

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### THE ISSUE

We have to make it clear that we will not tolerate the use of special (and, we are determined, temporary) war conditions, for the purpose of making changes in peace conditions.

"The Government" (?) should not be allowed to ride off on a passive mount.

The Administration should be forced to prove, in one department of life after another, as fast as it raises each issue of this kind, that the country WANTS a vast bureaucratic middleman, costly and controlling the freedom of suppliers and consumers alike, between those who furnish goods and services and individuals: that it would *not* prefer to handle its own money, strike its own bargains, and exercise its own choice in freedom and security.

In this issue, the individuals who compose the community both as effectives and as consumers, have ranged against them

Their "representative" associations, business, professional and political, over whose executives they have ceased to exercise effective control.

P.E.P. (Political and Economic Planning: the powerful and, at first secret organisation which announced that only in war or under threat of war would a British Government embark on large scale planning.)

The Press, lay and professional.

The B.B.C.

The Fabian Society.

The Labour Party.

The Party Machines competing with the Labour Party for place.

The "Progressive" Conservative group. (Infiltration.)

International "interests," cartels, and big business organisations, chemical, electrical, publicity, *etc.*, *etc.*

The Ministries and all bureaucratic interests.

The Trades Unions, and

The vast network of organisations which has come to full growth during the war, centralising and canalising *all* "movements," *e.g.*, the Youth Groups, Army Bureau of Current Affairs, "Welfare" organisations, *etc.*, *etc.*

Only individual action along right lines can overcome this vast, evil combination, the immediate objective of which is the transference of *plant* of every description from personal hands (your hands) to impersonal, institutional hands, so to reduce the status of all producers to that of factory-hands, and the condition of all consumers to that of forced buyers of factory-made goods and services.

We are satisfied that we know the genealogy of this trend, which is traceable, amongst other things, to the conception of the great German General Staff, as organised from the days of Frederick the Great of Prussia.

We propose in the near future to explain the connection of all the movements towards monopoly to a source operating through Germany, if not original to that country.

## TAXES!

"Permit me to inform you what are the inevitable consequences of being too fond of glory:—Taxes!—upon every article which enters into the mouth, or covers the back, or is placed under the foot—taxes upon everything which it is pleasant to see, hear, feel, smell or taste—taxes upon warmth, light and locomotion—taxes upon everything on earth, and the waters under the earth, on everything that comes from abroad, or is grown at home—taxes upon the raw material—taxes on every fresh value that is added to it by the industry of man—taxes on the sauce which pampers man's appetite, and the drug that restores him to health—on the ermine which decorates the judge, and the rope which hangs the criminal—on the poor man's salt, and on the rich man's spice—on the brass nails of the coffin, and the ribbons of the bride—at bed or board we must pay taxes.

"The schoolboy whips his taxed top—the beardless youth manages his taxed horse, with a taxed bridle on a taxed road;—and the dying Englishman, pouring his medicine, which has paid seven per cent., into a spoon that has paid fifteen per cent., flings himself back upon his chintz bed, which has paid twenty-two per cent.; makes his will on an eight pound stamp, and expires in the arms of an apothecary, who has paid a licence of a hundred pounds for the privilege of putting him to death. His whole property is then taxed from two to ten per cent. Besides the probate, large fees are demanded for burying him in the chancel; his virtues are handed down to posterity on taxed marble; and he is then gathered to his fathers—to be taxed no more."

—LORD BROUGHAM.

## GERMAN REARMAMENT BETWEEN THE WARS

"Then certain incidents which had occurred abroad became known. There was the submarine incident involving Captain Canaris, who was to become chief of German military espionage under Hitler. He founded a secret submarine shipyard in Vigo, Spain, the Versailles Treaty having forbidden submarine construction in Germany. The Spanish shipyard was too small for quantity production, but afforded an opportunity to keep abreast of aeroplane technical developments. Secret German aeroplane factories in Russia served a similar purpose. The Soviet Government had granted permission to its Rapallo partner to construct these factories, which were supervised by a builder of genius, who was certainly far from completely occupied by his world-renowned stove factory in Germany. In the Reichswehr factories in Russia, Professor Junkers prepared to gain even greater renown by building aeroplanes, their construction within Germany having been forbidden by the peace treaty. In Russia he and his staff of engineers could follow the rapid technical developments in the aircraft industry. Unfortunately, he was entirely lacking in self-control. He had several disputes with the Reichswehr Ministry as a result of the costs of his enterprise, and at one point went so far as to file a formal legal complaint against it. Under Hitler, he would have paid for so much temerity with his life. Under Weimar, he only caused embarrassment to the authorities."

