WHAT IS THE OBJECT OF THIS RATES ENQUIRY?

The following correspondence passed between the Secretary and Organiser of the United Ratepayers' Advisory Association and the Secretary of the Association of Municipal Corporations with whose permission it is published.

The Secretary,
The Association of Municipal Corporations,
Palace Chambers, Westminster, S.W. 1.
5th June, 1939.

Dear Sir,

(1) Our attention has been drawn to the action taken by your Association in requesting the Government "to institute an enquiry into the whole aspect of local taxation."

(2) As it has been demonstrated beyond contradiction that ratepayers primarily desire two results from the administration of Local Government:

(a) Lower rates,
(b) Improved municipal services,

and since municipal authorities, who derive their authority from ratepayers, exist to serve these ratepayers, is the object of the enquiry, which your Association proposes, to be the ascertaining of whether these objectives are practically attainable?

(3) If this is not so, what are the objectives of the proposed enquiry?

(4) It is known that the Local Authorities of England and Wales disburse annually in loan charges on Local Government debt a sum exceeding £100,000,000. It is also widely known that banks create credit, a fact attested to by the highest authorities on economics. Is it therefore denied that credits cannot be made available to Local Authorities by banks at a service fee reasonably related to their cost of creation. And is it also denied that the use of these credits could enable municipal authorities to relieve ratepayers of at least some part of the £100,000,000 loan charges which at present they have to find out of their incomes?

(5) Is it denied that banks create credit?

(6) Is it denied that the public debt of this country has at any time in part consisted of credits created by banks?

(7) Is it denied that men and materials exist in plenty for a further development of municipal services?

(8) If your Association denies none of these things:

(a) Why is it necessary to have an enquiry to ascertain what is already known—that lower rates and assessments with no decrease in social services is practicable?

(b) Why is your Association not devoting its attention to bringing the necessary pressure to bear upon banking institutions for the provision of credits on terms which would enable the desired objectives to be achieved?

An early reply would be much appreciated.

Yours truly,

JOHN MITCHELL,
Secretary and Organiser,
United Ratepayers' Advisory Association.

J. Mitchell, Esq.
United Ratepayers' Advisory Association,
Sentinel House, Southampton Row, W.C. 1.
6th June, 1939.

Dear Sir,

Local Taxation

In reply to your letter of yesterday's date, I do not think that I can at the present stage add anything further to explain the object of the Association in requesting the Government to institute an inquiry into the whole aspect of local taxation. I may, however, add that I doubt whether the Government will comply with the request.

Yours faithfully,

HARRY G. PRITCHARD,
Secretary.

Sir Harry G. Pritchard,
Secretary,
Association of Municipal Corporations,
Westminster, S.W. 1.
7th June, 1939.

Dear Sir,

Local Taxation.

Thank you for your letter of the 6th of June. In this you do not say what is to be the object of the "enquiry into the whole aspect of Local Taxation" which your Association proposes. Will you please
THEY AGREE BUT ARE AFRAID

In a large town in England, where the demand for Lower Rates with No Decrease in Social Services is making good progress, members of the Finance Committee of Council and representatives of the Lower Rates Demand Association met to discuss the demand. The following is a brief account of what passed.

1. The discussions were conducted in quite a friendly spirit, and I believe we got quite a long way by adopting this course.

2. Our case was—the following up of the 60,000 ratepayers' signatures to a demand “that the money paid in interest and repayment of loans imposes an intolerable burden, etc.,” and what had the Chairman of the Finance Committee done about it.

3. Their reply was that they had endeavoured to get money on the cheapest possible terms, and they believed they were getting this.

4. We brought the discussion round to the creation of credit by Banks, and since the Banks admit they create money practically costlessly, why should we not get money for social services for the cost of the book-keeping services, etc.

5. This started an argument, the outcome of which was that the City Treasurer quite agreed with us, that Banks create credit by book-keeping entries, that they could (if they desired) issue——with money for social services on the lines indicated by us—namely a single payment of from ½ to 1 per cent, plus the repayment of the principal over an agreed period—but he emphasised the difference between what they COULD do, and what they WOULD DO!

6. He agreed that pressure would have to be applied to the Banks to get money on these terms. He further agreed with us that the Banks were the secret dictators behind the politicians, and he went as far as to say that the holding of elections for Councillors and M.P.'s were a complete farce!

7. On being asked would he and the Chairman of the Finance Committee not make a definite application to the Banks for money along the lines as indicated by us (and with which he agrees) and upon the Bank's refusal to come back and ventilate this in open Council Chamber, he said—“No”!

8. Asked why, he said the Banks would retaliate, and might go as far as to either refuse to lend any money to——Corporation or only at a very high rate of interest. This would cause trouble with the ratepayers, and the Councillors seeking a scapegoat would probably ‘light on him’.

9. We explained that we would look after the ratepayers and the councillors, but he said that we hadn't enough converts to obtain sufficient power to prevent the Banks “punishing” — and possibly himself.

10. He told us that what we ought to do was to get all the large towns to do what he wanted to do—and then he could fall into line—but he was not going to START it. We told him that this was being done.

11. Further discussion brought out the fact that he took his advice from London. We interjected the word “orders” here, and he did not contest it.

12. He stated that what we wanted done was a change in the monetary system, over which the—— Corporation had not the slightest control. He was more or less sympathetic with our objectives but was not prepared to work for their accomplishment.

13. Asked if he would do this if he were instructed by the City Council, he stated that that was a different matter, and in his mind would require a different set of individuals as councillors from the existing ones.

14. The Town Clerk did not agree with the costless creation of credit. He thought that Banks only lend “savings”. So also did the Assistant City Treasurer, but by the time the interview closed he agreed with us and his Chief!

15. Alderman——was quite sympathetic but felt helpless. He was afraid that if he took the step asked for by us, that the Banks would “damage the credit of the City” and he was not prepared to risk that.

