

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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Panic Legislation I.

by NORMAN F. WEBB.

Here is a book* that demands to be noticed, on account both of its defects and its virtues. Mr. Ardrey gives us a fictitious retrospect of social and economic development in the U.S.A. seen from ten years hence, in which period of time he envisages the almost complete breakdown of the so-called Capitalistic machine (world's end), and the commencement of its new build-up—the *World's Beginning* of his title—arising from the accidental circumstances of the specific problem confronting the brothers Davis, Ben and George, and their manner of tackling and overcoming it, which the author describes in his story.

To begin with the book's virtues: they reside, I think, in the imaginative grasp displayed by the author of a considerable part of what is happening in society today, and in the brutal forthrightness with which he describes the conditions to which it is going to lead if no check is found and applied. Though much that is clear to Social Crediters is hidden from him, he truly sees effective national output failing through lack of incentive to co-operation. His projection of the great machine that is the U.S.A., dedicated almost wholly to the God of Efficiency, gradually running down and losing articulation, is hair-raising in its realism. The deterioration in the public services coincident with the deterioration of the humanity and integrity of the individual—or is it *vice versa*?—the up-surge of primeval passion to survive, seeking someone or something to blame for the decline in the means of survival, and finding vent in racial pogroms and hierarchical insubordination and bloodshed; the increasing callousness about life, as life, such as exists in Russia today, the stark, suicidal will of organisations to survive even at the expense of the individuals who compose them—all this is shown, with grim skill and economy, taking place in the postwar world of the United States. As far as his understanding goes, Mr. Ardrey shirks nothing in regard to what is boiling up in the economic pot, if men will not bestir themselves. And, granted only that a sufficient number of young and energetic individuals can bring themselves to look even as deeply as this into the possibilities, primarily of their own natures and the society that is built up on them—possibilities for "good," no less than for "evil"—there is still plenty of hope, even if it doesn't look as if there was much time left in which to make a start. The book gives an impression of a man of true instincts and considerable imagination, whose light has been taken from him, feeling his way in the dark across a complex country; and after all, that always has been, and no doubt always will be, the way men and societies survive. Ultimately Truth must, and will triumph. Just how soon may be a matter of chance,

**World's Beginning*, by Robert Ardrey—Readers Union, Hamish Hamilton, Ltd.

and what we term free will; but the only actual necessity is the existence of a healthy individual instinct and a demonstrated Way Out. The book excites in the reader quite an acute anxiety to know whether the author's outlook is representative merely of himself, or of a more general realisation of the state of affairs in his native land.

Coming now to the events of the story, and from that to the weakness of its whole thesis; we see the brothers Davis, with a synthetic substitute for electric cable at a fraction of the current cost of copper, completely frustrated by the big "Jersey" cable company, itself a part of the copper ring, and devising means to combat it. The line this takes in the mind of George, the accountant brother, develops from a really shrewd analysis of the inherent weakness of excessive centralisation and monopoly, which clearly shows the slowness of decision in over-big organisations and the lack of quick response on the part of personnel; the moral disintegration of the top-heavy and muscle-bound Goliath represented by "Jersey," *vis à vis* the comparatively small and spiritually resilient and unhampered David of Mr. Ardrey's ideal organisation, which is built up on a basis of co-partnership and a sense of ownership and responsibility. As he suggests, the costs of the product of big interlocked monopolies contain, besides the element of low service output they get from personnel, expensive obligations to all kinds of irrelevant interests, and ultimately their share of the combined expense of enforcing an unwelcome system on a reluctant community; the bolstering up of the hated Capitalistic regime. George Davis's idea is to by-pass all these costly commitments, and by getting personnel co-operation through a radical form of profit-sharing, in conjunction with the actual big saving in the cost of the synthetic product, to undercut Jersey below all hope of competition. Further, in what appears as rather excessive zeal to safeguard the equity of his project from capture, and defend it against the ruthless attack that may be expected from the huge copper interests, he devises what I would term "a devilishly clever" scheme of financing based on the idea of "withering capital."