—LEOPOLD SCHWARZSCHILD in *World in Trance*; Hamish Hamilton.

## Points from Parliament

House of Commons: March 29, 1944.

## EDUCATION BILL

[Full press reports have appeared of the debate on Clause 82 of the Education Bill, the defeat of the Government on the introduction of an amendment dealing with equal pay for men and women, and the rejection of the Clause on a vote of confidence in the Government. The short extracts given below from these debates show Mr. Churchill in his character as 'House of Commons Man' which was referred to once or twice during the discussions, and his grasp of the functions of the various mechanisms of government.]

Mr. Boothby (Aberdeen and Kincardine, Eastern): ... I say that we ought to know what is the real issue between the Government and the Legislature. It ought to be clearly defined, and we ought to know precisely where the Government stands.

The Prime Minister (Mr. Churchill): What does the hon. Member mean by "between the Government and the Legislature?"

Mr. Boothby: Between the Government and the House of Commons.

The Prime Minister: The Government are the expression of the House of Commons.

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Sir P. Harris. I was not present... but I have read the Debate, and I got the impression that the Minister considered, in the light of his knowledge of the working of the Burnham Scale, that if that Clause had been so amended he could not operate the Bill, and that therefore he could not be responsible. He chose, as a Minister, to make the vote one of confidence. That has raised the issue. I am sorry that he has taken the attitude which he has taken. I think that that could have been avoided if the question of equal pay for equal work had been separated from this Bill, because it is a large principle. As I understand, the Leader of the House was not unwilling to do that, to give an opportunity to discuss the matter.

The Prime Minister: The procedure of the House of Commons enables all these broad matters to be put to the test on numerous opportunities throughout the Session, even without asking for a special day, but the demand for a special day, made by sufficient backing, is one that every Government must consider. I must be understood to be making no promise of any kind at a time when we consider our actions are in dispute.

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Mr. Price (Forest of Dean): ... It is right that the Government should have more power over the Legislature here than the President has under the United States Constitution over Congress. There there is too great freedom for the legislature. Surely the Prime Minister is going to the other extreme. He is claiming for the Executive now to dissolve Parliament and go to the country—

The Prime Minister: I never said anything of the sort. I must make it absolutely clear that it does not rest with any Prime Minister to dissolve Parliament. The utmost he can do is to tender advice to the Crown.

*Mr. Price:* That, of course, is the law, but in actual fact the advice comes from the Prime Minister.

*The Prime Minister:* This is one of the exceptional occasions when the Prerogative of the Crown comes into play and where in doubtful circumstances the Crown would refer to other advisers. It has been done on several occasions. I must make it absolutely clear that it does not rest with the Government of the day. It would be most improper on my part to use any language which suggested that I have the power to make such a decision.

*Mr. Price:* I accept the statement of the Prime Minister...

*House of Commons: March 30, 1944.*

### POST-WAR MONETARY ARRANGEMENTS (BRITISH EMPIRE)

*Mr. Shinwell* asked the Chancellor of the Exchequer whether, at a recent conference with representatives of Dominion countries, currency questions were under review; what conclusions were reached; whether these were satisfactory to the Dominions; and did His Majesty's Government retain the right to conclude agreements with the Dominions if wider agreements among the United Nations should not prove possible.

