for these are received in order to comply with the Government's and the miners' own express desire to share equally the available coal trade?

The Secretary for Mines (**Mr. David Grenfell**): I understand that the Argentine buyers in this case have large contracts for Welsh coal, still uncompleted; and that they have not in the past been regular buyers of Durham coal. In normal times it would doubtless be for the general convenience that inter-district arrangements in regard to allocation of markets should be fully respected, but the present times are not normal. The national interest urgently demands that our coal exports should be maintained at the highest possible level and if it so happens that shipping is available for sending this coal from Durham and cannot be made available from South Wales, I am satisfied that it should be so sent and I am giving directions accordingly.

Mr. Magnay: Has the hon. Gentleman noted the significance of the word " additional " which appeared in a cablegram

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I saw and passed on to the President of the Board of Trade? They do not want South Wales coal, but Durham coal, in addition to the orders they have given to South Wales. Will the hon. Gentleman kindly ask the South Wales people to keep off the Durham coal pitch?

Mr. Grenfell: My hon. Friend bases his testimony to the House on a briefly worded telegram. He has not in mind the whole of the facts, and I have given the answer appropriate to the occasion.

Mr. Batey: Will the hon. Gentleman say whether the statement in the Question is true, namely, that the order given for Durham coal cannot be delivered?

Mr. Grenfell: These are the circumstances. Large orders from South Wales have not been completed, and because of that Argentine buyers said they would buy Durham coal if it could be sent. Their preference is not for Durham coal.

Mr. Magnay: Will the hon. Gentleman look at the correspondence I have, after wards?

Mr. Grenfell *indicated assent.*

ROYALTY OWNERS (COMPENSATION).

40. **Mr. Tinker** asked the Financial Secretary to the Treasury whether it is the intention to raise the money by way of loans to meet the payment of compensation to royalty owners, as required by the Coal Act, 1938; and, if so, will he consider suspending this operation during the war period, seeing all the financial resources are required for war purposes?

The Financial Secretary to the Treasury (Captain Crookshank): It is the intention to raise this money in due course by loan. I am not prepared to take a decision that in no circumstances will the necessary loan or any part of it be issued during the war period; but the hon. Member may rest assured that it will not be issued until after careful consideration has been given to all the relevant factors, including those involved in connection with the financing of war operations.

Mr. Gallacher: Will the right hon. Gentleman not agree to refrain from going any further with this loan for royalty owners?

CIVIL DEFENCE.

AIR-RAID PRECAUTIONS (CHIEF ENGINEER).

34. **Mr. Stokes** asked the Secretary of State for the Home Department what are the qualifications of Sir Alexander Rouse for acting in the capacity of chief engineer, Home Office air-raid precautions; and the salary paid to him?

The Parliamentary Secretary to the Ministry of Home Security (Mr. Mabane): Sir Alexander Rouse, C.I.E., had a distinguished career in the Public Works Service in India, and when he retired from that Service in 1933 he was chief engineer of the Central Public Works Department. His salary, which he draws in addition to a pension from Indian revenues, is at the rate of £1,000 a year.

Mr. Stokes: Is the Parliamentary Secretary aware that this Department is now full of retired Indian civil servants, who are not considered competent to carry out the biggest constructional work required at the present time, and is he aware that there is great perturbation in the industry?

Mr. Mabane: No, Sir.

PROSECUTIONS (REVIEW).

35. **Mr. Sorensen** asked the Home Secretary what further action he has taken respecting prosecutions undertaken and penalties imposed under Defence Regulation 39B (*a*); how many persons have been released from imprisonment; whether any excessive fines have been reviewed and reduced; how many fresh prosecutions have been instituted during the past fortnight; and whether persons prosecuted under the Regulation will henceforth normally be allowed bail when subject to arrest?

The Under-Secretary of State for the Home Department (Mr. Peake): As regards the first three parts of the Question, my right hon. Friend has reviewed all the cases which had been disposed of by the courts up to the time of the statement which my right hon. Friend the Prime Minister made on 23rd July, and the result has been published in the Press. Since then proceedings have been instituted in four cases. In one of these the defendant has been bound over and

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[Mr. Peake.]
cautioned, and in the other three the proceedings have not yet been completed. As regards the last part of the Question, most of these cases are dealt with by summons, and the question of bail does not therefore arise.

Mr. Sorensen: May I ask whether the announcement recently made, to which the hon. Gentleman refers, namely, that certain sentences had been drastically reduced, really means that in the estimation of the Home Secretary some of the penalties were five, six or 10 times greater than they should have been?

Mr. Peake: I think that all I can add to my previous answer is that the statement made in the Press on 29th July shows that my right hon. Friend has faithfully carried out the duty laid upon him by the Prime Minister.

Mr. Sorensen: Does that not mean that the reductions showed that the original penalties were far beyond what they should have been?

Mr. Peake: I do not think so.

Mr. Mander: Has there been a review of all the cases that have come before the courts up to date?

Mr. Peake: Yes, Sir; it has been done up to 23rd July, and there are four other cases outstanding.

Sir H. Williams: Were there any prosecutions for making the statement that parachutists had come down, seeing that this statement was based on information circulated officially?

Mr. Peake: I cannot say; there are something like 114 cases altogether, and I cannot carry all the details in my head.

Mr. Gallacher: Will the hon. Gentleman get the police to stop objecting to bail? Is he aware that Isa Alexander was arrested on Sunday night, kept in prison for two days without bail and then liberated without any charge having been made?

Mr. Peake: If there are cases where arrests have been made and bail has been refused, I shall be very pleased to hear of them.

Mr. Sorensen: Does the hon. Gentleman know that four young people at Walthamstow were refused bail?

INTERNEES.

36. **Mr. Sorensen** asked the Home Secretary how many internees have now been released on the ground of ill-health; how many have applied for release on that ground and how many are receiving medical treatment in internment camps; how many have committed suicide or have died from other causes in internment camps since the beginning of June; how many young people under 18 years of age have been interned; and whether he will modify the stipulation that young students need not be interned provided they are living with British families and therefore not with their parents?

Mr. Peake: I regret that the statistics asked for in the first six parts of the Question are not available. The time and labour which would be required to obtain this information can, my right hon. Friend thinks, be better devoted to the more urgent task of examining the cases of persons falling within the categories of eligibility for release from internment. The suggestion in the last part of the Question will be referred to the new Advisory Committee which my right hon. Friend has set up.

Mr. Sorensen: Cannot the hon. Gentleman give information regarding the number of suicides and attempted suicides? Does he not realise that this other information would go a little way towards re-establishing confidence in his Department with regard to this particular matter?

Mr. Peake: The staff of the Home Office are devoting all their attention at the present time to going through the categories of the persons who have been interned by mistake, and I do not want to divert them from that job in order to procure statistical information of an elaborate character. With regard to the question of suicides, the number which has come to my notice so far is two. I will look into the matter further and communicate with the hon. Member.

Sir Percy Harris: Could the hon. Gentleman give special consideration to old people over 60 who are sick? If they had a medical certificate to that effect, could they not be released?

Mr. Peake: We have already authorised the release of very considerable numbers

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of elderly people who are invalids and who, in our view, ought not to have been interned.

Mr. de Rothschild: Will the hon. Member look into the matter of the internees who are not of enemy nationality? Is he aware that there is a number of internees who are of Polish nationality?

Mr. Peake: I certainly will, but that matter does not arise out of the Question on the Paper.

Mr. Hammersley: Could the hon. Gentleman explain why there has been such delay in releasing these people?

Mr. Peake: I certainly can. There has been, as my hon. Friend is aware, some confusion in the internment camps, largely due to the large number of people interned and partly due to the fact that accurate records at the moment are not available, because there was considerable confusion owing to the amount of impersonation in regard to those sent to the Dominions. We are endeavouring at the present moment to secure an accurate list of the internees in each of the camps.

37. **Mr. Parker** asked the Home Secretary whether he is aware that Mr. Irming Geisler, a German internee, No. 44059, was rescued from the " Arandora Star " and is now in hospital; and whether, as his wife and children, who were interned at Douglas, are now en route to Australia, he may be sent to join his family when in a fit state of health?

Mr. Peake: I understand from the War Office that Mr. Geisler is in hospital and is doing well. His wife and children are not en route for Australia, and there is, at present, no intention of sending them there.

Commander Locker-Lampson: Will anybody be sent to Australia without his or her leave?

38. **Mr. Silverman** asked the Home Secretary, seeing how many persons he has detained under Regulation 18B who came to this country in response to urgent newspaper advertisements in their own countries inviting them to set up new industries in distressed areas and who accepted that invitation and set up such industries accordingly, whether he will take steps to satisfy himself in each such case that there was good cause to justify each individual detention?

Mr. Peake: I think my hon. Friend probably has in mind aliens of enemy nationality who have been detained not under Regulation 18B but under the Prerogative power. His Majesty's Government had, of course, no responsibility for any advertisements which may have appeared in foreign newspapers, but applications from any persons who fall within the categories eligible for release will receive consideration in accordance with the policy already announced.

Mr. Silverman: Is the hon. Gentleman not aware that over a long period advertisements were published on behalf of the Special Areas for persons such as these, and a great many people came here and established factories, partly with their own capital and partly with capital allotted out of public funds?

Mr. Peake: I cannot see any reason for according to those who have established industries here, with or without the assistance of public finance, different treatment from the remainder of the internees.

Mr. Silverman: But you have done so.

Viscountess Astor: The next time an order is made like this for the internment of all aliens, will they say whose fault it was? Was it the Government's?

39. **Mr. Graham White** asked the Home Secretary what changes in the status of citizens in Czecho-Slovakia interned in this country follow from the recognition of the Czech National Committee by His Majesty's Government?

Mr. Peake: No change is involved in the status of citizens of Czecho-Slovakia who, from the outbreak of war, have been treated as nationals of an Allied State.

Mr. White: Will the case of Czechs be included in that revision, which was promised in reply to an earlier Question?

Mr. Peake: The position of Czechs who have been interned is, of course, that they have been interned for individual causes and not as the result of any measure of general internment.

Mr. Wedgwood: Is the hon. Gentleman aware that in many cases these Czechs

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[Mr. Wedgwood.]
have been interned because they had associations which were deemed to be Socialist, and therefore dangerous?

Captain Alan Graham: Is any decision as to the future of Slovaks involved in the recognition of Czech nationality?

Mr. Peake: I cannot answer that on this Question.

FRIENDLY SOCIETY MEMBERS (DEATH ON WAR SERVICE).

42. **Lieut.-Commander Tufnell** asked the Financial Secretary to the Treasury whether he is aware of the difficulties encountered by friendly societies in payment of claims arising out of the death of members on war service; whether friendly societies do not need a certificate of death in these cases, or whether, where they are trustee institutions, they must have such a certificate; and whether, to clarify the whole position, he can make a statement on the subject?

Captain Crookshank: I am not aware of difficulties of the kind mentioned in the Question, and perhaps my hon. and gallant Friend will let me have information on any specific cases he has in mind. I understand that certificates of death must be produced only in cases where the death is or ought to be entered in any register of deaths. This is not required in the case of deaths on active service.

Mr. Rhys Davies: Will the right hon. Gentleman remember that friendly societies are in general bound by their rules to require a copy of the death certificate before they pay benefit?

Captain Crookshank: I did not say I was going to consider it. I asked my hon. and gallant Friend to let me know what the difficulty was.

FOOD SUPPLIES.

National Milk Scheme.

44. **Mr. Leach** asked the Parliamentary Secretary to the Ministry of Food whether he is aware that the offer to supply cheap or free milk to persons in receipt of public or unemployment assistance is conditioned by an interpretation of circular F.I.G. 321, 17th June, in relation to eligible households in such a way as to prevent the great majoritiy of such persons receiving any milk under the scheme; and can he see his way to free the scheme from this restriction?

The Parliamentary Secretary to the Ministry of Food (Mr. Boothby): The National Milk Scheme was designed to provide milk for those persons most in need of it, on grounds of nutrition, namely, children under five, and expectant and nursing mothers, and its benefits are restricted to such persons. The passage in the circular to which the hon. Member refers explained that where the householder is himself in receipt of public or unemployment assistance, or a supplementary old age pension, that fact does not exclude the mothers and children of the household, who are qualified, from the benefits of the scheme.

Mr. Leach: Is it not true that persons in receipt of unemployment assistance are eligible under some limited circumstances for this milk, and, if so, why are the circumstances so limited?

Mr. Boothby: No, Sir, the facts are exactly as stated in the answer.

Mr. Glenvil Hall: When will the inquiry now proceeding be finished and the results published?

Mr. Boothby: We hope, very shortly.

45. **Mr. Liddall** asked the Parliamentary Secretary to the Ministry of Food whether he can give the approximate administration costs of the Department's cheap milk scheme and the value of the milk which passes through it; and how these compare with the administrative expenses of the Milk Marketing Board and the value of the milk that they control?

Mr. Boothby: It is as yet too soon to give any close estimates either of the cost of the administration of the National Milk Scheme, or of the value of the milk to be distributed under the scheme. The former may amount to £800,000 in the first year, and the latter to £15,000,000 on the assumption that there will be 2,500,000 beneficiaries. The administrative expenses of the Milk Marketing Board, according to the latest published accounts, made up to 31st March, 1940, amounted to £427,000 in dealing with net

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realisations of milk amounting to approximately £49,000,000 by sales to 13,000 purchasers, and to approximately £16,000,000 by sales from producer-retailers and farmhouse cheesemakers whose operations are regulated by the Board. The scope and purposes of the two schemes are, of course, entirely different.

FRUIT (PRICES).

46. **Mr. Silkin** asked the Parliamentary Secretary to the Ministry of Food whether his attention has been drawn to the high cost of fruit, amounting to two or three times pre-war prices; whether he is satisfied that these prices are justified; and whether, in view of the food value of fruit, he will take steps to secure reductions in prices?

Mr. Boothby: It is not practicable for the Ministry of Food to control the prices at which soft fruits are sold. If a consumer has any reason to think that the prices that are being charged are excessive, he is entitled to submit a complaint to the local committee set up under the Prices of Goods Act.

POTATO MEAL.

47. **Mr. Wilfrid Roberts** asked the Parliamentary Secretary to the Ministry of Food on what basis potato meal from factories established by the Government is being distributed; and whether counties in which the factories are not situated will have the opportunity of purchasing proportions of the meal?

Mr. Boothby: During the latter part of the last season potato meal produced from factories now under the control of the Ministry was distributed partly to makers of compound feeding-stuffs and partly to merchants in the counties immediately around the factories. A wider basis of distribution was not warranted because the supplies of meal were comparatively small. For the next season, when more factories should be in operation, it may not be possible for reasons of economy in transport to distribute potato meal to all counties, but those counties which do not receive allocations of potato meal will be given increased allocations of other feeding-stuffs.

MEAT DELIVERIES (BUTCHERS' CHARGES).

48. **Mr. Tomlinson** asked the Parliamentary Secretary to the Ministry of Food whether he is aware that butchers in the Petersfield and Alton districts have issued a notice that deliveries of meat will be charged for at the rate of 1d. in the 1s. or ½d. in the 6d.; and whether it is proposed to take any action to prevent this method of evading the regulation fixing maximum prices?

Mr. Boothby: My attention has been drawn in the notice in question under Article 4 of the Meat (Maximum Retail Prices) Order, 1940, butchers are precluded from making or demanding an unreasonable charge in connection with the sale of meat. A charge for delivery does not necessarily constitute an evasion of the Order in question. The reasonableness of the charge is a question of fact depending on the circumstances of the particular case. If any member of the public called upon to pay the charge, to which the hon. Member refers, considers it unreasonable, a complaint should be lodged with the Divisional Food Officer, Rotherfield Grange, Bath Road, Reading, who will investigate it and, if necessary, take action to require adherence to the provisions of the Order.

Mr. Tomlinson: Are we to understand that the reasonableness or unreasonableness of the charge depends upon the temperament of the individual making the purchase? Is the hon. Gentleman's Department convinced that 8d. is a reasonable charge for delivery, for any distance?

Mr. Boothby: No, it depends on the temperament of the Divisional Food Officer.

Mr. Tomlinson: Are we to understand that our legislation is to be interpreted according to the temperament of officials?

Mr. Boothby: No, Sir. But we must allow Divisional Food Officers to exercise reasonable discretion.

LOCAL FOOD OFFICES (STAFF APPOINTMENTS).

49. **Mr. Daggar** asked the Parliamentary Secretary to the Ministry of Food whether he is aware that appointments of junior staff in local food offices are made through the Employment Exchanges; and whether he will, in preference to this, arrange to allow such appointments to be made by the local committees after appropriate advertisements, especially as these committees are statutory bodies?

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Mr. Boothby: The answer to the first part of the Question is in the affirmative; to the second part in the negative. The staff of the local food offices are temporary employés of the Ministry of Food, and in accordance with general Government policy must be recruited through the Employment Exchanges.

WHITE BREAD (VITAMIN B.1).

50. **Mr. Levy** asked the Parliamentary Secretary to the Ministry of Food whether, seeing that it is an achievement on the part of British science, he is in the position to give the name or names of the British scientist or scientists whose research over a period of time has made it possible to add vitamin B.1 to white bread on a large and popular scale?

Mr. Boothby: Scientific research is international in character, and the synthesis and commercial production of vitamin B.1 owes much to the work of scientists in other countries. It is however to the credit of the British scientists who were consulted by the flour milling industry that they were the first to realise the possibility of an important contribution to the nutritional value of white bread being secured by the introduction of vitamin B.1 into white flour, and they conducted the extensive series of investigations required to test the technical methods and their commercial practicability.

Mr. Levy: While thanking my hon. Friend for his reply, is it not only fair that the scientists who, in the final result, have enabled this policy to be achieved should have their names publicly announced so that they can get the credit?

Mr. Boothby: It is always rather invidious to mention the names of scientists, because when that is done one always finds that there are others equally entitled to share in the credit.

Sir Francis Fremantle: Would it not be as well to wait until we see the results of this experiment?

BUTTER, TEA AND BACON (CONSUMPTION).

51, 52 and 53. **Mr. Batey** asked the Parliamentary Secretary to the Ministry of Food (1) the amount of butter consumed per week prior to rationing and the amount saved per week by rationing;

(2) the amount of tea consumed per week prior to rationing and the amount estimated to be saved per week by rationing?

(3) the amount of bacon consumed per week prior to rationing and the amount saved per week by rationing?

Mr. Boothby: It is not in the public interest to give figures of consumption in time of war, but I am arranging to send the information to my hon. Friend.

Mr. Radford: Will my hon. Friend arrange for this to be published in the OFFICIAL REPORT, as the habit of giving information to individual Members ought not to be continued?

Mr. Boothby: I cannot arrange for it to be published in the OFFICIAL REPORT.

Mr. Stephen: Will the hon. Gentleman send me a copy of the information?

Mr. Batey: If I had thought that the Question would cause any annoyance or trouble, I would rather have done without the information.

Mr. Boothby: I shall be glad to send the information to the hon. Member, and if hon. Members so desire, I will arrange for it to be placed in the Library.

TEA RATIONING (ANNOUNCEMENT).

54. **Mr. Walkden** asked the Parliamentary Secretary to the Ministry of Food whether he has yet ascertained the source from which Messrs Duncans, Limited, of South Shields, obtained the information which enabled them to publish details of the tea rationing scheme some hours before the broadcast by the Minister of Food; what action has been taken against the person perpetrating this breach of confidence; and what steps have been taken to prevent a repetition?

Mr. Boothby: I would refer my hon. Friend to the answer I gave yesterday to my hon. Friend the Member for Consett (Mr. David Adams).

Mr. Walkden: Will the hon. Gentleman answer the last part of the Question, which asks what action has been taken against the person perpetrating this breach of confidence and what steps have been taken to prevent a repetition?

Mr. Boothby: My inquiries are not yet completed, but I did say that the Ministry would take every possible step to prevent a repetition.

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DIABETICS (SUPPLEMENTARY BUTTER AND MARGARINE RATIONS).

Mr. G. Griffiths (*by Private Notice*) asked the Parliamentary Secretary to the Ministry of Food whether he can make a statement regarding any extra rations for diabetics?

Mr. Boothby: Yes, Sir. The Food Rationing (Special Diets) Advisory Committee of the Medical Research Council have advised my Noble Friend that persons suffering from diabetes mellitus should be allowed two extra butter and margarine rations, totalling 12 ozs., each week. The necessary arrangements for the issuing of the supplementary rations by food executive officers have been made.

Mr. Griffiths: I should like to thank the Parliamentary Secretary not only on my own behalf but on behalf of some 200,000 people in this country, who will be very glad to-night when they get this news through the Press.

MINISTRY OF SUPPLY.

TIMBER CONTROL.

55. **Lieut.-Colonel Wickham** asked the Minister of Supply whether he will appoint a practical merchant of home-grown timber to the Timber Control Board as the representative of the home-grown timber trade?

The Minister of Supply (**Mr. Herbert Morrison**)**:** I do not think it desirable that persons actively engaged in the trade should be appointed to the Timber Control Board, but it is proposed to invite the time-grown timber trade to set up a small committee with whom the Board may discuss the problems of increased production by the trade.

Mr. Granville: In view of the great importance of home-grown timber to munitions production, will the right hon. Gentleman give this subject his personal attention, as it is a subject about which there is a good deal of dissatisfaction?

Mr. Morrison: Arrangements have been made for the Chairman of the Timber Control Board, Mr. Dallas, to meet some of the representatives of this trade to-day.

Mr. Glenvil Hall: Am I to understand that Captain Harris has now left the timber control?

Mr. Morrison: No, Sir. He is not actively engaged in the trade, and has not been since he has held this position.

Viscountess Astor: Although Mr. Dallas is a charming old gentleman, is he not too old for this job?

Mr. G. Griffiths: He is not as old as the Noble Lady.

ALUMINIUM (FIRMS' STOCKS).

56. **Mr. Mander** asked the Minister of Supply whether he will make arrangements to have information supplied as to all holdings of aluminium by industrial firms; and, where it is not needed for their reasonable requirements, that it should be handed over for aircraft production?

Mr. H. Morrison: After consultation with my Noble Friend the Minister of Aircraft Production, I do not consider that it is necessary in present circumstances to adopt my hon. Friend's suggestion.

Mr. Mander: If I call my right hon. Friend's attention to excessive stocks of aluminium held by certain firms, will he take steps to take them over in the public interest?

Mr. Morrison: There is a fair amount of control over these stocks, but I think that by the time my hon. Friend called my attention to them, this function would have passed to my Noble Friend the Minister of Aircraft Production. In the circumstances, perhaps the hon. Member will call my Noble Friend's attention to them.

Mr. Thorne: Can my right hon. Friend give some information about the collection of the aluminium which is hanging about at various places?

SCRAP METAL.

57. **Mr. Ralph Etherton** asked the Minister of Supply whether he is satisfied that the present arrangements for the acquisition of scrap metal, particularly iron and aluminium, both by purchase and gift, are the best which can be made; and whether those arrangements secure that metal is acquired at the lowest possible cost to the country?

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Mr. H. Morrison: As regards iron and steel scrap, I would refer my hon. Friend to the statement I published in the Press on 25th July, a copy of which I am sending to him. The position is continually under consideration and while I think the present arrangements are satisfactory, improvements are being made whenever and wherever possible. The terms for the acquisition of scrap aluminium are now a matter for my Noble Friend the Minister of Aircraft Production.

Mr. Etherton: Will the Minister take special steps to eliminate middlemen's profits, both in respect of gifts and purchases?

Mr. Morrison: That must depend upon whether the middleman has a function to perform. If he has not, I agree with the hon. Member's point, but if he has, he must be rewarded like the rest of us.

Mr. Etherton: Is the Minister convinced that there is a proper function for a middleman to perform in respect of gifts of metal?

Mr. Morrison: As this matter is to pass to the Minister of Aircraft Production in the course of a few days, I think it is only right that my Noble Friend should now deal with it.

Mr. Burke: Is it not the chief function of the middleman to increase the prices of these things?

Mr. Morrison: It all depends on the circumstances.

MESSAGE FROM THE LORDS.

That they have agreed to—

Emergency Powers (Defence) (No. 2) Bill, with an Amendment.

National Expenditure,—That they give leave to the Lord Abertay to attend in order to his being examined, as a Witness, before the Sub-Committee on Navy Services, appointed by the Select Committee appointed by this House on National Expenditure, if his Lordship think fit.

EMERGENCY POWERS (DEFENCE) No. 2 BILL.

Lords Amendment to be considered To-morrow, and to be printed. [Bill 78.]

WRITTEN ANSWERS.

MAILS (NEAR EAST).

Mr. Hannah asked the Postmaster-General whether he is aware that relatives of soldiers serving in Palestine have had no letters for about six weeks; and can he make any statement about the probable future course of mails?

Mr. W. S. Morrison: Owing to interruption of the normal mail routes considerable delay is unfortunately being experienced in the transmission of mails from the Near East generally. The mails now on their way to this country are not expected to arrive before the middle of August; but I anticipate that mails will subsequently be received at comparatively short intervals. An announcement on the foregoing lines has recently been made through the Press in order to remove any cause for anxiety.

BRITISH COUNCIL.

Mr. Lyons asked the Under-Secretary of State for Foreign Affairs whether he can indicate the present work, and the cost at the most recent convenient date, of the British Council; what is the most recent expenditure and scope of entertainment by that body; who is its present head and what salary is paid to him; what is the number of committees of the Council now in existence and the number and dates of occasions upon which the Council has been convened since September, 1939?

Mr. Butler: The Council are carrying out wherever possible the task for which they were set up, namely making the life and thought of the British people more widely known abroad. They are also being used to an increasing extent for cultural and educational work in connection with foreign communities now in this country. The total grant-in-aid received from the Government during 1939-40 was £335,000; in addition, the Council received private donations amounting to £17,738. The Council's expenditure on entertainment since the 1st April, 1940, has been £3,285. The Council entertain distinguished visitors, and parties of journalists, for example, from abroad. Since the 1st April these have included a party of French newspaper proprietors,

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a group of Cypriot editors and an important delegation from Turkey. The Council also arranged an entertainment for General de Gaulle's forces on the 14th July. The present chairman of the British Council is Lord Lloyd, who has drawn no salary in respect of that office since his appointment as Secretary of State for the Colonies. There are 10 committees of the Council. The members of the Council do not hold meetings. The directing bodies of the Council are the executive committee which normally meets quarterly and has held five meetings since September, 1939, and the finance and agenda committee which meets monthly and has met 10 times since September.

CIVIL DEFENCE.

AIR-RAID WARDENS.

Mr. Brooke asked the Home Secretary what were the reasons for the recent order to terminate the issue of uniforms to air-raid wardens and withdraw those already issued; what were the reasons for cancelling the withdrawal order immediately after it had been made; whether he is aware that these proceedings have fostered doubts in some quarters among fully-trained wardens who have been doing their duty for many months, as to the importance attached to the wardens' organisation in the civil defence service; and whether he will take action to remove any such doubts?

Sir J. Anderson: I am sending my hon. Friend a copy of a circular issued by my Department to local authorities on 25th July, which explains the circumstances in which the previous circular was issued. As the circular explicitly states, there never has been any intention to depreciate the great importance of the wardens' service and I am glad to have the opportunity of repeating this.

FACTORIES (AIR-RAID WARNINGS).

Mr. Parker asked the Home Secretary whether arrangements can be made for factories to continue working in the event of an ordinary warning and only cease when a special mauve warning is given, when it is essential that work should be stopped, so as to prevent undue interference with production?

Sir J. Anderson: The air-raid warning system would not allow time for a centrally-issued warning later than the action warning; but I think that the object which my hon. Friend has in mind will be secured under the policy which I announced on 2nd July in reply to a Question by my hon. Friend the Member for Duddeston (Mr. Simmonds).

EVACUATION.

Mr. Mainwaring asked the Minister of Health whether, having regard to the present regulation providing no assistance for billeting children of parents assessed as able to pay 6s. per week, he will reconsider the matter with a view to making some provision in those cases where the means of the parents do not extend beyond the 6s. per head and thus secure that children in these cases are paid for and maintained at the same standard as those of parents able to pay less than 6s. per week towards their cost?

Miss Horsbrugh: The limitation to which the hon. Member refers is applicable in cases in which the parent has elected to make arrangements privately. I have no reason to suppose that any hardship has resulted, but if the hon. Member has any particular cases in mind I shall be glad to have inquiries made into the facts.

Mr. Groves asked the Secretary of State for Scotland when the capitation fee for treatment of unaccompanied evacuated children was fixed; why the official notification of how the fund was to be distributed was only made by a circular issued in May, although this was arranged by the Scottish Central Medical War Committee on the 29th February, 1940; when was the first payment disbursed from the pool; how much to date has been paid into the pool; and what is the amount of the undistributed balance?

Mr. E. Brown: The fee referred to by my hon. Friend was fixed in August last and intimation was then made that the distribution of the moneys amongst medical practitioners would be carried out by local medical emergency committees (now local medical war committees) in accordance with schemes to be devised by them. The practice is for a single payment to be made each quarter by the Department of Health for Scotland to the Scottish Central Medical War Committee,

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and for the latter committee to pay each local committee its share as determined by the number of children in its area. Payments have been made to the central committee as follows:

24th January, 1940, £5,600.
20th April, 1940, £4,425 10s.
29th July, 1940, £3,020 17s. 6d.

These payments represent the total sums payable to 30th June. A payment for the current quarter will be due in October.

NATIONAL FINANCE.

