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## FOR POLITICAL AND ECONOMIC REALISM

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### The Brief for the Prosecution

By C. H. DOUGLAS

#### CHAPTER VI\*

In October, 1929, a year after the (British) Bank Notes and Currency Act had placed the British currency and credit system under the control of a non-governmental, and, so far as is publicly known, possibly-foreign-controlled, institution, the Bank "of England," the nine years period of almost fantastic commercial and industrial prosperity in the United States—a period in which shiploads of millionaires found time to visit Europe, including "Britain" for the purpose of acquiring the assets of our bankruptcies—came to a sudden end. In a month, stocks and shares became almost unsaleable; workmen were discharged in millions, to be followed at a short interval by black-coated staffs and technicians. The United States, and the world in general, had entered on the greatest economic depression in history. The late Sir Henry Strakosch was ready with an explanation. Primary prices had fallen. Notice the natural phenomenon. No-one to blame.

It is probable that complex theories of Trade Cycles and the effect of sunspots on industrial activity are already in preparation in the London School of Economics and Columbia University, in order that historians may have the material to explain the economic blizzard. But, meanwhile and in fact, its cause is beyond dispute.

Under more normal conditions, industry in the United States is preponderatingly financed by bank loans or overdrafts. In consequence the manufacturer and farmer are under the complete control of the banker, who can, and often does liquidate them almost without notice. The system constitutes the most comprehensive control of policy of which it is possible to conceive, extending to the ability to penalise opinion by economic ruin.

During the decade of abnormal industrial activity, much of which consisted in the manufacture of goods for the reconstruction of Russia and Germany, the American manufacturer accumulated large sums, and bank balances, which, towards the latter quarter of the period, he found it difficult to employ in industry. As a result, he not only made less use of bank money, but actually entered into competition

with financial circles for the provision of funds to borrowers not only in the U.S.A. but abroad. Not only were the profits of money-lending threatened, but the industrial subservience to the book-keeper was endangered to an extent which called for immediate action. It was taken. Notwithstanding the immense prosperity of American industry even towards the end of the boom, much of the day-to-day money was as usual provided by current accounts normally fluctuating from large overdrafts for wages, etc., to small credits as these overdrafts were repaid. These were all "call money," *i.e.*, were subject to the fiat of the banker. The industrialists were not organised to lend "call money" and their funds were placed on fixed terms of three months, or more.

At the end of October, 1929, the New York Banks, without notice, called in practically every overdraft, and advanced the rate for "call money" from a normal 3 per cent. to 30 per cent. or more. The effect was instantaneous. Borrowers, for the most part in possession of large blocks of securities both American and European (Germany repossessed herself of her own borrowings at bargain prices), threw them on the market in order to obtain cash, either to meet calls or wages account. But there were no buyers for cash, since there was no cash. The banks had it all, although the country at large had the securities representing much of the funded wealth of the prosperous years.

For about twelve months, American business staggered down the slope. Any slight improvement in the stock markets (there was none in commodity markets) was greeted by an avalanche of selling orders. Where salaried workers were retained, they were presented with ultimatums requiring immediate acceptance of drastic salary reductions. Living standards, and consequent consumers' buying, fell even faster than wage and salary reductions, as a consequence of widespread lack of confidence in the future—misgivings which were more than justified.

It is probably not without significance that the President, elected by the Republican Party, was by profession, an engineer with a natural tendency to favour the producer rather than the financier and the trader. As an instance of the attitude assumed by the Money Power in relation to the Administration, it may be recalled that Mr. Hoover dictated an official memorandum to Eugene Meyer, Chairman of the Federal Reserve Board, drawing his attention to the disastrous consequences of the Board's policy, and requesting reconsideration of it. Mr. Meyer acknowledged the receipt of it and took no action. Eugene Meyer was appointed Chairman of the Reconstruction Finance Corporation.

The Governor of the Bank of "England," Mr. Montagu Norman, adopted much the same attitude, remarking to the "MacMillan" Commission on the working of the Gold Stan-

\*The extracts now being published in *The Social Crediter* from Major Douglas's forthcoming *The Brief for the Prosecution*, of which the first appeared on May 13, 1944, are published with a view to the existing situation, and not in the sequence or detail in which they will appear later.

dard, "If the Government will inform us of their policy, we will co-operate as though we were under statutory obligation to do so." This attitude, which agrees with the extra-territorial status of the various Central Banks, founded, together with the Bank of International Settlements, during the armistice years, is a clearcut assertion of super-nationality. It is quite in accordance with this position that Mr. Norman and other Central Bank Governors remain co-directors of the Bank of International Settlements with those nominally belonging to enemy states.