*The Chancellor of the Exchequer (Sir John Anderson):* There have been a number of discussions within the last two years between the United Kingdom officials and officials of the Dominions and India, regarding post-war monetary arrangements. These have been expert and exploratory discussions. The stage of reaching conclusions on the part of the Governments concerned has not yet arrived, and it will be remembered that I have told the House that no commitments will be entered into until after this question has been discussed in Parliament. The last part of the Question does not, therefore, arise. But I may say that it will certainly be the policy of the United Kingdom Government to retain the right to maintain monetary arrangements with the Dominions and India if wider agreements among the United Nations should not prove possible, and, further, it will be their policy to maintain such arrangements within the framework of any such wider agreement.

*Mr. Shinwell:* That is very satisfactory so far as it goes, but will my right hon. Friend say whether the latter part of the reply has been communicated to the Dominion Governments?

*Sir J. Anderson:* It is well understood.

### DEFENCE REGULATION 18B (INTERNEES)

*Lieut.-Colonel Sir Thomas Moore* asked the Secretary of State for the Home Department whether he has considered the request he has recently received regarding the trial or release of British subjects interned under Regulation 18B; and what answer he has returned to this request.

*Mr. H. Morrison:* If this Question refers to a petition sent by a lady, who was formerly a member of the British Union and is now Secretary of an organisation described as "The Petition of Right Council," I can only say that on the question raised by this petition I am answerable to Parliament and I could find nothing in the petition to which an answer has not already been given in this House.

*Sir T. Moore:* I dislike labouring this question, but can my right hon. Friend say whether it is the policy of the Government to carry on this restraint of British subjects for the duration of the war?

*Mr. Morrison:* I have answered this question of trial about ten times in this House, I think to the satisfaction of the House. I am really surprised that my hon. and gallant Friend should raise it again.

*Mr. Petherick:* In view of the changed circumstances and the altered military situation since the detention of the hon. and gallant Member for Peebles (Captain Ramsay), who is still incarcerated, may I ask whether the right hon. Gentleman now considers it possible to bring him before a select committee of this House?

*Mr. Morrison:* That matter has also been discussed. The position of the hon. and gallant Member is considered from time to time, and will be so considered in the future. I am not convinced at this juncture that he ought to be released.

### EDUCATION BILL

*The Prime Minister (Mr. Churchill):* ... With regard to the proposal which was made by the right hon. Gentleman opposite, and which the Noble Lord has sustained\*, the position of the Government is, that until they are fortified by a Vote of Confidence from the House, taking the form of the deletion of this Clause, they do not feel entitled to embark upon promises for the future. I may say that I cannot conceive how anyone who cares about the equality of payment for equal work between men and women, could feel damaged in presenting that case in the future, by the fact that they do not to-day, wish to tack it on to the end of Clause 82. Their rights remain absolutely unimpeached. Everyone knows what opportunities there are in every Session. Everyone knows that it is the duty of the Government to give effect to what is known to be the general wish of the House, even if the particular Parliamentary moments do not occur. Therefore, I say there cannot be any question of conscientious clash upon that subject but I do not wish to trespass beyond the strict limits to which it is our duty to confine ourselves, in what we say, as I am sure it will be the desire of the Committee to expedite the proceedings on this Bill.

*Mr. Greenwood:* May I ask the Prime Minister a simple question? I quite appreciate that he would not wish to make any statement at this moment, but the issue having been raised and having now become a public issue, if I were to ask him one day in the next series of Sittings whether the Government were prepared to consider an early Debate and, I hope, the establishment of an inquiry, would it be appropriate for me to do so?

*The Prime Minister:* If I should find myself in that position, I would gladly give an answer to my right hon. Friend.

\**Earl Winterton* (Horsham and Worthing) had supported *Mr. Arthur Greenwood* (Wakefield) who said, "... surely the time has arrived when the House of Commons, by Select Committee, or such other form of inquiry as might be thought most fitted for the purpose, should inquire into this wide range of problems affecting the equality of the sexes in employment..."

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### FROM WEEK TO WEEK

Imredy, who was driven from office as Prime Minister of Hungary in 1938 because of a strong Jewish strain in his ancestry which the Hungarians detested, has been made a Governor of Hungary by Hitler. This just shows how the wretched Jews are persecuted by the German Higher Command.