This is the foundation of the "Trans-Pecos Chemicals Commonwealth," out in the God-forgotten oil-bearing regions of Texas, and the plant is two years old and already exercising all the defensive and offensive ingenuity of the great copper interests by its phenomenal success, when the reader is introduced to it. But far more than that, from doubtful and difficult beginnings, it has now an almost indefinite waiting list of applicants for participation in its productive activities. How it functions is this: the whole personnel of the Trans-Pecos Commonwealth, from the manager to the office-boy is paid, not in national currency, but in Commonwealth scrip endorsed in currency according to their several earnings. This scrip is redeemable quarterly when the accounts of the organisation are made up. How this delicate, and in my experience almost transcendental, operation would

be carried out so frequently and to the satisfaction of everyone, is not explained; but doubtless some formula might be devised. The net profit for the period then declared is divided by the units of scrip issued to personnel in respect of the period; say scrip totalled \$50,000 and the profit was \$75,000, it would be redeemed at \$1.50 to the dollar.

So far that constitutes no more than a somewhat radical form of profit-sharing, in what might be termed the Managerial State. However, the essence, and the sting, of Mr. Ardrey's Commonwealth, and, from the Social Credit angle, its fatal defect, is in its tail; that is, its method of financing. The scrip in which Trans-Pecos personnel are paid is known as Participation Warrants; but all financing is done by what are termed Purchase Warrants—debentures bearing, presumably, a fixed rate of interest, redeemable at par in not less than *five years*. Against these, interest and redemption fund get absolute priority over profits, which, remember, include wages and salaries. Mr. Ardrey explains it ingeniously thus: "In the Corporation—the bad old Capitalistic days—Labour gets the guarantee and capital gets what's left over. In the Commonwealth, capital gets the guarantee, and labour what's left over. You can't have power without risk. If you want security you can't run your own life and be your own master." Which is persuasively true; and there is a whole lot more in the same vein, equally persuasive and apparently realistic. This is George Davis's, Mr. Ardrey's hero's, plan to beat the Jersey copper combine, and possibly the circumstances of the story justify it. At anyrate, the idea is realistic enough to be quite plausible, and to make an entirely convincing and most exciting tale, calculated almost "to deceive the very elect."

It is Mr. Ardrey, however, George's creator, who makes the not uncommon mistake of identifying the particular with the general, and assuming that what applies to the one, can necessarily be applied to the other, which is very far from being the case. In fact, a quite considerable part of social and economic trouble today arises from the assumption that because Mr. Henry Ford solved the problem of his own, and his family's livelihood with such signal success by means of a conveyor belt assembly-line, it follows that the same system applied on a national, or universal scale must be equally successful. In this story, therefore, what was the means of solving the Davis brothers' specific problem, and defeating their antagonists, becomes in the final chapters Mr. Ardrey's Plan for solving the national problem, and liquidating the Arch-Enemy that prevents the proper economic functioning of society. Mr. Ardrey locates this enemy correctly in the vast and economically expanding industrial monopolies, financially accumulated and bound together, which threaten all competitive rivals with absorption, and strangle individual creative impulse and enterprise, as represented by the brothers Davis of this story. Up to this, Social Credit thought is entirely in agreement with him. But it is just at this point that those who are convinced of the philosophy and economics of Douglas, part company with Mr. Ardrey and indeed with the entire Left-inclined thought of the modern world. Regarded dispassionately, it is really a remarkable situation; for the margin of difference is so radical, though apparently so small, and above all, leaves such a vast majority on the one side, against such a small minority on the other. Further, the difference is not concerned with long-range policy; we are all agreed that it is the curbing of Monopoly that we desire. The real difference

appears to be as to methods; the short-term strategy that is required to gain our objective.

Mr. Ardrey in himself supplies a useful example of this phenomenal division, and an examination of his thought process, as displayed in this story, which I propose to make in a further article, should be helpful. As we saw, Socialists—and, though it may shock a great many extremely well-meaning people, in my definition of that term I should like to include at least the whole urban population of the civilised world as well as all who have absorbed the sophistication imposed by our modern system of education, with the exception of the convinced followers of Douglas—Socialists admit the evils arising from the concentration of power inherent in excessive centralisation, which constitutes the preoccupation of the Social Credit Movement's activities. But—and this is the precise point of separation—to counter this evil they can be got to support only those measures which require an even greater concentration of power to implement them; whereas, as Douglas has logically pointed out, the only realistic method of countering the effects of over centralisation of power is to decentralise it.