Post Office Pensions.

Mr. R. Gibson asked the Financial Secretary to the Treasury whether, in view of the rise in the cost of living, he has considered the urgent necessity of increasing the pensions of the lower grades of the Post Office pensioners; and whether he has any statement to make on the subject?

Captain Crookshank: It would not be possible to increase the pensions of retired civil servants without legislation, and as I stated in my reply to my hon. Friend the Member for Deritend (Sir Smedley Crooke) on 23rd July, I cannot undertake to introduce legislation for this purpose.

Driving Licences.

Sir J. Mellor asked the Financial Secretary to the Treasury whether he will give an approximate estimate for any convenient period of the administrative costs of disbursement involved in the payment out of public funds to the county councils of 5s. for each driving licence, which the military authorities are required to purchase in respect of certain categories of soldiers driving motor vehicles in course of duty; whether he will give a similar estimate of the costs of collection by the Exchequer of the said 5s. per licence, which the county councils are required to refund to the Exchequer; and whether he will investigate the necessity for these self-balancing transactions?

Captain Crookshank: It is impracticable to frame any estimate of the administrative cost to the War Office of obtaining driving licences or of the cost of transmitting to the Exchequer the fees collected for such licences by the licensing authorities, but it is not likely that any economy would be secured by making arrangements for the issue of driving licences without payment, having regard to the safeguards which would be necessary under such arrangements. I understand, however, that with a view to saving a certain amount of clerical labour the Departments concerned have under consideration the possibility of dispensing with the need for obtaining civilian driving licences by extending the use of the emergency permit, Army Form A.2038.

Treachery Act.

Sir J. Mellor asked the Attorney-General whether he will give an assurance that, whenever he is satisfied that there is sufficient *prima facie* evidence of an offence within the meaning of the Treachery Act, 1940, having been committed, he will direct prosecution under that Act and not under some other Act or Regulation providing less severe penalties?

The Attorney-General: I would refer my hon. Friend to the reply I gave him on 16th July, to which I have nothing to add.

Hong Kong (Evacuation).

Mr. Pritt asked the Under-Secretary of State for the Colonies whether he has any statement to make on the compulsory evacuation of civilian British European women and children from Hong Kong; whether he is aware that great distress is being caused by the conditions of this evacuation; that racial discrimination in respect of this evacuation has caused bitter resentment among the Chinese and Portuguese communities in the colony; and whether he will arrange that any further evacuation of civilians should take place on a voluntary basis without racial discrimination?

Mr. George Hall: In view of the uncertainty of local conditions His Majesty's Government decided that it was necessary to bring into operation a measure of evacuation of women and children from Hong Kong. This was restricted to the minimum considered to be essential and did not extend to persons and families domiciled in the colony. I regret the disturbance which must inevitably be caused by such operations whether in Hong Kong or elsewhere, and my hon. Friend may be assured that such consideration as is

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possible is being given to individual cases of hardship, and no evacuation beyond this restricted scheme is at present contemplated.

MINISTRY OF SUPPLY.

HYGANIC, LIMITED.

Mr. C. Brown asked the Minister of Supply what steps he took, prior to the making of his order to permit the company of Hyganic, Limited, to continue the business of a manure manufacturer, in Wood Lane, Shepherds Bush, within the Metropolitan Borough of Hammersmith, to verify the claims of this company with regard to the fertilising properties of their product; and whether he can state the chemical analysis of this product?

Mr. H. Morrison: The manufacture of the product referred to, which is produced by a treatment of refuse obtained from the Kensington Borough Council, forms one part only of the activities of Hyganic Limited. The company, in addition, is engaged in the salvaging of materials such as waste paper, rags, etc., from the borough refuse. Prior to the making of the Order enabling the work of Hyganic Limited to continue despite the fact that the company's workings contravene the Public Health (London) Act, 1936, both sides of the company's activities were taken into consideration from the aspect whether it was desirable from the national point of view that they should be carried on. The Ministry of Agriculture were consulted with reference to the fertilising value of the company's product, and in view of the need for securing all possible supplies of fertilising materials favoured the making of the Order. As a result of this consideration, it was decided that it was in the national interest that both sides of the company's work should continue and an Order was made accordingly, with the concurrence of the Ministry of Health and the Ministry of Agriculture, enabling both spheres of the company's work to continue. The Order is subject to the company taking steps necessary in the view of the Ministry of Health to reduce the risk of any nuisance arising from the company's working. The chemical content of the product is necessarily variable owing to the fact that the content of the refuse from which it is derived is itself a variable quantity and there is therefore no standard chemical analysis, although analyses are regularly made and are available.

WIRE NETTING.

Mr. J. Griffiths asked the Minister of Supply whether he will give instructions for priority to be given to local education authorities to enable them to secure the supplies of wire netting suitable for use in the protection of school windows?

Mr. H. Morrison: The demand for wire netting for urgent defence purposes is such that only very limited supplies are available for other purposes. These will be required for some time to come to meet the demands from hospitals and from factories engaged on Government work, but the question of release as early as possible of supplies to schools is being kept in view. Local education authorities have been advised meanwhile to use the alternatives recommended by the Ministry of Home Security.

NEWSPAPERS (UNSOLD COPIES).

Mr. Parker asked the Minister of Supply whether he is aware that many retail newsagents are suffering considerable loss owing to the no-returns order, particularly when supplies are delayed owing to air-raids; and whether he will permit a small percentage of returns on condition this waste paper is remade?

Mr. H. Morrison: Arrangements are being made to secure that, although all newspapers will still be sold on a non-returnable basis, claims for the return of unsold copies may be permitted in exceptional circumstances.

RAILWAY WORKSHOPS.

Captain Markham asked the Minister of Supply whether he is aware that activity at certain railway workshops is less than pre-war standard; whether he can state the reason for this; and will he make a statement on the position at these works?

Mr. H. Morrison: The reason for the reduced activity referred to is that shortly after the outbreak of war the railway companies reduced their programmes for the building and modernising of rolling stock. As the men affected included coach-builders, wagon-builders, upholsterers, painters, etc., it was not possible to absorb them immediately into other work. However, on assuming office I gave this

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matter early attention and in co-operation with other Ministers arrangements are now being made for the surplus capacity at the workshops concerned to be utilised in other directions.

Captain Markham asked the Minister of Supply whether he has had such help as might have been expected from high railway company officials with regard to utilising railway workshop facilities for war production?

Mr. Morrison: Yes, Sir. The railway companies have given me such help as might have been expected, bearing in mind the exacting demands made upon them in war-time to deal with their own work. I am grateful for the help they have given and am quite sure of their continued co-operation.

SCRAP METAL.

Mr. T. Smith asked the Minister of Supply whether he is satisfied that there is no bottle-neck in the supplies of scrap metal reaching the steelworks and foundries; and also, that it is in the public interest that steelworks supplies should reach them only through the National Federation of Scrap Iron and Steel Merchants, and that officials of this federation should hold important positions at the Ministry?

Mr. H. Morrison: I would refer my hon. Friend to the statement issued by me to the Press on 25th July, a copy of which I am sending to him. I am satisfied that there is no bottle-neck in the flow of scrap metal to consumers, apart from that created by labour and transport difficulties, and that it is in the public interest that there should be a responsible organisation of employers within the scrap industry, particularly in connection with the solution of the labour problem. Moreover a policy of letting everybody do as they like in moving and allocating scrap would be contrary to the public interest. It is necessary in dealing with these highly technical matters to employ experts from the industries concerned in the various Controls, but these temporary officials sever any active connection with their businesses while serving with the Controls. I may add that I am continuing to keep a close watch on the whole scrap position.

Colonel Carver asked the Minister of Supply whether he will consider the removal of lamp-posts all over the country which are not now needed and which would supply thousands of tons of iron for munition purposes, or for barricades?

Mr. Harold Macmillan: My right hon. Friend has already asked local authorities to take steps to remove lamp-posts no longer required even for the modified form of street lighting recently introduced, the extended use of which my right hon. Friend the Minister of Home Security is anxious to encourage. I understand that the use of surrendered lamp-posts for defence purposes is under consideration by the appropriate authorities, with whom close touch is being maintained.

WASTE MATERIAL (SALVAGE).

Mr. Lyons asked the Minister of Supply whether he is satisfied that the collection of salvage can be effective in rural districts without the support and co-operation of the county councils; and whether, to ensure a complete system of salvage collection throughout the country, he will invite the active assistance of county councils as well as all other local authorities?

Mr. H. Morrison: I am proposing to consult the County Councils Association and the Rural District Councils Association to ascertain whether the county councils can afford any assistance to the rural district councils in the collection of salvage.

Mr. Hannah asked the Minister of Supply whether he will arrange for a broadcast appeal to householders themselves, wherever possible, to deliver old meat and vegetable tins to the local authorities, that they may be used in the national effort without the cost of house-to-house collection?

Mr. Morrison: I made a broadcast appeal on 28th July to householders and others to hand over scrap metal, including tins, for the salvage collections organised by the local authorities. In most places there is a house-to-house collection of refuse, and in such cases tins can be collected at the same time; this is the simplest and most effective method. In rural districts where there is no refuse collection, councils have been invited to organise village dumps where the public can deposit tins and other scrap metal. Three thousand of these dumps have already been instituted.

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Mr. Woodburn asked the Minister of Supply whether his attention has been called to the large quantities of scrap and other derelict material lying in Kilbride Bay and which belongs to the Government; and whether he can make arrangements for its use?

Mr. Morrison: My attention has only just been called to the material in Kilbride Bay and arrangements have been made for the matter to be investigated forthwith. My hon. Friend may rest assured that any useful material will be diverted to appropriate purposes.

Wool Clip.

Sir R. Glyn asked the Minister of Supply what proportion of this season's wool clip is in merchants' hands; and what steps will be taken to pay those flock masters who, at the Ministry's request, retained their wool on the farms to receive payment after valuation, remembering that many are short of funds and credit is hard to obtain and consequently a detailed statement as to methods of payment would be welcomed?

Mr. Harold Macmillan: Precise figures are not readily available, but it is estimated that about one-tenth of this season's wool clip is already in merchants' hands. This is now being valued and paid for as quickly as possible. Where storage facilities are available on the farm, flock masters have been asked to retain their wool pending the receipt of instructions for delivery, so that the clip may be taken up in an orderly manner; these instructions are now being issued to all flock masters who have returned full particulars of their clip on the census form sent out by the Wool Control, and also to the merchants authorised to take up the clips. The wool will be valued as promptly as possible after delivery, and the merchant is required to make prompt payment to the flock master so soon as the value of the clip has been established. In the case of clips which are not taken over by 1st September, an addition will be made to the price at the rate of 3½ per cent. per annum of the price for the period between that date and the actual date on which the wool is taken over.

Government Trainees (Northern Ireland).

Dr. Little asked the Minister of Labour whether he will arrange for Northern Ireland men of a mechanical turn of mind with a bent towards engineering, the assembling of textile machinery and munition work, to be admitted to some of the training centres in Britain in order to qualify them for taking up work that is so needful at the moment for the winning of the war?

Mr. Bevin: Arrangements with the Government of Northern Ireland are already in operation under which suitable men from Northern Ireland are admitted to Government training centres in Great Britain.

Royal Air Force (Bombing Range, New Forest).

Major Mills asked the Secretary of State for Air why the agreement between the Air Ministry and the verderers of the New Forest as regards a certain bombing range has not been completed, seeing that reasonable terms were substantially agreed nearly six months ago; and what action he proposes to take as the range is wanted for use immediately and the verderers have no funds in hand with which to meet the cost of clearing the range of cattle and ponies, which it was agreed should be paid by the Ministry?

Sir A. Sinclair: Certain difficulties occurred in connection with the completion of the agreement, but these have now been overcome and payment of rental in advance and of a sum to cover the cost of clearing has been made.

BRITISH ARMY.

Rifle Ranges.

Mr. Craik Henderson asked the Secretary of State for War whether he is aware that there is a shortage of rifle ranges in many parts of the country which will interfere with the military forces and Home Guards in those parts of the country receiving adequate rifle practice; and if he will take steps to remedy this?

Mr. Eden: I am not aware of shortage of range accommodation for military units. Some old ranges are being reopened.

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HOME GUARD.

Mr. R. Beaumont asked the Secretary of State for War whether he proposes to attach armourers to units of the Home Guard?

Mr. Eden: It is not proposed to attach armourers to units of the Home Guard. Arrangements are being made whereby work of this nature will be done by armourers in neighbouring regular units or in ordnance depots.

LEAVE.

Mr. Rhys Davies asked the Secretary of State for War whether he will satisfy himself that all men who were evacuated from Dunkirk are granted adequate leave?

Mr. Eden: I would refer my hon. Friend to the answer I gave on 30th July to my hon. Friend the Member for Rotherham (Mr. Dobbie).

AUXILIARY MILITARY PIONEERS (GLASGOW).

Mr. Naylor asked the Secretary of State for War whether he is aware of the bad and unhealthy conditions prevailing at the Auxiliary Military Pioneers' camp at Nitshill, Glasgow, and of the dissatisfaction existing among the men at the inadequate feeding arrangements; and further, will he take prompt action to allay the resentment felt by the men at unduly harsh and insulting censures passed upon them by a major of the regiment, as a result of which discipline is at breaking point?

Mr. Eden: I am not aware of the complaints mentioned in the Question, but I will make inquiries.

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ORDERS OF THE DAY.

WAYS AND MEANS.

REPORT [23RD JULY].

Resolutions reported;

CUSTOMS AND EXCISE.

BEER (EXCISE).

1. That, on and after the twenty-fourth day of July, nineteen hundred and forty, the duty of excise charged in respect of beer under Section one of the Finance (No. 2) Act, 1939, shall be charged at the following increased rates:

	£	s.	d.
For every 36 gallons of worts of a specific gravity of 1,027 degrees or less	4	1	0
For every 36 gallons of worts of a specific gravity exceeding 1,027 degrees—			
For the first 1,027 degrees	4	1	0
For every additional degree in excess of 1,027 degrees	0	3	0

and so in proportion for any less number of gallons:

and, in the case of beer in respect of which it is shown to the satisfaction of the Commissioners of Customs and Excise that duty of the foregoing increased rates has been paid, the excise drawback allowed under that Section shall be allowed at the following increased rates:

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less	4	1	2
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
For the first 1,027 degrees ...	4	1	2
For every additional degree in excess of 1,027 degrees	0	3	0

and so in proportion for any less number of gallons:

Provided that, as respects beer the worts whereof were, before fermentation, of a specific gravity of less than 1,027 degrees, the amount of drawback allowable shall not exceed by more than twopence for every 36 gallons the amount of duty which is shown as aforesaid to have been paid.

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

BEER (CUSTOMS).

2. " That, on and after the twenty-fourth day of July, nineteen hundred and forty, the duty of customs charged in respect of beer under Section one of the Finance (No. 2) Act, 1939, shall be charged at the following increased rates:

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less—			
In the case of beer being an Empire product	4	1	5
In the case of beer not being an Empire product ...	5	1	5
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
In the case of beer being an Empire product—			
For the first 1,027 degrees	4	1	5
For every additional degree in excess of 1,027 degrees	0	3	0
In the case of beer not being an Empire product—			
For the first 1,027 degrees	5	1	5
For every additional degree in excess of 1,027 degrees	0	3	0

and so in proportion for any less number of gallons;

and in the case of beer in respect of which it is shown to the satisfaction of the Commissioners of Customs and Excise that duty at the foregoing increased rates has been paid, the customs drawback allowed under that Section shall be allowed at the following increased rates—

	£	s.	d.
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity of 1,027 degrees or less—			
In the case of beer being an Empire product	4	1	2
In the case of beer not being an Empire product ...	5	1	2
For every 36 gallons the worts whereof were, before fermentation, of a specific gravity exceeding 1,027 degrees—			
In the case of beer being an Empire product—			
For the first 1,027 degrees	4	1	2
For every additional degree in excess of 1,027 degrees	0	3	0
In the case of beer not being an Empire product—			
For the first 1,027 degrees	5	1	2
For every additional degree in excess of 1,027 degrees	0	3	0

and so in proportion for any less number of gallons:

Provided that, as respects beer the worts whereof were, before fermentation, of a specific gravity of less than 1,027 degrees, the amount of drawback allowable shall not exceed the amount of duty which is shown as aforesaid to have been paid, less threepence for every 36 gallons.

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And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

WINES (CUSTOMS).

3. "That, on and after the twenty-fourth day of July, nineteen hundred and forty, the duties of customs charged on wines under paragraph (*a*) and paragraph (*c*) of Subsection (1) of Section three of the Finance (No. 2) Act, 1939, shall respectively be charged at the increased rates set out in Part I and Part II of the following Table, and the duty charged under paragraph (*b*) of that Sub-section on wine not exceeding twenty-seven degrees proof spirit and being an Empire product shall be increased accordingly.

TABLE.

PART I.

WINES NOT BEING EMPIRE PRODUCTS.

Description of Wine.	*Rate of duty per gallon.* s. d.
Not exceeding 25 degrees proof spirit	8 0
Exceeding 25 degrees proof spirit and not exceeding 42 degrees proof spirit	16 0
For every degree or fraction of a degree above 42 degrees proof spirit, an additional duty ...	1 4
Sparkling, an additional duty ...	12 6
Still, in bottle, an additional duty	2 0

PART II.

WINES BEING EMPIRE PRODUCTS.

Description of Wine.	*Rate of duty per gallon.* s. d.
Exceeding 27 degrees proof spirit and not exceeding 42 degrees proof spirit	12 0
For every degree or fraction of a degree above 42 degrees proof spirit, an additional duty ...	1 0
Sparkling, an additional duty ...	6 3
Still, in bottle, an additional duty	1 0

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

SWEETS (EXCISE).

4. "That on and after the twenty-fourth day of July, nineteen hundred and forty, the rate of the duty of excise on sweets shall be increased from nine shillings and sixpence to eleven shillings and sixpence per gallon in the case of sparkling sweets, and from three shillings and sixpence to five shillings and sixpence per gallon in the case of other sweets.

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

TOBACCO (CUSTOMS).

5. "That, on and after the twenty-fourth day of July, nineteen hundred and forty, in lieu of the full duties of customs theretofore chargeable on tobacco imported into the United Kingdom, there shall be charged on tobacco so imported of the descriptions set out in the first column of the following table duties of customs at the rates respectively specified in the second column of that table:

TABLE.

Description of Tobacco.	*Rate of duty per pound.* £ s. d.
Tobacco unmanufactured—	
containing 10 lbs. or more of moisture in every 100 lbs. weight thereof—	
unstripped	0 19 6
stripped	0 19 6½
containing less than 10 lbs. of moisture in every 100 lbs. weight thereof—	
unstripped	1 0 6
stripped	1 0 6½
Tobacco manufactured, namely—	
Cigars	1 8 1
Cigarettes	1 4 7
Cavendish or Negrohead	1 3 9
Cavendish or Negrohead manufactured in bond	1 2 0
Other manufactured tobacco ...	1 2 0
Snuff—	
containing more than 13 lbs. of moisture in every 100 lbs. weight thereof	1 1 4
containing not more than 13 lbs. of moisture in every 100 lbs. weight thereof	1 3 9

and so in proportion for any less quantity.

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

TOBACCO (EXCISE).

6. "That, on and after the twenty-fourth day of July, nineteen hundred and forty, in lieu of the duties of excise theretofore chargeable on tobacco grown in the United Kingdom, there shall be charged on tobacco so grown of the descriptions set out in the first column of the following Table duties of excise at the rates respectively specified in the second column of that Table:

TABLE.

Description of Tobacco.	*Rate of duty per pound.* s. d.
Tobacco unmanufactured—	
containing 10 lbs. or more of moisture in every 100 lbs. weight thereof	17 3½
containing less than 10 lbs. of moisture in every 100 lbs. weight thereof	18 0⅞

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Tobacco manufactured, viz.:—

Cavendish or Negrohead manufactured in bond	19	4⅞

and so in proportion for any less quantity.

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

TOBACCO (DRAWBACK).

7. "That, as respects tobacco on which there have been paid duties of customs or excise at the increased rates for which provision is made by any Resolution passed by the Committee of Ways and Means together with this Resolution, drawback shall be allowed at the rates set out in the following Table, instead of at the rates set out in Part III of the Third Schedule to the Finance Act, 1940.

TABLE.

Description of Tobacco.	Rate per pound. In respect of tobacco on which full customs duty has been paid.	Rate per pound. In respect of tobacco on which customs duty at a preferential rate or excise duty has been paid.
	£ s. d.	s. d.
Cigars - - - -	1 0 9	18 7
Cigarettes - - -	1 0 6	18 4
Cut, roll, cake or other manufactured tobacco	1 0 3	18 1½
Snuff (not being offal snuff) - - -	1 0 0	17 11
Stalks, shorts, or other refuse of tobacco, including offal snuff -	0 19 9	17 8

And it is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act, 1913."

ENTERTAINMENTS (EXCISE).

8. "That, as respects payments for admission to entertainments held on or after the sixth day of October, nineteen hundred and forty, entertainments duty shall be charged—

(*a*) in the case of stage plays and other entertainments to which Sub-section (3) of Section one of the Finance Act, 1935, applies, at the rates set out in Part I of the following Table;

(*b*) in the case of other entertainments, at the rates set out in Part II of that Table—

TABLE.

PART I.

Reduced Rates.

Amount of Payment.	Rate of Duty.
	d.
Where the amount of the payment, excluding the amount of duty—	
exceeds 3d. and does not exceed 11½d. - - -	½
exceeds 11½d. and does not exceed 1s. 2d. - - -	1
exceeds 1s. 2d. and does not exceed 1s. 7d. - - -	2
exceeds 1s. 7d. and does not exceed 1s. 9½d - - -	2½
exceeds 1s. 9½d. and does not exceed 2s. 0d. - - -	3
exceeds 2s. 0d. and does not exceed 2s. 2d. - - -	4
exceeds 2s. 2d. - - -	4d. for the first 2s. 2d. and 1d. for every 5d. or part of 5d. over 2s. 2d.

PART II.

Full Rates.

Amount of Payment.	Rate of Duty.
	d.
Where the amount of the payment, excluding the amount of duty—	
exceeds 3d. and does not exceed 5d. - - -	½
exceeds 5d. and does not exceed 6¼d. - - -	¾
exceeds 6¼d. and does not exceed 7d. - - -	1
exceeds 7d. and does not exceed 7¾d. - - -	1¼
exceeds 7¾d. and does not exceed 8¾d. - - -	2
exceeds 8¾d. and does not exceed 11d. - - -	3
exceeds 11d. and does not exceed 1s. 2d. - - -	4
exceeds 1s. 2d. and does not exceed 1s. 5d. - - -	5
exceeds 1s. 5d. - - -	5d. for the first 1s. 5d. and 2d. for every 6d. or part of 6d. over 1s. 5d."

INCOME TAX.

STANDARD RATE OF INCOME TAX FOR 1940-41.

9. "That—

(*a*) the standard rate of Income Tax for the year 1940-41 shall be increased from seven shillings and sixpence to eight shillings and sixpence in the pound;

(*b*) in connection with the said increase, special provision shall be made in relation to income chargeable under Schedule C, under Rule 6 or Rule 7 of the Miscellaneous Rules applicable to Schedule D, or under Rule 21 of the General Rules, and amendments shall be made in Section two hundred and eleven of the Income Tax Act, 1918 (as amended by subsequent enactments);

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(*c*) such other amendments shall be made in the Income Tax Acts as are consequential on the said increase."

HIGHER RATES OF INCOME TAX FOR 1939-40.

10. "That Income Tax for the year 1939-40 in respect of the excess of the total income of an individual over two thousand pounds shall, instead of being charged at the rates mentioned in Section twelve of the Finance Act, 1940, be charged at rates exceeding the standard rate by the amounts specified in the second column of the following Table; and that such amendments shall be made in the Income Tax Acts as are consequential on the foregoing provisions of this Resolution:

TABLE.

For every pound—	s.	d.
of the first five hundred pounds of the excess	2	0
of the next five hundred pounds of the excess	2	3
of the next one thousand pounds of the excess	3	3
of the next one thousand pounds of the excess	4	3
of the next one thousand pounds of the excess	5	0
of the next two thousand pounds of the excess	5	9
of the next two thousand pounds of the excess	7	0
of the next five thousand pounds of the excess	8	3
of the next five thousand pounds of the excess	9	0
of the remainder of the excess ...	9	6

ALTERATION OF CERTAIN RELIEFS.

11. "That—

(*a*) the following enactments relating to reliefs from Income Tax shall be amended as Parliament may provide by any Act of the present Session relating to Income Tax, namely—

(i) Subsection (2) of Section forty of the Finance Act, 1927, as amended by subsequent enactments (which relates to the reduction of the tax remaining chargeable after the allowance of other reliefs);

(ii) Subsection (2) of Section fifteen of the Finance Act, 1925, as so amended (which relates to persons over sixty-five years of age);

(iii) Subsection (2) of Section nineteen of the Finance Act, 1935, as so amended (which provides for a reduction of tax in the case of incomes less than one hundred and forty pounds);

(*b*) such amendments shall be made in the Income Tax Acts as are consequential on any amendments which may be made in the enactments aforesaid."

ASSESSMENT AND COLLECTION OF INCOME TAX UNDER SCHEDULE E.

12. "That—

(*a*) the Commissioners of Inland Revenue shall be empowered to make regulations for the assessment and collection of Income Tax chargeable under Schedule E and in particular for requiring employers and other persons to deduct tax so chargeable from payments made by them and for making them accountable for any tax which they are so required to deduct, and any such regulations shall have effect notwithstanding anything in the Income Tax Acts;

(*b*) penalties shall be imposed for failure to comply with the said regulations;

(*c*) the time within which proceedings may be brought for the summary recovery as a civil debt of any tax charged under Schedule E shall be extended."

LIFE INSURANCE.

13. "That—

(*a*) as respects the year 1940-41, and any subsequent year for which the standard rate of Income Tax exceeds seven shillings in the pound, the relief allowed under Section thirty-two of the Income Tax Act, 1918 (as amended by subsequent enactments) in respect of premiums paid for life insurance or other contracts referred to in paragraph (*a*) of Subsection (1) of that Section or Section twenty of the Finance Act, 1932, shall be calculated as if the standard rate of Income Tax were seven shillings in the pound;

(*b*) as respects the year 1940-41, and any subsequent year, no relief shall be allowed under the said Section thirty-two (as so amended) in respect of the amount, if any, by which the premiums or other sums in respect of which relief is claimed exceed the claimant's taxable income;

(*c*) as respects the year 1940-41, and any subsequent year for which the standard rate of Income Tax exceeds seven shillings and sixpence in the pound, such relief shall be given to assurance companies carrying on life assurance business, in respect of Income Tax on the policy-holders' part of the income from investments held in connection with that business, as may be provided by any Act of the present Session relating to Income Tax;

(*d*) such amendments shall be made in the Income Tax Acts as are consequential on the foregoing provisions of this Resolution."

PAYMENTS IN RESPECT OF WAR RISKS INDEMNIFICATION.

14. "That—

(*a*) in computing the amount of the profits or gains of any person for any purpose of the Income Tax Acts for the year 1940-41 or any subsequent year, no sum shall be deducted in respect of any payment made by him under any such contract or arrangement relating to indemnification in respect of war damage as may be described in any Act of the present Session relating to Income Tax;

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(*b*) no such payment shall be included in computing the expenses of management in respect of which relief may be claimed for any such year under Section thirty-three of the Income Tax Act, 1918, as amended by subsequent enactments, or the cost of maintenance, repairs, insurance and management in respect of which relief may be so claimed under Rule 8 of No. V of Schedule A as so amended."

Miscellaneous.

Purchase Tax.

15. " That—

(*a*) provision shall be made for charging a tax in respect of purchases (whenever made) from wholesale sellers of such goods as may be specified in any Act of the present Session, and in respect of such other transactions (whenever made) relating to such goods as may be so specified;

(*b*) the tax shall be charged (subject as mentioned in paragraph (*c*) of this Resolution) at one or other of the following rates, as may be provided by the said Act in relation to different classes of goods, that is to say, a basic rate equal to one-third of the wholesale value of the goods, or a reduced rate equal to one-sixth of the wholesale value of the goods;

(*c*) the Treasury shall have power to make orders—

(i) for bringing the tax into operation,

(ii) for varying from time to time the basic rate or the reduced rate of the tax,

(iii) for rendering the tax chargeable, at either rate, in the case of goods other than goods on which it is chargeable under paragraph (*a*) of this Resolution, or for rendering the tax chargeable in the case of any goods at the basic rate in lieu of at the reduced rate or vice versa, and

(iv) for such other purposes as may be specified in the said Act,

so however that an order for bringing the tax into operation, for increasing the rate of the tax, for rendering the tax chargeable, or for rendering the tax chargeable at the basic rate in lieu of at the reduced rate, shall be subject to approval by this House as may be provided by the said Act;

(*d*) the Government of Ireland Act, 1920, shall have effect as if the tax were one of the taxes mentioned in Sub-section (1) of Section twenty-two of that Act (which relates to reserved taxes)."

Rates of Estate Duty.

16. " That—

(*a*) in the case of persons dying after the twenty-third day of July, nineteen hundred and forty, there shall be substituted for the rates of estate duty set out in the Second Schedule to the Finance Act, 1930 (as increased by subsequent enactments), rates in accordance with the following Table:

Table.