16. The interview ended on that note—their agreement with our arguments, but fear of the consequences if they attempted to expose the Banks.
Foreign Publicity Department

A new department is being set up in the Foreign Office—the Foreign Publicity Department—for the purpose of coordinating efforts at “disseminating accurate information and countering foreign misinformation of British policy and action.” Lord Perth is to undertake the supervision of the work of this section. In the event of this country being involved in a major war this department would immediately be expanded to form a Ministry of Propaganda, with a Cabinet Minister at its head. The opposition expressed some doubt as to the suitability of Lord Perth to head this enterprise on the grounds of partiality for fascism and unfamiliarity with the ways of journalists. Lord Perth, until recently British Minister in Rome, has been secretary of the League of Nations.

Tientsin

Early on Wednesday, June 14th, the Japanese military authorities in North China set up a blockade of the British and French concessions in Tientsin. The ostensible cause was the refusal of the British and French to hand over four Chinese wanted by the Japanese in connection with the murder of a Chinese official of the Japanese puppet government in China. The men’s guilt appeared improbable. The British authorities proposed that the matter should be referred to a commission composed of a British and a Japanese member with a neutral chairman. This proposal was rejected by the Japanese authorities.

Martial law was declared by the Japanese on the river Hai-ho on which the town stands. Those who left the Concession on business were searched at the barriers, and some were forced to submit to gross indignities before being allowed to proceed. The barbed wire surrounding the British and French concession was electrified. Intense anti-British propaganda appears to be going on among the Chinese in the concession, coupled with threats of reprisals on the persons and relations of those in the British police force and municipal offices.

The British concession in Tientsin is her largest holding in China; in area it measures 992 acres. It was obtained in 1861 and extended in 1897 and 1903. Of the 47,000 population, 2,700 are British. They share a large part of the trade in Tientsin, in wool, cotton, tea, rice, carpets, etc.

B.I.S.

The Board of the Bank of International Settlements has selected Mr. T. H. McKittrick to succeed Dr. Beyen as President. Mr. McKittrick is an American who was at one time with the National City Bank of New York, of whose Genoa branch he was assistant manager. He joined the London banking house of Higginson and Co., in 1921 and became a partner in 1924, since when he has been prominent in the City. He was elected a member of the Arbitration Committee under the German Standstill Agreement in 1931 and vice-chairman of the committee in 1933. His appointment is for three years from January 1, 1940.

Dr. Beyen leaves the B.I.S. shortly before the end of his term to join the board of Lever and Unilever N.U.

In these days we are so consistently subjected to propaganda and its commercial applications in salesmanship and advertising that we are mostly either afraid of a naked truth or unable to cope with it. Further, an immensely centralised series of newspapers, themselves largely dependent on centralised newsagencies, not only wraps up, but even selects the facts to be presented to us.

To counter exaggeration with exaggeration, in these circumstances, does not help anyone; it only produces strain and indifferent cynicism in the minds of the subjects. What is needed is some mechanism that will ensure that in the matter of news accurate and complete information is available, and that in the presentation of views they are clearly identifiable as such. To do this some sanction must be in the hands of the public, that they may be able to protect their interests.

Although nothing has been said officially (June 21st) it is likely that the dispute will be made the occasion of forcing conclusions to far wider issues than the original quarrel. Articles by prominent persons in the Japanese press state variously that the Japanese objective is the concession; is the establishment of a greater degree of “co-operation” by Britain in Japan’s expansion in China; is the control of currency. The currency that has been introduced by the Japanese in the puppet regimes they have set up in China has apparently been rejected by the Chinese people for the Chinese national currency which is supported by the foreign Banks and used in foreign Concessions, the main trading centres in Chinese cities. The foreign banks have refused to cooperate with the central bank set up by the Japanese to issue their currency.

And so in England, the other side of the world, we find ourselves in the atmosphere of another “crisis.” The dispute has the necessary qualification of dividing the democracies from the dictatorships, because in the wider issue the United States and France are just as much concerned as this country.

Rumours, most of them incredible, have doubled their speed of circulation. Schools terms are being lengthened until evacuation schemes are complete . . .

The affair of the Czech gold, which has brought into the limelight the relationships between banks, bank-directors, governments and members of those governments, has led to an increase in the criticism that has for some time past been levelled at Mr. Montagu Norman’s methods by a section of the press. The “solution” demanded—which, needless to say, is no solution but only a suggested method of attaining it—is nationalisation. In the House of Commons Mr. Mander asked the Chancellor of the Exchequer if he would consider the advisability of converting the privately owned Bank of England into a state institution. Sir John Simon replied “No, Sir.”

By a recent statute the Reichsbank is directly subordinated to State authority and to the Fuehrer as the exponent of that authority.
Mrs. Palmer's Page

FIFTY YEARS ON

This year the County Councils celebrate the jubilee of their corporate existence. They were instituted by the Local Government Act of 1888, and they began officially on April 1st, 1889.

The Local Government Officers' periodicals has published two articles on the developments that may be expected during the next fifty years or so. This publication has the word "Service" in large letters on its cover. It puts forward the views of those technicians who are employed as servants to local councils and their electors—surveyors, public health officers, librarians, rates collectors, sanitary inspectors and so on. They are known as "local government officers". The term "public servant" describes their true function more nearly, however.

Whether many of these local government officers realise their true function as servants to local democracies is a matter of much doubt, but it is made quite clear by E. L. Hasluck in his article "The Next Fifty Years" that he considers the power of local councils to be definitely on the wane, and that small respect is due even now to these representatives of the people. He looks forward to "amalgamation" and "centralisation" as inevitable. Larger units, he says, will be the slogan of the next fifty years.