How exactly this is to be done, may be a matter of opinion, but to anyone really concerned about it and who approaches the matter with an open mind, it must surely be beyond argument that the above is the immediate objective. If these great corporate interests, with their interlocking directorates and international ramifications, are what threaten our individual liberty, as they undoubtedly are, then the policy must be to encourage and promote by every means in our power the greatest possible number of small inalienable vested interests, with the object of counter balancing this threatened Monopoly of Control; and above all to protect the independence of the individual consumer, from whom, and to whom all independence flows. For energy is indestructible. It cannot be annihilated, but only divided, neutralised, dispersed: either that, or concentrated, as it is today, with increasingly disastrous results. Why, then, cannot society be got to see, and adopt as their policy this self-evident proposition?

Elements of Social Credit

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PARLIAMENT

House of Commons: April 21, 1947.

Vacuum Flasks (Permits)

Mr. Driberg asked the Minister of Works if he is aware that the hon. Member for Malden made representations to the Board of Trade on 14th January on behalf of the Witham, Essex, branch of the National Federation of Building Trades Operatives who were in urgent need of permits for vacuum flasks; that his Department, as agent for the Board of Trade, recommended on 4th February that the matter be referred to his regional officer at Cambridge, and gave an assurance that it would receive immediate attention; that the union branch secretary concerned applied to the regional officer on 24th February, but has so far received neither the permits, nor an acknowledgment of his letter; and if he will expedite the issue of these permits, and improve these arrangements generally.

Mr. Key: The permits were issued on 26th March. I regret the delay which occurred in this case and the arrangements for dealing with such applications have been improved.

Mr. Driberg: Is my hon. Friend aware that these permits were sent when this Question originally appeared on the Order Paper, but that only four were sent instead of the 11 asked for? Are not all these workers equally entitled to these permits?

Mr. Key: My information is that all were sent, but I will look into the statement my hon. Friend has made.

Mr. Walkden: May I appeal to the Prime Minister to look at the purport of this Question, and to consider wiping out altogether the permits branch of the Board of Trade, which does not do anything besides create alibis and a lot of mischievous work for a lot of people who do not really matter to human society?

U.N.R.R.A. (Non-Contributory Countries)

Mr. T. Reid asked the Secretary of State for Foreign Affairs what countries have not contributed to U.N.R.R.A.; and what countries have received assistance from U.N.R.R.A.

Mr. Mayhew: So far as my right hon. Friend is aware, Afghanistan, Argentina, Eire, Portugal, Saudi Arabia, Siam, Spain, Sweden, Switzerland, Syria and the Lebanon have not contributed to U.N.R.R.A., of which, however, they are not members. On the other hand, of these countries the Argentine, Eire, Sweden and Switzerland have all made contributions to relief outside U.N.R.R.A. The countries which have received major assistance in proportion to their size and need are Albania, Austria, Byelo-Russia, China, Czechoslovakia, the Dodecanese, Greece, Italy, Poland, San Marino, Ukraine and Yugoslavia. Small emergency assistance has been received by Ethiopia, Finland, Hungary, Korea and the Philippines.

International Police Force

Mr. Lipson asked the Secretary of State for Foreign Affairs what progress is being made towards the establishment by U.N.O. of an international police force.

Mr. Mayhew: I would refer the hon. Member to the reply on the subject given to my hon. Friend the Member

for Stafford (*Mr. Swingler*) on 24th February last, to which I have, at present, nothing to add.

Mr. Lipson: In view of the great interest that is being taken in this question and of its importance, can the hon. Gentleman say whether any real progress has been made and whether the representatives of the U.S.S.R. are taking part in the deliberations?

Mr. Mayhew: The answer to the second part is yes. The answer to the first part is that I regret that very little progress is being made.

Mr. Wilson Harris: Can the hon. Gentleman say whether His Majesty's Government are taking any steps to earmark a section of the Air Force for the service of U.N.O. as the Charter provides?

Mr. Mayhew: That would be another question.

Viscount Hinchinbrooke: Is His Majesty's Government's representative on the Security Council encouraging the Chief of Staff Committee to get on with the fundamental basis of operation for an international security force?

Mr. Mayhew: The arrangement is that the Military Staff Committee is accountable to the Security Council, but our Chiefs of Staff representative would not receive his instructions from our Security Council representative.

Mr. Osborne: Does the Minister realise that the proposal to create the United Nations police force differs from that under Article 43, and will he also state why it is that Britain does not take the lead in the creation of the United Nations police force?

Mr. Mayhew: I am aware of the distinction my hon. Friend has made. I assumed that the question referred to Article 43 of the Charter, and as far as provision of that Article goes, I can say that His Majesty's Government are taking the strongest lead in this matter.