Principal Value of Estate.						Rate per cent. of Duty.
	£				£	
Exceeding	100	and not exceeding			500	1
,,	500	,,	,,		1,000	2
,,	1,000	,,	,,		5,000	3
,,	5,000	,,	,,		10,000	4
,,	10,000	,,	,,		12,500	6
,,	12,500	,,	,,		15,000	7.2
,,	15,000	,,	,,		18,000	8.4
,,	18,000	,,	,,		21,000	9.6
,,	21,000	,,	,,		25,000	10.8
,,	25,000	,,	,,		30,000	12
,,	30,000	,,	,,		35,000	13.2
,,	35,000	,,	,,		40,000	14.4
,,	40,000	,,	,,		45,000	15.6
,,	45,000	,,	,,		50,000	16.8
,,	50,000	,,	,,		55,000	19.5
,,	55,000	,,	,,		65,000	20.8
,,	65,000	,,	,,		75,000	22.1
,,	75,000	,,	,,		85,000	23.4
,,	85,000	,,	,,		100,000	24.7
,,	100,000	,,	,,		120,000	26
,,	120,000	,,	,,		150,000	28.6
,,	150,000	,,	,,		200,000	31.2
,,	200,000	,,	,,		250,000	33.8
,,	250,000	,,	,,		300,000	36.4
,,	300,000	,,	,,		400,000	39
,,	400,000	,,	,,		500,000	41.6
,,	500,000	,,	,,		600,000	44.2
,,	600,000	,,	,,		800,000	46.8
,,	800,000	,,	,,		1,000,000	49.4
,,	1,000,000	,,	,,		1,250,000	52
,,	1,250,000	,,	,,		1,500,000	54.6
,,	1,500,000	,,	,,		2,000,000	58.5
,,	2,000,000	-	-	-	-	65

(*b*) any Act of the present Session relating to estate duty may make provision as respects cases where an interest in expectancy has been sold or mortgaged and the rates of estate duty in force in the case of a person dying when the interest falls into possession are higher than the rates in force in the case of a person dying at the time of the sale or mortgage."

Excesss Profits Tax.

17. " That the law relating to excess profits tax be amended (as respects all chargeable accounting periods) so as—

(*a*) to disallow deductions in certain cases in respect of interest, annuities and annual payments, and in respect of payments under certain contracts or arrangements relating to indemnification in respect of war damage;

(*b*) to make special provision as to the standard profits of certain trades and businesses."

First to Fourth Resolutions agreed to.

Tobacco (Customs).

Fifth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

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3.48 p.m.

Mr. Pethick-Lawrence (Edinburgh, East): May I ask the right hon. Gentleman the Chancellor of the Exchequer whether he is yet in a position to make any comment on the question of rations for members of the Armed Forces?

The Chancellor of the Exchequer (Sir Kingsley Wood): No, Sir, not beyond what I stated yesterday. Discussions are now proceeding, and some are taking place this afternoon, but I am not yet in a position to give any further information.

Sir Francis Fremantle (St. Albans): I hope that opinion is being taken as to whether there is not some danger in the excessive smoking of cigarettes.

3.49 p.m.

Sir John Mellor (Tamworth): Will my right hon. Friend tell us a little more about the discussions that are now proceeding? With whom is the matter being discussed? This is an important matter, and I take it that the right hon. Gentleman does not wish it to be discussed now; but if that be so, I think he ought to tell us a little more about what he has in mind.

Sir K. Wood: I do not think my hon. Friend the Member for Tamworth (Sir J. Mellor) was present yesterday when I stated that discussions were taking place with the Service Ministers.

Question, " That this House doth agree with the Committee in the said Resolution," put and agreed to.

Sixth and seventh Resolutions agreed to.

ENTERTAINMENTS (EXCISE).

Eighth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

3.51 p.m.

Mr. Benson (Chesterfield): I am extremely sorry that the Chancellor of the Exchequer has found it necessary to put a very considerably increased tax on the living theatre. I fully realise the importance of raising revenue, and when the Finance Bill comes under discussion I shall have a good deal of criticism to make as to the adequacy of the provision the Chancellor of the Exchequer has made. But in war time our taxation ought to be aimed at something more than the mere raising of revenue. It ought also to be aimed at curtailing certain types of consumption and deflecting spending into such directions as this House feels to be less objectionable than others. Anything which involves imports is a form of expenditure which we must, as far as possible, curtail, but there are other forms of expenditure which are entirely harmless to the national effort, and I can conceive of no form of expenditure which is less likely to cause a strain upon our war effort than going to the theatre, and particularly the living theatre. Admittedly we have to curtail expenditure, but it is just as essential that people under the strain under which they are living at the present time, and our soldiers and sailors on leave, should have some reasonable form of recreation and relaxation, and no one can suggest that the living theatre is anything but harmless.

This is a considerable burden which more than doubles the tax on the living theatre, and it will make the living theatre still more difficult to maintain. Here we are putting a tax upon a form of personal expenditure which is entirely innocuous, and on a form of art which at the present time is struggling very hard to maintain its existence. The Chancellor of the Exchequer may say that this duty will bring in a considerable sum. I do not know the figure, but the total increase in the Entertainments Duty will only be £4,000,000 in the full year, and a vast bulk of that amount will be raised on the cinema. The amount coming from the living theatre is very small as far as our expenditure is concerned, but is a very heavy amount as far as box-office receipts are concerned. I think the living theatre is something which we could have avoided taxing, and I am not prepared to accept the Chancellor of the Exchequer's argument, which he is sure to use, that we must raise revenue, because he has not taken anything like adequate steps to raise revenue where we could raise it, and that is by direct taxaton. He is playing with direct taxation. He is inflicting a serious blow on the living theatre, and for the small amount of revenue which we shall obtain I am convinced that we shall do far more harm to that very important form of art than we shall be doing good by fortifying the revenue.

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3.54 p.m.

Sir William Davison (Kensington, South): I should like to associate myself with what has been said by the hon. Member for Chesterfield (Mr. Benson). I gather that a rather small amount of this tax will come from the living theatre. We are at present in the midst of, and suffering from, a mechanical war, in which the old ideas of warfare are made to a great extent impossible. We do not want to arrive at the time when we are entirely dependent for entertainment on mechanical devices. If it is at all possible without any sacrifice of money, and I think it may be, to enable the living theatre to be maintained, especially in these times when it is desirable that our people should not focus their attention too much on disagreeable things, we should see that when they have time off from their war duties they should be able to have genuine and proper relaxation. I would appeal to the Chancellor of the Exchequer to remove, if he can, the duty from the living theatre.

3.56 p.m.

Sir Percy Harris (Bethnal Green, South-West): One hesitates to criticise new taxes in the light of the fact that it is generally recognised that we are not raising enough revenue to meet our needs. It is always easy to find fault with this or that form of taxation, but on the first day of our discussions I did express the hope that the Chancellor of the Exchequer would reconsider his proposals for taxation on the living theatre. Apart from the fact that the theatre is a very important contribution towards keeping up the good spirits of the people, giving them reasonable recreation at a time of great nervous strain, which will increase in the winter months with the blackout and long dark nights, it is undoubtedly a fact that the theatrical industry is going through a very lean time. All around London theatres are closed, and there are, literally, thousands of actors and actresses out of work. The risk of putting on plays, even old plays, is very great. Take one example, which I am sure will appeal to hon. Members, that of the National Theatre at Stratford. With great courage it is being kept open in spite of the war, but owing to the restrictions on petrol that very large clientele which was the backbone of the theatre and which used to come by motor car, has more or less disappeared. Conditions in London are very similar, and some gallant people are attempting to keep the theatres going, although I recognise that there is a differentiation.

I noticed the other day that Herr Goering boasted that in spite of the war Germany at all costs intended to keep alive the arts. No one can say that the Government are making any definite contribution to the arts in war-time; they are left to private enterprise and initiative. There is that very remarkable example of the concerts at the National Gallery—one of the finest things done by people, in very difficult circumstances. If the Chancellor of the Exchequer, following the example of two of his great predecessors, could make a generous gesture to the hard-pressed actors and actresses and the theatre industry, which presents such possibilities for keeping up the spirits of the people in war-time, he would really be doing something to counteract the effect of the proposed tax on books.

4.0 p.m.

Major Sir George Davies (Yeovil): I think it should be pointed out that there are two sides to this question. I take what is, I am sure, the unpopular one. In peace-time I should find myself at one with the hon. Members who have already spoken. I have often opposed the taxation of entertainment and particularly of the living theatre, but it seems to me that, in the situation in which we find ourselves to-day, our own personal desires and our own standard of living have to go by the board. Everybody is called upon to make a financial contribution and a sacrifice in the interests of the national welfare, and I do not think that this is a suitable time to advocate the relaxation of taxation upon any form of entertainment, or upon amenities of any kind. Whether it is the living theatre or any other form of entertainment, all should bear a share of the burden. An hon. Member opposite said that the Chancellor had not gone far enough in devising new taxation and, in face of that admission, I ask whether this is a time to start making exceptions. We have to take the bull by the horns. Everyone is called upon to contribute and if we start making exceptions here and there, similar demands will be made in regard to other taxation, and we shall undermine the national effort. Sorry as I am that this taxation should be found necessary,

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[Sir G. Davies.]

I think the people who run the shows and the people who pay at the box-office to see them, ought to pay up in extra taxation like the rest of us at this time. If we begin to whittle away these proposals and make differentiations here and there, for which, no doubt, excellent excuses can be offered, in the end we shall upset the whole scheme. I hope the Chancellor of the Exchequer will stand firm.

4.3 p.m.

Mr. Butcher (Holland-with-Boston): I would have no complaint to offer against the remarks of my hon. and gallant Friend the Member for Yeovil (Sir G. Davies) if this duty were to be levied on all forms of expenditure, but the position is that certain forms of expenditure are still untaxed. It is still possible to go to a restaurant and to spend far more than is good for one's purse or one's health and yet avoid any tax on that expenditure. It is equally possible to spend the same amount of money on betting or other forms of gambling. Those are tax-free occupations at the present time, but under the proposals of the Chancellor of the Exchequer, if you spend money on Shaw or on Shakespeare, whether you see their works performed or read them, then you have to pay tax. I feel that this is a most unfortunate time to raise the contribution required from the living theatre. The right hon. Gentleman the Member for South-West Bethnal Green (Sir P. Harris) referred to the London theatres. At this period of the year however the thoughts of many of us will turn to the pierrots and concert parties who, in peace-time entertain us at the seaside resorts around our coast. Those people are having a very hard time. They are now compelled to make their living in all sorts of unaccustomed ways and I feel that this increase of the duty is adding just one more difficulty to those which they already have to bear. I much regret that the Chancellor desires to increase the duty on living entertainment even in war-time.

4.5 p.m.

Mr. Charles Brown (Mansfield): I wish to join in the protest of those hon. Members who have already spoken against the proposal to increase the taxation on the living theatre. If the Chancellor of the Exchequer can prove to me that there is any real advantage in this proposal, I shall be prepared to alter my view. I therefore ask the right hon. Gentleman when he replies, to say whether he thinks that there will be any real economic advantage to the nation in having a lot of empty seats in cinemas and theatres. Does he think that the emptying of those seats will help to strengthen the morale of the nation? If he cannot say that, I do not think there is any justification for increasing this duty.

4.6 p.m.

Mr. MacLaren (Burslem): I suppose there is no use appealing to the right hon. Gentleman to remit this Duty in present circumstances, unless some constructive alternative is suggested to him. When we discuss taxes on literature or the theatre there is always a sort of tidal wave of emotion and there are opportunities for making cheap-jack appeals. I am not to be identified with any proposal for putting taxation on the theatre, living or dead, but let us examine what is being discussed in this case. An appeal is made to the right hon. Gentleman that he should remove this taxation from the living theatre. But if he does so, the right hon. Gentleman will be in a quandary. He will be establishing a precedent. Demands will be made that other taxes should be taken off and appeals will be made to him, in other cases, on emotional or educational grounds. The theatre in London and elsewhere has been in a bad way for many years, not because of any taxation imposed by the Treasury, but because of the enormous rents charged for the theatres. If the right hon. Gentleman proposes to listen to the appeal so ably made to him to-day on the ground of art—although I notice that art has disappeared from the London theatre for many years—if he intends to soften his heart to the pleas which have been made, and to consider removing taxation from the living theatre, I suggest that the most effective way to do so, is to assist in getting cheaper rents for the hiring of the theatres. He can achieve that object by taking the taxation off the entertainment and putting it on the site of the theatre.

4.8 p.m.

Sir J. Mellor: I always thought the Entertainments Duty was an excellent form of taxation in peace time if, indeed, any tax can be regarded as good, and I certainly think it even better in a time of

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war. I see no justification for discriminating between the taxation of the living theatre and the taxation of other forms of entertainment. I hope that my right hon. Friend the Chancellor will stick to this Duty in war time and I think there is justification for increasing it, as it is an excellent example of luxury taxation.

4.9 p.m.

Mr. Lewis (Colchester): I wish to support what was said by my hon. and gallant Friend the Member for Yeovil (Sir G. Davies). This is a time when we have to harden our hearts in a matter of taxation. The hon. Member for Mansfield (Mr. C. Brown) drew a melancholy picture of theatres with empty seats. Does the hon. Member really think that because the price of seats is raised from 6d. to 6½d. or from 1s. to 1s. 1d. that a great number of empty seats will result? I find that very hard to believe. We must keep a sense of proportion in these matters and I suggest that the amount which it is proposed to charge is not an unreasonable contribution to ask from people who attend places of entertainment at this time, towards meeting the expenses of the war.

4.10 p.m.

Sir K. Wood: I have every sympathy with all that has been said by the hon. Members who have spoken in favour of a relaxation of the duty in favour of the living theatre. I appreciate the efforts that have been made, especially by the organisations to which my right hon. Friend the Member for South-West Bethnal Green (Sir P. Harris) referred. I must, however, give weight to the other considerations which have been put forward this afternoon by other hon. Members as to the serious objection which exists at this time, to any relaxation or mitigation of this duty. It is perfectly true that two distinguished predecessors of mine found themselves able to do something to meet the desire expressed by so many hon. Members on behalf of the living theatre, but to-day the circumstances and the times are different. I have to look round to find where I can get contributions towards the national effort. I can assure hon. Members that, in doing so, I will make a careful note of any suggestions which have been made by them. I have noted those suggestions for use perhaps on another occasion. In the interval, however, I must persevere and as regards the raising of revenue I must maintain the proposals which I have already indicated in my Budget speech. I should point out that, in what we propose to do now, in this respect, we are maintaining the differentiation in taxation between the living theatre and other forms of entertainment. I should add that representatives of the theatrical industry have been consulted about this and that they, on their part, recognise that it is not unfair at a time like the present to ask them for a contribution towards the national effort. I do not think that these proposals can mean the infliction of any severe blow upon the living theatre, the success of which I think we all desire to see——

Sir W. Davison: Can my right hon. Friend say what is the actual amount which will be raised from the living theatre under this proposal?

Sir K. Wood: I could not give my hon. Friend the figure at the moment. It is not a considerable amount, but I have still to persevere and to bring all these contributions, whether they are considerable or inconsiderable, into the national effort. It may be said that, as the amount is small it will not make much difference, but once that argument is admitted, it may be applied to all sorts of other taxes, and I should then find myself on a slippery slope.

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

INCOME TAX.

Ninth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

4.13 p.m.

Mr. Pethick-Lawrence: When we were discussing the Budget Resolutions generally I put forward certain suggestions with regard to Income Tax. I did not press the right hon. Gentleman on that occasion to look into the matter and I do not press him to-day, because I know he has not had time to do so, but I wish to emphasise the points which I made lest they should escape attention. I pointed out that certain classes of people escaped paying Income Tax because it never occurred to anybody that they were likely to be liable to it. For instance,

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[Mr. Pethick-Lawrence.]

there may be people in receipt of quite substantial incomes, living in very small houses who, thereby, escape the notice of the Income Tax collector. I suggested that something might be done to look after people in that class.

The other class of people to which I referred were those who already paid Income Tax, but who, through their own inadvertence—I will not put it higher than that—failed to pay Income Tax on certain small amounts which they received. The most striking illustration is probably that of the person who has a few hundred pounds in the bank and who forgets to include the bank interest received on the deposit, in the amount on which tax has to be paid. I suggested there were two methods of getting this taxation. One was to put in all declarations of income the specific question, "Have you, during the period under review, received any money from your bank in the way of interest on deposits?" Instruction should be given that the question must be answered either "yes" or "no." If the taxpayer, therefore, has been inadvertent in the matter, he would be prepared to answer that question. The other way, which applies to a number of other things, is to insist on the disclosure on the part of the person who pays the money. That proposal has been made before and turned down. It may be that in ordinary times people who pay small sums do not want to be compelled to make a return. There is no reason why banks should not disclose the amount of money paid to customers on their deposits. They would only be put in the position of a large number of people like mortgagors, and I do not see any great difficulty in it. I shall be glad to know whether the right hon. Gentleman has considered either of these suggestions.

4.16 p.m.

Sir Frank Sanderson (Ealing): While I have no intention of raising my voice against the very high rate of Income Tax and Surtax, I feel that not only the House but the country should appreciate the magnitude of the direct taxation which my right hon. Friend, quite rightly, has found it necessary to impose upon the country. I would like to give an example of the magnitude of this taxation. Less than two years ago the House passed a Vote in favour of raising the salary of the Prime Minister to £10,000 a year. It was raised to that amount because it was generally accepted that the Prime Minister could not carry out the financial responsibilities which devolved upon his office for a less figure. I wonder how many Members appreciate that the taxation on £10,000 leaves the Prime Minister with only £3,873. That is a very small amount for one who holds such a high office and has to maintain the dignity and financial responsibilities of that office. There is another figure which is significant. In my right hon. Friend's speech on the Budget he referred to the fact that he will take no less than 18s. in the pound on incomes in excess of £20,000 per annum. I do not think it is fully appreciated that when a person with an income of £20,000 has paid Income Tax and Surtax, he is left with only £5,283; so that, in point of fact, one pays 18s. in the pound after reaching a net income of £5,283. That is a very different figure from that mentioned by the Chancellor.

I raise these points because I am one of those who profoundly believe that if we have not already arrived at, we are nearing the point of diminishing returns. It is not necessary for me to remind hon. Members that to-day we see, as we shall continue to see, the closing-down of houses and estates throughout the country. We see, too, the closing down of houses in London. Owners of property in London are finding it necessary to take the furniture out of their houses so that they shall not have to pay rates upon the property. That means that the Chancellor will lose a considerable income which he would normally receive and that local authorities will find it increasingly difficult to raise the revenue that they require to meet their obligations. I feel it is necessary that some one should point out to the country what the weight of direct taxation is.

On more than one occasion I have asked the Chancellor to make a small concession. As the Budgets pass—and we have had four in 14 months—the concession becomes of increasing interest to a greater number of taxpayers. The process of arriving at the figure upon which one has to pay tax, be it great or small, is so involved and complex that it is necessary to appoint an accountant or solicitor in order to arrive at the amount which is due to the Chancellor. That may appear to be a small item, but

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accountancy charges do not grow less as the years go on. I would ask my right hon. Friend whether he can see his way to meet an increasing demand that such charges should be allowed to be offset against income. If my right hon. Friend will meet me to that extent I shall feel very happy and satisfied.

4.24 p.m.

Sir G. Davies: This is not an inappropriate moment to mention a point which has been before my right hon. Friend but has not been alluded to in the Debates. The right hon. Member for East Edinburgh (Mr. Pethick-Lawrence) referred to the position of the lesser Income Tax payers and my hon. Friend the Member for Ealing (Sir F. Sanderson) spoke of those on the higher scale, but the point I have to bring forward touches the whole scale of Income Tax payers. There are patriotic people who have invested part of their estates in foreign countries and have thus assisted the expansion of foreign trade. At a time like this they are hit by double taxation. Unlike the quality of mercy, they are twice cursed, once, as in the case of those who have invested in the United States, by the increasing war effort in that country, and then by the taxation which they have to face at home. I am not making a plea that the enormous taxation, especially on the higher rates of income, should be reduced. We all have to face the present effort, but it comes very hard on a considerable number of people that they should have to pay twice over, at constantly increasing rates of tax, on their incomes.

An arrangement has been made with the Dominions whereby substantial reductions can be made, but when it comes to foreign countries it is a matter for diplomatic channels and of getting mutual agreement. The nationals of other countries with incomes in this country may have to pay double taxation in the same way. The fact remains that there are certain people who are faced with a much heavier burden on their incomes than anything envisaged by the great burdens imposed in the Budget. I would ask my right hon. Friend whether he has that matter in the forefront of his mind and is taking definite steps to see whether some agreement, particularly with the United States, cannot be reached whereby the burden can be equitably reduced or spread so that some people are not financing huge armaments in two quarters of the globe simultaneously. If that could be done, we should arrive at a position which is much fairer in principle than the present situation.

4.27 p.m.

Sir Robert Tasker (Holborn): I wish again to plead for a simplification of the Income Tax and to suggest that it should be levied upon all revenue. At the present moment a distinction is made between one class of investment and another. In one form taxation is not deducted at source. If you happen to have your investment in land and property, it is deducted at source. If an individual enjoys a small income from ground rent, therefore, he has to claim back from the Treasury. If all Income Tax were deducted at the source it would lighten the burden of the officials of the Inland Revenue. With regard to the point of the right hon. Gentleman the Member for East Edinburgh (Mr. Pethick-Lawrence) there is a space on the Income Tax form in which the taxpayer has to declare any interest which he receives from a bank on money on deposit.

With reference to the question of the charge for accountancy which was raised by the hon. Member for Ealing (Sir F. Sanderson), most of us have to go to chartered accountants to try and unravel mysteries which have been created by this House and have been brought about by alterations and amendments to the original form of Income Tax when proposed. The concessions which have been given by various Chancellors have brought about a confused state of affairs. I am bold enough to say that I do not believe any member of the public, any individual in the Treasury, or any official in the Inland Revenue really knows what is, exactly, the law relating to Income Tax. That can be proved by anybody who goes to chartered accountants. They ask you this, that and the other; you have to confess that you do not know. It resolves itself into this, that the chartered accountants and the officials of the Inland Revenue make the best of a bad job and come to an agreement and the taxpayer pays. That is the position to-day, and it is one of the reasons why some attempt should be made to simplify methods of calculation and collection of Income Tax.

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4.31 p.m.

Sir K. Wood: I am very much indebted to my hon. Friends for the suggestions which they have made to me. So far as the points which my right hon. Friend the Member for East Edinburgh (Mr. Pethick-Lawrence) mentioned to-day were made by him in his comments upon the Budget speech, we have already made a note of his suggestions. They will be examined in the Department, and I am very much indebted to him for putting them forward. I think one of his suggestions has already been met, because there is a space on the Income Tax assessment form asking for a statement of interest received, including any interest from bank deposits. My right hon. Friend suggested that there should be a specific question regarding interest upon bank deposits, and that we will examine. I am only too happy to consider any suggestions which will be helpful to me at the present time. They will be examined in that spirit. I also sympathise with the observations made by my hon. Friend the Member for Ealing (Sir F. Sanderson) upon the magnitude of our present taxation. I share many of the observations which he made concerning it, and he will remember that in my Budget speech I did make reference to the fact that we were approaching in certain respects the limit of taxation, although I added that I could not say that it has yet been reached.

I do appreciate that in very many quarters—not only among the rich: chiefly among people of smaller means and of the middle classes—taxation bears very hardly at the present time, and that is one of the reasons why I came to the opinion that whatever may be contemplated in the future it was necessary at the present time to give people time to look round and to adjust their affairs to the present scale of taxation, and I have had increasing evidence of the desirability of that course in the communications which I have received in the last few days. My hon. Friend asked me to make a small concession—another of those small concessions—as regards the charges which people have to pay to accountants and solicitors who are employed, perhaps of necessity to-day, to prepare accounts for Income Tax purposes, but I am afraid that I am not in a position to do anything in that direction at the present time, although I appreciate the arguments which were put forward by my hon. Friend.

Mr. Ellis Smith (Stoke): Before the Chancellor leaves the speech of the hon. Member for Ealing (Sir F. Sanderson), may I ask whether he was stating a fact when he said that the result of the new taxation is that the Prime Minister's salary is reduced from £10,000 to £3,000?

Sir K. Wood: If my hon. Friend will look at the Supplementary Financial Statement, Appendix D, on page 13, he will find that on an income of £10,000 which is all earned income the deductions for Income Tax and Surtax amount to more than £6,000, so that I think my hon. Friend was pretty accurate in the figures he gave.

Sir F. Sanderson: Is my right hon. Friend aware that if the Prime Minister is in fact to have a salary of £10,000 a year this House will have to vote him a sum of no less than £68,000? It would need £68,000 to leave him with £10,000 a year.

Sir K. Wood: That is an interesting sidelight on the situation. In answer to what my hon. and gallant Friend the Member for Yeovil (Sir G. Davies) said upon the subject of double taxation, I have examined quite recently certain cases affected by taxation here and taxation in other countries, and undoubtedly considerable hardship does flow from the effects of double taxation, but I do not see any effective remedy short of a mutual arrangement between the countries concerned. In the one case which I examined it appeared to me that there was really no appropriate way of dealing with the situation at the present time.

Sir G. Davies: Is there any prospect of the investigation being pursued?

Sir K. Wood: It is a difficult time to do it now. I also appreciate what my hon. Friend the Member for Holborn (Sir R. Tasker) said. He cast some doubt on whether members of the Inland Revenue staff really understood the law dealing with Income Tax, but what they may not know and understand is, of course, made up for by the knowledge of the Law Officers of the Crown, and so we are amply fortified in that respect. I also appreciate his suggestion that there should be a simplification of the law and the

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practice of Income Tax, but I do not feel that that is a task which I can undertake at this moment. It may be necessary to do it as time goes on, but I am afraid he cannot expect me to recast the system just now. It would be very difficult to do that in the middle of a war.

Sir F. Sanderson: Will my right hon. Friend give me a promise that he will look into the question which I have raised? After all, it is to the interest of my right hon. Friend that all returns should be strictly accurate, and that can be better secured in most cases by employing an accountant. A company is able to charge the expenses of the accountants among their other expenses; it is only the individual taxpayer who employs an accountant who is not allowed to set off that charge. This is of particular importance in the case of the small man. The man who has an income of £150 to £500 a year will find it essential to take advice in computing the amount upon which he has to pay tax, and I think his expenses in that respect ought to be a charge against the net income. In many cases to-day my right hon. Friend is taking not half but 75 per cent. of the income of——

Mr. Speaker: The hon. Member cannot speak again. I thought he was only asking a question.

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Tenth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

4.39 p.m.

Mr. Benson: On an earlier Resolution I said that I thought the Chancellor was playing with direct taxation, and I feel that his proposals in this Resolution and the next one dealing with allowances show it clearly. I am fully aware that there is not a great deal more in bulk to be got out of Surtax payers. After Income Tax and Surtax have been paid, the amount of bulk income left in the hands of the Surtax payers of this country is in the neighbourhood of £270,000,000. Obviously we cannot get more than £270,000,000 out of them, but we can still take a good deal more of that £270,000,000 than we are doing. Upon an earlier Resolution the hon. Member for Ealing (Sir F. Sanderson) mentioned that a number of Surtax payers were having to give up their country houses and their large town houses. Quite frankly, I do not see that that is any evil from a social standpoint. I see no particular reason why a small group of individuals should be allowed to live nowadays in almost feudal pomp in the country. I am much more concerned about people who cannot get houses at all than those who are having to give up their large country mansions.

Taxation, and the inflation that is being imposed, will bear very much more hardly upon those individuals who cannot get houses at all, the working class and the lower middle class, than any taxation which the Chancellor is imposing upon the Surtax payer. The Surtax is not yet up to an adequate amount, and that observation applies also to every other range of Income Tax. We are spending on our war effort more than half the total national income, but it is not until a man has an income of £6,000 that direct taxation takes more than half his total income. On page 16 of the Supplementary Financial Statement I find that in the case of a married man with two children who has an earned income of £6,000 the total taxation imposed is £3,031. If we are to meet the cost of this war out of taxation even to a reasonable extent, if we are to adopt sound finance and not inflationary finance, obviously taxation will have to reach the figure of 10s. in the £ of a man's income at a great deal lower income than £6,000. I know very well that the Chancellor cannot do very much this year with Surtax, cannot make a tremendous jump at the £2,000 level and that we shall have to wait until next year, when the incomes of £1,500 are brought in. But I want him to realise that if we are spending half the national income upon war effort people with far smaller incomes than £6,000 will have to contribute at least half of their incomes in direct taxation. On the next Resolution I shall have something to say about the lower ranges of tax. It is no use fiddling with taxation, no use meeting a third or a quarter only of our expenditure out of taxation, as is the case at the present time. If we are to come through this war with an industrial and a social system which will stand the post-war strain we must have sound

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[Mr. Benson.]
orthodox finance. Such finance involves imposing high taxation and we are not imposing it yet. The Surtax proposed this year is entirely inadequate to meet the situation.

4.44 p.m.

Sir K. Wood: I do not think I need make any long answer to the hon. Member for Chesterfield (Mr. Benson). I regard his speech as rather a means of relieving his mind on the situation as he sees it, and I have a note of what he has said.

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Eleventh Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

4.45 p.m.