"The increase in the activities of county councils, coupled with the enlargement of the average area of "county" government, will lead to a vast increase in the number of local government officers. The work done will be so vast that the council departments will have become almost independent organisations, loosely co-ordinated under the nominal control of a highly dignified but totally inefficient county parliament. Such effective control over expenditure and efficiency as exists will come from Whitehall rather than from the local electorate . . . .

"The sublime fiction of 'the Council in its wisdom' will continue to flourish like the green bay tree. Public speeches will reiterate the praises of the 'great unpaid' who, turning away in bewilderment from the complex legal and administrative structure of the departments over which they are in nominal control, will devote themselves with zest to the delightful and ancient game of jockeying themselves into positions of ever greater prominence in the public eye. The Corporation Mace—ceremoniously transported to the county hall after the amalgamation of the county borough—and the Chain of Office will still be the symbols of the great tradition of British Democracy in local government, but the 'permanent secretaries' of each county department will find the chairman of the committee as helpless in their hands as is a fledgling chick, between the paws of a cat."

"The lot of the local government officer of 1989 will be reasonably satisfactory. He will have only two grievances—ultra vires and inadequate salaries."

The article is illustrated by a cartoon of a mayor in his robes, escorted by a band of boy scouts.

* * *

It is as if the cook were editing a house organ for distribution among the staff, and included an article poking fun at the family she was supposed to serve, jeering at them for inefficiency and stupidity, and looking forward to the time when they would be mere figure heads, and the staff would take their orders from someone else.

If such an extraordinary state of affairs were to exist in a private family, we should ask how the head of the house came to allow it; we might even say that such an exhibition of apathy and lack of will-power deserved all the contempt it received.

This, I think, is the point of view of many of these public servants. They are well-trained, conscientious and practical; they are quite capable of carrying out any orders concerning the technical departments under their control. But they seldom receive any that can be said to come from the electors, via their representatives.

The work of the different technical departments gets done, however, but the orders which are carried out are "composite" orders, if I may be allowed to coin a phrase. They are certainly not orders which express the exact will of the local electors. They are usually the result of argument and compromise arising from the "complex legal and administrative structure of the departments over which the council are nominally in control," to quote the words of Mr. Hasluck's article.

Is it any wonder that results are often unsatisfactory to electors, no matter how efficient the technicians may be?

The orders given to local government officers do not come direct from the people, but are the result of lengthy negotiations between councillors, different government departments, and the treasurer's office, the main object of which is to see that the finances of the borough keep within the rules of sound finance.

In drawing his sketch of fifty years on, Mr. Hasluck has made one mistake, however; he has taken for granted that the apathy of the ordinary citizen is a constant factor; but before many of those fifty years have passed he will discover that it is not.

There are at the present moment a number of councillors in different parts of the country who have been confronted by definite (continued on page 5, column 1)
YOU AND THE REFUGEE

“You and the Refugee—The Morals and Economics of the Problem.” By Norman Angell and Dorothy Frances Buxton. Penguin, 6d.

Not a nice mixture—morals and ‘sound’ economics! Of the morals, it is sufficient to say that in the last paragraph of the book we are all threatened with everlasting punishment in the words of Matthew 25: 31-46, if we fail to take in these strangers. On page 138 we read the following:—“The power of world Jewry is moral—the power of journalists, writers, dramatists, scientists. It is worth while for an Empire as gravely menaced as the

(continued from page 4)

orders on the part of their electors. The electors have made known to them that they want “lower rates and assessments with no decrease in social services,” and they want it at once, because they know this will help to prevent war.

Why? Because £100 million of our income is spent on local government debt, and if this were spent in British shops it would ease the necessity for export, and so help to end Trade War.

Military War is only an extension of Trade War.

Some councillors on the other hand simply do not realise what it means to represent two or three thousand people.

“It is easy enough to get people to sign papers like these,” said one of them, giving the signed demand forms a contemptuous flick. The woman who was interviewing this councillor told me she could scarcely describe her feelings when she thought of the real meaning that lay behind those demand forms, but she went on, patiently bringing it home to him that he was the elected servant of the three thousand people who had signed them. It was not for him to criticise his orders.

At last, and not a moment too soon real orders are being given to the councillors by the ordinary citizens, and it will be the councillors task to pass on those orders to the local banks, and then to the local government officers.

Fifty years on matters are likely to be vastly different from Mr. Hasluck’s forecast.

British to have that power on its side.”

That’s enough of the morals, I think. Now for the economics! Employment, of course, is the great aim. Refugees make more work than they can do themselves when they come here. So even if they displace a British worker they increase employment in the long run. Furthermore (page 172)

“From the economic point of view there is, so to speak, a weakness in the method of increasing the population by way of a surplus of births over deaths... But to increase population by way of immigration is to increase it by taking in ready-made workers in place of new-born babies.” (Prof. Carr-Saunders).

Thus, ready-made workers surely mean more leisure for the rest of us; Cheers! On the other hand, they will create more work for us, more cheers! That’s sound economics, that was! Then there is the ghastly thought of what will happen to the cinema industry if the population falls off in numbers. ’Struth! It’s a fact! I’m not making it up! Read this from page 190:

“We have asked the reader to imagine the effect of a population reduced by half upon the value of house property, the building trades, the value of rail-road property upon the cinema industry with half their clientele; upon the newspaper and publishing industries with half the number of readers.” My God! Why can’t I get what I think printed? To this end was I born, and for this purpose came I into the world, that I should provide the cinema industry with a client, and the newspapers with a reader; and what about the toilet requisite industry, and the patent medicine industry, and the undertaking industry (we can’t let that down)! Is it a joke? On the next page we get the familiar argument quoted from Lord Stamp, that if population falls, because “Nobody can eat more than his fill, or sleep under more than one roof at a time” through lack of employment some will have to go without eating their fill or without a decent roof to sleep under. Yet there are still quite a few people who cannot see that ‘sound’ economics is insane.