Civil Service (Increase)

Mr. Spence asked the Financial Secretary to the Treasury what the percentage rise has been since 1st January, 1946, in the numbers employed in the Civil Service in England and Scotland, respectively.

The Financial Secretary to the Treasury (Mr. Glenvil Hall): Between 1st January, 1946, and 1st January, 1947, the number of non-industrial civil servants employed in England, Scotland and Wales rose by 4½ per cent. Separate figures for England and Scotland are not available.

Mr. Spencer: Is the Financial Secretary aware that we have come to the stage when one out of nine of the employed population is in the public service, and would he bring to the notice of the various Departments the need for reducing this figure at the earliest possible moment?

Vacuum Flasks

Colonel Crosthwaite-Eyre asked the President of the Board of Trade why, in view of the extreme shortage of vacuum flasks, Messrs. J. R. Gibb, Limited, of Paignton, Devon, were refused permission to import 23,000 of these articles.

Sir S. Cripps: The production of vacuum flasks in the United Kingdom is rapidly expanding. The principal

(continued on page 7).

THE SOCIAL CREDITER

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

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Saturday, May 10, 1947.

The Social Crediter

The Social Crediter, now in its tenth year of continuous publication, has never been reduced in its circulation since its inception. To say that its circulation, over the whole period which it has covered, has approximately doubled might sound well; but it does not mean much. If we were able to say that the present circulation of *The Social Crediter*, at home and abroad, were ten times its present distribution, we might be satisfied that we and our readers had done what might reasonably be expected of us, and that it was time to measure our communications with the public side by side with the results ensuing from them. (With the "public" as such, unindividualised and anonymous, *The Social Crediter* is Social Credit's *only* literary communication.)

The time has come to make good the defect defined above, and we seek to enlist the help of all our readers to effect this.

We who write this believe that the business of an editor is to edit, and that a journal in which the hand of the editor appears in discharge of any other function declines proportionately from the standard it might otherwise attain. While this technical ideal still remains unattained, our contribution to the written contents of *The Social Crediter* are few and unimportant enough to establish a claim to comment on the style of the paper. It ought to be conceded that we are sufficiently disinterested in this matter to be heard if we supply some arguments in its favour which do not seem to have occurred to our readers collectively.

In 1845, in Boston, Massachusetts, Samuel Gray Ward published a translation of some pieces by Goethe, among them a remarkable "Essay on Dilettantism." "In giving a translation of this singular work, it seems desirable to say a few words by way of presenting it to the reader in the right point of view. It may be said, that in this country we have nothing of that wide-spread Dilettantism, that forms so remarkable a feature in European civilisation, and that, whether it be for good or evil, we are too busy a people to anticipate its having any deep hold among us. But whoever reads with attention this masterly short-hand analysis of the clear-sighted German, will be surprised to find that the subject has the strongest possible bearing on our present condition, and that in fact, with rare exceptions, all our art, all our literature, falls inevitably within his definition of Dilettantism." The discerning translator shortly proceeds to observe that "True art springs not from an outward demand of the public, but from an inward demand in the soul of the artist."

We have not quoted this passage from any freakish deference to the words or opinions of a foreigner whom the world has accorded a great reputation, but for the fact that we observe their applicability.

Goethe complained of "those who, without any particular talent for this or that art, only give way to the natural

imitative tendency in them." He derives *dilettant* from the sense of *pfuschen*, (to botch). If our readers will examine the grounds of their own allegiance and of their repudiation of the order they are resisting, we suggest that they will find it in this same notion that it is something botched, and which botches: that they take sides with Goethe in contrasting handicraft and art with botchery and dilettantism, the technically and spiritually true with the technically and spiritually false.

The Social Crediter is not an organ of dilettantism, and it may be the only periodical which is not an organ of dilettantism in England today.

Accordingly, it attracts criticism, and the criticism it attracts is startlingly parallel with the rebukes of dilettantism to art. So we are asked to mix ourselves with the devil state so as to *legitimise* (not ourselves) but *it*. So too we are not certain of applause, "which must be secured by begging or flattering", but have "an inward certainty." "It is obvious in all times, that [our condition] [has] in it something desirable and enviable."