Mr. Benson: Now we come to the lower ranges of taxation. I am well aware that the Chancellor cannot increase his standard rate of Income Tax beyond a certain limit, because the standard rate is only part and parcel of direct taxation and is limited by the maximum incidence of the Surtax. If we are to bring adequate taxation on to the lower-scale incomes it can be done only by one method, and that is slashing the personal allowances, for these are the basis on which our graduation is built. Just as there is inadequate taxation in the higher ranges so there is, I feel, grossly inadequate taxation in the lower ranges. This observation applies to practically all the ranges. We have to pay for this year's war this year. Whoever the Chancellor may be, he cannot make posterity pay. What we spend this year we must pay for this year. We cannot fight this year's war by next year's income; and when the Chancellor fails to impose sufficient taxation it does not mean that any less burden is imposed upon the community.

The only proposal which the Chancellor of the Exchequer has made for imposing direct taxation in the lower ranges, apart from the increase of 1s., is a very fiddling modification in the personal allowance. He gave an example in his Budget speech of the effect of the new taxation upon a married person with two children, a normal family, with an income of £400 a year. He said that he was increasing the taxation by some £5 to £15 16s. 8d. I say very definitely that a direct Income Tax of £15 16s. 8d. on that range of income is entirely inadequate to the present financial situation. It is not that the Chancellor is helping the £400 a year man to escape his burden, because if the Chancellor does not impose it, increased prices and inflation will. The Chancellor suggested that he had imposed all that was reasonably necessary; let us compare what he is doing with what was done during the last war. No one will complain that we were overtaxed during the last war. Every financial authority that I have ever read admits that we played with taxation for the first two years of that war.

Mr. Pickthorn (Cambridge University): Fiddled with it, according to the hon. Gentleman.

Mr. Benson: That is my own phrase. Financial authorities do not use language like that. What did the poor man, earning £400 a year, pay in 1915? £25 4s., as against £15 16s. 8d. In 1916, the £400-a-year man paid £31 10s.; in other words, twice as much as the Chancellor proposes to take from him this year, notwithstanding that the war burden then was not a fraction of the burden that we have to bear. We know what happened as a result of the entirely inadequate financial steps which were taken during the last war.

Mr. Stokes (Ipswich). Would my hon. Friend say whether the relative value of money was the same?

Mr. Benson: I am afraid that I cannot say off-hand what was the relative increase in prices in 1916 compared with what it is now, but there had been a very sharp increase. The point is that we have a far greater financial burden to meet, and that we are not meeting it. The interruption of my hon. Friend suggests that he thinks what a very large number of people think, that if you do not impose taxation you lighten the burden of the taxpayer, but that is not true.

Mr. Stokes: I never said any such thing.

Mr. Benson: I did not say that my hon. Friend did say it, but that his interruption suggested that he thought it.

Mr. Stokes: I do not think it.

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Mr. Benson: You do not lighten the burden by holding your hand as a Chancellor, because the burden has to be met. I am urging that the burden shall be met in a rational and reasonable way and not by inflation. Therefore, comparing the direct taxation which was imposed in 1915 and in 1916, I say that the taxation that is imposed now does not meet the burden in a reasonable way. The Chancellor of the Exchequer's claim that it does so is, therefore, entirely unfounded.

4.50 p.m.

Sir K. Wood: I have taken note of what the hon. Gentleman has said. He has made a valuable contribution to the Debate. The only observation I would add is in regard to the £400-a-year income to which he referred. The hon. Member will find that the charge, on the pre-war basis, was only £1 13s. 4d. Under the proposed charge, in this Budget which I have introduced, that taxpayer's liability has now risen to £15 16s. 8d. You must give people time to look round.

Mr. Benson: Can the right hon. Gentleman guarantee that the inflationary rise in prices will give people time to look round?

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Twelfth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

4.52 p.m.

Mr. Pethick-Lawrence: If I may judge by my post bag and by comments which have been made to me by several of my colleagues in this House, I have no need to depart from the view which I expressed when this matter was before us last, which is that the Chancellor of the Exchequer's innovation in this respect is genuinely welcomed by the great mass of the people concerned. I am very glad that the Chancellor has been able in this way to achieve a considerable reform which is not only not objected to by employers and employed but is welcomed in the main by them as having an advantage over the present method. There are three small points about which I should like to ask questions and the first is one to which I made reference last week when the matter was before us. I am informed that, under the present voluntary scheme of collection of Income Tax by employers, there is a practice of charging a small commission, which is deducted from the amount which the Inland Revenue are otherwise entitled to receive. I should like to know whether that statement is correct and, if it is, what the Chancellor of the Exchequer's decision is in regard to the new situation, in which the collection of Income Tax will be compulsory in future instead of voluntary. Perhaps the right hon. Gentleman will be able to reply to the point on this occasion.

The second question on which I should like an assurance—although I think I know the answer myself, but it is just as well that the right hon. Gentleman should make a statement for the purpose of informing the public—relates to the possibility that the new method of collection will allow certain employers to pry into the affairs of their employés. I do not think many large employers have anything to gain by such a course, but if the new proposals have the effect of enabling small employers to pry into the family circumstances of their employés, there would be disadvantages. I have had letters from several people who fear that that might be the result, and I hope that the Chancellor will be able to allay any fears in that direction.

The third matter is one upon which I believe the Chancellor has already received a letter. If he has not himself received it, it has, I understand, reached his Department. It is in regard to the situation which arises when an employer goes bankrupt. I believe that this matter was raised last week, and that the Chancellor of the Exchequer pointed out that it would not result in loss to the employé, who would not be called upon, in any case, to make his contribution a second time. I do not know whether there is any possibility of dispute between employer and employé in any form, in which the employé would be unable to prove that his contribution had been deducted. I do not ask for an answer from the right hon. Gentleman on this point to-day, but perhaps he will make certain that there is no risk of an employé being placed in that position.

A question on which I hope the right hon. Gentleman will be able to answer to-day is the suggestion that was contained in the letter, which I understand

[Mr. Pethick-Lawrence.]
has been sent. The suggestion is that an employer, instead of waiting for specific dates on which to pay to the Inland Revenue the whole of the money collected from his employés—on the last occasion the Chancellor said, I think, that the payments would be once a month—should, say, on Friday morning, or whenever his pay-day is, when he draws his money from the bank in order to pay the employés, should automatically credit at the bank the part which is being withheld from the employés as collection of the taxation. It is suggested that this money should be transferred to a separate account in the bank.

I do not know whether that would be a complicated or troublesome thing to arrange; if so, no doubt it cannot be done. Offhand, it strikes me as a very simple matter, and I hope that the right hon. Gentleman will consider it and decide whether it is a feasible way of doing things. I believe that the person who wrote to the Chancellor of the Exchequer had the idea that the local branch of X Bank should have a definite " omnibus account," which would be a Treasury account, into which those sums would be paid regularly each week. I hope that the suggestion will be considered. If the Chancellor of the Exchequer is in a position to give an answer, I hope he will do so, and will say whether he considers there is anything in that proposal.

4.58 p.m.

Sir K. Wood: The right hon. Gentleman has raised interesting points, as he always does, and I think they will be very helpful to us. At the present moment, I am very concerned about one of them in particular. Like him, I have received a very large number of communications about the new method of collection, and I think that the proposal has been generally welcomed. It is in the interests of employés and will have considerable advantages. In regard to the commission, it is true that commission was paid under the voluntary scheme, but none will be paid under any compulsory scheme. It is not suggested that there should be any form of commission paid under our present proposal.

I welcome the opportunity to say a word as to the risk of employers prying into the private affairs of their employés. I do not think that there is any possibility of that happening, for reasons which I have given. We have to remember that collection is confined, in the first place, simply to payments arising under Schedule E, and those are payments made in the course of the man's employment in respect of that particular work. If individuals have been thrifty enough to acquire income from any other source, that income would not be the subject of deduction by their employers under this scheme. Payments in respect of any other income would be made direct through the ordinary channels, to the Income Tax collector. Therefore, it does not seem to me that there can be any possibility of prying into the affairs of employés. We are confining the scheme to matters which arise under Schedule E. I will examine the other point which the right hon. Gentleman put forward. So far as the possibility of the Revenue losing money is concerned, under the proposals which we have in mind the payments received by the employers will be sent to the Revenue on the 15th of the following month and, if there are any arrears pending, not later than two months. That, of course, would not lessen the risk of loss to the Chancellor of the Exchequer through a bankrupt, but there would be no loss to the employé, because if a loss arises in such a case, it will not be borne by him but by the State.

Another suggestion which was made was that when the employer receives the money he should pay it into some special account. It is obvious that that would not help the situation if it was a sort of No. 2 or No. 3 account of the employer, because that would be equally subject to the trustee in bankruptcy as if the money had been paid into No. 1 account. If anything were to be done with the suggestion, it would mean a direct payment to the Exchequer, so that it would be divorced from any of the assets and payments of the employer himself. Of course, I should need to consider the position of employers in this matter. I am grateful to the right hon. Gentleman for putting forward those points and for giving me the opportunity of making them clear.

5.2 p.m.

Mr. Benson: There is one point that I should like to raise. Perhaps it is because of my clumsiness that I did not quite understand the Chancellor with regard to what he said about the question

of the rate of deduction. In his Budget speech he said that employers would be notified as to the rate at which they should make these deductions from wages and salaries.

Sir K. Wood: No, not the rate—the amount.

Mr. Benson: I understand that certain amounts would be taken from a man receiving £5 a week and from a man receiving £10 a week. Are those deductions to be made at the appropriate rate of income as if the income under Schedule E were the man's total income, or will the actual rate of Income Tax which the man pays be the amount which the employer deducts? If the deduction is based upon the wage or the income that the man receives, then the employer does not need to be advised. He can calculate how much that is. But if it is at the total income rate, it is not a difficult calculation for the employer to find out whether one man has a private income or not. I do not see how you can keep secrecy unless the deduction is at the rate appropriate to the Schedule E income only.

5.4 p.m.

Sir K. Wood: I shall be glad to go into this matter further, but I would like to put it as I understand it. The Income Tax collector notifies the employé of the amount of tax which he has to pay. That is a matter which is dealt with by the employé and the tax collector together. The employer is notified of the amount that is to be deducted, and it is spread over a period. The question of rate does not come into it. So far as compulsory deduction is concerned, that is simply confined to Schedule E. Any further adjustment of sums received by way of private income is a matter between the collector and the employé.

5.5 p.m.

Mr. W. H. Green (Deptford): Does the right hon. Gentleman propose to include retired servants of local authorities and even pensioned people from Government offices in the deduction at source? Here is a case in point: a town clerk with £2,000 a year retires on a pension of £800 or £900. He has had, or would have had, a deduction while he was getting £2,000 a year. Will that deduction carry on while he is a superannuated servant of the local authority? If that was not in the Chancellor's mind—and I have not heard any reference to it—will he consider it, because I believe that a great many superannuated Government servants and civil servants would like the principle carried through on the pension as it was on the salary.

Sir K. Wood: Yes, I am glad that point was raised. That is our intention.

5.6 p.m.

Sir R. Tasker: The Chancellor did not make it clear how often the collection is to be made. A point was raised about the case of bankruptcy. If the employer is compelled to deduct it week by week, then as a large number of businesses are conducted on overdrafts, it seems to me that in such circumstances there is insufficient provision to safeguard the Treasury. The other point that I was not clear about was this: Is any commission to be paid? I cannot think that there is any justification——[HON. MEMBERS: " No! "] I am very glad to know that there is not. I would be glad if the Chancellor would clear up the point as to how often the collection is made and paid to the Inland Revenue.

Sir K. Wood: It is deducted from each pay day.

Sir R. Tasker: Yes, but when do the Treasury get it?

Sir K. Wood: As at present advised, it is paid over on the 15th of the month following. The suggestion was made by me to the right hon. Gentleman opposite that we may be able to improve on that.

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Thirteenth Resolution read a Second time.

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution."

5.10 p.m.

Mr. Pickthorn (Cambridge University): It is with some hesitation that I rise to put a question. I hesitate partly because I am not sure that I understand the question myself and partly because I have put it privately in a letter to the Financial Secretary to the Treasury. It has been suggested to me—I am not sure whether fairly or not—that there will be some

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[Mr. Pickthorn.]

hardship if the premium of 3s. 6d. on life insurance premiums applies to people who are compulsorily members of insurance schemes. The suggestion is that they are distinguishable from other people, partly because of the fact that they spend the money in that way under compulsion and not of their own free choice, and also because, when they receive the fruits of their premium, when they reach the age of 65, or whatever the age is, they do not receive the money to do with it as they please. They have to buy annuities, and it will, therefore, come within the scope of taxation again, in a way which would not affect people who do as they please with the fruits of their insurance policies. I do not ask for an answer to the question now, but I would like it to be borne in mind, because if the Treasury recognise that there may be some such hardship, it may be possible for some slight amendment to be made.

Sir K. Wood: Yes, Sir, I will certainly examine that.

Question, "That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Fourteenth Resolution read a Second time.

Motion made, and Question proposed, "That this House doth agree with the Committee in the said Resolution."

5.12 p.m.

Mr. Benson: I am not sure whether I am fully seized of what this Resolution means. I understand that a man is not to be allowed to put his air-raid insurance against his trading profits. I should like to ask the Chancellor why. It is a customary allowance to put the fire insurance of commercial premises against one's commercial profits and in making a quinquennial return for Schedule A, one is allowed to include a return for fire insurance. I do not see why a levy which is made upon certain forms of property—a levy which is by no means regarded with equanimity by those who have to pay it—should be put into a different category from fire insurance.

5.13 p.m.

Sir K. Wood: I am glad to inform the House of the reason for this and why it is very necessary and desirable. The Resolution before the House authorises legislation which would prohibit an allowance for any purpose of Income Tax for this year—we will deal with Excess Profits Tax in another Resolution—in 1940-41 and subsequent years on payments made in connection with certain war damage indemnity schemes. In Resolutions 17 and 18 we are taking a similar course in relation to Excess Profits Tax and National Defence Contribution. We had an examination of one of these cases some time ago and it was found that, in law, a company which had inaugurated a scheme of this character would be entitled, as far as payments were concerned, to deductions in compiling profits for Income Tax purposes. Automatically an allowance on deductions would be permissible on Excess Profits Tax. It is perfectly true, as the hon. Gentleman says, that unless we have legislation disallowing the contributions to these schemes as expenses for the purposes of taxation, the result would be that they would in fact be met very largely at the expense of the State. In the case of Excess Profits Tax of 100 per cent., there is nothing to prevent half a dozen people joining together and paying contributions as they wish and getting an allowance.

I am coming to the point which the hon. Gentleman made about fire insurance. No one could pretend that this kind of war indemnity insurance is an insurable risk at all of the character of fire insurance. The cost to the State of allowing such payments would be one which the Exchequer could not afford. An ordinary risk, like fire insurance, could be assessed, but a risk of this character, which the State itself could not undertake, beyond giving the undertaking this has been given, is obviously not a matter which could be put into the same category. In the case of Excess Profits Tax, the allowance of these payments would reduce the yield. It is, clearly, wrong that in the case of subscribers to these war-time schemes the State should not only provide a measure of compensation to all property owners, but should enable these particular persons to obtain additional compensation.

Mr. Benson: Am I to understand that this does not apply in any way to the Government scheme?

Sir K. Wood: No, Sir. It does not.

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Mr. Benson: In my innocence, I did not realise the " wangle " which was possible.

Question, " That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Fifteenth Resolution read a Second time.

5.18 p.m.

Sir K. Wood: I beg to move, in line 6, to leave out:

" (subject as mentioned in paragraph (*c*) of this Resolution.) ".

With permission, I will explain this Amendment together with the other Amendments to this Resolution, which stand in my name. I put down this Amendment in order to meet the important points which were made by my right hon. Friend the Member for East Edinburgh (Mr. Pethick-Lawrence) when the Budget was discussed. He made two requests. One was that sub-paragraph (ii) of paragraph (*c*) of the Resolution should be deleted. I propose to meet him on that. It is a very vital alteration in the procedure. As the House knows, there are two rates of tax proposed. It was originally proposed that if any variation in the tax on any class of articles were made by this or any other Government it would be made by the Treasury bringing forward an Order, which would, of course, be the subject of an affirmative Resolution of this House. My right hon. Friend objected to that course, and said, with great force, as I thought, that a proposal of that kind should not be initiated by the Treasury by Order and should not be subject merely to an affirmative Resolution of the House, but should be brought forward by special legislation or under the Finance Bill, as we are now doing in connection with this tax. I meet him quite cheerfully on that, appreciating the point that he has made, and I hope that in doing so I shall remove the fears of those who feel that some new rate of tax might be sprung upon them under this procedure. My right hon. Friend also said, as regards sub-paragraph (iii) of paragraph (*c*), that he would wish me to give an explanation of what changes would be contemplated by the use of this power. The Resolution gives power to remove any class of goods from one schedule to another, where that means subjecting it to a higher rate of tax, or

" for rendering the tax chargeable in the case of any goods at the basic rate in lieu of at the reduced rate or vice versa."

He said he did not think anyone would wish to pin the Treasury down to one schedule for all time, and that if the Chancellor of the Exchequer wanted to make only some technical change, while retaining the whole principle of differentiation, he would not object. I give an assurance at once that no radical change is contemplated under this provision. What we desire within that limitation is to have power to present an Order making changes which would relate only to goods in the same class, so that Parliament would not be confronted with an omnibus Order, of which they might approve in some respects and disapprove in others. In other words, changes of the nature proposed would be taken in a series of Orders, each of which would be subject to Parliamentary approval. These changes would not be put into force without an affirmative Resolution.

This, I suggest, is a convenient method of bringing about such minor changes as may be necessary, and while it retains for the Treasury full administrative convenience, Parliamentary authority is to be obtained before any substantive action is taken. We have taken care that nothing shall be put into operation as a result of such an Order until Parliament has given a definite affirmation by Resolution to the proposals. Moreover, this requirement will apply not only to any change which would involve the incorporation of any article or group of articles in the higher schedule, but to any change which would mean bringing articles into a lower schedule or providing for their complete exemption. It may be said that that is unnecessary when you are moving articles down. I do not take that view myself. In all those cases it is right that Parliament should approve the action proposed by the Treasury. I hope that my right hon. Friend will feel that I have met him fully.

5.26 p.m.

Mr. Pethick-Lawrence: Following the line of the Chancellor of the Exchequer, I shall, with the approval of the Chair, cover the whole range of Amendments, which, of course, are part of one scheme, concerning which the Chancellor has told us his plan. I should like to say, straight away, that I am most grateful to the

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[Mr. Pethick-Lawrence.]

Chancellor of the Exchequer, who has not at all quarrelled over my proposal but has, quite frankly, and, as I believe, quite sincerely, met us in what we propose. I accept his assurance with regard to the second of my proposals, and I wholeheartedly welcome his acceptance of the first. I believe that in these times, above all others, it is of supreme importance that the Executive should carry the House of Commons with them in any action they are taking. I do not believe that the Executive will lose anything in that process. If the House of Commons begins to feel at any time that the Executive are trying to score a point off them there will be friction, disagreement and trouble, and in the long run it will not inure to the swift conduct of business by the Executive.

These times are very different from ordinary times. The whole House and the whole country are determined to win the war. I think I said the other day that the end wills the means, and, in spite of the fact that we may not see eye to eye as to the precise way of doing this, we are all anxious to pull together to achieve the ultimate purpose. Therefore, I believe that the Chancellor, in meeting the proposals which I put forward, with the approval of my hon. Friends, is really not only working in the best interests of the country, but helping to solve his own troubles. He is making the House of Commons responsible for this tax, for its inception and for its alteration. I do not believe that any Government can hoodwink or wheedle the House of Commons into parting with its own power. Any Chancellor of the Exchequer who did succeed in rushing the House of Commons on such a point would lose by the reaction. I congratulate, as well as thank, the right hon. Gentleman for what he has done, and I certainly accept his assurance that paragraph (*c*) (iii), in its amended form, will not be used improperly. I take it that his assurance is binding upon him and his successors with regard to this matter.

5.30 p.m.

Mr. Denman (Leeds, Central): The two right hon. Gentlemen are to be congratulated upon the high measure of economy that they have achieved in the amendment of this Resolution, and I suggest that the whole House will join in the satisfaction that the powers of the House are undoubtedly more efficiently retained by this series of Amendments. At the same time there is some loss. There is the loss of speed of the imposition, and that may be serious in permitting a certain amount of forestalling. It is all very well for the Chancellor of the Exchequer to assert that he can discourage forestalling, but, in point of fact, if at some future time it is known that there is to be an increase of, say, 10 per cent. in the volume of this tax, you cannot prevent the public from increasing their purchases from retailers, and you cannot then prevent retailers from going to wholesalers and asking for rather larger quantities than normally.

Mr. Pethick-Lawrence: Does the hon. Gentleman really quite understand how this will work? The effect of the Amendment which the Chancellor of the Exchequer has accepted, and to which he has put his name, will put an increase of the Purchase Tax on precisely the same footing as an increase of the Tobacco Duty.

Mr. Denman: No.

Mr. Pethick-Lawrence: It is precisely the same position. The hon. Gentleman says, "No." The Chancellor of the Exchequer, in some future Budget, can propose an increase in the Purchase Tax. I hope that he will not, but he could do so. It would be within the power of the Treasury to make an order, and the House of Commons, by Resolution, could put it on when it was not subject to the proposal being carried through the Finance Bill.

Mr. Denman: The right hon. Gentleman has anticipated my argument and compels me to differ from him completely on a pure point of fact. I was going to assert that he could not deal with the Purchase Tax as he could with the Tobacco Duty, and similar taxes, by making it operative under the Provisional Collection of Taxes Act, because that Act is specifically confined to certain definite taxes—those of Customs and Excise and Inland Revenue and Income Tax. The Purchase Tax does not come into it, and I was going to suggest to my right hon. Friend, as a way out of that difficulty, that he should introduce a Clause that would apply the Provisional Collection of Taxes Act to the Purchase Tax, or would incorporate the

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Purchase Tax into the taxes which can be dealt with under that Act. That, I think, would be a complete answer to the assertion that the tax would not otherwise be leviable, and, when all the procedure of the Finance Bill had been gone through, it would enable a regrettable amount of forestalling to take place, and I have made this suggestion to my right hon. Friend as a simple way of getting over the difficulty.

Sir K. Wood: I will certainly consider that point.

Amendment agreed to.

Further Amendment made: In line 13, leave out sub-paragraph (ii).—[*Sir K. Wood.*]

Mr. Deputy-Speaker (Sir Dennis Herbert): Does the right hon. Gentleman the Member for East Edinburgh (Mr. Pethick-Lawrence) wish to move the next Amendment on the Order Paper in his name—in line 15, to leave out sub-paragraph (iii)?

Mr. Pethick-Lawrence: In view of the promise of the Chancellor of the Exchequer, I do not propose to move it.

Further Amendments made:

In line 20, leave out " for increasing the rate of the tax."—[*Sir K. Wood.*]

In line 21, after " chargeable," insert:

" or directing that the tax shall cease to be chargeable in respect of goods of any class."

In line 22, after " reduced rate," insert " or vice versa."—[*Sir K. Wood.*]

Motion made, and Question proposed, " That this House doth agree with the Committee in the said Resolution, as amended."

5.36 p.m.

Mr. Isaacs (Southwark, North): I want to ask the Chancellor of the Exchequer whether he will give early consideration to the proposal for taxing printed matter, and there are one or two points that I would like to put to him. I am not concerned so much with books as with the question of newspapers, periodicals and commercial printing. I do not intend to make an emotional or educational appeal but to submit to him an economic and practical view. The printing industry is going through an unprecedented state of unemployment. The number of people unemployed in the industry is very considerable, and very famous firms have had to close down, and many others are on the point of closing down. We are not only suffering from the general depression of trade, but there is also the paper shortage, and the paper supply question which is injuring us vitally. We have not yet felt the full effect of that, as many firms still have supplies of paper. In spite of the calling-up of our people for war service, and the numbers who are going on to munitions, the figures of unemployment in the trade union are mounting rapidly.

I would ask the Chancellor of the Exchequer to consider that newspapers are essential in spite of the B.B.C. announcement of news. In fact we are a little anxious that if people go without their newspapers now and listen to news on the B.B.C., they might lose the newspaper habit, which would become very serious for those people who have invested themselves and their industry in this trade. Magazines and periodicals were a blessing last winter in the blackout and they will be so again. We have heard something about taxing the living theatre—and I do not know the difference between the living and the dead theatre —and if people have to stop at home they will want reading matter, and I ask that consideration be given to the position of magazines and periodicals. General and commercial printing is suffering also because the industry has to pay a tax on the paper it purchases and on the ink which it puts upon the paper. It also pays a tax on type, which perhaps is not so very important because type can be used over and over again. There is also the question of the effect of the Purchase Tax generally upon advertising. Magazines and newspapers can only be produced at present prices because of the income derived from advertising, and if there is to be an attempt—which no one is grumbling about—to reduce the purchases of the people there will not be any encouragement to advertisers.

Then comes the practical side. Newspapers are a penny each. How is the tax to be levied on that penny. The wholesale price is about ¾d., which means that about one-eighth of a penny will be the tax, and probably the newspaper will be sold at 1½d. The newspapers with large resources may say that they will not pass the tax on to the consumer and will pay it themselves, but other papers——

Mr. Deputy-Speaker: The hon. Member is now getting outside the terms of this

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[Mr. Deputy-Speaker.]
Resolution. This is rather a matter of machinery, and the hon. Member will have his chance of talking on the Finance Bill. I might call his attention to the fact that he is only assuming that it is intended to tax newspapers, but the Resolution does not say so.

Mr. Isaacs: I am not fully acquainted with the rules and procedure of the House, and I will not pursue this matter further except to say that a tax on this commodity will hit a certain section of the community very hard. By Government order no returns of newspapers are permitted and therefore a newsagent or street seller has to buy as many newspapers as he can sell, and I am afraid that many of these people are their own best customers in that they have to buy newspapers which they cannot send back. In that case they would have not only to pay the tax but to buy the papers as well. I ask the Chancellor of the Exchequer earnestly to consider the question of this tax because of the hardship it will impose upon these people.

Mr. Denville (Newcastle-on-Tyne, Central): I do not know whether I shall be in order at this stage in referring to the Entertainment Duty? If I am not, I have nothing further to say.

Mr. Deputy-Speaker: Most certainly not.

Mr. Denville: Then I will leave it to a future day.

5.41 p.m.

Mr. Lewis: I should like to take the opportunity of congratulating the Chancellor of the Exchequer in first dealing with this tax in face of considerable discouragement in certain quarters. I regard the tax as of the greatest importance because it gives the Chancellor of the Exchequer a weapon against the increasing danger of inflation. I do not think that it is commonly realised how great that danger is, and that, partly because of the Government's own policy. For example, we were told yesterday by the Chancellor of the Exchequer that a sum of £53,000,000 a year has been spent in artificially keeping down the price of those articles of food that come within the cost-of-living index. I am not for a moment objecting to that process, but merely pointing out that it has the effect to a great extent of concealing from the public the inflationary tendency which is actually taking place to-day. I believe that in this tax the Chancellor of the Exchequer has a very useful weapon in reply to this tendency. The effect of the tax must be twofold. First, it will, I believe and hope, result in diverting a good deal of fresh purchasing power into the form of loans to the Government instead of that power being exercised in the markets to buy goods. In so far as it fails to do that it will, in respect of the purchases, bring in, by taxation, a very useful sum for the Exchequer. It seems to me that on these grounds, and in regard to the situation in which we find ourselves to-day, greatly increased purchasing power is being manufactured by the Government, and this tax is one which might whole-heartedly be commended.

5.44 p.m.

Mr. Naylor: I have just heard your decision, Mr. Deputy Speaker, with regard to the purpose of this Resolution and the extent to which Members may be allowed to speak upon it. You mentioned that there would be a further opportunity to speak on the question of the tax on newspapers and books when the question of machinery came under consideration. I am subject to your Ruling, but I would like to make this statement because it seems to me to be within the terms of your prescription. I want to mention a remark used by the Chancellor of the Exchequer on this question when introducing the Budget. I am aware that he has these matters under consideration, and I do not want to anticipate any future discussion that may take place in this House on this question. Having made that statement, I would like to take the opportunity, if I am within your Ruling, Sir, to appeal from Caesar unto Caesar. He mentioned, in introducing the Budget, in respect of this particular part of it, that he was prepared to make exceptions, and one of the exceptions that he mentioned was agricultural machinery, the reason for the exception being that such machinery was used in the production of food and therefore it was undesirable to impose a tax that would be likely to increase the price of food.

May I suggest to him that when he comes to consider the further stages of

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the Bill he will also remember that whereas the production of food for the body is most important, especially to the working population, food for the mind is no less important and ought to have equal consideration? The Chancellor also mentioned medicine, and the argument he used for excepting it was that it was a recurring charge. One cannot buy a bottle of medicine and expect to be cured the next day. The Chancellor assumed that an invalid would be constantly spending money on remedies of one kind or another and, therefore, that it would be unfair to expect an invalid in these circumstances to continue paying this tax because he would be continually buying medicine. May I draw a moral from that argument in respect to newspapers? Newspapers are now a necessity—I hope the Chancellor will not disagree with that statement—and a recurring necessity. When a newspaper is bought it does not serve its purpose for the one and only time. Men and women buy newspapers every day, sometimes two newspapers. In view of what the Chancellor has said about the recurring charges in respect of medicine, he ought to count recurring charges in respect of newspapers. I feel that I have sailed very close to the wind in saying this, but at the same time I think I have given the Chancellor an opportunity of making good where it is necessary.

5.47 p.m.