It could have been foreseen by anyone of ordinary intelligence that the type of democracy which assumed that Parliament was some kind of conveyor-belt for the continuous mass-production of laws, must stultify itself sooner rather than later. The argument that therefore much legislation must be delegated, because Parliament has no time to consider it, is a demonstration that the people who use that argument have no conception of the proper function of Parliament, which is properly more concerned with abolishing laws than with multiplying them. But as Members of Parliament have apparently themselves no clear idea as to why they are there, it is difficult to see the probability of early improvement.

We wonder whether there is any truth in the rumour that a change is being effected in the editorial control of *The Scotsman*.

Perhaps the most valuable book of its kind which has appeared for many years is Dr. von Hayek's *Road to Serfdom*. It is all the more unfortunate that it should be disfigured by a short passage on page 73 which concludes with the words, "The reader may take it that whoever talks about potential plenty is either dishonest; or does not know what he is talking about."

We are quite confident from the general character of the book that Dr. von Hayek is not dishonest. And we are equally confident that *in this matter*, in common with almost every other professional economist of whom we have any knowledge, he not only does not know what he is talking about, but that there is something in his training or make-up as a professional economist which inhibits him from knowing what, on this aspect of his subject, he is talking about. Any man, professional or otherwise, who can live in a period in which destruction of a conscious kind, not merely of weapons and munitions of war, but of food, clothing and material wealth of every description, has risen to fantastic heights, while unprecedented numbers of potential producers are engaged in mutual elimination, and can say that there is not an unused potential of useful production, is a case for a psychiatrist, not a subject for argument.

No professional economist other than, to a certain extent, Thorstein Veblen, has even begun to treat comprehensively the subject of sabotage, of which war is only an extreme instance. And to say that "poverty amidst potential plenty," is nonsense without explaining why, to take a few trivial instances, the United States paid large sums to farmers *not* to raise hogs, the Canadian Government paid the farmer *not* to grow wheat, the Brazilian Government yearly destroyed more coffee than it sold, the rubber-growers did not tap or killed their trees, and so on *ad nauseam*, is merely incompetence.

Dr. von Hayek is a member of the teaching staff of the London School of Economics and it speaks volumes both for his courage and intellectual honesty that, belonging to that peculiar institution, he should have written a book so anti-pathetic to the Socialist standpoint. But the fact is clear for all to see that the relation of the money system to social and economic welfare, which he ignores almost completely, simply cannot be dealt with by professional economists for the simple reason that they would cease to be professional, in the income-earning sense, if they dealt with it comprehensively. This is not dishonesty, it is that they reach their eminence by a sifting process which leaves nothing to chance.

There is a further cause of this hiatus between the modern economist and the real world. Like his open or concealed employer, the international financier, he deals in blocks of homogeneous units. To illustrate what we mean, we should like to know what Dr. von Hayek would make of the fact that in 1918 the United States spent a billion dollars in producing and delivering seventeen aeroplanes of a simple type on the Western Front. It is true they built factories to build aeroplanes and factories to build parts of factories to build aeroplanes, and they were all allocated to the aeroplanes.

If Dr. Hayek means that the only wealth produced was seventeen aeroplanes (and they were no use) we could agree. But if he says that the man-hours applied to the facilities available and wasted did not represent potential production of a useful kind, he is just talking nonsense.

Fortunately, his book is mainly political and not economics. And it is magnificent politics.

### NATIONAL HEALTH INSURANCE

*Sir Leonard Lyle* asked the Minister of Health what proportion of persons insured at present under the National Health Contributory Scheme do not choose or use any panel doctor at all; and what proportion choose but do not use one.

*Mr. Willink*: The proportion of insured persons who have not chosen panel doctors is at present about six per cent., but probably most of these are recent entrants into insurance who will exercise their right of choice at some future time. The average proportion before the war was between two and three per cent. No information is available as to the proportion of insured persons who choose a doctor but do not make use of his services.

*Mr. Rhys Davies*: Is it not a fact that there is a percentage of people in this country, as in every other country, who are never ill at all and die suddenly?

*Mr. Willink*: That is why there is no information as to the second part of the Question. [March 30, 1944.]