Under normal conditions, the paralysis of a trade competitor would have reacted to the advantage of British industry. The grip of the Bank Notes and Currency Act 1928 upon trade conditions was so comprehensive, however, that the "depression" while not so spectacular in Great Britain as in the United States (almost entirely because compulsory unemployment insurance, miscalled the dole, masked the widespread misery and despair) was at least as disastrous. Certain areas such as South Wales, Tyneside and the Clyde were in so desperate a condition that they were first earmarked for treatment under the title of Distressed Areas, but later distinguished as Special, an adjective as descriptive as the treatment they received was abominable. It is the essence of the history of the period that in the face of disastrous unemployment the armed forces were depleted both of men and equipment, and every effort was made to re-equip Germany.

The effect of continuous trade depression on business organisations is uniform. First profits decrease by competition in a decreasing market causing a fall, but not necessarily a heavy fall, in prices. There is no evidence to support the statement sedulously propagated, that the depression was *caused* by a fall in prices. *Before* the panic of October, 1929, American prices were still at a profitable level.

Such fall as did in fact take place was equivalent to a rise in purchasing power and in all probability increased for some time the *volume* of goods bought, and delayed the next stage—the disappearance of profits, the liquidation of reserves, and the separation of business undertakings into two classes: those which were to be supported by bank overdrafts and carried on as bank-controlled organisations; and those which were to be closed down.

In fact it can be seen both by the depression itself, and by the means which were inaugurated to end it when the process was considered to have gone far enough, that elimination of competition was its primary objective.

Lord Melchett (Sir Alfred Mond), speaking at Harvard in 1928 on the Mond-Turner Conference, said: "The high purpose of the Conference could not be more amply illustrated than by the fact that the first agreed resolution published to the world was a Joint Memorandum on the Gold Reserve and its relations with Industry.

"It is merely necessary for me to point out that the issue of that Memorandum to the Chancellor of the Exchequer had a definite result in the policy which he pursued... when the Bank Note issue and the Treasury issue were amalgamated this year."

That is surely definite enough. There is probably not a single authority nowadays who would venture to deny that the "economic blizzard" was a monetary phenomenon arising

directly out of the parallel monetary policy of the Bank "of England" and the Federal Reserve Board of the United States; that the amalgamation of the Treasury issue with the Bank was a part of it; and that the object of this policy in both countries was advance towards monopoly, then called rationalisation, and now called concentration, or "Planning." Without commenting on other qualities of the Trades Union participants in the Conference, it is safe to say that their qualifications for discussing the effect of Gold Reserves and their understanding of monetary theory were equally non-existent.

The tragic policy to which reference is made with such complacency, besides subjecting the working population of Great Britain, supposed to be represented by the Trades Unionists at the Conference, to six years of desperate misery, is beyond doubt the most important factor amongst those culminating in the Second World War, and the hair-breadth escape of Great Britain from complete disaster in 1940.

On April 21, 1932, Mr. Winston Churchill made the following statement in the House of Commons:

"When I was moved by many arguments and *forces* (my emphasis) in 1925 to return to the Gold Standard, I was assured by the highest experts that we were anchoring ourselves to stability, and I accepted that advice. But what happened? We have no reality, no stability. . . . This monetary convulsion has now reached a pitch when I am persuaded that producers of new wealth will not tolerate indefinitely so hideous an oppression."

The gold exchange standard was abandoned in 1931.

In 1932, the "economic blizzard" approached its height in the United States, President Hoover was completely discredited, most of the smaller industrial firms were wrecked, and attacks on the banking system, as a system, and as a credit monopoly, were increasing to a formidable volume. There were over twelve million unemployed. In November of that year, Franklin Delano Roosevelt was elected President, and in March 1933 assumed office under conditions of nation-wide panic. In Detroit, for instance, not a single bank was open for business, and all over the country money substitutes of the token class were in daily use. Probably sixty per cent. of the banks were insolvent. Roosevelt's first action was to close every bank. It is significant that the first step taken to deal with the crisis was financial, not industrial.

It is not necessary to the understanding of the general situation to deal with the technicalities of the banking situation, which have been explored, for instance in "The Monopoly of Credit." But it may be explained that the American Banking laws expressly forbid what is called Branch Banking (the English system) and American Banks, for the most part, outside New York, were in real and active competition with each other, not merely for customers' accounts, but for re-discount facilities. The old Scottish Banking system, which had many good features, was similar. The prohibition of Branch Banking had been a great safeguard against the mammoth Wall Street Banks, but its fatal weakness was the need to borrow for the purpose of lending. The freezing of re-discount loans by the Reserve Banks ultimately controlled by the Federal Reserve Board, had put the country banks in the position of being helpless against a "run," which occurred in practically every case.