Mr. Woods (Finsbury): I would like to make an appeal to the Chancellor on the ground that commodities used week after week should be taken into special consideration. I do not know what will happen to soap; I am naturally interested in cleanliness as coming next to Godliness, and there is a number of cleaning materials of that kind and other commodities which are vital to a well-kept home, whether it is a palace or a working-class tenement. An hon. Gentleman opposite referred to inflation, and I am not very happy, nor, I think, can the Chancellor be happy, with regard to this question. It will definitely cause a substantial increase in the cost of living, which will mean that a considerable percentage of the population, because their wage rates are adjusted by the cost of living, will demand a further increase in wages. As the Government are by far the largest employers of labour, directly or indirectly, it seems to me that unless there is discrimination with regard to the materials vital to a decent home, they will be in the position of having to increase their own wages bill, because they have raised so much taxation as the result of this tax. That is inflation, or the vicious spiral. The Chancellor has already, in a modification of the past Bill, recognised children's clothing. There is a considerable drain on the Exchequer for the pegging down of prices of essential foods, but man does not live by bread alone. There are other items which are vital to working-class and other homes and which increase the cost of living.

I would like the Chancellor to consider the position of the old age pensioner who, having been given an increase, responds to it by being patriotic and gives away his aluminium frying pan, only to find he will have to pay double the price for another. The old age pensioner and anybody with a very limited fixed income would have the legitimate grievance that they have been deceived. They would feel that they had been given something with one hand and that something else had been taken away from them with another. We all appreciate that there is a genuine desire, throughout the length and breadth of the land, that the war should be paid for, so far as possible, out of current revenue. I believe the majority of people are prepared to do their bit, but while that is so, I also think that there is an overwhelming desire that those who are in a position to pay should pay. We feel that there is a big margin on luxuries. Food, at the present time, is being pegged down, and if there is to be any loss to the Exchequer through recognition of the votal necessity of pegging down the cost of living, then those in a position to pay 5s. 6d., 7s. 6d. or 10s. 6d. for a meal should pay. That is definitely a wasteful luxury. I appeal to the Chancellor to consider the mass of the people who are in no position to increase their standard of living. Many are living at rock bottom, and many are earning wages of £3 per week in the Civil Defence services. There should be full recognition of these people, many of whom could get a far higher rate if they transferred to other services. It would be an injustice to them to increase the

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[Mr. Woods.]

cost of living, because it would mean they would have to reduce their standard of life.

5.49 p.m.

Mr. David Adams (Consett): I should like to add my protest against the commodities tax. The Budget has undoubtedly presented several novel features, but this is a novel feature of the worst possible character. I am satisfied that a luxury tax is, of course, desirable from every point of view, but a commodity tax is a novel method of indirect taxation which will largely fall on the poorer section of the community. When one observes what it covers it is worth mentioning to the House. It covers clothing, boots and shoes other than children's boots, kettles, cups and saucers, earthenware, domestic brooms and brushes, certain medicines and drugs, newspapers, periodicals and books. These items represent over 12 per cent. of the cost-of-living index. Surely when there were other directions in which the Chancellor could have turned, this direction should not have been approached. I have always held that we should be in a better position to fight our enemies if, at the beginning of the war, we had deliberately raised the standard of life of the lower paid section of the community. It is the height of folly for a great nation at any time to be maintaining its population by adopting methods of charity. Here, in the face of this, we have the Chancellor of the Exchequer adopting a tax which will add to the burdens of the already indirectly taxed section of the community.

The burden of the new tax will also fall on municipalities. They are large spenders, and to find a tax of 12 per cent. suddenly imposed upon retail, not wholesale, prices will mean an added burden. The Chancellor has advised us that this year the tax will bring in £40,000,000 and in a full year £110,000,000. What proportion of the tax is borne by luxuries and what proportion by necessities? It would be interesting if the Chancellor could give us that information. One can easily see that the luxury trades will diminish in the process of time, probably very substantially, but the commodity tax cannot diminish, because it is based on the imperious necessities of the workers of the country. The Chancellor, I know, is large-hearted, and the Government have pinned down the cost of foodstuffs in order not to add to the disabilities of the industrial workers. Perhaps the right hon. Gentleman can take this into still further consideration. It is quite obvious that this principle has been introduced specifically for taxation at the source and that it gives an opportunity to the Chancellor to turn his attention in the direction from which all taxation ought to come, namely, Income Tax. Money could have been raised by a graduated tax upon incomes. In certain American States there is a Stamp Duty, and such a tax would have been better than this general tax on the commodities of the people. The Stamp Duty is applied only in certain directions, but if properly applied and graduated, it would bring in a substantial sum from year to year—well in excess of £110,000,000 in a full year.

The tax on newspapers is obviously also a reactionary tax. One may talk about a tax on knowledge, but to-day the average newspaper does convey a great deal of knowledge to the community. How the Chancellor will work this tax one scarcely knows, and how newspapers will be able to meet the additional burden will be very difficult to tell. To a newspaper costing a penny it will add one-ninth of a penny, and to a newspaper costing three-halfpence it will add three-sixteenths of a penny. The retail trade will have to bear the burden unless there is added an additional halfpenny or more in every case. Under the " no returns " scheme which has been introduced since the war, the retailer will have to shoulder the burden of the tax upon unsold newspapers due to the late running of trains, air raids and a diversity of other reasons. No doubt this tax and the tax upon books will have a tendency to curtail a vital service which is helping to maintain the morale of our people, and we ask the Chancellor of the Exchequer to look into the commodity side of this Purchase Tax to see whether it is not possible to mitigate the tax upon articles bought by the poorer sections of the community and to increase it in other directions in order that the yield may not be diminished. There will be an opportunity on the Finance Bill to consider the Stamp Duty which is in operation in certain States in America, and which is said to work remarkably well and to eliminate the burden upon the lowest paid section of the community.

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6.2 p.m.

Mr. W. H. Green (Deptford): I feel certain that in opposing this tax and in supporting the Amendment——

Mr. Deputy-Speaker: The hon. Member may be under some misapprehension; we are not discussing any Amendment. The Question is, " That this House doth agree with the Committee in this (the 15th) Resolution."

Mr. Green: I am sorry. I feel that I am voicing the views of very many millions of co-operators in opposing this tax and the Resolution embodying it. I believe it is the one part of the Budget to which millions of working people take serious exception. The bulk of the people are prepared to pay to the point of sacrifice in order that the war may be successfully prosecuted, but millions of people will feel that this tax is just the wrong way of doing it. Many of us object altogether to an increase in indirect taxation in any form. We think it a most objectionable form of taxation. Some of us would much prefer to see a graduated Income Tax under which the smallest wage earner and the very richest would pay proportionately. Everyone would know exactly what he would pay and would know the contribution that he was making towards the war effort. This Sales Tax was advocated originally as something which many of our Colonies and other countries had accepted, but those who speak for the workers in those countries are not so enamoured of it as we were led to suppose. I rather prefer to think that the words of Professor Dewey are nearer the truth when he said, " The Sales Tax is Governmental blackmail on hunger and small earned incomes." That is the point of view which many of us take. We believe it to be a tax which increases as income decreases, at least in its effect upon the people who pay it.

We have have a great appeal made recently for the sacrifice of aluminium pots and pans. I wonder whether we have not, viewing it in the light of this tax, been exploiting the people's generosity, because obviously it means that people who have sacrificed them will have to replace them, and the Chancellor says, " As you were generous enough to surrender what you had, and you have to replace it, I will put on a sales tax." That is really exploiting in a very unworthy way the generosity of an enormous number of our people. The tax will hit the poorer sections of the community as well as the others on every article which is usable in the household, and the contribution of the poorest households will be incalculable. I am wondering what is to happen to those who are thinking of getting married. I have read to-day that there is a rush to the altar in order to escape this tax. It will fall very heavily on those who have to purchase homes. Anyone buying a piano, for instance, will be making a heavy contribution to the national effort. The same thing applies to bedroom and living-room suites. Further, a great many people have evacuated, and it has been found necessary, and will become increasingly necessary, for those founding new homes to purchase a number of things which otherwise they would not have to buy. The very fact of evacuation has been a serious strain on them and you are going to penalise them further. Every article that they will need has to bear this tax. I am not sure that that has been taken into account.

We are all expecting a mighty bombardment and incendiary bombs will play a pretty big part. Many homes will lose a good deal of their furniture by fire. That is not a fancy picture. It might reasonably happen to-night, and thousands of homes might be denuded of the main article of their furniture. They will have to be replaced, and I am not sure that the victims will be too generous in their blessings of the Chancellor for imposing the tax. Some of us object to the method of collection. I should much prefer to see every customer who went into a shop pay, on a stamp which the man or woman behind the counter would furnish, the actual amount of the tax. That would be much more satisfactory than making the wholesaler pay. I should like to ask what is to happen to the man, not in a big way, who has to purchase his stock wholesale and may have it on his hands for months or even a year or more. He has paid the tax on it, has not sold the goods and has lost his interest for 12 months. That is very unfair. I have great sympathy, too, with the poorer housewife who has to buy cotton, needles, buttons and odds and ends. They appear trivial to us, but they are far from trivial to the housewife, who

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[Mr. Green.]

has a job, even on her husband's war money, to make ends meet, and the wife whose husband is fighting will have increasing difficulty in finding the money to purchase these odds and ends which will have the tax placed upon them. The working-class mother often makes clothes for herself and her children, she finds it more economical than purchasing ready-made goods. If she buys the cloth to make up a garment, she pays the full tax. If she purchases the ready-made article, she is subject to only half the tax. You are striking a blow at a very admirable feature of working-class home life.

One could go on instancing cases in which the tax bears hardly upon working people. I have not great hopes at this late hour that we shall convert the Chancellor. I thought that public opinion had killed the Purchase Tax, but it came forward again under another cloak. Some people who may not know the ins and outs of the working of the tax may think that the Chancellor discarded the old tax and brought in a new one, but it is exactly the same except for the exclusion of children's boots and certain articles of clothing. It is a paltry way of dealing with the immense question of raising money for the war. It is not worthy of a great nation. We have to find the money, but a Chancellor of resource and vision and new ideas, not absolutely shackled to the old conventional methods of Budget making, would in this stage of our extremity have found some more worthy method of taxation than going down into the homes of the people and taxing every commodity they use. I would far rather go to the working man at the end of the week and say, "You have earned £3 and I am going to claim 3s." He would know what he was paying. In this case he will pay more and will feel very dissatisfied in paying it.

6.13 p.m.

Mr. Gallacher (Fife, West): I should like to draw attention to something which has not so far been mentioned. The first casualty in the war was education. Schools closed down, and all kinds of education were affected. Surely everything should be done to encourage books, magazines and reading. I would also ask the House to remember that when the Nazis came into power they burnt the books. I should like to make an offer to the Chancellor, an offer which I am very reluctant to make. If he will agree to exclude books, magazines, newspapers, furniture, household utensils, boots, shoes and clothing from the tax, I will seriously consider supporting it.

Question, "That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Sixteenth and Seventeenth Resolutions agreed to.

REPORT [25TH JULY].

Resolution reported:

NATIONAL DEFENCE CONTRIBUTIONS.

"That the law relating to the National Defence Contribution be amended (as respects all accounting periods beginning on or after the first day of April, nineteen hundred and thirty-nine, and so much of any accounting period beginning before that date as falls on or after that date) so as to disallow deductions in certain cases in respect of interest, annuities and annual payments, and in respect of payments under certain contracts or arrangements relating to indemnification in respect of war damage."

Resolution read a Second time.

Motion made, and Question, "That this House doth agree with the Committee in the said Resolution," put, and agreed to.

Bill ordered to be brought in upon the said Resolutions by the Chairman of Ways and Means, the Chancellor of the Exchequer, and Captain Crookshank.

FINANCE (NO. 2) BILL,

"to increase certain duties of Customs and Excise; to increase the standard rate of Income Tax for the year 1940-41 and the higher rates of Income Tax for the year 1939-40; to make certain amendments in the enactments relating to Income Tax, National Defence Contribution and Excess Profits Tax; to increase the rates of Estate Duty; to impose a Purchase Tax; and for purposes connected with the matters aforesaid," presented accordingly, and read the First time; to be read a Second time To-morrow, and to be printed. [Bill 77.]

EMERGENCY POWERS (DEFENCE) ACT, 1939.

6.18 p.m.

Mr. Silverman (Nelson and Colne): I beg to move:

"That an humble Address be presented to His Majesty praying that the Order-in-Council amending the Defence (General) Regulations,

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dated 29th May, 1940, a copy of which was presented to this House on 4th June, be annulled."

The House will appreciate that the only method by which it may express disapproval of any Regulation under the Act, or unwillingness that any Regulation shall be operative, is by moving a Prayer, and it follows that it is necessary to move a Prayer against the whole of the Regulations published on a given date in a particular way. I propose to direct my arguments in support of this Prayer specifically to Regulation 2D, and consequently, 94B. I invite hon. Members to give serious attention to this new Regulation, because unless I am very greatly mistaken, its effect will be to put the Minister of Home Security in a position by no means inferior, as regards the scope of his powers over newspapers, to that occupied by the distinguished Dr. Goebbels in Germany. That Regulation, in the hands of an unscrupulous Government or Minister—I do not say that the present Minister is unscrupulous, but one has to judge Regulations by the powers which they give and not by the use made of them by a particular Minister or Government at a particular time—would enable the executive to prevent the expression of any kind of opinion in any newspaper. One has only to look at the wording of the Regulation to see that that is by no means an exaggerated claim concerning the scope of the authority given. It reads:

"If the Secretary of State is satisfied "—

that is the only condition—

"that there is, in any newspaper, a systematic publication of matter which is, in his opinion, calculated to foment opposition to the prosecution to a successful issue of any war in which His Majesty is engaged, he may by order apply the provisions of this Regulation to that newspaper."

If he does so, it follows that,

"No person shall print, publish or distribute or be in any way concerned in the printing, publication or distribution of any newspaper to which this Regulation applies."

In order to make quite certain that the newspaper or the persons associated with it shall not escape, the Regulation goes on to provide that:

"An order of the Secretary of State under this Regulation specifying a newspaper by name shall have effect not only with respect to any newspaper published under that name, but with respect to any newspaper published under any other name if the publication thereof is in any respect in continuation of, or in substitution for, the publication of the newspaper named in the order."

It is clear that, as soon as the Minister is satisfied—and he is satisfied as soon as he says he is—that there is, in any newspaper, a systematic publication of matter which is, in his opinion, calculated to have the effect set out in the Regulation, he can stop that newspaper appearing, or being continued, or having its place taken by some other newspaper. Those are very drastic powers. It is not as though there were any kind of review of or check on the Minister's opinion. [*Interruption.*] I hear signs of approval in not unexpected quarters, but those quarters appear to approve—and I do not say they are wrong—of the particular Government and Minister. Those who are inclined on that ground to give these entirely unlimited and unrestricted powers to the executive must bear in mind that the time may come—indeed, that the time will come—when other Governments may be in power and other Ministers may have these powers reposed in them. I feel sure that those who at this time and in these circumstances approve of these unlimited powers being vested in this Minister and in this Government will agree that it might be undesirable at other times and in other circumstances, with other Governments and other Ministers, to give these same unrestricted powers to the Secretary of State to prevent, by his mere *ipse dixit*, the publication of a newspaper.

We are living in extremely dangerous times in which no doubt exceptional powers have to be vested in the executive, and where those exceptional powers are necessary, I do not know that anyone would grudge them or hesitate to afford them, but before agreeing to give a completely unlimited power of this sort, surely it is worth while examining what powers the Secretary of State already had and what use he made of them. If he can show that the evil to be dealt with by this Regulation is something which his existing powers are inadequate to control, then he begins to make out his case; I do not say that he entirely makes out his case, because important points of principle still remain, but he does not begin to make out his case for so drastic and authoritarian a power as this until he is in a position to satisfy the House, which is jealous of our liberties even in these times, that the powers which he already

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had were insufficient. What powers did he have before he sought the powers under Regulation 2B? What he wants to prevent is the systematic publication of matter calculated to foment opposition to the prosecution to a successful issue of the war. He had, first of all, Regulation 2A. A systematic endeavour to foment opposition to the successful prosecution of the war would undoubtedly be

"an act likely to assist the enemy or prejudice the public safety or the defence of the Realm or the efficient prosecution of the war."

Regulation 2A provides that if any person commits such an act, he shall be liable on conviction on indictment to penal servitude for life. I do not think the right hon. Gentleman will claim that the systematic fomenting of opposition to the successful prosecution of the war is not an act likely to prejudice the efficient prosecution of the war, and if it is that, it is an offence against Regulation 2A, and the offender on conviction on indictment is liable to penal servitude for life. But that is not the whole of the Secretary of State's powers; it is only the beginning. Regulation 2C is specifically directed to the Press; it deals with the corruption of public morale, and it has language which is very like the language of Regulation 2D. If it appears to the Secretary of State that any person is concerned in the systematic publication of matter which is, in the opinion of the Secretary of State, calculated to foment opposition to the prosecution to a successful conclusion of the war, and that serious mischief may be caused—and one may imagine that serious mischief would undoubtedly follow such an attempt—the Secretary of State may, without going to any authority, without the leave of any court, without being subject to any appeal to the courts or to any check or control of any kind, serve a warning upon the person offending.

What follows upon that warning? If anyone, after such a notice has been served upon him, continues to publish matter—not necessarily matter which was the subject of a warning, but any matter calculated to foment opposition—he then commits an offence for which he is liable to penal servitude for a term not exceeding seven years, or a fine not exceeding £500, or both. But there is a saving clause, that the man upon whom notice has been served, and who is then charged with committing an act after the warning, may prove, if he can, certain defences in court which would be an excuse. It might be said that that is all very well, and that that gives the Secretary of State power only to attack the individual offender, whereas the important thing is to control the printing press and the organisation. There is some force in that argument; but under Regulation 94A he has complete power, where an offence has been committed under Regulation 2C, to prohibit the use of that press unless the owner of it can satisfy the High Court that the use of the press ought to be continued.

This seems to me, and I hope it will seem to the House, to be ample power to prevent the mischief aimed at in the Regulations that I am attacking. But they all have what is to my mind a saving grace, but which appears to the Secretary of State to be a fatal flaw, namely, that the offender, or man charged with an offence, has his right of appeal to the court. Even then the Home Secretary does not have to prove that his original warning was justified. He merely has to prove that the warning was given, and if, after that warning, an offence is committed and matter is published—I repeat, matter which is not the subject of the warning but any matter calculated to foment opposition to the war—he has his action and the man has his defence. Under Regulation 2D, it will be found that there are no more powers conferred on the Secretary of State than there were before. He cannot interfere with anything with which he could not interfere before; but there is the vital difference that he becomes the sole judge in his own case, and that what was before a judicial matter becomes an executive act. I suppose the House would agree in its present mood even to that if they were satisfied of the necessity, but I suggest that they will not be satisfied with the necessity unless the right hon. Gentleman is able to satisfy them that the powers which he already has, which, as I have shown, are very drastic powers indeed, are inadequate. May I ask, since Regulation 2C and Regulation 94A became the law of the land, on how many occasions the right hon. Gentleman has served a warning under Section 2C, and will he then tell us

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on how many of those instances the warning has not been accepted and it has been necessary to prosecute the person warned for a continued offence?

If the answer to the first or to the second part of this question is that there have been few warnings or none, and that there have been few prosecutions or none, then I invite the House to infer that the evil must be small and not big. Armed with drastic powers to meet a deep-seated mischief, the Home Secretary would not have exhausted all the powers he had in an endeavour to remove that mischief if in fact he had used these powers but little. I think it is a reasonable inference that the mischief is a small one. Such a conclusion would be fortified and strengthened by the common experience of every Member of this House. I look in vain everywhere in the country for systematic publications with intent to assist the enemy or prevent the successful prosecution of the war.

Mr. Thurtle (Shoreditch): What about the " Daily Worker "?

Mr. Silverman: I am not an habitual reader of the " Daily Worker." It is months since I saw one; but take that as an instance. I suppose that if such a thing were to be found at all, it would be a likely place to look for it.

Mr. Lipson (Cheltenham): How does the hon. Member reconcile the fact that he has looked in vain when he says he has not seen a " Daily Worker "?

Mr. Silverman: I should have thought, remembering the size and circulation of the " Daily Worker," that if you are thinking of papers or publications likely seriously to affect the mind of this country in the prosecution of the war, you would look at a lot of other papers before you considered what effect this publication was having on anyone. It may be that the hon. Member is right, and that I looked in the wrong quarter. Let me accept that for the moment. Supposing it be so, I do not know whether there have been, or is now, or will be, in the " Daily Worker," systematic publication of matter calculated to offend against these Regulations. Let me ask the right hon. Gentleman. Has he prosecuted, and, if so, how many times? The point I am making is that until he has exhausted the powers which he now has, he is not entitled to come to this House and ask for additional powers when those additional powers are unlimited. I ask the House to deduce from the fact that he has exercised these powers but little, that the mischief is a small one, and such a conclusion would be supported by the common experience of us all. The morale of this country is good and it is high, and there is no widespread, systematic publication of matter in newspapers calculated to prevent us carrying on the war to a successful conclusion. But if there is, then I ask the Home Secretary again what use he has made of the very drastic powers which he already has. If they have proved inadequate, let him come and ask for more, but if he has not used them, and if the reason is that it is not necessary to use them at all, I ask him what claim he has to unlimited powers of this kind which give him, as I said before, complete power over the whole Press of the country, and place him in a position no whit inferior to that of Dr. Goebbels in the control of newspapers.

I have made my point. I think that we are all convinced that the war that we are fighting is a war of ideas and a war of principles. There are some exceptions to that, but I think it is the prevailing view in this country and in this House. If we are not fighting for that, what are we fighting for?

Rear-Admiral Beamish (Lewes): We are fighting against Germany.

Mr. Silverman: The hon. and gallant Member may be fighting against Germany, but let me assure him that I and a great many Members of this House are not. We are fighting against a corrupt gangsterism which has enthralled Germany and threatens to enthrall Europe.

Mr. McKie (Galloway): Is the hon. Member aware that five times in the last 80 years Germany has challenged Europe?

Mr. Silverman: The hon. Member must not seek to divert me.

Mr. McKie: I asked a question.

Mr. Silverman: I am sure the hon. Member realises that to answer that question I should be taken into a very much wider discussion than the one upon which the House is now engaged. However, I

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[Mr. Silverman.]
can answer him in one sentence if he will not press me for details. I say that it is simply not true that on the five occasions to which he referred, or at any rate on four, that Germany bears the whole responsibility for what occurred. Certainly not, and there is not a Member of this House who does not believe that that is true.

Mr. Pickthorn (Cambridge University): It never could be.

Mr. Silverman: From my point of view, and from the point of view of almost everyone in this House and in the country as a whole, this is a war of ideas. It does not seem to me that you can win a war of ideas if you put Colonel Blimp in sole charge, and it does not seem to me that you can win a war of ideas if you allow the position of authority to be exercised by people who have not grasped what an idea is. When one considers some recent acts of the Executive, the Special Courts Bill, with which we were dealing a few weeks ago, where important concessions and obvious elementary concessions were wrung with extreme reluctance from a Government fighting every inch in a rearguard action to the bitter end, and when one considers the perfectly deplorable alien policy, and a great many other things with which I will not delay the House, one really is alarmed to consider whether the Government really appreciate the forces that are on their side. Liberty does count. Who would sacrifice one jot or tittle except at the inexorable price which we have to pay to maintain the rest? I say to the Home Secretary that we ought to reconsider this Regulation, and that he ought not to seek dictatorial powers of this kind which may be exercised by other Governments and other Ministers in other circumstances, unless he is satisfied himself and can satisfy this House that only powers of this kind, subject to no appeal, subject to no review, subject to no check or control, are necessary to him; and he cannot do that until the powers which he had, without these arbitrary powers, were proved inadequate in their use.

6.45 p.m.

Commander King-Hall (Ormskirk): I beg to second the Motion.

I understand that it is necessary to pray for the removal of the whole of this Order, but the only parts to which I wish to address my remarks are Regulations 2D and 94B. I think that there will be general agreement, whether we like the Regulations or not, that they go very far in touching the liberty of the Press. I hope I shall have the whole House with me when I say that the question of the liberty of the Press must always be of considerable concern to the House of Commons. In fact, in my opinion, it must come only second to the liberties of the House itself, because they are to some extent inextricably intertwined. These Regulations, as the hon. Member for Nelson and Colne (Mr. Silverman) has pointed out, are of a far-reaching character and replace in a sense the existing Regulations 94A and 2C. If one examines the new Regulations, one sees that the gist of the matter is that it is intended to deal with a publication which systematically publishes matter which jeopardises the successful issue of any war in which His Majesty may be engaged. I find it difficult to see how one can define those all-important words " the successful issue of any war."

To give a concrete example, I will take the case of the war in which we are engaged against Italy. I do not think I shall be accused of being a friend of dictatorial methods, but my conception of what is a successful issue of the war against Italy would go a good deal further than the conception in the minds of some other Members. There is the practical question, for instance, as to whether the successful issue of the war against Italy involves the restoration of Ethiopian independence. That being the case, I find great difficulty in seeing the necessity for Regulations of this character which leave to the decision of one man, the Home Secretary, however wise, humane and far-seeing he may be, the decision as to what is or what is not to constitute a successful issue to the war. He may, indeed, change his opinion in this matter as the war proceeds. Under the new Regulations which we are now praying to be annulled there is no appeal whatever against his decision in that matter. In the present Regulations the Secretary of State has to give a warning and has to go to the courts.

Frankly, I do not understand why the existing Regulations are not enough, and I say that, not in any degree to make a

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debating point, but with a desire for information. That is the point which is worrying me about this business. I do not know why the existing Regulations are not adequate, especially in view of the fact that, so far as I am aware, there has been only one case. A warning was issued to the "Daily Worker," which I take it was issued under Regulations 2B and 94A, and it was not followed by prosecution. If the Secretary of State can tell us that he fears that between the warning and the prosecution the period will be such that matter prejudicial to the successful conclusion of the war might be published, that is the only possible weakness I can see in the present Regulations. I am certain that the whole House are anxious that the Executive shall have every weapon they can possibly need in order to wage this war, but it is the duty of the House to make sure that we do not place in the hands of the Executive weapons by which they can take action which might even hamper the war effort.

I believe that the most important asset we have in what I think is a war of ideas —and I do not believe there is much difference between those who think it is a war of ideas and those who think it is a war to defend our lives—is the national spirit of unity. It is vital that we should maintain that unity, and I am certain that as the war begins to go against the enemy in a material sense every possible effort will be made to drive a wedge into the national unity which now exists in this country. I therefore beg the Home Secretary to remember, when he is asking for powers of this exceptional character, that on the other side of the balance sheet they might give rise to some degree of disunity by detaching those who feel quite sincerely that Regulations of this kind and these enormous powers over the liberties of the Press can be justified only if it can be clearly shown that they are essential for the successful waging of the war. I beg him to remember what happened in France, and I ask him whether he has studied, or whether his officials have put before him, the regulations which existed in France for the control of the Press in the first eight or nine months of the war. I was personally acquainted with some of the leading French journalists like Pertinax and others, who could not be accused of being friends of Germany, and they were warning me as long ago as November and December last year of the really dangerous situation due to the fact that not only was the French Press compulsorily censored from the point of view of military secrets and so forth, but that it was impossible to make the mildest political comments in the French Press. I believe that that had a great deal to do with concealing various matters from the French people, thus leading to their unfortunate collapse. I hope that my right hon. Friend will be able to satisfy me that it is really necessary to have these new powers and that the existing powers are not adequate for his purpose.

6.53 p.m.

Mr. Glenvil Hall (Colne Valley): The two speeches we have just heard have covered the ground fairly completely, and there is little left for subsequent speakers to do except to underline one or two points. I agree with the hon. and gallant Member for Ormskirk (Commander King-Hall) when he said that every Member of the House was only too anxious to give the Government all the powers that might be necessary to help this country to wage the war with the utmost speed and with the least sabotage, from whatever quarter it might come, so that we can at the earliest possible moment win the war for liberty, freedom and democracy. For the life of me, however, I cannot see how the alteration to Regulation 2C helps in that fight. As I see it, the real objection to 2D is that it takes away the saving words of warning in 2C. There are in 2C words which provide that the Home Secretary can give a warning to the editor of a newspaper which had come under his unfavourable observation. Under 2D that warning is to be done away with. I see no reason for doing away with it in the light of the fact that the new Regulation still provides against the systematic publication of matter to which objection is taken.

It is self-evident that if there is systematic publication, that means publication on more than one day. I can understand the Home Secretary desiring powers to drop upon an editor who publishes an article which should be suppressed immediately, and I take it that under the Regulations now existing the Home Secretary has that power.

Why is it essential to promulgate new Regulations in order to give the Home Secretary the right to drop on an editor without warning when the sin which he

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[Mr. Hall.]

has committed is that of systematic publication of matter which is preventing the due prosecution of the war? It is obvious surely that if the publication has been systematic there is time for the Home Secretary to give warning and that that warning should in common fairness be given. Unless there is a provision for a warning many editors will be put in an invidious position—and not always editors of Left publications.