Now we do not anticipate that this something enviable is a magnet to the many; but we are assured that it is the increasingly potent objective of all who are likely to matter in the coming months, which means, in the perspective of the centuries, those who matter in our time. And we have put this opinion to the test. Unsophisticated readers of all ages, classes, interests, of a degree of intelligence which would make their affiliation with any movement an advantage to it, can find something of positive use to them in any number of *The Social Crediter*. Again to cite Goethe: "A very clear hand may not be legible by twilight." We but appeal to our readers not to assist in spreading the twilight through which our civilisation is passing into night.

"Man experiences and enjoys nothing without forthwith becoming productive. This is the most central property of human nature; nay, it may be said it is human nature itself." We continue to cite the same author: it is, as we have said, an editor's duty to edit rather than to compose. What ensues from the productiveness of the enjoyer will, if there is a harmony of the universe, be consistent with the inspiration of the source, whether its volume and quality is great or small. We can only be true to ourselves. Dilettantism, lacking a self that is true, demands we should validate ("legitimise") *it*. But, having now seen how far it has fallen, our world is within sight of its foundations, and finds them false, and their falsity the cause of its fall. *The Social Crediter* consistently defines a foundation which is not false. The devotion of readers themselves to its pages through fair weather and foul (mostly very foul) goes for something. This is one of those things, not necessarily one of a large class, which is enlarged by sharing. But we have no need at present to ask them to share their copy. Each of them could, we are convinced, if he tried, (always provided the right means are employed) get five new subscribers during the coming week, and we are asking him to try. The problem of supply of increased demand is one we may be able to grapple with when we experience it. *The time for the action we enjoin is now.*

Social Crediters who profess alarm (which we do not share) at the operation of Gresham's law in Social Credit advocacy have the remedy in their own hands. "Bad" money does not become "good" money by driving good money out of circulation; nor can "good" money fight back successfully by becoming "bad" money. There will be more "bad money" before long: "Social Credit is coming"! T.J.

An Introduction to Social Credit*

By BRYAN W. MONAHAN

Part III.—POLITICS.

(6) (continued)

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Society is fundamentally an association of individuals. Within that association all sorts of functional activities are conducted, and nothing is more important than to grasp the fact that labour, or employment, is simply one of these functions. Now, in a genuinely democratic Society, the pattern of functional activity will be the resultant of the functional activities of individuals exercising free choice, in exactly the same way as the pattern of activity of a sports club results from the various preferences of its members for different games.

On the other hand, "Full Employment" as a policy means the subordination of Society to a single function. The other functions may be there; but the *pattern of functional activity is determined by the elevation of a particular function to pre-eminence*. It makes for a fixed pattern; and that is totalitarianism.

That this pattern is achieved by voting in elections is quite irrelevant. And when, as is our case, all the major parties stand for "Full Employment" as a policy, totalitarianism is inescapable. Genuine democracy has nothing to do with elections: elections are simply a convenient mechanism to achieve a very limited purpose *within* a democratic organisation.

If individuals want "Full Employment," they can have it. Any man can dig holes in his own back yard, and fill them up again. A majority decision in favour of "Full Employment" should be expressed in the majority digging holes, and leaving the minority free to paint pictures if they prefer to do so.

Of course, the work of the world must be done. But it must always be remembered that the immensely greater proportion of the necessary work can be done by power-driven machinery. "Considerably less than the total available number of individuals, working with modern tools and processes, can produce everything that the total population of the world, as individuals, can use and consume, and this situation is progressive, that is to say, that year by year a smaller number of individuals can usefully be employed in economic production." (C. H. Douglas, 1924).

It is important to notice the words "as individuals" in the above statement. "Full Employment" involves the increasing production of goods which the individuals producing them cannot use or consume. They are goods which fulfil the ambitions of power-maniacs; no individual in his senses would freely produce atom-bombs and hand them over to the individuals in control of an organisation which might use them against him; nor does the individual really desire that they should be used against other individuals. Again, many public works are of benefit only to succeeding generations; and as we have already observed, there is no special or reasonable urgency to press forward the development of the world at the expense of a few generations, and for the benefit of others who will be left with nothing to do.

*Now appearing in *The Australian Social Crediter*. The commencement of Dr. Monahan's essay, publication of which has been interrupted, appeared in *The Social Crediter* on January 25.

It is essential, therefore, that the programme of production shall be predominantly one that subserves the requirements of *individuals*, not of organisations; and once this is the case, it must be found that there is room only for a proportion of those available for employment in it. This at once reduces "employment," or labour, to its proper level as a function among others; and there is no reason at all why it should not be considered in exactly the same light as a game, participation in which is subject to proper qualifications. In other words, participation in the programme of production involves membership of a team, and should be confined to those with a genuine desire to participate, and possessing the necessary technical qualifications.