Hundreds of small banks, and some large (but none of the largest) banks had closed, never to re-open. The largest banks were relieved of a good deal of competition.

President Roosevelt devoted the major portion of his Inaugural Address to a castigation of Financiers—not all Financiers, but those who had been uppermost during the Hoover regime. No criticism of the credit monopoly, as such, was expressed or implied.

The new Administration, surrounded by such men as Bernard Baruch, Felix Frankfurter and other international Jews, acted with vigour, and clearly in accordance with a carefully prepared programme. Selected banks were re-opened, and the Federal Reserve Banks, until now entirely quiescent, poured out credits to them on dictated terms which removed any danger of revolt. Large contracts for public works were placed with contractors, and State Employment organisations, whose barely concealed object was the lavish spending of money, rose and expanded. At the same time "controls," which can be recognised as the groundwork of the Planned Monopolistic State, were imposed on each main industry.

Three months later, Mr. Montagu Norman took a holiday, and while he was at sea, Great Britain renounced the deflationary policy so relentlessly pursued.

The red light was replaced by green. The traffic was to be allowed to proceed on conditions.

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## FROM WEEK TO WEEK

We touch the button, you do the rest, as the Chicago gunmen said to the refugees from Hitler's tyranny. Odd that the majority of the casualties were aristocrats, isn't it?

*The Economist*, never without that touch of refined humour which makes us what we are, remarks: "The Party [C.C.F.] now forms the chief opposition in the legislatures of Ontario and British Columbia, although it has less standing in Manitoba and Alberta."

But in Alberta they will always allow stray C.C.F.-ers visiting the Province to listen to the debates from the Strangers' Gallery.

If you can't get any biscuits, and your food is rather monotonous and expensive, don't worry. We are feeding the Italians under the supervision of Lord Stanagate, described as "an able and zealous British Trades-Unionist, and the real founder of the Italian labor organisation." And you are paying-as-you-earn for it.

We are pleased to be able to welcome to the growing fold of Social Credit periodicals the *News Letter* published in Wellington, New Zealand, and in doing so, to reply to the natural, but we think unjustified, protest in its pages against various criticisms we have made of the New Zealand Social Credit Movement.

Our contemporary states, by its National Secretary, Miss Dorothy Graham, "I do not think that at any time Social Credit was a serious political issue." In one sense of the words, that is an obvious truism. If ninety-eight per cent

of the New Zealand electorate had been convinced Social Crediters in 1935, they would still have got substantially the same Government and the same results that they have in fact experienced, because they allowed themselves to vote on the question, "Are black cats lucky?" and then left their "representatives" to prove the contrary.

But to say that Social Credit could not have been made the dominant political issue at that time is in our opinion a refusal to face the evidence. In 1933, Social Credit in the Antipodes, obtained such advertisement as has never been remotely approached anywhere else in the world at any time, with the possible exception of the short period following the 1935 Alberta Election. During the two months of Major Douglas's visit practically every newspaper in Australia published from day to day front page "political" attacks on Social Credit, some of them of almost unbelievable scurrility. The New Zealand press, much higher in quality, if in the main adverse in sentiment, published *in extenso* practically every speech made on the subject, and reported the proceedings of the various conferences held, as well as the Monetary Committee sittings, whose main, if not avowed, object was to head-off and sterilise the interest which was an evident threat. If this was not a demonstration of the existence of "a serious political issue" then those words do not convey anything to us.

The failure to capitalise the situation was due to two simple reasons. The first was the determination to ignore the existence of international conscious forces aiding the "Labour Party" to institute "Socialism" and a pathetic belief that they could be "used." And the second was the usual, fatal, error of mistaking recruitment for fighting. So far as we are aware, the New Zealand Social Credit Movement, as a movement, never moved anything except "resolutions."

No considerable body of reasonably intelligent people will permit themselves to be recruited and kept recruited for a purpose which accomplishes nothing. They either fade out, or turn into tea-shop coteries. If such a body is convinced that only political "Office" will enable it to achieve results, which is not our view, it has no alternative but to compete for "Office," with all the handicaps involved. If, instead of announcing its objective as a non-stop run to Berlin, it is willing to take a few trenches on the way, it generates the power which only comes from achievement. The worst enemy of effective effort is the pestilent nuisance who has a perfectly good reason for never taking the next trench. He is always supported by the enemy.

Well, Clarence, it looks as though the World Bank, the Gold Standard, and "The Land for the People" were all arranged, so we ought to have "peace" bursting on us, any time now.

## Programme for the Third World War

by C. H. DOUGLAS

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### WAR ON GENTILES

The statement printed in the next column is one circulated in Canada by Mr. Norman Jaques. It refers to the Bill read for the first time in the Canadian House of Commons on March 20, which, in twenty-two lines would outlaw even remonstrance with the sort of thing embodied in the views of Mr. Shinwell published by *The Jewish Chronicle* on July 21.