There is plenty more of this sort of economic argument: “The argument that with fewer people the supply of goods will go further, is, of course, quite false” (Mr. H. D. Henderson not Professor Pshaw!) and so forth, and so on—see any satire on orthodox economics for the whole caboodle.

The rest of the book is devoted to atrocity propaganda against the Nazis, and Jew-boosting. When I use these terms I do not wish to imply that I approve of the beastly side of the Nazi tyranny, or of Jew-baiting in any form whatever. On the contrary, I have been highly vocal in opposing what I regard as pro-Nazi and anti-Jew tendencies wherever exhibited. Here, however, we have something equally bad upon the other side. The chapter entitled “The Story of Elsa Strauss” is the worst type of propaganda, a false arrangement of the facts. To quote from the prefatory note: “in order to make a continuous narrative, things which have happened to several people have, as it were, been collected together and assumed to have happened to one.” Just think of the tale any of us could write by collecting the tragedies which have happened to our friends, (let alone newspaper reports!) under what, if we used the same sort of language, we should call “the Normanite Terror”! I sympathise with the unfortunate refugees, who have undoubtedly suffered hideous things, that they should have to bear the reaction against them which such propaganda is sure to rouse.

The same argument applies to the chapter on Zionism. The Jews are not responsible for their self-appointed friends. The crude threat of world-wide Jewish resentment against Britain (especially in America) is scarcely likely to make anyone here feel kindly towards those unfortunate people. No! I don’t believe that a wicked hookey-nosed Jew-banker gave Norman Angell a huge cheque to write this book. I think that, like most other things, including Topsey, it just ‘growed’ out of a number of quite natural circumstances, but the book itself almost invites one to think otherwise.

C. G. D.
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.

SUBSCRIPTION RATES:

Home and abroad, post free: One year 15s.; Six months 7s. 6d.; Three months 3s. 9d.

Vol. 2. No. 15.
Saturday, June 24th, 1939.
12, Lord Street, Liverpool, 2.

SIMPLIFICATION

A vast amount of human energy has been misspent because its possessors have acted from the notion that 'all the brains that money can buy' comprise on the whole a mediocre selection. They comprise, on the whole, a superfine selection. Most of the rest aren't worth buying. They are like votes which, as Douglas has shrewdly observed, have fallen in value from several pounds a piece to a considerable discount paid in taxes by the voter himself instead of in incorruptible pieces of silver to the voter himself. This price index to the real value of democratic instruments is usually neglected! It is perhaps not the only case in which facts are correctly represented by financial figures.

This is not to say that a book to which considerable publicity has been given in this country and in America has been compiled by insincere or avaricious men willing to present, for a consideration, a case with which they are not wholly in accord. It is merely to emphasise the fact that truths necessarily wholesome (as all truths are) may be found stated with perfect clarity by persons with whom the reader may find himself in general and even angry disagreement.

"Propaganda in the Next War" by Sidney Rogerson, edited by Captain Liddell Hart and published by Geoffrey Bles. (London, 1938) may, for all the present writer knows, be a gross libel upon every one mentioned, a forgery like the famous Protocols of the Learned Elders of Zion, or a genuinely serious work which is merely hard to obtain. Yet among the many passages alleged to have been copied from it is this:

As this is an age of propaganda, it is one of labels. The propagandist, the commercial publicity man, or the newspaper reporter have all been progressively influenced by a need for simplifying the appeals they make to the public. The results of this so-called simplification must inevitably be misleading.

Everything that is to the left of the centre...is 'democratic'...

Everything that is to the right is 'fascist'...That is only one of the penalties of labels.

The author means that the obliteration of the mean in favour of extremes is only one of the penalties of labels. He implies that there are others. He does not tell us what they are. But he 'counts on it'-which is only another way of saying that he recognises that the practice of the propagandist has subtly altered the sphere in which he practises in his favour. He may not have changed the structure of the public's brains; but he has made particular uses of the public's brains habitual; and in so-doing control has passed from the public to him.

This is a matter of supreme importance to social crediters. They disclaim the right to operate upon the public. The line between obstetrics and surgery is impassable. They may be obstetricians of the new order. They may not be creators of the new order. While they may not play this trick upon the public, they may not use it either. It is a part of the nature of their mission to dehabitualise, which is only another way of writing 'to deliver'. And they cannot dehabitualise others without first dehabitualising themselves. It is by dehabitualising themselves that they dehabitualise the public; for they are of the public.

"BANKS AND NEW ZEALAND"

Mr. Norman has been telling Mr. Nash

Under the larger of these headlines, the Daily Herald last Monday announced that the New Zealand Finance Minister, Mr. Walter Nash, had been told by Mr. Montagu Norman and other City leaders that he will not be able to borrow £16,000,000.

'This type of loan' is not favoured just now by 'conditions.' "It is suggested," says the Labour national daily, "that the British Government may give New Zealand a 'defence credit'."

It is to be hoped that this 'gift' will come out of one of the 'Government's own pockets.

An article by Mr. Douglas Jay, suggests that the phrase 'this type of loan' is his, not the city's. He says: 'certainly conditions do not favour this type of loan. Only part of Mr. Nash's difficulties can be attributed, therefore [our emphasis] to political prejudice against New Zealand's Socialist experiments.'

The treatment for New Zealand advocated by the correspondent (Mr. Douglas Jay) is the same as for Roumania, Turkey and Poland—government export credit guarantees. "It is up to Mr. Nash and Sir John Simon to reach terms on some such lines as these." A brief leader-note in the Labour national daily begins 'New Zealand is trying to borrow money in London to use on her defence programme.' Mr. Douglas Jay's words do not wholly support this theory of what 'New Zealand' is trying to do. He says Mr. Nash wants £6,000,000 for defence and £10,000,000 for capital expenditure in new industries.

Possibly some folk in New Zealand know what it's up to Mr. Nash to do to defend them. Possibly some folk in New Zealand know what it's up to them to do to defend themselves.