## MODERN SCIENCE (XXII)

As these articles began with the predicament of Medicine under the impact of the results of centralised hypnotic political influences, however more particularly we might express them, so they may suitably end with the same ancient profession.

Hippocrates, according to tradition, was born in the Aegean island of Cos about 460 B.C. An oath attributed to him has persisted continuously, at first in a pagan form, later in a Christian and truncated form and, since 1868, in a form more consistent with the modern legalistic aspiration to complete the subjection of the individual to the universal Rule of Law, a declaration under the Promissory Oaths Act, which conveniently rid the lawyers of *Deum Omnipotentem*! Oaths are to God.

Inconsistent with the determination of insurance companies to cash in on what race-course terminology would scarcely elevate to the rank of even a *third* party risk, the old Oath, in any form, has fallen into disuse in England; but not yet, I believe, in Scotland, where, nevertheless, it is rather boggy ground on which to take a stand. Loyalty to it would wipe out at a single stroke every state service, much of current practice, professional and political; and the "British" Medical Association altogether. The old form is as follows, the single omission being a surgical passage stated by Dr. Arthur Brock to be probably an interpolation:—

*I swear by Apollo, the Healer and by Aesculapius, by Hygiea and Panacea, and by all the gods and goddesses, making them my witnesses that I will fulfil according to my power and judgment this oath and this covenant. I will look upon him who taught me this art as I do my own parents [the profession of Medicine was not a closed profession, nor initiation into it separative], and will share with him my livelihood. If he be in need, I will give him money. [He was to have more money than was enough for his own needs: the profession was self-supporting.] I will hold his offspring as my own brethren, and will teach them this art, if they wish to learn it [not if the 'State' wishes them to learn it,] without fee or written bond. I will give instruction by precept and by lecture and by every other mode to my sons, to the sons of him who taught me, and to those pupils who have taken the covenant and sworn the physicians' oath [but this is the oath and covenant], and to none other besides. According to my power and judgment, I will prescribe regimen in order to benefit the sick, and not to do them injury or wrong [cp. political regimen of the British Medical Association, et al.]. I will neither give on demand any deadly drug, nor prompt to any such course, nor, similarly, will I give a destructive pessary to a woman. In holiness and righteousness I will pass my life and practise my art. . . Into whatever houses I enter, my entrance shall be for the benefit of the sick [not of the State], and shall be void of all intentional injustice or wrongdoing, especially of carnal knowledge of woman or man, bond or free. And whatsoever, either in my practice or apart from it in daily life, I see or hear which should not be spoken of outside, thereon will I keep silence, judging such silence sacred. If then I fulfil this oath and do not violate it, may I enjoy my life and art and be held in honour among all men for ever; but if I transgress and prove false to my oath, then may the contrary befall me.*

When the Houses of Parliament listen to variations on the theme of the high traditions of the medical profession, these are the high traditions.

The current oath, omitting the *Testor Deum omnipotentem* of its Christian parent, is;—"I do solemnly and sincerely declare that. . . I will exercise the several parts of my profession, to the best of my knowledge and abilities, for the good, safety, and welfare of all persons committing themselves, or committed [an innovation] to my care and direction [another innovation]; and that I will not knowingly or intentionally do anything or administer anything to them to their hurt or prejudice, for any consideration, or from any motive whatsoever. And I further declare, that I will keep silence as to anything I have seen or heard while visiting the sick which it would be improper to divulge."

The last open battle was concerning this conflict between the interest of the patient and the State. There was a different limitation to the oath of secrecy in the original.