Mr. Shinwell, heralded by the Jewish newspaper's interviewer as one marked out "for the highest political office," said:—"My advice to the individual Jew everywhere is to fight... Never take the apologetic or explanatory or persuasive line against ignorant prejudice. Hit out, and hit hard, and hit every time. If you are physically quite incapable of doing so, if you are a cripple or an invalid, then attack your assailant with every stinging challenge of ignominy and contempt to which you can lay your tongue..."

The chosen successor to Mr. Churchill went on to develop the argument that while Great Britain has to consider the Moslem opinion in India she cannot appease the Jews with Palestine. "But once India is out of the way in this sense, then I don't think the opinions of the Arab politicians in Palestine will count for anything at all."

Non-Jewry stands in no danger at all from the Jews making themselves quite clearly and unmistakably understood. We are doing quite well at present. Once Greece is out of the way... Once Rome is out of the way... Once the Western Empire is out of the way... Once Great Britain is out of the way... Once India is out of the way... Once Christendom is out of the way... Then the Chosen will be Chosen.

T. J.

(Continued from next column)

capitalists, which includes the farmers and small business men, would be to silence them by legal restrictions, under the provisions of the C.C.F. Bill, which would denounce all effective criticism as likely to cause discrimination or disharmony on account of race or religion.

Alarmed at this threat to our freedoms, people are holding non-political public-protest meetings in Ontario. If you value your liberties, organise protest meetings against this Socialist C.C.F. Bill. Circulate petitions, and write to your members to demand that they speak and vote against this Bill at your liberties of speech and conscience.

### BEWARE

It has been truly said that: "ETERNAL VIGILANCE IS THE PRICE OF LIBERTY." Consider then, you free citizens of Canada, a Bill introduced to parliament by Mr. Angus MacInnis, C.C.F., M.P. for Vancouver-East, to amend the criminal code.

In introducing the Bill Mr. MacInnis said:

"The purpose of the Bill is to prevent public utterances or the dissemination of material calculated or likely to cause discrimination or disharmony on account of race or religion. The intention is to make such action illegal in the interests of unity and harmony among the people of Canada."

At first sight this Bill may appear to be harmless or even beneficial, but a little thought will suffice to show that the Bill is aimed at the very foundation of our liberties of action and freedom of speech. We deplore religious and racial hatreds, but history proves that these differences are not lessened but are increased by any and all attempts at their legal prohibition.

Can the sponsors of this Bill contend that any groups in Canada—religious or racial—are in danger of persecution for their beliefs, or that they do not enjoy ample protection under the existing law?

Further, any individual can protect himself against libellous statements by due process of law.

What would be the practical results of passing such a Bill? Who can place a limitation on its implications and interpretations? Would any, and all religious criticism become illegal? As a speaker at a recent protest-meeting at Ottawa pointed out: If Christ were to return and were He to repeat in Canada His denunciations of the high priests, the Levites, and other sects, then, according to this Bill, sponsored by the Socialist C.C.F., our Saviour could be condemned and imprisoned as a criminal.

And what about race? For instance, would not an Orangemen's, or a Knights of Columbus' parade become unlawful?

It may be asked: Why raise these "bogies" which are not contemplated by the Bill? Our answer is, Why invoke the law for protection against persecution bogies that do not exist?

History proves that similar laws were passed as necessary steps to the French and the Russian Revolution. Why? So as to obtain legal protection for actions which otherwise the people would criticise and condemn. In other words, a minority could pursue their designs against established law and order, while the majority would be prevented from denouncing the minority who were plotting against them until all effective powers of resistance were destroyed.

And did not Mr. Winch, C.C.F. leader in British Columbia, say in Calgary last Fall that: "If the C.C.F. attain power we will at once establish a full measure of socialism, and if the capitalists oppose us, we shall know how to deal with them—so did Russia?"

Yes, ladies and gentlemen, the way to deal with the

(Continued at foot of previous column)

## THE AIMS OF EDUCATION

By Dr. BRYAN W. MONAHAN

### 2. THE DEVELOPMENT OF THE HUMAN INDIVIDUAL.

The concept of the subservience of mechanism to purpose can be considered further from the point of view of purpose acting outwards, in the first place on and through the material nearest to hand. Original growth, organisation, and development is thus the first manifestation of the individual's purpose, a purpose making use of the laws of matter, without, in this aspect, transcending them. The principles underlying this development are the proper subject of biology and other divisions of science, and are outside the scope of these articles. Here we are concerned only with the post-natal development of the individual, where this is conditioned by the interaction of the cultural inheritance.