Shortly before we began this Debate some of us attended a meeting upstairs dealing with the freedom of the Press. It was made evident there that we do get to-day in periodicals presumably Conservative in outlook and colour, articles which in the eyes of many people would come under these Regulations. It would, I suppose, depend on how the Home Secretary looked at it whether it came under this provision or not, but, in any case, I repeat, publication has to be systematic, and I suggest that in common fairness a warning should be given. I hope the Home Secretary will realise that there is a real suspicion in the minds of many Members of the House and thousands of people outside that the Press may be put under control. It should not be handed over in this way. The public see no reason why it should be handed over. I am positive that public opinion would demand that these Regulations should be annulled and that we should rely on the previous Regulations which give the Home Secretary all the power that he needs.

6.59 p.m.

The Secretary of State for the Home Department (Sir John Anderson): I should like to make it perfectly clear at the outset that, so far as I am aware, there is no difference between those who have risen to criticise these Regulations and the Government on one point. It is the general principle that the fullest possible liberty, consistent with vital national interests, should be allowed to the Press. Several speakers emphasised the point that the war in which we find ourselves engaged is a war of ideas. I fully accept that. It is a contest, a moral combat, between the doctrine of liberty and the doctrine of despotism, and one of the tenets most firmly held by those who believe in the doctrine of liberty is the tenet that freedom should be allowed to the Press to criticise the Government and to advocate ideas which may not be acceptable to the majority. The question, therefore, which the House has to decide is simply whether freedom for the expression of opinion should entail freedom to assist the enemy by the systematic publication of matters calculated to foment opposition to the prosecution of the war to a successful issue. Are we to allow freedom for organised and persistent defeatist propaganda?

Reference has been made by the hon. Member who raised this subject, the hon. Member for Nelson and Colne (Mr. Silverman) to Regulation 2C and the associated Regulation dealing with printing presses, Regulation 94A, and he spoke in terms which, I feel, implied that he agreed in substance with the object, purpose and form of those two Regulations. He may well have taken that view, because at the time of the making of those Regulations the Government took hon. Members and the House very fully into their confidence. After the invasion of Norway there was a general review of certain Regulations in the code of Defence Regulations. That review was undertaken in order to see whether the Regulations required strengthening in any respect. After discussion certain Regulations were framed, including the Regulations 2C and 94A, and I myself, on 9th May, made a short statement in this House describing the scope of the various Regulations.

I think one is justified in saying that in substance Regulations 2C and 94A commended themselves to the general sense of the House; and the hon. Gentleman and others who followed him said, very properly, if I may say so, that the issue that immediately arises is how far the Regulations that were already in the Code, 2C and 94A, had proved insufficient for the purpose for which they were designed. The hon. Member for Nelson and Colne said the task which I had to discharge if the House was to be satisfied in this matter was to show that those Regulations in the form in which they were promulgated at the beginning of May were, in fact, insufficient, and that in order to do that I must tell the House how often the Regulations had been used and show that they had in practice proved insufficient. On that point I join issue with him, and I must first explain the circumstances existing

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when those Regulations were made. Norway had been overrun—that fact was the occasion for the review of the Regulations—but much has happened since the overrunning of Norway, and much that is very relevant to the problem with which we in this country are now confronted. The possibilities of invasion which have been very much in our minds for some weeks past had begun to materialise at the time when Regulation 2C was framed. Moreover, Regulation 2C was not by any means co-extensive in its application with the Regulation which is undergoing criticism. It was much more general in its terms; it was not by any means confined to the Press. It was a Regulation designed to deal with people who might be consistently pursuing a course of action calculated to lower morale.

Mr. Silverman: The right hon. Gentleman is not saying, is he, that 2C would not apply to them?

Sir J. Anderson: Oh, no; what I said was that Regulation 2C and Regulation 2D were not co-extensive. 2C was more extended in its scope than 2D, and it was hedged round by certain safeguards designed advisedly to ensure that it should not be used against a person who quite casually, say on one or two occasions, perhaps by inadvertence, used words or expressions which might without those safeguards have brought him within the mischief of the Regulation. I will tell the House frankly why the Government thought it right to make Regulation 2D, overlapping as it does the powers of Regulation 2C, as a Regulation applicable to the Press without the safeguards provided by Regulation 2C. I think it is perhaps relevant to refer to the fact that since the making of Regulation 2C the Government of this country has been reconstituted, and now contains representatives of all the main elements in our public life. Looking at the matter from the point of view of a consideration of the powers which the House of Commons may fairly be asked to entrust to the executive Government, I think the fact that the Government has been reconstructed is material. Let no one suppose for a moment that, although the powers of these Regulations are powers entrusted in form and as a matter of law to the Home Secretary, any Home Secretary in his senses would take action of this kind without the approval of the body which is responsible now for all matters of high policy, the War Cabinet, a body which contains representatives drawn from all quarters in this House.

The whole thing can be put in a nutshell. The reason why it seemed, not merely to the Home Secretary but to the Government, that a Regulation of this kind, admittedly very drastic, was necessary is this: the invasion, the overrunning, in a very short space of time, of Holland, Belgium and part of France brought home to us in a way it had never been brought home to us before that we in this country were exposed to perils of a kind that most of us had never before imagined. What we have to ask ourselves, and what the Government had to ask themselves, before deciding to make this very drastic Regulation, was whether if the direst peril we can imagine were to come upon us, if we were to find ourselves undergoing trials never before experienced, it would be tolerable that there should at that moment, when the resolution of some of the weakest among us might be shaken or be in danger of being shaken, be allowed even for a short time the systematic publication of matter calculated to foment opposition to the prosecution of the war to a successful issue. How could we, in those circumstances—we have to face the realities—be content with the procedure of Regulation 2C? What does it involve? How——

Mr. Silverman: Would the right hon. Gentleman allow me——

Sir J. Anderson: No. I will not give way, particularly in the middle of a sentence. What I was putting to the House was whether, in those circumstances of dire peril, we were to be content with the procedure of 2C, a Regulation for which I took full responsibility at the time and which I thought fully adequate. What is the procedure under that Regulation? You must first give notice indicating the matters which, in the opinion of the Secretary of State, may bring the publisher within the ambit of the Regulation. Until such notice is given, no question of an offence against the Regulation arises. If the publication of such or similar matter recurs, proceedings can then be taken in the courts. If those proceedings result in a conviction, then, and only then, can executive action be taken by way of closing down the publication dealing with the offending matter.

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[Sir J. Anderson.]

I do ask, in all seriousness, whether such a procedure is wholly adequate for the requirements of the situation which I have pictured? It is not a fanciful picture but one that may, sooner than we think, prove to be a grim reality. I do not like these drastic powers but I say, frankly, that, so long as I am Home Secretary, I will not shrink from advocating in this House when critical circumstances warrant it the exercise of powers which, in ordinary times, I would regard with utter repugnance. I say, in all seriousness, that this is a matter in which the safeguards that are necessary must be found, not in the way in which we sought to find safeguards in Regulation 2C, but in the exercise of vigilance by the House of Commons itself. Surely the House of Commons will not hesitate to deal with a Minister who exercises wantonly and without proper justification such powers as this Regulation confers. Therefore, I have no hesitation whatever in recommending the House to reject this Prayer.

Mr. Glenvil Hall: Would the right hon. Gentleman be good enough to answer the point that I tried to make, dealing with the word "systematic"? If I heard him aright, his view is that 2C, with its provision for warning and for action in the court, does not give the right hon. Gentleman opportunity to act swiftly enough. Surely if what the editor does is systematic, that must cover an appreciable period, and there would be time for the right hon. Gentleman to warn and to take action in the court under 2C.

Mr. Silverman: Perhaps I might remind the right hon. Gentleman of the point which I made, so that he might answer both together.

Sir J. Anderson *rose*——

Mr. Silverman: I hope that the right hon. Gentleman will not get too impatient with me. We all have responsibility in this matter. He complains that the procedure under 2C would be too long, but what prevents him from using 2D as it stands, taking to himself the power of executive decision instantaneously, and still preserving to the proprietor of the newspaper the right that he had under 94A, of his own initiative to go to the court, after the executive action had been urgently taken, in order to ask the court to review what had been done? That would not interfere in any way with the right of the right hon. Gentleman to take action on the spot. Why could he not have done that?

Sir J. Anderson: I do not think that is quite the point which was made by the hon. Gentleman in his earlier speech.

Mr. Silverman: It certainly was.

Sir J. Anderson: Perhaps I might deal first with the point raised by the hon. Member for Colne Valley (Mr. Glenvil Hall). If the question of systematic publication arises in the case of a newspaper to which Regulation 2D is applied, it would be easier for any executive authority to satisfy itself whether there had been systematic publication than in some other cases, such as that in which a man makes a speech now and again. In any case the time taken to decide whether there is systematic publication has to be added to the time necessary to give warning, to launch proceedings, and to bring them to a successful conclusion. I think that everyone familiar with the processes of the law will agree that, during the time inevitably involved between the discovery of publication of matter calculated to prevent the successful prosecution of the war and the bringing to an issue of proceedings, the greatest mischief might occur. The hon. Member for Nelson and Colne (Mr. Silverman) asked why we were not content to take the powers conferred by Regulation 2D and then leave the issue to be determined by the court.

Mr. Silverman: Oh, no. I did not suggest that at all.

Sir J. Anderson: I am very sorry. I have done my best to understand the hon. Gentleman.

Mr. Silverman: I am sorry if I did not make myself clear. Let me try again. The right hon. Gentleman was explaining to the House that the reason why he needed the powers of 2D was that 2C was insufficient, in that they took too long, whereas he might have to act quickly. I say to him: Take powers under 2D to act quickly, and stop publication, but leave to the owner of the Press the initiative, if he chooses to take it—he might not choose to take it—the right which he had under 94A, to go to the court and question what has been done. Why not?

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Sir J. Anderson: The hon. Gentleman does an injustice to his own powers of exposition. I understood perfectly what he meant, but I thought I put the point rather more briefly. He suggests that we should take action under 2D and then leave it to the court, if the court is moved by the aggrieved person, to decide whether the action has been justly taken or not. I will answer that point in a word or two. I say that if such drastic action is to be taken, in the interests of public safety, by a member of the Executive Government, it seemed to me and to those associated with me, that it would more properly be judged by the House of Commons than by any court. [HON. MEMBERS: "No."] For that reason, we took the powers conferred by this Regulation.

7.19 p.m.

Mr. Pickthorn: I would most respectfully beg my right hon. Friend to consider again the point of the arguments which he has just used. I was in entire agreement with him until he began to say that the Executive ought to be entrusted with wider power because, owing to recent political changes, it now represents some 99/100ths of this House. Later on, he argued that the proper check upon the Executive is the risk of criticism in this House. I would ask him to stick in future to the second part of the argument and to leave the first half alone. To some of us, it seems that the real danger in which our general liberties are involved at present is precisely that the Executive now controls some 99/100ths of this House. If there is any danger to our Press—and we are now talking particularly about the Press—it is because of the fewness of the hands in which the Press lies now, and because a considerable proportion of those few hands belong to those who are also Members of the Government.

7.20 p.m.

Major Milner (Leeds, South-East): Surely the real test of all these matters is this: Is proper attention afforded to the minority, and should the House of Commons give to the Home Secretary the absolute right, without any recourse to the courts, to take action of this sort? Little by little in this House powers have been taken by various Government Departments, not least by the Home Secretary, to take executive action, the matter being left entirely in the hands of the Executive and there being no recourse to the courts and no appeal of any shape or kind. We know that that action was taken in the case of aliens, and only recently has the Home Secretary been prevailed upon to adopt another course and set up a tribunal. Here is another instance of precisely the same thing. The Home Secretary admits that the action which he took in putting these Regulations into form was caused by the events in Norway, Holland, Belgium and so on. Those were precisely the reasons why the Home Secretary thought it necessary to take drastic action without discrimination. That is a policy of panic, and nothing else. In all instances, if it be necessary to take action, there must be a court of appeal or a form of recourse to the courts by which the correctness of the Executive's action can be tested.

The position in this matter is surely very simple. It seems to me, as has been said, quite simple for the right hon. Gentleman to take action under the powers of Regulation 2D. That would enable him at once to close down the printing of any newspaper or other publication which was doing anything which came within the terms of the Defence Regulation, and then to permit the aggrieved person to apply to the courts. I would point out to the right hon. Gentleman that that would be a great advantage from his point of view, because, contrary to the usual practice, where the onus of proof is on the prosecution and where the Home Secretary would have to prove his case, the onus would be on the newspaper or the company or the individual as the case might be. It is not always easy, particularly in war-time, to discharge the onus of proof. I submit to the House and to the right hon. Gentleman that the reasonable and proper course is to take the power given by the Regulation, to permit the defendant or the accused or the person against whom the powers are exercised, to apply to the court for relief. There can be no objection to that. There might have to be a time limit within which the application could be made. The Home Secretary's powers can in no way be affected. He simply stops the publication when he thinks it is necessary.

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[Major Milner.]

The House should not continue acquiescing in the conferring of executive powers of this kind on a Home Secretary, whatever regard we may have for him or whatever the necessities of the case require, without some form of appeal. In all questions of personal liberty, freedom of discussion and of opinion, which are part of our tradition and part of those things for which we are fighting, we should not permit matters to be left entirely to the opinion of the Home Secretary, or the executive authority, whoever he may be. There is a perfectly simple middle course, namely, the one I have suggested, and I hope the right hon. Gentleman will adopt it.

7.25 p.m.

Sir Richard Acland (Barnstaple): Whatever may be the result of this evening's discussion, if the Motion is carried to a Division, I hope that one result will have been achieved. I hope that the Home Secretary, and particularly his advisers—incidentally, many of us wonder whether he has not a lot of advisers who are advising him too well—will have learned that it is an advantage to take hon. Members of this House into their confidence before drafting Regulations. The Home Secretary has said that when Nos. 2C and 94A were published hon. Members had been consulted. The results were satisfactory. In three weeks another set of Regulations on the same subjects were published without any general consultations among Members, with the result that they are now unsatisfactory. In the course of the last few weeks I have been privileged to join in discussions with the right hon. Gentleman and other Members, and I am sure that the right hon. Gentleman cannot complain that we have been obstructive or that any Members of the House, either in public discussions or in private, have wished to deprive him of the powers which he may legitimately demand.

Here we have another example of the same thing which has happened over and over again within the last few months. The Home Secretary describes to us a set of terrible circumstances and appalling dangers which may fall upon this country and says that he requires powers to meet those dangers, but the powers which he actually takes—or I think I can describe it more accurately when I say that the powers which his advisers advise him to demand—are such as to enable him and his advisers to do all kinds of things, far beyond the emergency which he describes to us. He describes the possibility that this country may be invaded, that the enemy may be hammering at our gates and actually on our soil. Then he says that between 9th and 29th May, following events which took place in foreign countries, the Government's eyes were opened to the appalling danger, that at such a moment a newspaper might begin to publish defeatist articles. Then he wants immediate powers. But this Regulation does not deal with this situation at all. This Regulation is not appropriately worded to deal with that. If the Home Secretary and his advisers had seen one or two hon. Members or those who have been consulting with him so agreeably, I hope, from his point of view, and certainly from ours, in the last few days, we could quickly have drafted a Regulation which would have dealt with that situation. We would have drafted a Regulation, much stronger in many ways, because if the enemy is at our gates and on our soil, and bombs are falling, and if the " Times " newspaper on Monday publishes a leading article saying that we should surrender, the Home Secretary wants powers to prevent them from publishing a similar article on Tuesday and we should have been happy to give him that power. He has not got that power in this Regulation. He cannot take any action until the action of the newspaper has been systematic. What he has got is the power of doing those things which are in the Regulation at times other than times of emergency of the kind that he has described.

I think in these recent discussions on civil liberties the House, as a whole, has come to recognise—and I believe eventually Ministers will come to recognise—that in this matter there are two dangers and not one. There is the one danger of which the Executive are aware, that they may have too small powers for dealing with threats to national morale, or whatever it may be. But that is not the only danger. The other danger is that the Executive may have too great powers over the liberty of the subject. He says that our eyes have been opened by events in France. Surely if our eyes have been opened to anything that has happened in France, they have been opened to the appalling dangers which arise when the Executive have too great

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powers. I ask him this question. He says that this Order was forced upon the Executive by events in Belgium, Holland and France between 9th and 29th May. Can he tell us of one single French, Belgian or Dutch newspaper which advocated surrender between 9th and 29th May? Is there one recorded instance abroad of that happening? Was the surrender of Holland, Belgium or France in any way due to any surrender policy advocated in any newspaper? Surely not. It was due to the fact that the Executive had too much power, and were able to disregard public opinion. I submit that what can be done under these Regulations, as now drafted—so inaptly drafted for the emergency which the right hon. Gentleman described to us—is much more serious. Under the Regulations, as they stood originally, the Home Secretary had power to warn, to prosecute, and, on conviction, to close the Press. Now he has to express an opinion—no warning; no appeal—and he can proscribe the paper and close the press. That power is much too great.

The line between legitimate criticism of the Government in war time and conducting propaganda which is hostile to the prosecution of the war, is a very narrow one. The Home Secretary of a Government which is being criticised is very liable to overstep that line, particularly when the criticism is likely to become effective, as it did, for example, in the shell crisis in 1916. It is just at that point that the Government are tempted to think that the criticism is moving into the area when it is militating against the prosecution of the war. At that point, what is easier than for the Home Secretary to let an editor or proprietor know, unofficially—because some of us have been hearing upstairs that, as well as the official acts of the censors, there are quite a number of unofficial hints and tips—that if that line of criticism goes on, he will not be warned, he will not be prosecuted or anything of that sort, but, out of the blue, on the Home Secretary's expression of opinion, the press will be seized, the newspaper clamped down, and anybody who touches the newspaper—it is not in the Regulation, but I think it is implicit—will have committed an offence. That is an appalling power to give to the Home Secretary of any Executive, particularly when, if he had carried out the friendly procedure which was pursued previously, there is no doubt that, in co-operation with Members in all parts of the House, he could have drafted Regulations against which no exception could have been taken, and which would have given powers to deal with the emergency with which these Regulations are supposed to deal.

7.35 p.m.

Mr. Lipson (Cheltenham): In spite of the controversial tone of the discussion, I believe that in the main there is considerable agreement on all sides, and that the issue is really a very narrow one. It is over the question of appeal—not the whole principle of appeal, but only what form the appeal should take. Those who have spoken in favour of the annulment of the Regulation have asked that the right of appeal should take the form of a right on the part of the owner of the newspaper to take action in the law courts. The Home Secretary himself has agreed that there should be a right of appeal. He says that that right of appeal is to the House of Commons. Where the difference between the two parties is clearly so small, I appeal to the Home Secretary to give further consideration to the matter. In a question of this kind the appeal to the law, the judicial appeal, may have more value than the appeal to the House of Commons, because of the circumstances in which my right hon. Friend envisages these powers may have to be used and the mood of the House of Commons on these occasions. I think he would agree with me that if we can have unity and agreement over these Regulations they are likely to be worked in a more satisfactory spirit. Because the point at issue is so small, and because it will not prevent him getting what he wants—immediate action at the time of crisis—I ask him to respond to the plea that has been made to him, and to say that an aggrieved person, under these Regulations, shall have the right of appeal to the law courts. That is one of our most precious liberties, and we do right to insist on these matters. I would point out that these powers for which the Home Secretary is asking could be used not only in the very direful circumstances which he has envisaged, but in other circumstances also. For those reasons, I ask him to reconsider his attitude.

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7.38 p.m.

Mr. Kenneth Lindsay (Kilmarnock): I rise to reinforce the appeal which has been so carefully put by the hon. Member for Cheltenham (Mr. Lipson). We had a meeting upstairs this afternoon, and it was very evident, from the large number of Members present, that there is a growing feeling that we are not quite prepared at every point to trust the Executive, even though it has this new complexion. I think he will admit that some injustices have been done, possibly in the national interest, which we have had to try to help to correct. Some of us find that a great part of our days are spent in listening to protests of one kind or another about injustices, which have occurred, no doubt, because of the national interest. There are forces in this country, I am afraid, which some of us are not prepared altogether to trust. I know, for instance that warnings have been given to papers of very serious repute. I also know that suggestions have been made that there should be something in the nature of " one paper." I know that these matters have not been raised on the Floor of the House, but we have heard this afternoon enough to make us feel that the right hon. Gentleman is being made the victim, time after time, of powers which he really does not want to use; and in many instances we do not know the occasion on which he wants to use them. Something might happen, which has not happened for a thousand years. Will the right hon. Gentleman allow some form of judicial appeal to be given in such cases? I think that the Debate has been narrowed down to that point.

7.40 p.m.

Major Milner: In the discussion on the Courts (Emergency Powers) Bill a few days ago, the right hon. Gentleman said, and very properly, that, having once discussed with Members the content of certain Regulations, he would not think at a later date of altering those Regulations without having some consultation. He would not consider himself an honourable man, he said, if he took advantage of the situation and, having once consulted hon. Members, did not consult with them later if he desired to make alterations. With every respect to the right hon. Gentleman, has he not in regard to this particular Regulation, committed a breach of the agreement or obligation which he undertook a week ago? If he says, " No," I will accept it at once.

Sir J. Anderson: I have certainly expressed the view, and it is the view that I held then, that where there has been consultation in regard to a subject matter, it is not right that action should be taken subsequently, without further consultation, which would involve a departure from understandings previously arrived at. But the action taken in this case should be justified by the emergency in which it was taken.

Major Milner: Will the right hon. Gentleman now take advantage of the circumstances?

7.42 p.m.

Mr. Gallacher (Fife, West): As one who is interested, I would like to say a word or two. Everyone knows that under this Regulation the " Daily Worker " is in constant danger, but that is not because it systematically publishes matter that affects the successful issue of the war. As an hon. Member opposite said, there are different ideas of what constitutes a successful issue of the war. My idea of the successful issue of the war is very different from the ideas represented by the Front Bench opposite. My idea of the successful issue of the war is freedom—freedom for the people of Europe and for the Colonial people. Is that the conception of the party opposite? No, Sir, far from it. The " Daily Worker " is in danger, not because of the systematic publication of material that affects the successful prosecution of the war, but because of the systematic publication of political opinions that are not acceptable to the Executive in this country. There are Members opposite who would advise the Home Secretary, and probably are doing so behind the scenes, to suppress the " Daily Worker." There are Members opposite, and one or two on this side of the House, who would do everything possible to suppress it.

Mr. Logan (Liverpool, Scotland Division): They would not go far wrong if they did.

Mr. Gallacher: It is well known that the hon. Member for the Scotland Division of Liverpool (Mr. Logan) holds specially modern and advanced ideas, and that he represents the most poverty-stricken constituency in this country. If

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I represented his constituency, I would be a revolutionary. I could not possibly be anything else.

Mr. Logan: You would be executed.

Mr. Gallacher: There are Members opposite who would be delighted if the " Daily Worker " were suppressed, but I would tell the Home Secretary that these Members wanted the " Daily Worker " suppressed long before the war started because of the political views it represented. I would remind him, in connection with the remarks made by the hon. Member for Barnstaple (Sir R. Acland) about the collapse of Belgium and of France, that the collapse was related not to matters published in the Press but to the fact that matters were not allowed to be published in the Press. I would also remind him that the greatest fight and most heroic struggle that has so far been made against Fascism has been made in Spain. Can anyone deny it? While that epic struggle was going on, Members opposite were supporting the Fascists—Mussolini, Hitler and Franco. I would ask the Home Secretary to take notice of the fact—I am interested in the Home Secretary because I know he is interested in me—that the epic struggle in Spain was carried on by a democratic Government, a democratic people and a democratic Army, and that if there had been an opportunity to purchase the arms necessary they would have been victorious.

Mr. Glenvil Hall: Now apply the same argument to Finland.

Mr. Gallacher: In Finland you had Mannerheim, a Fascist, and a Fascist Army, independent of the Government, and if that Fascist Army had not been smashed, Finland would have been in the hands of Germany now. It is very significant that those people who are so outraged about Finland are equally outraged because Soviet Russia, when she stepped into Bessarabia, did not proceed to occupy the whole of Rumania.

Mr. Speaker: This is not a general Debate on foreign policy.

Mr. Gallacher: I am sorry, Mr. Speaker. Every time I get up to speak some hon. Members want to side-track me and lead me into issues of that kind. I want to get back to asking the Home Secretary to consider that in Spain, where the most heroic struggle has been made against Fascism, a democratic Government, people and Army if they had had the arms, would have defeated the Fascists, and there would have been no war now. But if they had had the Regulations which the Home Secretary has imposed upon this country, they would have been defeated before they started. You cannot encourage and stimulate a people by Regulations of this kind. The " Daily Worker " was warned. I will make this challenge. I am prepared to go with the Home Secretary to any part of the country where there is a wide circulation of the " Daily Worker " and I guarantee that we would find in that area there is no despondency. There is strength, courage and resolution, with great hope for the future, because they understand that the old world is passing, and that a new world is coming into being. There is no despondency.

It may be desirable to remind the Home Secretary and Members of this House that the " Daily Worker," and the ideas it represents, have a very big and wide circulation in the constituency known as West Fife, and throughout Fife as a whole. In fact, I am prepared to challenge any hon. Member on this. We have in that area as good an organisation of Defence—or even better—than there is in any other part of the country. The very worst part of the country as far as Defence is concerned is Birmingham, which is represented by a bunch of die-hard Tories who are not interested in the people. The Communists and the " Daily Worker " are deeply interested in the welfare of the people. They will fight by every means to save the people of this country from the menace of Fascism, whether it is from within or from without. England may be invaded—England might collapse as France did—but I will guarantee that they will never invade Scotland. I was present at a great demonstration in Glasgow the other Sunday. In Glasgow we were strong enough to keep Mosley out. He could go into any other city in the country, but he did not dare to come into Glasgow. The Chief Constable stated that if he dared to go near Glasgow not all the police in Glasgow could save him. I said at that demonstration that we kept Mosley out of Glasgow.

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Mr. Speaker: The hon. Member is now wandering off on to something else.

Mr. Gallacher: I was trying to make clear what effect the " Daily Worker " has on the people. I said that we kept Mosley out of Glasgow and that as long as the workers were able to stand on two feet Hitler, too, would never be able to get into Glasgow.

Mr. Speaker: That is quite outside the question.

Mr. Gallacher: That is what the " Daily Worker " represents. It is very significant that since these Regulations came into being the one paper which has received a warning from the Home Secretary is the " Daily Worker." What has the " Daily Worker " published which entitles it to this warning? As far as I can gather the Home Secretary knows but if he knows he will not tell. We are in the position that the Press can be closed down and the Home Secretary has not to explain why such action was taken. If he gives a warning, you have to think for yourself what you have been doing wrong. It is obvious that, if the Home Secretary believes a paper has published matter that comes under these Regulations, he must know what that matter is. If he knows, he should be prepared to say what it is but according to these Regulations he has not to say what is wrong with the matter, articles or news which comes under this Regulation. I am of the opinion that power of that kind can be of the greatest danger if it is used.

The only justification which the Home Secretary has for this Regulation is that it has never been used and is not likely to be used. That is not a judicial way to approach this question. We have seen the House of Commons swayed in such a way as to be far from capable of giving a reasonable judgment. We know that a large number of Members on the other side, because of the character and political opinions of the " Daily Worker," are in favour of suppressing it. I appeal to the Home Secretary to consider the arguments presented here and see whether it is not possible either to dispose of or modify the Regulations in such a way as to allow those responsible for a paper to get some legal consideration, if an attack is made upon them.

7.55 p.m.

The Attorney-General (Sir Donald Somervell): Perhaps it would be for the convenience of the House if I said a word or two at this stage on the point which has been raised with regard to an appeal to the courts. One hon. Member suggested that that was possibly the one point between certain sections of the House. Those who heard my right hon. Friend felt—as I certainly felt—that he made an unanswerable case for the power of rapid Executive action in circumstances in which we hope we may not find ourselves but in which we may find ourselves, and that a quite different sort of procedure under 2C, which was in effect to make a warning a condition precedent to prosecutions of this kind, did not really meet the sort of circumstances that we may have to envisage. There is, of course, the criticism that he might define the circumstances more precisely, but that is an extremely difficult thing to do. The hon. Baronet the Member for Barnstaple (Sir R. Acland) tried to put my right hon. Friend in a dilemma. He said, " As your new Regulation is to be founded on systematic publication, then it is usual to do what you want." Some people are very hard to please. If you make some provision by which you cannot descend on the first occasion people say, " You are not acting quickly enough." On the other hand, a general criticism is that you are being too drastic. It is quite true that the Regulation now before the House is limited by the words " systematic publication." Power is not exercised on the first isolated publication which the Executive feel to be dangerous to the State. Taking the broad picture which my right hon. Friend drew, I think the great majority of the House did accept the necessity for some such power.

How are we to work this, if this is accepted? It must be Executive power and power for which the Executive take the responsibility. I think there is a certain misconception of this idea of an appeal to the courts. This is a power to be exercised when the Secretary of State is satisfied that there has been systematic publication of matter which, in his opinion, is calculated to foment opposition to the prosecution to a successful issue of any war in which His Majesty is engaged. This is a power which can be exercised according to the political situation and circumstances in the country. If you have an appeal to the courts, you are, in the first place, placing on them a task which I do not think you have any

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business to place on them, and, secondly, you are taking out of the hands of this House the power effectively to criticise the Home Secretary's action. Suppose the Home Secretary takes action under this Regulation in circumstances which the House may not feel was justified. If you have an appeal to the court, it becomes *sub judice,* and no one can talk about it. Supposing the court takes the view that the action was justified, that precludes the House from questioning the action of the judge.

Major Milner: That surely is an argument for doing away with the Law Courts altogether.