Each of these declarations enshrines a notion of policy from which modern science has entirely departed. It is simply untrue that the University of Oxford has no policy, or that any other institution has no policy. That modern men of science do not know where they are going may be true; but in any case the allegation is not about science, which is an abstraction, but about some men. A good name for anything is what it *does*. Science and education are instruments of policy, and we can discern the nature of that policy if not its authors from the effects of the instruments. To anyone who becomes conversant with ideas—with the infinite diversity of ideas, their range and scope,—and, in addition, has a grasp of the meaning of *policy*, the question of error must assume a new perspective. Everything that is said from a university chair might, in a restricted sense, be true, and everything published from a scientific laboratory valid. Yet all might politically be wrong. Measured as the difference between the capital value of an untrained and a trained member of the middle classes, the universities of Great Britain produce annually a capital value of £36,000,000, at a cost of £6,000,000. This takes no account of the capital value of discoveries. Thus on an average each university teacher produces the equivalent of a plot of land (which usually someone else than the owner has to till) of £9,000 value. The 'expanding universe.' I am not suggesting that £9,000 *per annum* should be paid into the bank account of every university teacher. This is the value, approximately, at pre-war prices, of the young graduand's 'plot,' which he has to 'till.' It has become a habit of Vice-Chancellors to lecture him periodically on the immorality of his even living on this 'plot,' unless under such a sense of sin as to induce him to comply with any and every exaction and extortion and compulsion devised by the order to which chancellors belong. Such suggestions are highly improper; but they recur with increasing frequency and impudence. To secure freedom you must endow men not institutions.

There is, quite evidently, no body of ideas in history, not even excepting Christian ideas, more objectionable to the Planners than the body of ideas which has spread from Douglas. That admirable Canadian journal *Vers Demain* has been quoted for the remark of a Dean of Faculty in Canada that "he would be out of his job in eight hours and his place filled by one of our enemies if he openly sided

with us." While I can well believe that, particularly if sensitive to suggestion, any member of a university staff, in any country, might hold such an opinion, and be guided by it (the worst falls are almost always at a low fence), to my personal knowledge it took not eight weeks but two years to prevent the appointment of a Social Crediter to one of the more important chairs (not the chair of Economics) in the University of McGill because he was a Social Crediter. Two distinct sets of recommendations concerning him from at least three 'experts' acting independently of one another had to be secured by transatlantic correspondence, even before it was deemed expedient to place the material before anything so awkward as a committee, if it ever was placed before a committee. Even so, hesitation somewhere prolonged delay. It seems that, at least up to the beginning of the present phase of the World War, a reputation for incorruptibility was still deemed to be necessary to the universities, and this could not have been preserved if open challenge of opinion had been made. If there is now a doubt about it, the answer is "try and see." The methods of control are intangible and long range. And the remedy? It is clear in the old saying often quoted by Douglas: "The power of the Crown has increased, is increasing, and ought to be diminished." Substitute whatever it is that has usurped or is usurping or will usurp the prerogatives of the Crown, and you have got it! It is relatively immaterial how the essential diminution or curtailment or redistribution or decentralisation of that power is effected, provided it is effected.

"I am ringing a bell to call the wits together."

TUDOR JONES.

(Concluded.)

### FROM AUSTRALIA

"The papers these days are full of propaganda tidbits about Jap atrocities which lead me to guess that the Pacific war will soon get agoin'. The papers are also stressing post-war plans for the new order, and the necessity of employment for all, continuance of war-time controls and increased powers for the Commonwealth Government. Taxes, they say, will be no lighter, and spending must be checked to prevent inflation, so we mustn't indulge in the extravagance of luxuries the minute the war ends. One would think the poor old nitwits imagined it was to end next month, and were scared pink of losing their valued positions on the spot. Professor Copland has said that 'there would always be the tendency for economic knowledge to keep economic opinion well ahead of public opinion, and therefore to lead to a conflict between what the public thought they wanted and what the vanguard thought they ought to want.' Now, just what does he mean? Dr. Coombes said 'We must be prepared to devote a larger proportion of our resources to capital projects in order to achieve full employment, and to do this we must forego expenditure on current enjoyment.' Dr. Lloyd Ross talked a lot about Labour, and the need for more State Control, State Guidance, and State Ownership. These three gents spoke at the Political Science Summer School here last week-end."