The human individual, as born, carries still a high potential for continuing physical development; but his mental development has relatively hardly begun, and the special mechanism of the mind—especially the nervous system—is in high degree labile. It appears likely, as Jung has shown, that the mind of the individual contains certain basic material—the “collective unconscious,” features of mind found universally. It seems likely that a considerable amount of this basic material might be what Samuel Butler regarded as the unconscious memory of past phylogenetic achievements, appearing, as Jung suggests, in symbolic form. . . . But to return to the infant: It is born helpless, but with a continuing potential for physical development to a completed form which varies remarkably little from one man to another (which is not to say that the differences are not significant)—a potential carried through the genes. On the other hand, a large proportion of the functional connections of the nervous system are not inborn, but are developed in interaction with the wider field of the environment. For the human, the significant element of the environment is cultural.

This brings us to the controversy “nature or nurture.” Like so many controversies, it is based on a misapprehension of what is in question. Both answers, or the compromise, imply that the individual is the passive object of impersonal and irresistible forces. In fact he is the embodiment of purpose. As an “embodiment,” he is naturally subject to the laws of matter; on the plane of matter, he cannot transcend its laws. A man will always be burnt if he puts his naked hand into a fire. But what is embodied in man's nature—that is, in his genetic constitution—is the set of solutions to the problems of physics for which satisfactory solutions, in the pragmatic sense, have been found in ages past. Structurally, the problem has been to organise matter to constitute a suitable material mechanism—a problem no different, in principle, from that of building a house or bridge, *etc.* Such problems as the latter are in fact only an extension, or continuation, of the genetic problem; a house is a manifestation of individual purpose.

Now just as purpose selects and organises matter to build a body, so it selects and organises elements from the cultural tradition to build mind. Some of the attributes of mind are of universal serviceability—such as the instincts, for example—and thus have become, in all probability, imbedded in the genetic structure. (By instinct I mean an inborn capacity for a type of response to a general and recurrent type of situation—food-seeking, sex, self-preservation,

*etc.*) On top of these general responses, nurture provides the possibility of more specifically appropriate responses.

The next stage in the development of the individual is the acquisition of habits, which again are instruments of purpose—special mechanisms of expression of purpose each suited to some particular end. In the sense used here, habits are characterised by being *acquired, and this is the significance of lability.*

“The plasticity [lability] of the living matter of our nervous system, in short, is the reason why we do a thing. . . more and more easily. . . Our nervous systems have (in Dr. Carpenter's words) *grown* to the way they have been exercised.

“Habit is thus second nature or rather, as the Duke of Wellington said, ‘ten times nature’—at any rate, as regards its importance in adult life. . . . Ninety-nine hundredths or, possibly, nine hundred and ninety-nine thousandths of our activity is purely automatic and habitual. . . .

“The great thing in all education is to *make our nervous system our ally instead of our enemy.* . . . The more of the details of our daily life we can hand over to the effortless custody of automatism, the more our higher powers of mind will be set free for their own proper work:” (Wm. James, *Talks to Teachers on Psychology.* Italics in original.)

I do not know what weight James placed on the fractions he suggested, or Wellington on “ten times nature.” But that the fraction is a large one is indubitable. That is demonstrated by, for example, the fact that children, almost without exception, soon learn to speak, as pointed out recently by Dr. Tudor Jones, and for the most part, to speak well; an astounding accomplishment so ordinary as to be unremarked. That is why “intelligence” measurements are of only slight interest apart from providing “employment” for State-school psychologists, for they are, as it were, concerned with inches of difference in the lengths of poles whose dimensions we do not know, except that they run to many feet.

From this point of view, then, we may conceive the individual as an embodiment of purpose, in his beginning concerned to acquire, organise and vitalise matter, and subsequently acquiring, inbuilding and utilising elements provided by the cultural tradition. We may distinguish instinct—inborn and generalised habit, with a genetic basis—; habit, characterised by being acquired within the life-time of the individual; and a growing-point of development, the locus of free-will, the intersection of mind and matter and purpose, the point of continuous becoming. But we shall see later that this “point” is more adequately conceived as a boundary.