The NEW ERA

Australia's Social Credit Weekly
24 Pages, Illustrated. 12 months, 12s.

The New Era, Radio House,
286 Pitt Street, Sydney, Australia.
I have been asked, as Director of Political Strategy, to give my views and advice regarding action in New Zealand. There is nothing uncertain or obscure about my view. It is this: that ten individuals, acting in line with the principles we know as "social dynamics" could, within three years, bring about the release of social credit in that country.

This is not said without basis or reflection. On the one hand I know what we are doing here, in Great Britain, and the number of key men on whom this action turns. It is less, in proportion to population, than ten men in your country; but our progress, during the last two years has been such as to make us, given time, quite confident of success. And I have heard something of the conditions in New Zealand. Of the Movement, widespread, but as in other countries having divisions and contrary voices; many still confusing "social credit" with the monetary technique which is merely the mechanism of its release; still unable to identify, or perhaps to realise the designed yet automatic opposition to any real advance towards freedom; inclined to think that the futility of party politics may be brought to serve the purpose; led away by catch-words and the cunning of oratory; still dazzled by the idea of numbers, and unity at all costs.

I know too that some are inclined to think that they already have a "Social Credit Government"; that many feel that this Government is "doing its best" and must not be disturbed in that good work; who daily look for signs that "Mr. Savage is really with us" (I do not know what they think of Mr. Nash), and see hope in Mr. Lee's faction in Parliament.

On the surface these conflicts, divisions and contrary currents may be disturbing; but the situation contains another factor, which, developed, undermines all such factions and will result in unity in action. It is indisputable that the New Zealand electorate does want the results which social credit will bring; and does, to quite an extent, realise that they are possible. That is enough; it is the seed bed from which economic democracy may be grown, by those who understand its cultivation.

Therefore your factions and your frictions do not affect my firm opinion: that ten men, seized with these Douglas principles, could within three years release the social credit which belongs to New Zealanders.

The purpose of the Secretariat is not to keep the Social Credit Movement in existence. That may sound tough, but think it over—it is not your purpose either. Our object is to transmit such advice as, if taken, will produce the results we all want. What is your object? If it is to gather debating points; if it is to listen and forget; if it is to read and then regret; or even merely to learn—then it is not you to whom, on this occasion at all events, I am speaking. This article is addressed to those whose object is to understand and then to ACT.

With you I will not mince words, and here is what I have to say, as clearly as I can say it. It is advice and not instructions.

**DISMISS THESE IDEAS:**

_That_ unity can be attained by discussion or verbal agreement. It cannot. The only unity which is of the least use comes with action and out of action.

_That_ the Government or Social Credit members can take any effective steps towards "the introduction of social credit." They cannot, until they are empowered or impelled by the overmastering demand of the Electorate for Results.

_That_ your object is to convert people to social credit philosophy or any theories of economics or finance. It is not. Your object is to show people how they may "cash in" on some particular objective. (This action will, in succeeding stages, give substance and reality to both philosophy and theories).

_That_ large numbers of social crediters are necessary to produce results by working ON the public. They are not. The objective being something which people really do want they will either help or pay others to do the work. This has been proved in practice. The role of social crediters is to work THROUGH the public, not to alter what they want, but to enable them to get it.

_That_ success means cheering crowds and brass bands. It does not. There is nothing spectacular about the issue and collection of debt—but that is how we are governed. Nor yet about the decision to postpone action regarding re-assessment or to build camps for people evacuated; but those decisions contained the submission of Parliament to the people's WILL, as developed on these principles.

**RESOLUTELY REFUSE:**

_TO HAVE_ any part or lot in PARTY Politics. Their effect is to undermine and destroy the sovereignty of the People.

_TO TREAT_ with your Councillor or Members of Parliament on a Party basis. That has nothing to do with you. They are Representatives; and each, whether "Labour", "National" or "Social Credit" is individually responsible to the electors of his constituency.

_TO CONDUCT_ the business of your Demand Association by COMMITTEE management... Elect your Campaign Manager, etc., by the equal vote of those who WORK; no other qualification, and no one else to vote. When elected, give to your officers full power of decision as to the tactics and the conduct of the campaign, the collection of funds, etc.; and then give them your unstinted work to put over those tactics.

_TO TRY_ to exert pressure on Councillors or M.P.'s without having behind you the Power of the
people in a demand for a definite Result. If you do that you will cut no ice and will be debasing the currency of democracy.

HOLD FAST TO THESE IDEAS:—

THAT the essence of your objective is to enable the public to gain the control of initiative. To say what shall be done. To dictate policy.

THAT the New Zealand public do, without any question, want the “results” of the release of their social credit.

THAT they can gain such results by using ordinary British Democracy (NOT Party Politics) as it should be used; the fundamental principle being that the Will of the people shall be put into effect.

THAT therefore, the first step is for the people to say what they want done next.

THAT Councillors and Members of Parliament are elected to see that this is done, (i.e., to pass on, and, if necessary, enforce the demand on Industrialists, Financiers, etc.,—experts—who will carry out the job).

THAT your aim is not to teach but to apply these ideas in action for some definite objective.

ALWAYS REMEMBER:—

THAT it is the personal initiative of the public and of your workers that you are organising. Therefore give it room to expand.

THAT your object is to bring this personal initiative into alignment in effective action. Therefore give the initiative of each a line on which to act, (e.g., to sign the demand and pass it on).

THAT it is a sense of responsibility which brings people to use their initiative along a given line. Therefore cultivate this.

THAT it is not your purpose to talk about these principles, but to act them, e.g., assume that people want to use their initiative, and point out ways which are in line. Take it for granted that they are responsible and treat them so.

THAT you, and all with you in this action, are experimentalists. The principles of social dynamics are unquestionably valid; they have been proved in action. But the detailed ways of putting them into effect (tactics) are variable according to circumstances. An experimentalist does not regard the failure of one tactic as a personal tragedy; but as evidence showing that either it has not been carried out according to design, or that it is not the right tactic. He then examines which of these is the fact, and acts accordingly.