The effect of such a change would be to emancipate other functions both of the individual and of Society. There are, of course, very good reasons why this should not be done suddenly; but it forms an objective which can be approached at whatever rate is found in practice expedient, and a mechanism by which this might be done will be considered later. But obviously such an objective results in a completely different conception of the nature and functioning of Society. It is, in fact, an absolute prerequisite of genuine democracy.

As soon as government ceases to personify the elevation of a particular function as dominating the pattern of Society, it falls into its proper perspective. Government itself is merely one function among all the others, and by no means the most important. Its true nature is that of the Board of Directors of a Company on the one hand, and of the general committee of a club on the other.

As a Board of Directors it is the business of the Government to see that the industrial component of Society produces the greatest possible dividend to the shareholders, the citizens. This does not mean that the Government should "run" industry. An industry is always (unless interfered with by the Government) "run" by the technicians. It does not mean that the Government should have any control over the internal policy of the particular industry. The Board simply represents the shareholders whose interest is confined to the receipt of dividends, and the business of the Board is simply to impress the will of the shareholders on the technicians. Most emphatically it does not mean that the Government should dictate the programme of production. That is the concern of the consumers, and is properly controlled by the money-vote.

The main function of government in this aspect is really the authorization of new enterprises which may enhance the collective dividend. This is a point to which we shall return subsequently.

The more important aspect of government is that of a general committee. It is concerned with the general framework within which the multitudinous functional activities of Society are conducted.

The first consequence of this position is that the emphasis immediately passes from law-making. No club-committee is forever adding to the number of rules. Now Society in the course of some thousands of years has evolved a quite sufficient number of laws to provide for the general conduct of Society. It is only when some new development, such as the introduction of some major new invention, disturbs the general equilibrium, that new laws may be necessary. The appearance of the motor-car and the aircraft, for example, clearly need integrating into the existing possessions

of mankind in such a way as to enhance rather than diminish the real credit. Apart from this, it is a proper concern of the Government to revise the laws with a view to removing unnecessary restraints on the freedom of the individual. As the physical conditions which limit the individual are overcome, so artificial restrictions should be eased and, so far as possible, abolished.

And here the social equivalent of "sportsmanship" comes in. That is an ethical system having its roots in religion, and accepted by, and as binding on, the Government just as much as individuals.

The second consequence of the proper position of government is that it should derive its finance by *agreed* contributions from individuals. Just as with the club committee, it should suggest a programme, and this programme should be sanctioned by the public.

What is undertaken by the Government is at the immediate physical expense of the individuals composing the community, and what is required is that this physical necessity should be correctly reflected in the relations between Government and people. Government itself is an expense; a certain amount of it, which should be reduced to the practical minimum, is an unavoidable expense. But government undertakings are a different sort of expense. Providing "Full Employment" is such an expense, and is simply a blank cheque drawn in the Government's favour, and honoured by the community at the individual's expense. Nothing should be done for the sake of providing employment. It may be that roads need to be built, and aerodromes constructed, and so on. If so, the Government should suggest a programme of roads *etc.*, showing the immediate advantages to be derived from them by *individuals*. Some such works will have an immediate and obvious advantage; with some the advantage will be more remote; and with others, the advantages will accrue entirely to succeeding generations.

The amalgamation of credit-monopoly with government means exactly that the Government is rendered independent of public control in these matters. It can embark on programmes which are at the expense of the individual, but are disguised as being to his advantage, since they issue to him the money which ought to be his unconditionally, only in exchange for his work. The citizens ought to licence the Government to undertake the works of which they approve, by voting the necessary funds. But as things are, the citizens have only the most slender control over the Government; and although a correct use of the vote could rectify the immediate situation, it must be realised that the vote is an exceedingly crude mechanism, with a very limited use, and that it is essential to re-inforce it with more adequate sanctions.

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The essential mechanism of totalitarianism is centralised control of the real credit of the community. What we call the real credit we defined as "the ability to deliver goods and services as, when, and where required." Centralised control of this real credit means that goods and services can only be delivered to the orders of those in control of a centralised organisation. These orders may be delivered through the control of financial credit; or they may be delivered through bureaucratic Regulations and Orders; or, as at present, through a combination of both.