For every *why* there must be a *how*; every event must have its mechanism. In principle, therefore, a mechanism can be found, even if only in hypothesis, for any event. But the *how* is not identical with the *why*: a description of the mechanism is not a description of the event. Often, too, more than one mechanism is possible for a particular event. In evolution, one function has been served at different times by a variety of structures because function transcends structure, just as function incarnates purpose. Nothing, therefore, could be more sterile than the materialist point of view, which regards a description of the mechanism as exhaustive. Except in the mechanic's sense of mending, a knowledge of mechanism is empty knowledge, and hardly more significant than an adequate, though incorrect, hypothesis. One can

imagine the physiological psychologists after decades, if not centuries, of research presenting us with a complete account of the neuro-muscular mechanism of speech, complete with tables of electrical potentials in nerve and muscle for every word of the dictionary. It would mean as much as the photo-electric graph of a note by Kreisler on a Stradivarius. Against their achievement is to be set the fact that one may understand Shakespeare at the first hearing. Though purpose manifests itself through matter, matter must conform to the laws of matter. Speech *must* have a complete neuro-muscular mechanism, and, in theory at least, it can be discovered and described. And if we lived in a vacuum, speech as we know it would not exist, but no doubt the *function* of speech would exist, and would be served by an appropriate mechanism. It is, therefore, the *existence* of the event, and its relations to other events which is important. It is the existence of evolution which concerns us.

(To be continued)

## More Plans For The Electricity Supply Industry.

By W. A. BARRATT

The ramp started by P.E.P. in the years before the war, would appear, to anyone outside the Social Credit Movement, to be spontaneous. All electrical organisations are now being drawn into assisting the dominant policy of centralisation and extending control. According to the editorial in *The Electrician* of February 11, 1944, the meeting was called to consider a report produced by the Electricity Supply Associations. Mr. F. Newey presided and said "... the report is based on broad outlines decided on last autumn, before any other report was published, and no attempt has been made to follow any other proposals." We can sympathise with Mr. Newey's evident belief in the spontaneous generation and dispersion of the major political ideas of our time and respect his claim to independence without conceding it. "Only in war or under the threat of war will the British people accept large scale planning." Get your war, and you get your planning—"independently."

The problems affecting the supply industry are not engineering problems. The phrases of a selection of the many reports already produced, *increased efficiency, elimination of waste, accessibility of supplies, lowering of costs, economic factors*, and so on, with monotonous regularity, focus attention on the fact that none of these terms indicates a problem connected with either electrical production or distribution. It cannot be too strongly emphasised that there is no longer any 'problem of production,' as usually understood in the supply industry. As *The Electrician* aptly puts it in the issue cited: "The record of the industry is such that no one can find serious fault with the services offered, no other industry has been so consistent and spectacular in its progress, nor made such vital contributions to the national effort in peace or war." Furthermore, the phenomenal growth of the industry, especially during the last few war years, is a sufficient evidence of this. The writer makes no apology for repeating figures giving the output of electrical energy for all authorised undertakings since 1920. They are illuminating and vital and show what can

be done especially in war time, when finance is forced to toe the line:—

1920	units output for the year	5,000 million.
1930	units output for the year	10,000 million.
1937-38	units output for the year	20,000 million.
1940-41	units output for the year	33,000 million.
1945 assumed:	approaching	40,000 million.

It should be remembered that there are other vast sources of energy used by the public and industry, such as oil and coal. The addition of these will give some good idea of the abundance waiting to be enjoyed by the people when they obtain control of policy. Nevertheless Lord Woolton as well as Sir William Beveridge wish to maintain 'full employment.' And Ernest Bevin, P.E.P. and the London School of Economics are willing to assist. It will be interesting to watch the attempt to reconcile the incompatibles.

Engineers of wide knowledge and experience there are in plenty, as we should expect in the home of the Industrial Revolution, of Faraday, Newton, Watt, Stephenson, Clerk Maxwell and many others. Every shortage is artificial. No material shortage. No shortage of supplies. There is no shortage of the means to make good, once artificial restrictions are removed. Yet it is implicit in all the plans that availability of supplies is the fundamental problem with which we are confronted.

The main obstacle to availability of supplies is connected with what are termed 'costs' and 'prices.' That is to say the main problem is financial. Now, however brilliant or experienced the engineer as such may be he is, almost without exception, at a complete disadvantage when he is led to make recommendations involving finance, and to the degree to which he thinks he understands finance when he doesn't his recommendations are dangerous. Costs determine minimum prices. Prices are related to purchasing power in the pockets of the people, and it is a self-evident proposition that if people had sufficient purchasing power they would be able to decide their own policy. This has been defined by Major Douglas and his followers as the essential of economic democracy. We have all been warned, and it has been demonstrated repeatedly especially during the war period that "[accredited] power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men."\* Power is never relinquished voluntarily. This is the point where monetary reformers slip up: they think that if only the financial mechanism were reformed, everything in the garden would be lovely, quite ignoring the fact that those in control are in control of the vital sanctions on which effective action can be taken. Also, under war conditions finance has to give ground, and the controls which have hitherto been centred in finance are being shifted on to other mechanisms, a fact which converts a monetary-reform strategy from an assistance into the opposite.