NEVER to call a Meeting or Conference without first writing down the definite aim which cannot be secured without the meeting. Most such gatherings are an escape from action.

MAKE UP YOUR MIND:—

TO BREAK THROUGH the barrage of discussion and argument and act, as well as you are able on these lines. If other social crediters join you—good. If not it can still be done, for the public are with you. If you make mistakes, never mind, you are an experimentalist. Examine your mistake, weigh it up, and try again.

THAT Economic Democracy will not be gained in a few weeks. It will require all your ingenuity and persistence adhered along these lines to collect the public Will, and forge it into an instrument of Power which will enforce the required results.

THAT you will meet with opposition and resistance from first to last. Your action will uncover this, so do not concern yourself with whether it is made with best intentions, or is automatic habit, or is inspired, or is of sinister origin. Put that on one side and get on with the Demand. Wherever it meets with resistance—there is “the enemy”, in whatever garb he may appear.

THAT the reply to opposition is Exposure, showing that This Person is resisting the Public Will.

THAT if the Government, or Mr. Nash or Mr. Savage, or Mr. Nash or Mr. Lee do really stand for the control of credit by the people they will welcome such action as the support which it is. If they oppose it that settles the point, and they must be shown that they too, must serve the Sovereign People.

AND MAKE UP YOUR MIND AGAIN:—

THAT your Council or Parliament will meet with the same implacable opposition to any effective action.

THAT it is impossible for your Council or Parliament to overcome the strength of this opposition without having a greater power at their disposal.

THAT that greater Power (before which nothing can stand) is the Will of the people in a demand for a definite “result”.

THAT your object is to weld this into a usable form, an instrument of Power (like a road drill) for the use of the M.P. or Councillor to overcome the opposition and get the results.

THAT this instrument of power is SUPPORT for any Councillor or M.P., who wants to make the people’s Will effective.

THAT it is PRESSURE and FORCE against those who resist that Will.

THAT ALL Councillors and M.P.’s, whatever their “Party”, are bound by the fundamental principles of British Democracy, to accept and forward the Demand.

THAT ANY Councillors or M.P.’s, whether “Labour”, “National” or “Social Credit”, who resist or refuse to forward the Demand are, by their opposition, proclaiming that THEY are the next “enemy” to be vanquished.

THAT the Weapon against such opposition is Exposure; showing with all the resource and
engenuity you have that This Person is Resisting the Public Will.

KEEP THIS BIRD’S EYE VIEW BEFORE YOU:—

THAT your aim is to precipitate the Will of the electors in a demand for something which they want.

THAT, to be effective, this Demand must be clear and precise, and for something which they will recognise when they get it.

THAT this Demand is to be always directed as support, or if necessary as pressure, on the elected representative of those demanding. (NOT on “the Government”, or “the Minister” or “the Council”, but on the person elected.

SUPPORT YOUR CAMPAIGN WITH:—

FACTS about Money, debt, creation of credit applied to the particular objective.

FACTS about Democracy—the People are Sovereign, the Councillor or M.P., is elected to serve them, etc., these to be used rather than explained.

The purpose of these facts is to engender a living conviction that the objective can be gained.

Refuse to be drawn off into any arguments about finance or democracy. Your line is:

You want this? . . . It is possible, see this and this . . .

You want this? . . . You have the power to get it, see this and this . . .

Therefore do this. (i.e., sign the Demand, help to forward it, give money if you cannot help, etc.)

The above advice is given with the complete certainty of its validity which comes of seeing the results of its use in practice.

It is vital—not only for New Zealand but for the whole world—that the people of some country should assert and use their Sovereignty in such manner as to break the credit control (debt collection) of finance. That is essential for the satisfaction of the universal desire for freedom, security and plenty.

But any action must be for some defined objective which is recognisable by the people when they get it; otherwise they will be deceived again, and put off again by fine WORDS and phrases. (“Social security” for example is an indefinite phrase. How would people know when they had it? And is it what they really want? It sounds more like planned economy than the free use of their own resources).

It is also necessary that this first objective shall be one which the people here and now and in the present stage of understanding of the possibilities will demand; and will demand, not as a vague ideal, but as something they know can be got—with spirit, determination and authority.

And, to “cut ice” it must contain within it (not stated, but as an inevitable condition of fulfilment), the transfer of credit control from “finance” to the people.

The Demand for Lower Rates with No Decrease of Social Services contains these three factors.

It is Loan Charges which make rates high; in this country the amount collected for these is equivalent to more than half the rates. If these loan charges were issued at cost price (book entries and accounting estimated at a single payment of ½%) the rates could be reduced by say 50%. Success in this involves in practice (never mind about pacts and agreements) the surrender of the control of credit to the people.

It is also an objective which people can check and recognise for themselves. They will be in no doubt when they receive a demand note for half the present amount; and it will not escape notice if the water is cut off or the police are withdrawn! (i.e., if Social Services are reduced accordingly.)

And it is a demand which people will make; not only in Great Britain but in New Zealand, as witness the successful launching of this campaign at Hawkes Bay, which met with the immediate agreement and action of 85% of the public.

A further substantial point is that this campaign has made considerable progress in Great Britain, and detailed advice for every stage, based on actual experience, is available from the United Ratepayers’ Advisory Association.

This demand for Lower Rates and No Decrease in Social Services is a demand for a dividend, i.e., the money which people would have spent on rates will remain in their pockets. The fact that this is a very small instalment of the “cultural inheritance” does not matter. The point is that it is the first vital step—which will wrest from finance the control of the issue of credit and transfer that control to the people. This is the first step of a series which will increase in scope and gain in strength as the people—learning by success—come to realise further and further possibilities. A similar attack on taxes, and a positive dividend are obvious “runners.” But first things first; it is imperative to start from the point where people will act NOW.