The Attorney-General: No, the Law Courts deal with disputes between private individuals, to be decided on recognised principles of law. What I am suggesting is that Executive action in circumstances of this kind is quite unlike a legal issue.

Mr. Silverman: All that we have asked for is what is already the law under Regulations 2C and 94A. Every one of the arguments that the right hon. Gentleman has used is an argument against 94A.

The Attorney-General: I think not. If action is taken under the proposed Regulation 94B, the same right of appeal to the court which exists under Regulation 94A will exist. So far as that is concerned, no right of appeal is taken away by the new Regulation. The hon. Member, I think, agrees with that.

Mr. Silverman: No, I do not.

The Attorney-General: It is so. The right of appeal under 94A to the court, which is a limited right, will exist if action is taken under 94B. There is no power under 2C to suppress a newspaper at all. What 2C addresses itself to is quite a different problem and does not in the least meet the situation with which my right hon. Friend dealt. 2C in effect comes to this, that before you can prosecute a newspaper for fomenting matter, the newspaper has to have a warning. It is not an action for suppressing a paper, but an action for seeing that it gets the warning before it can be prosecuted for producing matter of this kind. It takes no power to suppress a newspaper at all. The question the House has to consider is this: First of all, May such a power be necessary? On that, my right hon. Friend, I think, has satisfied the vast majority of the House. Secondly, assuming that such a power is necessary, is it appropriate to leave it to the courts of law to decide whether that Executive power has been properly or improperly exercised? What I am suggesting is that it is not a legal issue, but a political issue. Although it affects the newspaper in question drastically, the House might very much resent it if it acceded to this proposal and found that the courts had been able to preclude it from criticising the Home Secretary for the action he has taken and that the proper place to consider, discuss and criticise, if necessary, the action of the Home Secretary in this House. I do not believe there is any danger of criticism of improper action, should it ever be taken, by anyone under a Regulation of this kind having any effect in influencing the Executive in the administration of this or any Regulation of this kind.

Mr. Silverman *rose*——

Mr. Speaker: The hon. Member has already spoken.

Mr. Silverman: I only want to ask a question.

Mr. Speaker: The hon. Member has made his speech.

Mr. Silverman: I bow to your Ruling, Sir. I do not want to take more than my share of the time. The right hon. and learned Gentleman has advanced an extremely intricate and interesting legal argument. There is a point which is not clear, and I want it elucidated.

Mr. Speaker: The hon. Member has had his chance in Debate in moving that the Order be annulled. The Attorney-General has been answering his speech. The hon. Member is not entitled to get up again. Debate in this House is not carried on in that way.

8.6 p.m.

Sir George Hume (Greenwich): I have listened to the Attorney-General with a good deal of anxiety, because the issue is one of the most important that we have to face. We have had to complain about Measure after Measure which has been brought before the House where power to appeal to the courts is shut out by the action of the Executive. Now we are told that the proper place to criticise the

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[Sir G. Hume.]

action of a Minister is this House. I have always learned from constitutional history that we owe our liberties to the fact that the courts did act. They even put up the theory that the King could do no wrong, in order that they could get at the Executive for acts done, claiming them to be acts done under the order of the King. If the life and property of citizens of this country are to be left to a decision of the House of Commons, it will be bad indeed for minorities in this country. We have seen a touch of it already. We have seen what takes place when there is a state of panic, I might almost call it, as the result of what has been happening on the Continent. At such times it is possible for the Executive, or for the House of Commons, to get unbalanced. At that time it is vital, to my mind, that a body divorced from politics should consider the matter entirely from the point of view of Common Law or under whatever Statute they have to act. It is of vital importance for that to go to the courts and not to a Minister. He may be a popular Minister for the moment. He may be a Minister with a big majority, and there may be prejudice against the minority. If there is panic or prejudice, you should be able to go to a body which is not panicked and not prejudiced. I hope the Minister will consider the matter most seriously and not try to leave it to the House of Commons to have finally to decide on a matter so vital to private and individual interests.

8.9 p.m.

Mr. Vernon Bartlett (Bridgwater): I had not intended to intervene, partly because I missed a great deal of the Debate as I was trying to deal with some injustices which have resulted from past emergency Regulations which we all know, but it seems to me a terribly important issue. We have heard a great deal about the " Daily Worker." I suggest that that is a red herring drawn across the trail of the Debate, because it would be very unfortunate if Members only voted one way or the other on this issue with one particular paper in mind. This is a Regulation which, if adopted in its present form, may affect every paper in the country. It seems to me that some hon. Members are thinking on the long-term lines of defending the rights of individuals, which is a vitally important issue, and that others are thinking primarily of the immediate measures of defence in this country, another vitally important issue.

Mr. Thurtle: And more urgent.

Mr. Bartlett: It is more urgent, but fundamentally it is not more important. Both issues are equally important. The Home Secretary quite rightly has to take into consideration the question of what will happen in this country if an invasion occurs. With great respect, I suggest to him, with regard to this particular issue, that if an invasion occurs there will not be time for an appeal any way, but if an invasion does not occur, surely after he has suppressed the offending newspaper it will be possible to devise some form of appeal. The idea of an appeal to the House of Commons seems to me to be extremely dangerous. For instance, if the Home Secretary found it necessary to suppress the " Daily Worker," one can imagine the sort of Debate there would be—a very angry Debate. If he suppressed the " Times," one can foresee that there would be a very dangerous and angry Debate at a moment of great crisis. But surely, we are close to a solution. The idea that there should be some form of appeal after a publication has been suppressed seems to be generally accepted. Might not one suggest that this point should be postponed for further consideration in order to see whether one could not work out some proper form of appeal which would give satisfaction both to the Home Secretary, who has to keep in mind the possibility of an invasion, and to other hon. Members who are thinking of the vital importance of not losing the liberties of the individual.

8.13 p.m.

Sir Joseph Nall (Manchester, Hulme): When the Emergency Powers Bill was before the House, I joined in objecting to the absolute power which it was proposed to give certain courts for the punishment of, and in certain instances the infliction of the death penalty on, individuals without there being any sort of revision or appeal. Now that we are dealing with entirely different matters, there seems to be an even bigger volume of objection. It seems to me that we are losing our sense of proportion in this matter. There is here no question of inflicting penalties on individuals in the form of imprisonment,

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and there is no question of the death penalty and the summary execution of individuals. We are dealing with the suppression of subversive print. Not having had an opportunity of hearing the Home Secretary earlier in the Debate, I was very grateful for the speech of the Attorney-General. My hon. Friend the Member for Greenwich (Sir G. Hume) spoke as though this were a matter of life and death, and the hon. Member for Bridgwater (Mr. Vernon Bartlett) also spoke of long-term and short-term questions. Obviously, if we do not deal with some of these short-term questions, we shall have no chance of looking after the long-term questions. I hope the Home Secretary will not give way on this matter. For a long time hon. Members have been bombarded through the post with most reprehensible publications containing subversive matter and every kind of disloyal statement, and this sort of thing has gone on without any action being taken, although it is high time that action was taken. Whether the Home Secretary will take action under these Regulations against some of the highly improper, disloyal and defeatist matter that is being circulated, I do not know; but I hope he will. I hope he will get these Regulations through, and that those hon. Members who wish to see our war activities pursued without this constant attack from the publishers of subversive matter will support the Government on this occasion.

8.16 p.m.

Sir Henry Fildes (Dumfries): I hope the Home Secretary will reconsider this matter. It is quite possible for a day to come when the hon. Member for West Fife (Mr. Gallacher), who belongs to the Communist party, may be Home Secretary of this country. By these Regulations, one would be handing to him, or to any other successor of the present Home Secretary, powers the like of which have not been placed in the hands of a single individual in this country for hundreds of years. I cannot see why there cannot be some right of appeal, and if a right of appeal cannot be fitted into these Regulations, then in my view the only thing to do is to withdraw them altogether.

The Executive have taken powers one after the other to deal with property, banks, and everything else, and there is no check to giving them control over everything in the country; and yet the right to question the wisdom of these decisions will be withdrawn from us. If the Home Secretary is of the opinion that he does not like what is produced in a newspaper, he will have the right to fine a man hundreds of pounds, with the addition of seven years' imprisonment. These powers are a negation of all the liberties for which we have struggled in this country for so many years. This is indeed a vital issue. It is not merely a question of whether the Home Secretary could suppress one newspaper. It would be quite possible for him to close down the "Times" or the "Manchester Guardian" simply because he was of the opinion that he did not like the opinions expressed in those newspapers. The Attorney-General has pleaded that courts of law are not desirable places to which citizens should go for the protection of their own interests. When the Attorney-General comes to the House and utters sentiments of that character, it should make us all the more careful. We look upon the Attorney-General as the protector of our interests. He has to issue his fiat for prosecutions in a thousand and one cases. These matters are being placed outside the law, and we are placing powers of a sort which we are supposed to be fighting to stifle and destroy in the hands of individuals in the Government. I think it is hopelessly wrong. I wish that more hon. Members were present to hear this Debate and to see where we are running in this matter. Talk about panic—what worse could we have if the Germans were over here?

8.19 p.m.

Mr. Edmund Harvey (Combined English Universities): I hope the Government will not fail to notice that the only hon. Member who has supported them is an hon. Member who has not been present throughout the whole of the discussion. On more than one occasion the Government have shown themselves willing to meet desires that have been expressed from different sides of the House. They have been so anxious to avoid misunderstanding that they have, on more than one occasion, undertaken to reconsider the wording of their proposals. Would it not be possible for the Government to meet the essence of the very serious criticism which has been put before the House by undertaking to reconsider this matter and bring in the Regulation in a revised form which will take away the

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[Mr. Harvey.]

objections which have been pointed out by more than one speaker? These immense powers are entrusted to a single Minister, and we have to think as Parliament and not of our opinion of an individual Minister or of the Government of the day. We have to think what these Regulations may mean in the hands of a different Minister and a different Government. Surely if these immense powers are to be entrusted to the Minister, and he has expressed his view clearly to the House that they are needful, they should be accompanied by some right of appeal to a court of law: but not such a right of appeal as would stop the Minister exercising his powers in an emergency, yet such a right as would give the aggrieved citizen an opportunity of appeal in a calm atmosphere in a court of justice in this country. I am sure that it cannot be beyond the power of the learned Attorney-General to devise some way by which an appeal to law could be provided, not before the Minister acts, but afterwards. I think that would satisfy the great majority of those who urged reconsideration of this matter so strongly on the Home Secretary. Therefore, I venture to suggest that if the Government were prepared to consider such a suggestion, they would be meeting the desire of this House by making possible a revision of the Regulation.

8.22 p.m.

Mr. Ralph Etherton (Stretford): Surely, in his wisdom, the Home Secretary might reconsider the decision in this matter. Are we not losing our sense of proportion over these Regulations? After all, what are required under the Regulations are two things, first, that subversive matter should be suppressed, and, secondly, that it should be suppressed at once. If a right of appeal, whether to the law courts or to some other body, is given, that will not interfere in any way with the first and paramount objective of these Regulations. Surely, when one gives these wide and enormous powers to the Executive, with no check and no right of appeal, one is losing one's sense of proportion. I do appeal to the Home Secretary to reconsider the matter and to see whether it is not possible, in some form or other, to allow some right of appeal, whether it be in the law courts or by some other body.

8.24 p.m.

Mr. Thurtle (Shoreditch): In view of what the hon. Member for the English Universities (Mr. Harvey) said, I want to make it clear, that so far as I am concerned I want to add my voice to that of the hon. Member for the Hulme Division of Manchester (Sir J. Nall), in asking the Home Secretary to stand firm in this matter. I have listened to the whole of this Debate, and I do not think the hon. Member for Stretford (Mr. Etherton) has listened to anything like the whole of it otherwise he would know that the issue has been narrowed down to the point of whether there shall be an appeal to the House of Commons or to a court of law. We have reached unanimity on that point. [*Interruption.*] Well, practically everyone is agreed on that point. I would not for the world cast the slightest reflection on the great profession of the law. I have a great admiration for the law, but I notice that there has been a great deal of unanimity among the lawyers, whose attitude is that if we have to choose between the law courts and the House of Commons, we should certainly choose the law courts. Well, to the cobbler it is always leather, and apparently to the lawyers there is nothing like the law. As a Member of the House of Commons, and as one who stands for the Parliamentary system, on a great issue of public policy like this—that is the suppression of newspapers—I think the House of Commons is a far better tribunal of appeal than any court of law, and I hope the Home Secretary will stand firm.

8.26 p.m.

Mr. Shinwell (Seaham): It appears that some hon. Members who have had the good fortune to listen to the whole Debate are in some doubt as to what has actually transpired. On the other hand, I have only heard the latter part of the Debate, and I am in no doubt at all. I understand the position is whether an issue of this kind should be subject to the criticism of this House or whether it should go to some court of appeal. It is obvious to every hon. Member, whether he has listened to the whole of the Debate or only part of it, that this House can never constitute itself as a court of appeal in a matter of this kind, and that no final decision can be reached by this House. I heard the learned Attorney-General speak of the difficulties Members might experience when not being able to

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question the Home Secretary. The desire expressed that we should question the Home Secretary is, if I may say so, an innovation. I always understood that the desire of Ministers was that we should question the Home Secretary and other Ministers as infrequently as possible. Let us assume a case of this kind, and that the " New Statesman " is expressing views which might be regarded by the Executive as subversive. The Home Secretary then takes action under the Regulations referred to in the course of this Debate. There is no court of appeal unless the Home Secretary gives way. What happens? Questions are asked on the day, or a Debate occurs on the Adjournment because an answer is unsatisfactory. That is not a final court of appeal, because the following week questions will be put, and it is open to hon. Members to raise the matter on the Adjournment as often as they like. It is very seldom that the Table refuses repetition as regards questions put to Ministers. Therefore, there is no court of appeal of any sort or kind so far as this House of Commons is concerned. The right hon. and learned Gentleman has asked for criticism; it was the major argument he advanced as against the court of appeal. He has said that we can question the Home Secretary on the action he has taken. Where questions can be asked, however, we can repeat them over and over again, and the House of Commons cannot for that reason be regarded as a court of appeal.

Mr. Thurtle: You can move a Motion.

Mr. Shinwell: I am not clear how one could move a Motion except in the way this Motion has been moved to-night, but even that is not the same as a court of appeal. It would not end the matter, because questions could be asked the following week. I cannot understand why there should be such reluctance on the part of the Attorney-General and the Home Secretary to refer matters of this kind to a court of appeal. Surely if we have to choose as between the House of Commons, however impartial it may regard itself, and however united it may be on certain issues, and an impartial judiciary, we would surely welcome the judiciary. If anything has been said in this Debate which justifies asking the Home Secretary to reconsider this matter, it is the argument advanced by the hon. Baronet the Member for Hulme (Sir J. Nall). He talked about subversive opinions and referred to certain periodicals. Are we to decide this matter on the *ipse dixit* of the hon. Baronet? Obviously, we cannot get an impartial decision when there are prejudices of that kind. We ought not to deal with an issue of this kind involving the " Daily Worker," or the " New Statesman," or the " News Chronicle," or the " Daily Herald," or the " Times," or the " Manchester Guardian " or any other periodicals because they advanced views which might be regarded as subversive. In the minds of certain people some views are always subversive. There are people who regard opinions expressed on any issue as subversive. Some people do not want any expression of opinion at all. Are we to regard my hon. Friend the Member for Shoreditch (Mr. Thurtle), for whom we have great affection and regard, but whose views we do not always accept, and the hon. Baronet the Member for Hulme as always impartial, always able to take a non-partisan view on the issues presented to them? We are all influenced by partisan considerations. It ought not to be left to us, however capable we may be of dismissing our partisanship, to constitute ourselves as a court of appeal, on what is a judicial issue.

Mr. Thurtle: May I ask my hon. Friend, in view of his argument that the House of Commons is a prejudiced and partial assembly, whether he regards the judiciary as always absolutely free from prejudice and partiality?

Mr. Shinwell: I am the last man who could answer that question in a satisfactory way. I have been the victim of certain courts, and I am bound to say that I never regarded certain of their sentences as impartial. If, however, I have to leave myself in a panic situation in the hands either of the House of Commons or of the courts, I would prefer the courts. I am amazed that my hon. Friend should ask me this question. Are there no prejudices in this House? He might as well say there are no parties in the House, no divisions of opinion and no variations of view. That is nonsense. In the midst of national unity, however fundamental, there are variations of opinion, and in the nature of things there must be.

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Mr. Logan: My hon. Friend has only just come in. How does he know?

Mr. Shinwell: The very fact that I am expressing views contrary to those of others proves my contention. I trust the House of Commons on certain issues, but when we have to choose in a panic situation, when it is not possible to take normal views, and at a time when we are faced by considerations which do not operate in peace time, between the House of Commons expressing its final view on the opinions expressed in certain periodicals and the court of appeal, I would have no hesitation in saying that the court of appeal is by far the best. Obviously, my hon. Friends on this side are divided on this issue. So are our hon. Friends on the other side. It seems to me that, in view of the division in the House, the Home Secretary might consider the appeal so eloquently expressed by my hon. Friend the Member for the Combined English Universities (Mr. Harvey) to reconsider the matter. May I recall the Debate of last week? The right hon. Gentleman met us handsomely in that matter. For two and a half hours we debated an issue. Never have I seen such obstinacy and stubbornness as was demonstrated on the Government Front Bench. The Attorney-General could not see our point of view, and after two and a half hours of acrimonious disquisition he suddenly detected in the views expressed by hon. Members in all quarters of the House some substance in the argument that there should be reconsideration. The same thing applies to the Home Secretary. Let us have no repetition of that. Both Ministers were ready in the end to reconsider the matter on that occasion, and I hope that on this occasion they will also be ready. Ultimately it will redound to the credit of the House of Commons that they embarked on a policy which left the decision on a vital matter of this kind, not to the play and inter-play of debate in this House, but to the courts which every Member, whatever his political opinions, and however much he may have suffered at their hands, regards as a more satisfactory arbiter than the House of Commons.

8.40 p.m.

Mr. Wilfrid Roberts (Cumberland, Northern): It seems to me that the alternatives which are before the House have not yet been exactly put to us. I must apologise for not having heard all the Debate, but I have heard a considerable amount of the discussion regarding the appeal. I do not agree with the hon. Member for Seaham (Mr. Shinwell), because what I hoped to see was both an appeal to the courts and the possibility of raising the case in this House. If he made the concession of an appeal to the courts it would still not be impossible to raise the case in the House after that appeal had been heard. The appeal to the courts and the possibility of raising the matter in this House are two different things. The courts cannot give an opinion on whether it is right to suppress a paper or not. The courts can only say whether or not the Home Secretary has exceeded his powers as laid down in these Regulations. The Home Secretary may look as though he thought that was unimportant, but many of us feel that it is vitally important to put a check somewhere on the powers of the Home Secretary.

After all, the real power conferred upon the Home Secretary in administering these Regulations lies in the threat that he will use them and not the fact that he does use them. That is a thing of which I am very suspicious. We hear a lot about the big national and other newspapers, but there is a good deal of public opinion expressed by the small provincial papers and a good deal of local opinion is expressed in them. From my own experience of local newspapers I know what it will mean if the threat of these Regulations is over the editor of a small paper, who will not know whether he may report the saying of some town councillor or some local person in case the Home Secretary comes down upon him and suppresses his paper. It is not the big national dailies which will be suppressed, but the smaller papers, first of all. I think they make a valuable contribution to the expression of public opinion, not necessarily political opinion but public opinion generally, and it is vital that they should have such safeguards as there can be.

If I understand the position rightly, what we are asking is that there should be a power of appeal over the Home Secretary's head as to whether he has exceeded his powers or not, and I cannot see why the Home Secretary cannot give

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us that concession. After all, we do have some confidence in the present Home Secretary, but he must not suggest to us that he will always be there, or that we must always pass such Regulations in a moment if not of panic at least of great haste, because they will last for the rest of the war. If we can have that appeal it does not remove from us as a House of Commons the right to deal with the other aspect of the matter, which is whether on grounds of policy the Home Secretary was right to take action in any particular case in which he does act. In supporting this Prayer I say that I want both appeals. I want the appeal, a strictly limited appeal, and of course I want to retain the right of Members of this House of Commons to raise a case here.

Let us go a little further than the hon. Member for Seaham went. He asked how we in this House could act as an appeal court and asked what we could do if some local paper were suppressed. As far as I can see, the only thing we could do apart from ventilating the case by Questions or raising it upon the Adjournment would be to put down what would amount to a Vote of Censure on the whole Government. Are we, in time of war, to do a thing of that sort, however much we may think the Home Secretary has made a mistake? Are we to put down a Vote of Censure on the Government because he has suppressed some paper which many of us think he would have been wiser to allow to express its opinions even though we do not like them? He has this immense threat hanging over the Press. Surely he will give us this little concession which will safeguard their position.

Mr. Glenvil Hall *rose*——

Hon. Members: You have already spoken.

Mr. Glenvil Hall: On a point of Order.

Mr. Deputy-Speaker (**Colonel Clifton Brown**): The hon. Member can speak again only by leave of the House.

Hon. Members: No.

Question put,

" That an humble Address be presented to His Majesty praying that the Order in Council amending the Defence (General) Regulations, dated 29th May, 1940, a copy of which was presented to this House on 4th June, be annulled."

The House divided: Ayes, 60; Noes, 98.

Division No. 65.] **AYES.** **8.46 p.m.**

Acland, Sir R. T. D.	Griffiths, G. A. (Hemsworth)	Noel-Baker, P. J.
Adams, D. (Consett)	Hall, W. G. (Colne Valley)	Parker, J.
Adamson, Jennie L. (Dartford)	Hardie, Agnes	Riley, B.
Adamson, W. M.	Harvey, T. E.	Roberts, W. (Cumberland, N.)
Ammon, C. G.	Hume, Sir G. H.	Sexton, T. M.
Barnes, A. J.	Jackson, W. F.	Shaw, Captain W. T. (Forfar)
Barr, J.	Kirkwood, D.	Shinwell, E.
Bartlett, C. V. O.	Leach, W.	Stephen, C.
Bromfield, W.	Lee, F.	Stewart, W. J. (H'ght'n-le-Sp'ng)
Brown, C. (Mansfield)	Leslie, J. R.	Stokes, R. R.
Burke, W. A.	Lindsay, K. M.	Taylor, R. J. (Morpeth)
Cocks, F. S.	Lipson, D. L.	Tomlinson, G.
Cove, W. G.	Lunn, W.	Viant, S. P.
Daggar, G.	McGhee, H. G.	Watson, W. McL.
Davidson, J. J. (Maryhill)	MacLaren, A.	White, H. Graham
Davies, R. J. (Westhoughton)	Mander, G. le M.	Williams, E. J. (Ogmore)
Davies, S. O. (Merthyr)	Marshall, F.	Windsor, W. (Hull, C.)
Edwards, N. (Caerphilly)	Mathers, G.	Woods, G. S. (Finsbury)
Fildes, Sir H.	Maxton, J.	
Gallacher, W.	Milner, Major J.	TELLERS FOR THE AYES.—
George, Megan Lloyd (Anglesey)	Mort, D. L.	Mr. Silverman and Commander King-Hall.

NOES.

Acland-Troyte, Lt.-Col. G. J.	Chapman, A. (Rutherglen)	Elliston, Capt. G. S.
Anderson, Rt. Hn. Sir J. (Sc'h Univ's)	Crowder, J. F. E.	Emery, J. F.
Aske, Sir R. W.	Culverwell, C. T.	Erskine, Lord
Attlee, Rt. Hon. C. R.	Davies, Major Sir G. F. (Yeovil)	Foot, D. M.
Balfour, G. (Hampstead)	Denman, Hon. R. D.	Fremantle, Sir F. E.
Boles, Lt.-Col. D. C.	Dodd, J. S.	Fyfe, D. P. M.
Boyce, H. Leslie	Doland, G. F.	Gluckstein, Capt. L. H.
Brass, Sir W.	Douglas, F. C. R.	Greene, W. P. C. (Worcester)
Brooke, H. (Lewisham, W.)	Ede, J. C.	Greenwood, Rt. Hon. A.
Butcher, H. W.	Edmondson, Major Sir J.	Grimston, R. V.
Carver, Major W. H.	Edwards, Sir C. (Bedwellty)	Gunston, Capt. Sir D. W.
Cazalet, Thelma (Islington, E.)	Ellis, Sir G.	Harbord, Sir A.

Headlam, Lieut.-Col. Sir C. M.
Hely-Hutchinson, M. R.
Heneage, Lieut.-Colonel A. P.
Jenkins, Sir W. (Neath)
Jones, Sir G. W. H. (S'k N'w'gt'n)
Kennedy, Rt. Hon. T.
Lamb, Sir J. Q.
Leighton, Major B. E. P.
Levy, T.
Lloyd, Major E. G. R. (Renfrew, E.)
Lucas, Major Sir J. M.
Mabane, W. (Huddersfield)
M'Connell, Sir J.
Macdonald, G. (Ince)
McEwen, Capt. J. H. F.
Magnay, T.
Makins, Brigadier-General Sir Ernest
Margesson, Capt. Rt. Hon. H. D. R.
Mayhew, Lt.-Col. J.
Mellor, Sir J. S. P.
Morgan, H. B. W. (Rochdale)
Morris, J. P. (Salford, N.)
Munro, P.
Nall, Sir J.
Nunn, W.
Paling, W.
Parkinson, J. A.
Peake, O.
Pickthorn, K. W. M.
Radford, E. A.
Reed, A. C. (Exeter)
Reed, Sir H. S. (Aylesbury)
Rickards, G. W. (Skipton)
Robertson, D.
Rowlands, G.
Royds, Admiral Sir P. M. R.
Samuel, M. R. A.
Smiles, Sir W. D.
Somervell, Rt. Hon. Sir Donald
Spens, W. P.
Storey, S.
Strauss, H. G. (Norwich)
Strickland, Captain W. F.
Stuart, Rt. Hon. J. (Moray and Nairn)
Sutcliffe, H.
Thomas, J. P. L.
Thurtle, E.
Tinker, J. J.
Tufnell, Lieut.-Commander R. L.
Walkden, A. G.
Ward, Lieut.-Col. Sir A. L. (Hull)
Ward, Irene M. B. (Wallsend)
Warrender, Sir V.
Waterhouse, Captain C.
Westwood, J.
Whiteley, W. (Blaydon)
Wilmot, John
Willink, H. U.
Windsor-Clive, Lieut.-Colonel G.
Womersley, Sir W. J.
Woolley, W. E.
Young, A. S. L. (Partick)

TELLERS FOR THE NOES.—
Mr. Holdsworth and Mr. Boulton.

CHANNEL ISLANDS.

Motion made, and Question proposed, "That this House do now adjourn."—[*Mr. Holdsworth.*]

8.54 p.m.

Mr. Ammon (Camberwell, North): I think it will be generally agreed that the matter which I am about to raise is one of vital importance in some respects. It relates to the Channel Islands. For the first time in our history, this territory has been invaded without any resistance whatever and, to a very large extent, the news of that event has been suppressed. Just before this Debate began, we were discussing the power of the Press. Very few people know exactly what has been happening in the Channel Islands. Nothing appeared in the Press except a very brief note indicating that communications with the Channel Islands had been suspended. Not until announcements appeared in the Berlin Press on 1st July was there information that German troops had occupied the Channel Islands, the first occupation by German troops of British soil.

Whatever may be our opinion on Imperialist matters, I imagine there is hardly one of us who does not feel a very strong reaction to the fact that enemies have walked into our country in this manner and have been able to take possession of our territory without meeting with resistance of any sort. Although that is a military matter upon which I have no competence to form a judgment, two or three questions arise on that aspect of the matter which should be worthy of attention. Only a few days before the evacuation, military equipment and armaments were being poured into the Islands. These were then withdrawn. Only a week or two before the evacuation several hundred airmen were being sent there for purposes of training. Suddenly there was a very violent change, and we fled from the Islands—the Governor being the very first to move, by the by, leaving the Islands to the civil authorities and, largely, leaving the unfortunate people to their fate.

These questions are of more than passing importance and deserve a little more attention than they are likely to get by my raising the matter on the Adjournment. Some Members will recall that, during the past week or so, I have, from time to time, by means of Questions to the Home Secretary, called attention to the position in the Channel Islands. By the way, the Home Secretary should have been here to deal with an important matter like this, especially as he has been handling it. His absence is rather discourteous, because long notice was given. The right hon. Gentleman has, again and again, denied evidence that I have brought before the House. Without any hesitation I say that it is an act of discourtesy for the right hon. Gentleman to absent himself when I endeavour to justify matters on which he has from time to time contradicted me. I have acted as fairly as anybody could. I sent the Home Secretary in advance all the correspondence and all the information that I had, in order that he might be well prepared for any criticism that I raised, and to show that I had no concern in raising this question beyond the well-being of our own nationals and the prestige of this nation.

I called attention a little while ago to the fact that a certain amount of time had been taken in the evacuation and that certain notice had been given. I called attention also, giving categorical evidence, to the various dates that were involved. On 25th July I ask the Home Secretary:

"Whether he is aware that the Governor of the Channel Islands was withdrawn on 21st June; that the Channel Islanders who registered for evacuation on 20th June were unable to leave owing to lack of transport; that telephonic communications between the islands and this country were operating on the evening of 29th June; that invasion took place on 30th June and on the morning of 1st July the manifesto of the German command was published in the island Press; and why, with so long notice, better arrangements for evacuation were not made?"—[OFFICIAL REPORT, 25th July, 1940; col. 970, Vol. 363.]