Acceptance of the principles of 'sound' finance leads inevitably to an advocacy of a greater and still greater degree of centralisation. It is evident that the excuses given in almost all the plans and the reports for centralising industry are based on financial 'reasons.' To take only one or two illustrations from the technical press,—*The Electrical Review* of February 11, 1944, in its editorial remarks on

\*Lord Acton.

post war planning:—"Obstacles to full electrification of the countryside are not confined to the *impracticability* of supplying isolated farmsteads on *economic* terms." (my italics). There is not an engineer of experience, in the country, who would agree that it was *physically* impracticable but almost all of them will accept without examining it the implied basis of 'sound' finance, the validity of costs, and are thus 'easy meat' for the grand planners behind the scenes. Nevertheless the planners are trying to do the impossible, and there are so many conflicting elements in their proposals, that those of us who are privileged to know a little of the social laws, can safely predict wholesale chaos if these plans are persisted in. This should be a lever to avert what threatens.

It would be useful, at this stage to quote Major Douglas's address to the Women's Engineering Society in January, 1938. He said, "The mind of the engineer ought to be applied to the working of the world. At the present time the world is in a very bad case. It is like a huge and powerful engine which is being run by a lot of half baked theorists and idealists who have no idea how to control it. . . . There is a type of engineering for which there is a clamant need in this country. I will call it Social Engineering, and it is perfectly possible to go to work on just as sound principles as those which are used for bridge building, and just as, when you are building a bridge, there are certain principles which must be followed or the bridge will not stand, so there must be principles of social engineering which, if respected, will produce workable results."

The engineer expert, especially the *organised* expert is being used to assist in the imposition of an alien policy, a policy of restriction, control and regimentation of the British people. The function of the expert, in any phase of the national life, is solely in the field of administration, and when he is persuaded to interfere in matters of major policy, the result is to shuffle us all a little further on the road to totalitarianism.

The distance along the path to totalitarianism which industry has traversed is well summarised in the following paragraph taken from *The Electrician* of February 11:—

"The views of the Ministry mean that a very complete and detailed control is imposed on statutory undertakings, exercised by interim development authorities who may or may not be the local authority and by the Minister of Town and Country Planning, in addition to the existing comprehensive statutory controls exercised by the Ministry of Fuel and Power, the Electricity Commissioners, and other authorities. Under these latter controls, governed by 1882-1936 Acts, the Minister of Fuel and Power, the Commissioners, the local authorities, as well as the Postmaster-General, highway authorities, and other statutory undertakings, have either to consent or approve, or receive notification of almost all the works carried out by electricity supply undertakings."

It has been well said, "There is no greater exponent of slavery than a head slave," and in similar fashion we could say that the greatest exponent of centralised control is the bureaucrat, who hopes to run the job. Certainly, engineers and people who do the real work do not like it.

## Points from Parliament

House of Commons: July 20, 1944.

### DURHAM (PROPOSED ELECTRICITY STATION)

Mr. Storey asked the Minister of Town and Country Planning whether he has considered the appeal lodged by the Bishop of Durham, the Dean and Chapter, the University of Durham and the Durham Preservation Society for a public enquiry into the proposal to construct an electrical power station in the vicinity of Durham Cathedral and Castle; and whether he can give an assurance that such an inquiry will be held.

The Minister of Town and Country Planning (Mr. W. S. Morrison): Last April, in pursuance of my statutory powers, I directed the Durham rural district council as interim development authority to refer to me for decision any application which the North Eastern Electric Supply Company Ltd. might make for consent to the erection of buildings or the use of land in their area for the purposes of an electricity generating station. The company has now made such an application and it has been referred to me for decision accordingly. I will consider the representations to which my hon. Friend refers and all other relevant matters before I give my decision, and I will not grant the application without holding a local inquiry.

Mr. Ritson: Is the Minister aware that the public authorities are strongly supporting the company in this, but they do not object to a public inquiry? As the Member for the division, may I be allowed to put that question?

Mr. Morrison: I am aware of the fact that there are two sides of this question, as there are to most other questions.

### Ploughed-up Land (Re-seeding)

Mr. De la Bère asked the Minister of Agriculture whether he will indicate his policy as regards the re-seeding of land which has been ploughed out under the war-time ploughing campaign and re-seeded to new leys, in view of the widespread increase of weeds attributable to the bad seed mixtures which are now being applied in many districts; and whether he will issue instructional advice on these matters.

Mr. Hudson: The suggestion in the first part of the Question is not borne out by any information in my possession. As regards the last part, instructions have been issued.

Mr. De la Bère: Has the right hon. Gentleman ever seriously considered how very small is the information which is in his possession on this matter?

Mr. Price: Is the right hon. Gentleman aware of the fact that many of the seed mixtures which have been sold in recent years contained a very large percentage of docks and Yorkshire fog?