## Electricity in a Planned Land

By W. A. BARRATT

According to the Press of March 18, Mr. W. S. Morrison, Minister of Town and Country Planning, in a speech to the British Electrical Development Association said:—"The extended use of electricity would be an important factor in securing that this country was properly equipped to provide the standards of life which the people desired." Among many other revealing remarks he goes on to point out, "That the creation of the Ministry of Town and Country Planning and the Interim Development Act had caused some anxiety. There had been a fear lest interim development authorities would use their powers either to delay development unreasonably or to refuse consent to the erection of overhead cables or to necessary extensions of plant and buildings." Lord Brabazon, who presided, after referring to the association's function to *develop electricity and promote efficiency* (my emphasis), said:—"... But there is being conceived in the bowels of the Ministry of Fuel and Power a monster—which we hope will be still-born—to be called the National Fuel Advisory Council. That sounds alright but it means nothing. But what it is going to do, or what some people want it to do, is to regulate who should use one form of light and who should use another."

Lord Brabazon, evidently, does not like this 'monster.' But the Electrical Development Association is itself assisting to create another like it in its attempts to 'promote efficiency.' Increased efficiency is the great excuse used by all the planners and all the Reports with which we are now afflicted, in order to hand industries over to a further degree of centralisation and control. 'The extended use of electricity' to which Mr. Morrison referred is now being demonstrated. There is no difficulty apparently in extending its use for purposes of war; why then introduce the red herring of Efficiency for purposes of peace?

All the Plans and Reports for the post-war world conveniently ignore the enormous productive capacity of the electrical supply industry already in existence. There are several factors involved in the question of accessibility of any commodity to the public. They are the physical aspect, *i.e.*, the productive resources, material, plant, personnel, knowledge and skill. It is beyond all argument that there is no shortage of these factors. There is also the financial aspect—the money mechanism, the price system and its opposite—purchasing power in the pockets of the people. There is no longer any problem of production. More than sufficient capacity for the production of electrical energy already existed in the pre-war years to supply every household in the country with all their requirements besides leaving ample supplies for other commodity production. Apart from many districts (rural areas *etc.*) and other people who could not obtain supplies, those private consumers, who were already connected for domestic supplies could not use electricity as freely as they would like on account of what is termed the cost, *i.e.* the price. The figures for electrical production prove this and are most significant. If an output of 5,000 million units, in the year 1920, was sufficient to fight the last war and, presumably, supply all the energies for rehabilitation afterwards, for what purpose and to what end was the enormous pre-war output of 20,000 million units of 1938

being used? The majority of this was being used for export industries and the building of more and more large scale factories and capital goods, which in turn were used for further export. Hence the pre-war intensification of the fight for markets which could only terminate in war itself. We should not make the mistake in assuming that in return for our exports we get an equivalent import of goods. If we had done so in the pre-war years, instead of our unemployed being in the region of 3,000,000 it would have easily been plus ten million. High finance again! Our exports are proved to be for the purpose of accumulating foreign exchange. So we see that instead of production being for the purpose of consumption or use it is for some other purpose.

In spite of the enormous destruction of war there is also what might be termed the enrichment of war. When this mess is at last cleared up this country will be confronted with an electrical supply industry capable of an output of nearly 40,000 million units per annum. A stupendous figure and double the output of the year 1938. Will the people of this country have access to this and so obtain that freedom from toil and drudgery which it is being demonstrated is so easily possible for purposes of destruction? Not if the efficiency experts have their way. The public might be allowed a certain access to these supplies but it will be in accordance with conditions, rules and regulations inherent in the centralised controls it is hoped to impose.

Access to supplies all boils down to finance and this is proved to be the great medium of frustration and control; not the only medium by any means but the greatest.

All the Reports, the McGowan Report, the Political and Economic Planning Report, the Hydro-Electric Report and now the Electrical Power Engineers Report devote their findings to considerations of 'reducing costs' 'increased efficiency' elimination of waste, *etc.*, as if these things were of any importance whatever. It would be just as sensible for a man to refuse to use his motor car on the grounds that it could be made a little more efficient. As Major Douglas says in *The Big Idea*:—"The English Fabians, and their offshoot, the Planners, are in the main the same type. What then, is the characteristic of 'bigness' which makes it a common objective in every country in which we can discern revolutionary propaganda at work? To say that it is efficiency is clearly absurd even if efficiency were urgently necessary. It would be as sensible to acclaim the superior efficiency of the Atlantic ocean over Lake Derwentwater."