The essential mechanism of genuine democracy is decentralised control of the real credit of the community.

Easily the most convenient and flexible mechanism for such decentralised control is money, because money is the most marvellous order system if properly used.

We have already seen that financial credit—bank-created money—is based on the capacity of industry to produce. If financial credit was suddenly cut-off, industry would stop except to the extent that people "saw through" the monetary situation. *Restriction* of credit is, in fact, the direct cause of the so-called depression, the slowing-down of industry. That is to say, credit policy governs industry; credit *initiates* production.

If this fundamental fact is grasped, it will be clear that there is no reason whatever why credit should be issued only through centralised institutions, other than the policy of those in control of the credit-system.

Financial credit reflects real credit. Does the real credit of the community—its ability to produce goods and services—belong to the community, or to a small group within the community?

In Part I we examined the nature of "the ability to produce," and saw that it derives from the labour and inventions of countless generations. It is a community inheritance. It must be clearly understood here that what is in question is not the right to the technical operation of industry; it is a question of to whom belong the results of its operation; consequently, who have the right to control the programme of production? The answer, in a genuine democracy, can only be the democracy of consumers in the sense in which we have discussed that conception. They must, therefore, be given the means to control the programme and obtain the production; and this involves the distribution direct to the consumer, as an individual, of the money, in the form of credit, with which to issue his specific orders.

The general conceptions involved in this are really quite simple. At any given time, a community possesses a capacity to produce a quantity of goods and services in some ensuing period—say a year. This capacity is the real credit of the community. Against this real credit, financial credit is issued. At present it is issued in such a way as to result in the community devoting its resources to projects from which as consumers its individuals derive no immediate benefits or no benefits at all—the production of redundant factories, production for an export surplus, grandiose public works, *etc.* *Payment for this type of production, which does not reach the public as consumers, is exactly as "inflationary" as if the money were given direct to the public.* But this credit belongs to the community, and to force individuals to "work" for it is absolutely unjustified on any grounds whatever. Therefore it should be issued to them as a right—as a *dividend*.

(To be continued).

GLASGOW (SOUTHERN) D.S.C. SOCIETY.
Current Affairs Section.

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will be held in R.I. Rooms, 200 Buchanan Street,
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Subject:—
THE CITIZEN AND HIS GOVERNMENT.
All interested invited.

PARLIAMENT*(continued from page 3)*

limiting factor is the shortage of glass components and arrangements are being made to import these from various sources. In the circumstances, it is not considered necessary to import complete flasks.

House of Commons: April 23, 1947.

Post Office Surplus

Mr. De la Bère asked the Postmaster-General whether in view of the substantial surplus disclosed by the Postmaster-General in the year's working of the Post Office, steps will now be taken to devote some part of this surplus to the reduction of postal, telegraph and telephone charges, with special reference to the 30 per cent. surcharge on telephone accounts.

Mr. Burke: The surplus for the current year is expected to be substantially below that for 1946-47, and my right hon. Friend does not think that the time is ripe for him to adopt the hon. Member's suggestion.

Mr. De la Bère: Is the Minister aware that this matter cannot be lightly dismissed, indeed, that it cannot be dismissed at all? Is he aware that the British public are today being asked to pay very excessive sums for the services which they receive and that something should be done about it without any equivocation or evasion or attempt to get out of what is obviously a just and right thing to do?

Mr. Burke: I am sure that my hon. Friend would regard it as most unsatisfactory to consider the surplus in one year without considering the possibility of it not being recurrent.

Mr. De la Bère: Is the hon. Gentleman aware that it is thoroughly disgusting?

House of Commons: April 29, 1947.

Displaced Persons

Major Tufton Beamish asked the Minister of Labour by what date he estimates that his forecast of 4,000 displaced persons per week will be arriving in this country; and what is the total number of displaced persons that he plans to bring to this country in 1947 and 1948, respectively.

Mr. Ness Edwards: The aim is to work up, if possible, to this rate during the course of next month, but its achievement will depend upon such factors as the numbers of suitable persons volunteering who can be accommodated and absorbed into employment here. Similar factors will determine the total numbers to be brought here over a longer period.

Major Beamish: Surely, the Minister can say how many will come in during 1947? Why is it that this Government of super-planners has no plan for the employment of foreign labour this year?

Mr. Ness Edwards: I should have thought that the hon. and gallant Gentleman would have read the White Paper on the Economic Survey.