House of Commons: July 25, 1944.

### SWEDISH IRON ORE (EXPORTS TO GERMANY)

Commander Sir Archibald Southby asked the Parliamentary Secretary to the Ministry of Economic Warfare what proportion of the Swedish exports of iron ore to

Germany come from the Grangesberg mine; and if he has any information as to who are the owners of the mine.

*The Parliamentary Secretary to the Ministry of Economic Warfare (Mr Dingle Foot):* The mines in question are owned by Traffic A/B Grangesberg-Oxeldsund, and constitute only a small part of the iron ore properties in the South of Sweden. The company has, however, a controlling interest in another company, namely Luossavaara-Kurunavara A/B, which owns the greater part of the mines in Lapland and Northern Sweden. My information is that in 1943 all these mines taken together produced between 55 and 60 per cent. of the total quantity of iron ore exported from Sweden.

*Sir A. Southby:* Can my hon. Friend say whether iron ore coming from this mine is carried to Germany in ships belonging to Messrs. Axel Johnson, and, if so, why are they not on the black list? And why are not the Grangesberg firm on the black list, too?

*Mr. Foot:* Questions as to why certain firms are not on the black list, should be put down.

### GERMANY (INTERNAL SITUATION)

*Mr. Arthur Greenwood:* Is the Leader of the House in a position to make any statement about the internal situation in Germany.

*Mr. Eden:* I regret that I am not yet in a position to make a considered statement on the recent dramatic developments in Germany. The German Government have, not unnaturally, been at great pains to prevent information leaving the country. They have great experience and skill in the machinery of repression and secrecy and we are, therefore, for the present mainly dependent upon our assessment of the various and often contradictory public statements made during the last few days by the German leaders. The existing information at our disposal is not yet sufficient to enable us to estimate the full extent of the trouble in Germany or to draw any inferences as to its likely development. For the present, therefore, I prefer to make no further statement on this subject. I would only add that, while we may justly draw encouragement from the recent news, it should spur us to further activity to ensure Germany's final defeat in the field at the earliest possible date.

*Sir I. Albery:* Has my right hon. Friend approached our Russian Allies to know whether they can give any information?

*Mr. Eden:* Yes we have been in communication on the matter.

### BUSINESS OF THE HOUSE

*Lieut.-Colonel Elliot:* In view of the conclusion of the Bretton Woods Conference, can my right hon. Friend say if an opportunity will be offered to the House for consideration of the results of that Conference before we rise?

*Mr. Eden:* No, it was not the intention of the Government to provide facilities for that before the House rises.

### MINISTRY OF INFORMATION (POLITICAL BROADCASTS)

*Mr. Granville* asked the Minister of Information if he

will not set up an all party consultative committee to consider the question of allocating time on the B.B.C. for political talks upon the various schemes for post-war reconstruction, in view of the approach of a general election and the necessity for placing before the electorate a fair and controversial commentary on the policies discussed in Parliament.

*Mr. Bracken:* No, Sir. I have nothing to add to the answers which I gave to the hon. Member on this subject on May 17 and 24.

## BOOKS TO READ

By C. H. Douglas:—

Economic Democracy .....	(edition exhausted)
Social Credit.....	3/6
The Monopoly of Credit.....	(reprinting)
Credit Power and Democracy.....	(edition exhausted)
Warning Democracy.....	(edition exhausted)
The Big Idea.....	2/6
Programme for the Third World War.....	2/-
The "Land for the (Chosen) People" Racket.....	2/-
The Tragedy of Human Effort.....	7d.
The Policy of a Philosophy.....	7d.
Reconstruction .....	6d.
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Social Credit Principles.....	1½d.

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The Bankers of London by Percy Arnold.....	4/6
The Problem of the Medical Profession by B.W.M.....	1/-
British Medicine and Alien Plans by Andrew Rugg-Gunn, M.B., F.R.C.S.....	1/-
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Southampton Chamber of Commerce: Report of Economic Crisis Committee.....	9d.
The Planners and Bureaucracy by Elizabeth Edwards...8d.	
Hitler's Policy is a Jewish Policy by Borge Jensen and P. R. Masson.....	6d.
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Lectures and Studies Section: Syllabus.....	3d.
The Voters' Policy as applied to the Beveridge Report (Bristol Voters' Policy Association leaflet) .....	2d.
World Review; The Jeffrey Professor of Political Economy, Etc., (containing Financing of a Long- Term Production Cycle, reprinted from <i>The Social Crediter</i> of November 28, 1942.) .....	1d.
Cross-section of Bristol discusses Work (Bristol Voters' Policy Association leaflet).....	1d.
The Representative's Job .....	1d.

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