New Zealand is one of the smallest of the Dominions which has the power to control its own affairs—and its own credit. It has a population which is nearly 100% Anglo-Saxon, and that counts. And among its people are, as we think, an unusual proportion of those who retain and will use their own initiative to get what they want.

Added to that there is probably no country in the world, excepting Alberta, where news of the possibilities of the use of “social credit” is so widely spread.

I shall use no more words in reiterating the potency of action which embodies the democratic principles re-stated here. Try it. Use your initiative, your persistence, your ingenuity and your courage; and the result is neither uncertain nor obscure. You will start a landslide which will end in social credit.

H. E.
Institutions

POLITICAL AND ECONOMIC PLANNING

By BÖRGE JENSEN

(1) Its Relationship to Fabianism

The direct influence leading to the formation of the Society according to E. R. Pease, the author of the History of the Fabian Society was exercised by Thomas Davidson, the founder of the Fellowship of the New Life, which society culminated in the Ethical Society of Culture in New York, a connection which is not altogether without interest in the light of what follows.

By 1888 (the year of Bernard Shaw's entrance on the stage) the Society had, we are told, completely seceded from the Fellowship of the New Life and formed its own Socialist programme, thus formulated in one of its own publications:

"The Fabian Society consists of Socialists. It therefore aims at the reorganisation of society by the emancipation of the land and industrial capital from individual ownership, and the vesting of them in the community for the general benefit... The Society accordingly works for the extinction of private property in land... for the transfer to the community by constitutional methods of all such industries as can be conducted socially."

The fundamental slogan of the Fabians was the righting of the wrongs of the working classes, with whom the society, however, had no very direct contact, as far as can be seen.

In fact they confined their early efforts to drawing-room meetings, where gathered many people, who were later to gain great distinction and fame: Lord Passfield (formerly Sidney Webb), the late Lord Olivier (then Sidney Olivier), Mrs. Annie Besant, the late President of the Theosophical Society, Ramsay Macdonald, George Lansbury, H. G. Wells, Margaret Bondfield, and many others.

Out of the drawing-room meetings there emerged the truly Fabian tactics of temporizing and they perfected the art of permeating existing societies and parties with their ideas.

"The Society takes part freely in all constitutional movements, social economic and political which can be guided towards its own objects" (Fabian Tract).

And the following from Bernard Shaw himself in 1882; speaking on the aims and methods of Fabianism:

"Our propaganda is chiefly one of permeating societies, we urged our members to join the Liberal and Radical associations of their districts, or if they preferred it, the Conservative associations. We told them to become members of the nearest Radical Club or Co-operative store and to get delegated to the Metropolitan Radical federation, and the Liberal and Radical union if possible. On these bodies we made speeches and... moved resolutions, or better still, got the parliamentary candidate for the constituency to move them and secured reports and encouraging little articles for him in the Star. We permeated the party organisations and pulled all the wires we could lay our hands on with our utmost adroitness and energy, and we succeeded so well that in 1888 we gained the solid advantage of a Progressive majority, full of ideas that would never have come into their heads had not the Fabians put them there, on the first London County Council. The generalship of this movement was undertaken chiefly by Sidney Webb, who played such bewildering tricks with the Liberal thimbles and the Fabian peas that: to this day both the Liberals and the sectarian Socialists stand aghast at him. It was exciting while it lasted, all this permeation of the Liberal party, as it was called; and no person with the smallest political intelligence is likely to deny that it made a foothold for us in the press, and pushed forward Socialism in municipal politics."

By 1893 the Society deemed it wise, to enter openly into the political field and the Independent Labour Party was formed by the grouping of Fabian societies then in existence. These groups under the leadership of Keir Hardie, Friedrich Engels (Marx's partner) and E. Aveling (Marx's daughter) had accepted Marxism thus summarized: "To establish a Socialist state where land and capital will be held by the community."

The ideological connection between parent and off-spring, is, it would appear, unmistakable. To remove all doubt a Fabian tract says: "The Society is a constituent of the Labour Party and the International Socialist Congress."

While the parent society, among whose members were many civil servants, easily found their affinities in Liberal circles, its political affiliations prepared the ground among the workers, with the result that Fabians were soon able to take part in local elections, and propose their own candidates for appointments on School Boards (their influence is plainly visible in the Education Act of 1902) Vestries, County Councils, Women's Liberal Federations and so on.

They spared no efforts in preparing and pushing forward various schemes for National Insurance, Old Age Pensions, Tariff Reform, Employers' Liability and Workmen's Compensation, etc.

By 1903, the Independent Labour Party after ten years of indefatigable effort among the trade unionists gave its parent, the Fabian Society, the satisfaction of presenting England with a full-fledged Labour Party. Up to that time Fabians, as we have seen, had contested and won seats as Liberals.

During the years that followed, the policy of permeation was persisted in agricultural circles, which branch of the work was labelled "Progressive Policy" the aim of which, logically enough, was the Nationalization of the Land.

The Fabians did not forget the younger generation. The most important steps taken by them along educational lines has been their inauguration in existing universities of "University Socialist Societies" which in 1912 were finally grouped into "The Universities Socialist Federation" by

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12, Lord Street, Liverpool, 2.
Clifford Allan, now Lord Allan of Hurtwood, who was made Chairman (and who, according to "Who is Who" is also: member of the Executive of the Fabian Society, conscientious objector, Treasurer and Chairman of Independent Labour Party, Labour Delegate to Russia and member of the Executive Labour and Socialist International). The Fabian educational endeavours were crowned, so to speak, by the launching of one of their boldest enterprises, the London School of Economic and Political Science in 1921, among whose chief lecturers we find Harold Laski, leading Labour politician, and for many years member of the Executive Committee of the Fabian Society, and Chairman of its publishing committee.