The right hon. Gentleman, both in his answer to that Question and in a written answer also, denied that there had been the amount of time that I had indicated, in which preparations could have been made for evacuation.

9.0 p.m.

The Under-Secretary of State for the Home Department (Mr. Peake): What was the date of that Question?

Mr. Ammon: The Question was put on 25th July. I have had a letter from the right hon. Gentleman since then. I will endeavour to substantiate, as I think I can the truth of the statements that I have made. I have here a copy of the Guernsey "Evening Press" dated 20th June. I will read a sentence from it:

"The scenes in the town this morning will never be forgotten by any Guernseyman. Thousands thronged the narrow streets making last-minute arrangements for evacuation. Nowhere in the town could a suitcase be purchased. Many shops closed their doors as it was found that although it was easy to dispose of their goods, no money was forthcoming."

I contend that there is evidence that as far back as the 20th June, as I said in my Question, preparations were being made, and people knew that this trouble was coming, and there was plenty of opportunity for steps to be taken towards evacuation. That, in any case, is the first piece of evidence. Now I will quote from the Guernsey "Star" of 21st June:

"Six thousand people, including nearly all the children of school age, have left Guernsey."

That, surely, is evidence that the evacuation was in progress. The Guernsey "Star" of 27th June said:

"It is one week ago to-day since, following the removal of all troops and armaments, Guernsey became an open town and the Island was plunged into the stress and turmoil of evacuation."

I submit that without going any further I have proved the case I have tried to make, that there had been this length of time in which it was well-known what was about to happen and that steps were being taken to meet the trouble that threatened. Now I will quote from the Guernsey "Evening Press" of 21st June. It is an extract from the speech by Major A. J. Sherwell, who I believe is the Procureur of the Island of Guernsey. The paper heads it:

"With a frankness truly Churchillian."

He says:

"No man of military age was obliged to go. . . . But England needed them and were they to remain they might be subjected to slave labour."

In the light of all this evidence, I submit—and this is where I allege that the Ministry of Information has been lacking—that this is an instance in which it is felt in this House and outside, that the country is not being fully informed of what is going on. It also raises in the minds of men, I regret to say, a feeling which is expressed outside not infrequently—we have even had it expressed by workmen who have come before the Committee on National Expenditure—that there is some doubt as to whether there is real earnestness in certain quarters about going on with this war. One of them said that this was a "sanguinary capitalist war," and that if it was not he would be putting more effort into it. That is the feeling with regard to the situation. The Home Secretary has denied, among many things, that the evacuation was purely voluntary. What we are up against is the fact that there has been tremendous vacillation on the part of the Government and confusion between the authorities on the Island. First of all there was to be evacuation; then it was contradicted; and then, when people were lining up to register, as they had been asked to do, officials went along the line telling them not to be "yellow," not to be afraid, but to come out of the line. I have a letter from a man who

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was among the evacuees. It is dated 17th July. He said:

"The reply of the Home Secretary to your observations was evasive and even misleading. So far from being 'voluntary,' the evacuation was encouraged, and A.R.P. wardens went round (in my district at any rate) imploring the people to get out before they were blown out! We were told that 'The Jerries would be here in 24 hours, the men would be taken to Germany as slaves in the munition factories, and as for our women—well, God help them!' Is that a prelude to voluntary evacuation?"

The letter goes on:

"The evacuation arrangements, such as they were, were deplorable. I came over on the 'Antwerp,' a troopship licensed to carry (and lifebelts provided for) 700, and there were 2,000 men, women and children aboard, to be chased by a submarine halfway across. We reached Weymouth at 5 p.m. and came alongside at 9.30 p.m., and there we were left without food or drink until 10 a.m. next day, when people started fainting in all directions and officialdom woke up at last."

That is one of a tremendous batch of letters that I have here. I sent some to the Minister in order that he might see them in advance. There is another point that arises in this connection. That is the very grave danger of starvation which those people who are left there will undergo. The Channel Islands have no coal of their own, and 70 per cent. of their foodstuffs have to be imported. I have here an inventory of the total amount of foodstuffs, item by item, in the Islands when the evacuation took place. It is a curious thing that, as I think has been admitted, I have had more information than the Home Office on some of these points. Probably it would be well, for many reasons, if I did not read out the exact amounts involved in this inventory, but the hon. Gentleman can have it if he desires. When anybody goes short in the Islands, it will not be the Germans. We have something like 30,000 to 40,000 people there, with no means of communication with this country. They have been left behind, largely owing to a condition of muddle, and they are now in this very parlous condition. This is from another letter that I have received:

"I appreciate that there may still be a sufficiency of cattle in the Islands to feed the majority of the adult population. There cannot be enough flour or the means of growing it, or a reasonable subsistence to guarantee the continuance of the well-being of the people."

And this is from another letter, from a doctor living in the Islands:

"My home is in Guernsey, and I do know that if food is not sent to the Islands, the people must starve."

In the face of all these things, I suggest that I was not asking anything unreasonable when I said that a full statement ought to have been made to this House some time ago. I asked the right hon. Gentleman whether he would make a full statement to the House concerning the evacuation. I have been treated rather like a hostile person, and there has been displayed a kind of resentment that one should have raised such a matter as this at all. The right hon. Gentleman also denied that there was any communication with the Islands after the 28th June.

Mr. Peake: When did my right hon. Friend deny that?

Mr. Ammon: In his answer to the Question asked by me last Thursday, when he said that the bombardment took place on the 28th June, and it was not possible to get into touch with the Islands. That is what happened then. Here is another correspondent who writes:

"The report in to-days 'Telegraph' that the dates of invasion were two days following the 25th June is quite inaccurate. As already mentioned in my previous letter, I spoke over the telephone to my brother in Jersey on the afternoon of 29th June. Guernsey was invaded the following day and Jersey on 1st July."

I come finally to this point. I am sorry to have kept the House for so long on this matter, but I feel that it is one of vital importance to the credit and prestige of this nation. Here is a cutting from the Jersey "Evening Post" dated 19th July:

"Shipping facilities are being provided by His Majesty's Government for the immediate voluntary evacuation to the United Kingdom of women and children. Similar facilities will also be available for men between the ages of 20 and 33 who wish to join His Majesty's Forces and, so far as accommodation permits, for other men."

When you add the other statements I have already read urging people to get out of the Islands, it tends to show the confusion that had arisen. I now read what I think is the crowning humiliation. It is the manifesto issued by the General Commanding the German Forces in Normandy:

"As evidence that the Island will surrender the military and other establishments without

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resistence and without destroying them, a large White Cross is to be shown as follows, from 7 a.m. 2nd July, 1940:

(*a*) In the centre of the Airport in the East of the Island.

(*b*) On the highest point of the fortifications of the port.

(*b*) On the square to the North of the inner Basin of the Harbour."

There is a good deal more that I could quote. It shows that the Germans were then in full possession. I want to ask whether the air port was left intact in order that it could be used in an offensive against our people. I received a statement from people who, just before the final invasion took place, went to the Home Office in order to get some help and make suggestions, and they told me that they were astonished to find the blind faith that the Home Office people placed in the suggestion that if we cleared out and acted very nicely, the Germans would act in a very proper fashion towards the people. That, after the experience of Norway, Denmark and other countries. That has been published in the Press in a paper to which the right hon. Gentleman the Home Secretary called my attention when he answered a question from me a little while ago. In a letter that the Home Secretary wrote to me a day or two ago, in addition to answering questions, he stated that a number of boats left with hardly any people at all in them and that there was a difference of opinion with regard to evacuation. That is further evidence of the muddle. First, there was an evacuation which was stated to be compulsory; then it was to be voluntary, and then we had several authorities and others contradicting each other. At Guernsey there were thousands of people left on the quay, unable to get away. I have already read an extract from a letter from a man who said that he came over in a boat which was fitted out to carry 700 people but, in fact, carried 2,000. Here is a letter from another correspondent, who says:

" He stated "—

he means the Home Secretary—

" that boats left Jersey not full with evacuees. Why did they not call for the many hundreds waiting at the harbour in Guernsey? Many hundreds waited all night for transportation which was not forthcoming and when a small boat did arrive, because there was no order, many people were hurt in the crush."

That is the case I want to put before the House in order to show the need for organisation in our Government Departments. The same Department is responsible for all the blundering and muddle with regard to refugees. They lost refugees, and do not know where they are now, and cannot trace them. Encampments were not prepared to receive them. That is the precise sort of system we have had in regard to this evacuation. There is another important thing which I almost overlooked, and that is that none of these people was allowed to take more than £20 from the island.

Mr. Stokes (Ipswich): The money is worthless anyhow.

Mr. Ammon: They were not allowed to bring their money out so that they could provide for necessaries for themselves here. The Red Cross Society reports that no fewer than 2,000 applicants a day—people from the Channel Islands—have applied for relief. They have added 10 more people to their staff in order to deal with the applications. All this is an indictment against the Department that certainly wants answering and does show muddle, vacillation and a failure to realise the responsibilities of the position, to say nothing of the humiliation which every Britisher must feel because we walked out for the first time in history without making any stand whatsoever against the invader and let him do what he liked.

9.19 p.m.

Mr. Parker (Romford): I would like to support strongly the case made by the hon. Member for North Camberwell (Mr. Ammon), and I would like to know from the Home Office whether there was any definite Government policy at all about the question of the evacuation of the Channel Islands. I can quite understand why a certain number of farmers and people who have lived for generations on the islands would not want to leave, but a large part of the population ought to have been evacuated. The Government should have definitely said, " We want practically the whole of the population, apart from the farmers in the country districts, to be evacuated," and should have done all they possibly could to persuade the local people in authority to get the population evacuated. It has been said that demilitarisation was not known to the German authorities until just before they raided the islands, but I think that is quite incorrect. I have

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[Mr. Parker.]

here a statement from Mr. Hyman, district organiser of the Transport Workers. He says, with reference to a Question put down by my hon. Friend the Member for Seaham (Mr. Shinwell) and the reply of the Home Secretary:

"I think it is of importance to comment on the Question put by Mr. Shinwell and Sir John Anderson's reply. Mr. Shinwell asked, 'How long a period elapsed after demilitarisation before the Germans were informed?' The reply was that there was an interval of some days before demilitarisation was publicly announced. The reply, as far as Jersey is concerned, is quite incorrect. Demilitarisation commenced on Wednesday, 19th June, and was announced in the Jersey States on the same afternoon by Major-General Harrison, the Lieutenant-Governor. This announcement was reported in the local Press, the "Evening Post," on the same evening and the "Jersey Morning News" on Thursday the 20th. I suggest that this was as good as broadcasting the news as far as giving information to the Germans was concerned."

I have seen a copy of the paper, and it certainly has a full report of the States meeting and the announcement of the Lieutenant-Governor. The German authorities must have got possession of papers from the islands fairly early and known that they were demilitarised and that therefore it was open to them to occupy the islands. Demilitarisation was thus announced on 19th June; the first raid was on 28th June, and the actual occupation took place on 30th June and 1st July. That gave considerable time to arrange for the evacuation of the islands. What seems so surprising is that you had considerable evacuation of school children and others immediately when demilitarisation was announced, and then a "Go slow" policy about evacuation. In fact, practically all the local people of importance did their best to discourage evacuation. One of the most surprising statements of all is a speech by Jurat Dorey in the States Assembly, in which he said he had been sent over to the Home Office in London, where he saw two officials, Sir Alexander Maxwell and Mr. C. G. Mackbreiter. Presumably he got advice from them as to what the British Government thought ought to be done by the island authorities. In his speech he condemned the policy of evacuation and denounced those who were trying to go overseas as rabbits and rats. Did he speak with the backing of the Home Office? What advice did those officials give him to put before the Jersey States when he got back? That ought to be stated fully. It seems to me that the whole policy of "Business as usual" preached by important people in the islands was a thoroughly wrong policy between 19th and 28th June, when the actual invasion took place, during the period in which there was an opportunity to get a large part of the population out.

A letter that I have received from Jersey says:

"It is remarkable that the self-same authorities who impressed on the islanders the necessity for business as usual stated at a meeting of licensed victuallers on the 28th that occupation by the Nazis must be expected at any time. German reconnaissance planes were in fact then flying over the town."

This information was passed to my correspondent over the telephone on 29th June and therefore can be taken as being pretty accurate. If the island authorities discouraged evacuation and then suddenly decided at the last moment that a German occupation was inevitable, why were they not informed by the British Government that an early occupation was expected and persuaded to change their minds? Many people who wanted to be evacuated were not evacuated. There are in this country a great many relatives of people who would like to have come from the islands. There are a great many invalids left on the islands. Apparently the people in charge of them were told that a hospital ship would be arriving to take them, because the ordinary ships which were used for the evacuation were much too crowded for invalids. No hospital ship ever arrived to collect them. Another one of my correspondents has stated that his parents stayed behind because they could not get savings bank deposits out on the day on which they wanted to leave. They stayed a day or two, and then there was no ship and they could not get away. There were a great many people who ought to have been, and could have been, removed during the period who were not. I am thinking particularly of elderly people and invalids who will suffer very much during the German occupation.

With regard to the German air raids and the question of evacuation, I can quite understand that after the serious air raid on 28th June, it would have been difficult to organise evacuation, but I think a certain amount of evacuation could have been organised even between

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that date and the actual occupation on 30th June and 1st July. If we were able to send ships to bring people from all points along the French coast right down to St. Jean de Luz, surely some form of guard could have been provided for ships to fetch our own people from the islands even between 28th June and the German occupation on 30th June and 1st July. It would have been difficult to do this at that time, but during the two days following the first serious air raid and after people had woken up to the possibility of a German occupation, shoals of people wanted to be evacuated who had not been so keen earlier on because of the policy of the important people on the islands. From telephone messages that came over continuously after the first raids took place, it seemed that there were very large numbers of people who ought to have been, and could have been, evacuated earlier had the British Government given a definite lead in the matter.

I want now to deal with the question of what is to happen to the people who are left. The islands do not produce anything like sufficient food to feed the population. Part of the population has gone, but there are still there far more people than the islands can supply with food. The food which they produced in the past was potatoes, tomatoes, and rather exotic crops for foreign markets and not for internal consumption. A very large part of this year's production has already been sold overseas, as it consisted of early crops produced in greenhouses. The production of the islands depends very largely on their having coal for the greenhouses. Food and coal will not go to the islands during the winter largely because of our blockade. The islands will not be able to produce food for themselves, and I think it is very unlikely that the Germans will allow food to be taken to them from the mainland. I am afraid we shall get the blame for blockading the islands, as part of our general blockade. I do not think it would be possible to send large supplies of food in the ordinary course of events, because undoubtedly the Germans would take those supplies, and the islanders would not get them. I suggest that something ought to be done to get certain sections of the population, particularly old people and invalids, off the islands, if it can be arranged. Would it not be possible to exchange them for certain German internees who want to go back to Germany, people who are known to be Nazis, German women and non-combatants of various kinds? Would it not be possible to arrange an exchange of them for certain of the islanders, or to get the American Government or some other neutral Government if we agreed to send the ship, to take up the question of evaculation of such of the islanders as now want to go? I suggest that this matter ought to be taken up if our national reputation is to recover from the blow which has been dealt to it by our neglect of this whole mater. Its whole treatment by the Home Office has been thoroughly bad, and some action now by the Government is necessary to look after our own countrymen in these islands and see that justice is done to them.

9.31 p.m.

Mr. Leslie (Sedgefield): No doubt there has been a considerable amount of chaos existing in the islands, and an old friend of mine, a resident in Guernsey, gave me a considerable amount of information, most of which has been already given to the House by the hon. Member for North Camberwell (Mr. Ammon). My friend came over to this country a fortnight before any evacuation took place, and he was very concerned as to what was likely to happen. I tried to obtain information of what the Government intended to do, but there was a considerable amount of mystery about the whole affair, and he went back unable to know exactly what he should do. He left with the last boat which came from Guernsey, and there was no denying the fact that the number of boats was insufficient to evacuate the people. The day before the last boat left Guernsey there was a mile of trucks laden with potatoes and tomatoes, and people were not allowed to go on these boats, apparently because more consideration was given to the loading of the potatoes and tomatoes than to the evacuation of the people. On that day a German plane came over and had a look round, and the following day five German planes came over and dropped bombs on the quay, destroying a number of the trucks and killing quite a number of people who were waiting and trying to get on the boats, which they were unable to do. I have seen an inventory of the food and fuel in Guernsey. A considerable

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amount was left there; the hon. Member for North Camberwell has the list, and no doubt a similar list is already in German hands. But it would be interesting to know whether anything was done to see that the people resident in Guernsey who could not get away were provided with that food. I certainly think that an inquiry ought to be held into the whole matter, because, according to reports I have received, there undoubtedly was chaos, and people were at a loss to know what to do. On the one hand they were shouted at and told they were yellow when they tried to get on to the boat, and on the other hand they were told to get on to the boats as quickly as possible because the Germans were expected every minute.

9.34 p.m.

The Under-Secretary of State for the Home Department (Mr. Peake): The hon. Member for North Camberwell (Mr. Ammon) has, I think, rendered a service in raising this matter in the House this evening, because there has been a good deal of misunderstanding apparent in many of the questions put to the Home Secretary since the evacuation at the end of June. The hon. Member for North Camberwell suggested there was some discourtesy on the part of my right hon. Friend in not being present to deal with this matter himself. I confess it seems to me a very novel doctrine that it is an act of discourtesy by a Minister to put up an Under-Secretary to reply on a Motion for the Adjournment of the House. Certainly it is a very usual practice, and I must confess that I do not know why the hon. Member thinks he has been selected for specially discourteous treatment.

Mr. Ammon: It surely depends very much on the circumstances. Up to now the controversy has been between the right hon. Gentleman and me. He has specifically challenged my statements, and he ought to be here either to substantiate his statements or to apologise.

Mr. Peake: I am not prepared to accept the view that because a Member of the House puts questions to the Home Secretary and the Home Secretary answers, it gives him a prescriptive right to have the presence of the Home Secretary in the House on a Motion for the Adjournment. I listened very carefully to what the hon. Gentleman said, and I must confess that I was in some state of mental confusion at the end of his speech to know precisely what his complaints were. In one part of his speech there were complaints that the boats carrying evacuees were too full, and in another part there were complaints that the boats were too empty. There were complaints that too many people had come and complaints that too few people had come; complaints that the Government acted too precipitately and complaints that they acted too slowly. I was in some difficulty at the end of the hon. Gentleman's speech to know precisely what he was complaining about.

Mr. Ammon: The hon. Gentleman is trying to be a little too clever, because he must know that in each of those parts of my speech I was answering specific statements of the Home Secretary, who had said that boats had come away empty. I said that that was so in some ports, but that in others they were overcrowded. The hon. Gentleman might do me the courtesy of answering me instead of indulging in these debating points.

Mr. Peake: I am the last Member to attempt to score cheap points in debate, and I hope the hon. Member will treat me with the courtesy with which I treated him. It seemed to me that a great part of his speech was a challenge to the decision to demilitarise the Channel Islands. I share his regret that that decision had to be taken. It was taken, not by the Home Office, but by the responsible military authorities, upon purely military grounds. It is regrettable that any part of the British Isles should be abandoned to the enemy, but that is a decision which was taken on the advice of the military authorities, and it was advice which the Government could not disregard. The question of strategy involved can be discussed at some later date, but, looking at the matter from the point of view of a layman, in the matter of strategy, I should have thought that the decision arrived at was one which would not be difficult to justify. France had collapsed. The enemy were in possession of ports and aerodromes within a very few miles of the Channel Islands. Moreover, those islands were not, and never have been, heavily fortified.

The decision to demilitarise the islands was taken on 19th June. At the same

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meeting of the War Cabinet at which that decision was arrived at it was decided that every possible facility must be provided for the evacuation of such of the civilian population as desired to come to the mainland. There, again, I have not the slightest doubt that the decision taken was the right one. It was obvious that the decision to demilitarise the islands and the decision to provide for the evacuation of as many of the civilian population as desired to leave must be taken quickly and must be put into operation with very great secrecy. To have announced the demilitarisation at that stage publicly in this country, or over the wireless, would have been to invite the Germans to take immediate possession of the islands, and for that reason no announcement was made in this country of the decision to demilitarise the islands. Inquiries show that the island authorities estimated that somewhere about 30,000 persons would desire to avail themselves of the facilities for evacuation, and boats were immediately provided by the British Government and arrived in the islands on the following morning. Evacuation began on the morning of the 20th and continued for three or four days. It is obvious that there must have been very great searchings of heart among the people in the islands before coming to a decision whether to stay or whether to leave, but I do not think anybody would suggest that it would have been a wise thing to endeavour to enforce compulsory evacuation.

Mr. Parker: Can the hon. Gentleman say whether steps were taken to persuade the people to leave or whether the island authorities were asked to try to persuade them?

Mr. Peake: As I have said, every possible facility was provided for them to leave, and an announcement, to which the hon. Member for North Camberwell referred, was made in the " Jersey Evening Post " of 19th June. This is one of the documents which he sent to my right hon. Friend the Home Secretary. It said:

> " Shipping facilities are being provided by His Majesty's Government for the immediate voluntary evacuation to the United Kingdom of women and children. Similar facilities will also be available for men between the ages of 20 and 35 who wish to join His Majesty's Forces and, so far as accommodation permits, for other men."

It goes on to set out the detailed arrangements.

Mr. Leslie: Does that apply equally to Guernsey, because that is where many of the complaints come from?

Mr. Peake: Most certainly. Exactly the same provision was made in respect of Guernsey as in the case of Jersey.

Sir Henry Fildes (Dumfries): Can the hon. Gentleman say whether there was a limit of £20 put upon the money that these people were allowed to take away with them?

Mr. Peake: Frankly, I do not know the answer to that question. It was, in any case, a question for the island authorities. Of course, since the evacuation, arrangements have been made whereby Channel Islands residents who have left the islands can draw upon British banks in this country in respect of balances which they had in the Channel Islands.

Mr. Lunn (Rothwell): Can the hon. Gentleman say whether evacuees from the Channel Islands who came to this country —we have 500 in my village—can receive money from their husbands or fathers who are in the Channels Islands?

Mr. Peake: No, I should not think that is the case, but it is a very technical question, and I should like to communicate with the hon. Member about it. I would like to pursue the sequence of my speech. The question at issue on 19th June was whether it would or would not be wise to make evacuation compulsory. All the advice we had from the Island authorities tended to show that compulsory evacuation would be extremely unpopular and would, in fact, be unenforceable; that a great many of the Islanders were determined at all costs to remain upon the land which they had tilled for generations and in the homes which their families had occupied for hundreds of years. Compulsory evacuation was really quite out of the question. What we did, in fact, was to give a lead by providing all the shipping accommodation we could.

It was obvious, and the Island authorities were clear on the point, that they could not encourage, at the outset, people to go from the Channel Islands who occupied responsible positions in public undertakings and public services of all kinds. If they had been encouraged to

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leave the Islands, the normal services which are necessary to the public in war time could not have been provided for the people who remained upon the Islands. As I was saying, there must have been great searchings of heart among the people of the Islands as to whether they should leave their homes. Very different views were taken on this question in Guernsey and in Jersey. For instance, in Jersey, with a population of 50,000, only 6,600 people decided to leave. My right hon. Friend the Home Secretary has pointed out, in answer to a Question, that the last boats to leave Jersey were by no means full. On the other hand, in Guernsey, rather more people wished to come out than had been anticipated. Out of a population of 42,000 in Guernsey, a smaller population than that of Jersey, 17,000 came. Those two figures, coupled with 1,000, I think, from Alderney, made up a total of about 25,000 people who were evacuated from the Islands, as against an estimate of 30,000 by the Islands authorities when the policy was decided upon.

Mr. George Griffiths (Hemsworth): Did everybody who desired to come from Guernsey get away?

Mr. Peake: That is the point to which I was coming. For the first three or four days——

Sir John Mellor (Tamworth): My hon. Friend has expressed some surprise that the hon. Member for North Camberwell (Mr. Ammon) should complain that some of the vessels left too empty and some too full. Is it not a fact that some did leave much too full and others very empty, and were not the over-fullness and the emptiness related to the varying advice given to the people of the islands by the island authorities?

Mr. Peake: No, I do not think that that is so. Of course, on a question of evacuation of this kind, people are apt to take different views. Men who occupied prominent positions in the islands issued a statement which was no doubt intended to reassure people and prevent panic and alarm. Personally, I cannot see any reason for blaming them for issuing a statement of that kind. There is no doubt that, faced with the necessity for an immediate decision on the question of leaving their homes, people had in their minds a certain amount of confusion which was, in the circumstances, inevitable. In regard to shipping facilities, no doubt some boats were overfilled, or filled to their utmost capacity, but, as I have said, other boats, coming from Jersey, were not so full. The remarkable thing is that 25,000 volunteers should have been got out of the islands between the decision to demilitarise, on the morning of the 19th, and the evening of the 23rd. That, I think, is a very remarkable achievement in the circumstances.

Sir J. Mellor: But was not varying advice given by the island authorities? Was not the right hon. Gentleman the First Lord of the Admiralty right when he said that sometimes they were told that they should hasten to get out and that at other times they were told that they would be yellow if they did?

Mr. Peake: I am prepared to concede that point to the hon. Gentleman, and I daresay that at different times different advice was in fact required by the exifencies of the situation. After all, the island authorities were the people on the spot. They saw what was happening. They saw whether there was any tendency to confusion among the people, and I have not the slightest doubt that they gave *bona fide* advice to the best of their ability.

Mr. Parker: I am sorry to interrupt the hon. Gentleman, but surely the point at issue is this: Did the Home Office of this country bring pressure of any kind upon the island authorities to persuade them to encourage evacuation or not?

Mr. Peake: No, Sir. What the authorities of this country did was to say, " We must give the people in the Channel Islands opportunities and facilities for evacuation, and leave it to them to decide whether they desire to come to this country or not." I have already quoted the statement in the Jersey Press of 19th June, and the hon. Gentleman referred to a reassuring proclamation which was issued in Guernsey on the 20th, in which some of the leading citizens, the Bailiff, the Crown Officers and others say:

> " We wish the people of this island to know for their guidance and assistance in the decision which each must take for himself that we are remaining at our posts to carry on our respective duties."

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I do not think that that is a public statement about which anybody can make any criticism whatsoever. The leading citizens decided, in order to reassure the people and to give confidence, that for their part they would stay in the islands and stick to their jobs. What in fact happened? It is perfectly true that there were people who desired to leave Guernsey for whom facilities were not available, but that was after the aerial bombardment on the morning of 28th June, and it is not in the least surprising that people who thought that things were going to be quiet and that it would be safer to stay in the islands, after the aerial bombardment on the morning of 28th June should have changed their minds and decided that they would in fact prefer to be evacuated.

Mr. Leslie: Was it not the case that the quay was crowded with people on the day the Germans dropped their bombs on the quay and killed people, while the boats were packed with potatoes and tomatoes?

Mr. Peake: It may be true that on the morning of 28th June potatoes and tomatoes were being shipped. If it was the morning when the Germans came over and dropped bombs on the harbour, it was exceedingly fortunate that the ships were not being loaded at that time with human beings, because had there been evacuation in progress, either voluntarily or compulsorily, a disaster of a very serious kind would have taken place.

Mr. Ammon: I am loth to interrupt the hon. Gentleman, but he is unintentionally giving a misleading statement. As a matter of fact, this was on the 27th, before the bombardment took place.

Mr. Peake: The 27th?

Mr. Ammon: The day before the raid. Posters were put round the island saying, " Do not be yellow and evacuate." What is more, individuals went along the queues of people telling them to go back.

Mr. Peake: I have not seen these posters saying, " Do not be yellow," but it is possible that the island authorities did give advice of that sort. I must confess that I should be horrified if a poster of that kind were put up in this country, but it is not a matter on which the Home Office can take any responsibility whatever. This is the first time I have heard of these posters.

Mr. Ammon: No, I raised the question in the House a fortnight ago.

Mr. Peake: There is not the slightest evidence that anybody who wished to be evacuated before the bombardment—which, I now recollect, took place on the evening of the 28th—was prevented from coming to this country by lack of accommodation. It was only after the bombardment that a considerable number of people who either had decided in the first place not to go or had registered for evacuation on the first day and then had changed their minds, decided to go, and that large numbers of people who wished to come to this country were unable to do so.

There are two other small points with which I want to deal. The hon. Member for Romford (Mr. Parker) asked whether any proper military precautions were taken to make the airport unusable. My information is that instructions for making it unusable for a considerable time were given, and there is no reason to suppose that they were not carried out. The other point is that of food supplies for the islanders. The hon. Member for North Camberwell has apparently a longer list of food stocks in the islands than I have myself, and I shall be very pleased to see his list. But our information is that there are reasonably good stocks of most of the principal foodstuffs in the islands. We are, of course, trying our very best to get in touch with the islanders, through the International Red Cross. The hon. Member can be fully assured that whatever can be done for the relief of the island population we shall do. But in regard to this question of the evacuation of the islands, the Government have nothing whatever with which to reproach themselves. I wish that on all matters the Government and the Home Office had as perfectly clear a conscience as they have on this question of the Channel Islands.

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[Mr. Peake.]

Regrettable as was the decision to demilitarise the islands, it is, I think, a matter of some satisfaction that so many people were successfully brought away, and that the islanders, however hard their lot, may have been spared the cruel horrors of bombardment and of modern warfare.

Question, "That this House do now adjourn," put, and agreed to.

Adjourned accordingly at One Minute before Ten o'Clock.

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