Major Beamish: Of course, I have.

Film Transactions (Dollars)

Mr. Geoffrey Cooper asked the Chancellor of the Exchequer (1) if he will make a statement on the method by which payment was made for the Odeon group of cinema

theatres in Canada, for which it is understood 4,000,000 dollars was paid;

(2) what is the figure for the dollars earned and brought back to this country by the Rank Film Organisation from the U.S.A. since its attempt to enter the U.S. market, up to the latest convenient date.

Mr. Glenvil Hall: It is contrary both to precedent and to the public interest to disclose the details asked for by my hon. Friend.

U.N.R.R.A. (U.K. Contributions)

Colonel Crosthwaite-Eyre asked the Chancellor of the Exchequer what action has been taken by His Majesty's Government to ensure that British contributions to U.N.R.R.A. have and are being spent correctly, in accordance with the accepted objects of U.N.R.R.A..

Mr. Glenvil Hall: This has been the duty of the representative of His Majesty's Government on the various U.N.R.R.A. committees.

Colonel Crosthwaite-Eyre: Is the Financial Secretary satisfied with that arrangement in view of the fact that many of the goods supplied through U.N.R.R.A. are sold by the countries which receive them to other countries at a profit, and that in the case of Italy, certainly, the U.N.R.R.A. organisation has been used to promote illegal Jewish emigration?

Mr. Glenvil Hall: We do what we can to see that this money is properly used. The machinery is fairly full, but it is obvious that where you have sums of this sort covering such an enormous area occasionally things go wrong. As a general rule, however, I think this money does reach its right destination.

Sir W. Smúthers: Is the Financial Secretary aware that a very serious allegation has been made about the way the British taxpayers money has been wasted through U.N.R.R.A., has he had the opportunity of seeing the evidence I sent to the Treasury that, as my hon. Friend has said, much of the money reaches illegal quarters, and will he have an inquiry made as to where the British taxpayer's money goes?

Mr. Glenvil Hall: All these things can and will be debated at the appropriate time.

Old People's Earnings

Mrs. Middleton asked the Minister of National Insurance whether he will consider so amending the National Insurance Act as to allow men over 65 years of age and women over 60 years of age to draw full pension in addition to any wage they may earn, provided the rate for the job is observed, thus encouraging older people to assist in easing the present difficult man and womanpower situation.

Mr. J. Griffiths: No, Sir. As I have already said on previous occasions, the relevant provisions of the National Insurance Act, which has only recently received the approval of this House, were expressly framed so as to provide special inducements to old people to remain at work. These provisions will come into operation when the new scheme is brought into force as a whole.

Palestine (American League Activities)

Major Bruce asked the Secretary of State for Foreign Affairs whether his attention has been drawn to the activities

of the American League for a Free Palestine at a meeting of which, on 22nd April, a drive was commenced for the raising of nearly £2,000,000 for the purpose of buying and equipping ships to run illegal immigrants through the British blockade into Palestine; and what representations he proposes to make, either direct or through U.N.O., to the U.S. Government with a view to ascertaining its attitude to the conduct of activities within its territories directly and explicitly aimed at breaking British law within an area subject to British jurisdiction.

Mr. Mayhew: Yes, Sir. My right hon. Friend's attention has been drawn to Press reports regarding this new drive to obtain funds for Jewish terrorism and illegal immigration into Palestine, and he is in communication with His Majesty's Ambassador at Washington on the subject.

Fenland Floods (Operations)

Sir E. Graham-Little asked the Minister of Agriculture if he will enquire into the case, details of which have been submitted to him, in which, during the floods in the Fenlands while farm labourers and others were working to clear the roads of snow and sustain the dams, the local staff of the Cambridgeshire A.E.C., with one exception, refused to co-operate, although unable, owing to floods, to carry out their normal duties; and whether this abstention was by direction of the committee or approved by them.

Mr. T. Williams: I have made inquiries and I understand that the labour, lorries and materials controlled by the Cambridgeshire War Agricultural Executive Committee were placed at the disposal of the Great Ouse Catchment Board which was directly responsible for co-ordinating the operations against the floods. In the district referred to the committee were made responsible for work on the stretch of bank between Bottisham Lode and Upware. When not actually engaged on the work done on this section of the bank, the committee's employees necessarily had to stand by day and night and thus quite properly were not at liberty to answer calls made by private individuals to undertake work elsewhere.

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