Walter Elliot was once chairman of the Glasgow University Socialist Club.

The money to finance the various schemes now in practice, all of which hail back to the old extinction-of-private-property-days of 1924 when "Labour" "got in", has been, as everybody knows, raised by the devices known as income-tax, super-tax and death duties.

In 1929, a Fabian report states:

"Eight Fabians are members of the Cabinet, and fourteen others hold offices in the Government without seats in the Cabinet."

On November 1, 1930, the Evening Standard published the following:

"Government by Fabians"

"Many Labour members are talking about the dominance in the Government of that very academic body, The Fabian Society. I find that many people believed that this organisation, through which many intellectuals entered the Socialist movement, had ceased to exist. But it goes on with a membership, small, but influential, of some 5,000.

"Yet practically every appointment either to high or low office in the Labour administration has been made from the membership of the Society, the latest examples of which are the new Air Minister, Lord Amulree, and the new Solicitor-General Sir Stafford Cripps. I am told that at least 90 per cent. of the members of the Government are in the rolls of the Society, and that contrary to regulations, so are a good many highly placed civil servants. The civil servants would probably defend themselves by saying that the society is more intellectual than political. This ascendency is, of course, due to the all-powerful influence which the Londoners have had to swallow."

His calling for "many more bankruptcies" indicates his indifference to the human factor in the social structure, and his distorted idea of the importance of the fundamentally minor financial factor.

It is not often that a City Editor makes such a bare-faced admission of the City's attitude to private enterprise. No matter, he implies, if a private enterprise or a one-man business go phut, it would be "the healthy process of bankruptcy" in operation. Quite another pair of shoes pinching, however, when London Transport "C" Stock, for example, is not able to pay its full tribute of 6 per cent. to the City. Clap another 5 per cent. on fares, which the public must pay willily-nilly.

The psychological insight of a Freud is not needed for completing the symphony left unfinished by our City Editor when he trumpeted:

"We need many more bankruptcies."

"We need many more bankruptcies" in order to get still more private enterprises and therefore many more private individuals under the thumb of the City. When we have "got them where we want them," then we shall own England, a nation of slaves.

WILLIAM BELL.
**ANNOUNCEMENTS AND MEETINGS**

Will advertisers please note that the latest time for accepting copy for this column is 12 noon Monday for Saturday's issue.

**BELFAST D.S.C. Group.** Headquarters: 72, Ann Street, Belfast. Monthly Group Meetings on First Tuesday in each month.

**BIRMINGHAM and District.** Social Crediters will find friends over tea and light refreshments at Prince’s Cafe, Temple Street, on Friday evenings, from 6 p.m., in the King’s Room.

**BLACKBURN Social Credit Study Group.** Enquiries to Hon. Sec., 47, Whalley New Road, Blackburn.

**BRADFORD United Democrats.** All enquiries welcome; also helpers wanted. Apply R. J. Northin, 7, Centre Street, Bradford.

**DERBY and District.** THE SOCIAL CREDITER will be obtainable outside the Central Bus Station on Saturday mornings from 7-15 a.m. to 8-45 a.m., until further notice. It is also obtainable from Paynton’s and Sons, Market Hall, and from Morley's, Newsagents and Tobacconists, Market Hall.

**LIVERPOOL Social Credit Association:** Enquiries to Hon. Secretary, Green Gates, Hillside Drive, Woolton.

**LONDONERS!** Please note that THE SOCIAL CREDITER can be obtained from Captain T. H. Story, Room 437, Sentinel House, Southampton Row, London, W.C.1.

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**NEWCASTLE D.S.C. Group.** Literature, The Social Crediter, or any other information required will be supplied by the Hon. Secretary, Social Credit Group, 10, Warrington Road, Newcastle, 3.

**PORTSMOUTH D.S.C. Group.** Weekly meetings every Thursday at 8 p.m., 16, Ursula Grove, Elm Grove, Southsea.

**SOUTHAMPTON Group.** Monthly Meetings: In future the Monthly Meeting of the Association will be held at the ADYAR HALL, Carlton Crescent, Southampton, 7-45 p.m., every first Monday in the month, commencing with Monday, 3rd July.

**SUTTON COLDFIELD Lower Rates Association.** A complete canvass of every house is being undertaken. Any assistance welcomed. Campaign Manager: Whitworth Taylor, Glenwood, Little Sutton Lane, Sutton Coldfield.

**TYNESIDE Social Credit Society invite co-operation to establish a local centre for Social Credit action in all its aspects. Apply W. L. Page, 74-6, High West Street, Gateshead.

**WALLASEY Social Credit Association.** Enquiries welcomed by Hon. Sec., 2, Empress Road, Wallasey.

**Miscellaneous Notices.**

Rate 1s. a line. Support our Advertisers.

**DERBY & DISTRICT Lower Rates Demand Association:** Fortnightly meetings suspended until October.

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**TO THE DIRECTOR OF REVENUE, THE SOCIAL CREDITER SECRETARIAT, 12, LORD STREET, LIVERPOOL, 2.**

I wish to support Social Credit Policy as defined in the terms of association of and pursued by The Social Credit Secretariat under the Chairmanship of Major C. H. Douglas.

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THE NORTH DURHAM Ratepayers’ Advisory Association would welcome support, physical or financial from sympathisers in Gateshead and District to carry on their campaign for Lower Rates and no Decrease in Social Services. Campaign Manager, N.D.R.A.A., 74-76 High West Street, Gateshead.

**UNITED RATEPAYERS’ ADVISORY ASSOCIATION.** District Agent for Newcastle-on-Tyne area, W. A. Barratt, 10, Warrington Road, Fawdon, Newcastle-on-Tyne, 3, will be pleased to assist anyone on new Lower Rates Associations.

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To the Treasurer,
Social Credit Expansion Fund, c/o The Social Credit Secretariat, 12, Lord Street, Liverpool, 2.

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