It is not accidental that now, while we are all engrossed in a world war, we are being subjected to plans, schemes and Reports in all spheres of the national life, all with the common policy of increasing the degree of centralisation and therefore control. Nationalisation, socialistic bureaucracy, National Electricity Boards, regional grouping, are all synonymous terms so far as centralised control is concerned. In no case do the Planners give any consideration to the opposite policy of decentralisation which would strengthen the power of the individual to control policy and his own affairs. Neither do they give any consideration to the financial aspect of the problem. They treat of costs as if they were a law of nature and cannot be altered. But the "control of finance and the control of publicity are concentric" and all the arts of publicity are concentrated in directing attention to aspects of the problem which will make no difference so far as accessibility of supplies is concerned. Yet it is indisputable that mini-

mum prices of any commodity are determined by this proven fraudulent costing system, a costing system which is expressly designed to put us all into debt and retain that control over policy by the hidden financial oligarchy which the Planners are doing their best to augment. Since Major Douglas gave to the world the perfected technique of selling goods at under cost lots of evidence has accumulated which has proved his ideas up to the hilt. The present Government are now using these ideas and are demonstrating how easy it is to sell such necessities as bread, meat, bacon, butter, milk, *etc.*, at under cost, and this without payment by the taxpayer. The money so used and created (out of nothing) for the purpose of selling goods at under cost is not recovered through taxation because it is found to be impossible of recovery under war finance. It cannot, therefore, be termed as it is so frequently termed, 'subsidised price fixing.' Electrical energy, and in fact any other commodity can just as easily be sold at under cost as the above mentioned articles, and so make available to the public the abounding supplies which are already in existence.

Ever since the discoveries of Faraday and the birth of the electric age there has been one continual process of increasing efficiency, improved process and scientific invention. If all these gains had been even remotely connected to public policy there would have been a steady, persistent fall in prices to correspond to this gain and so the public would have participated automatically in this part of the increment of Society. But instead we have experienced just the opposite and there has been a steady rise in prices over a long period. (Another proof that Douglas's exposure of the fraudulent costing system was correct).

As there are now influential voices advocating a 'stabilised price system' and as this is intimately connected with this question of efficiency, perhaps the following little illustration will serve to clarify matters somewhat, and to show that a stable price system is neither possible nor desirable.

In order to reduce the problem to suitable proportions, let us consider any given area in Great Britain as an economically closed circuit. We will suppose that the factories and industrial concerns in this area are turning out, during a period of one month, 2,000 units of goods of all descriptions. We will further suppose that there is a total distribution of wages salaries and profits, during the same month, of £2,000. Prices will therefore be £1 for each goods unit. Now enter the inventor, increased efficiency and any of the numerous factors which come under the heading of improved process. The succeeding month will show a rise of goods units produced to say, 4,000 and as our illustration is a closed circuit no new money can enter into it. We are therefore confronted with the position of an increase in production up to 4,000 goods and only the same £2,000 with which to buy it. If the public are to benefit from this prices should drop by half, but in actual practice they have risen and are still rising.

We would commend this illustration to Lord Brabazon, Mr. Morrison and all the other Reporters on electricity supply, not forgetting to mention that the illustration is incomplete and the reality is much worse than the figures suggest. Owing to the rise in efficiency many workpeople have become unemployed and therefore the purchasing power distributed is less. Hence the call for an export market with a favourable 'trade balance' and the building of more factories *etc.*, through the building of which purchasing power is distributed to make good the deficiency.

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by

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\*Associations desiring to act in accordance with the advice of the Secretariat are asked to fill in the following:—

Name, address, and approximate number of members

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We desire to follow the advice of the Social Credit Secretariat.†

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to subscribe to *The Social Crediter* regularly in the proportion of at least one copy for every five members.

We agree not to discuss with others, without authorisation, the details of special advice received from the Secretariat.

Date..... Deputy's Signature.....

To accompany the above form, a brief statement is requested giving the history or account of the initiation of the group, and its present activities and intentions.

HEWLETT EDWARDS,  
 Director of Organisation and Overseas Relations.

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