

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 7. No. 16.

Registered at G.P.O. as a Newspaper
Postage (home and abroad) Id.

SATURDAY, DECEMBER 27, 1941.

6d. Weekly.

FROM WEEK TO WEEK

You can say what you like about the Japs, Clarence, but if they keep on bombing Manila, capturing U.S. bases, sinking U.S. ships, and sending planes over California, the Americans will have to send some more money to the Chinese and tell them to fight harder.

President Roosevelt says the Americans are going to win the Peace.

What, again?

“Most of all is this British aspect conspicuous in the chapter headed ‘The Banner of England,’ which has been fittingly devoted to ‘passages from the noble speeches of Mr. Churchill and President Roosevelt.’”—Book Review in the *Daily Telegraph*.

It is said that the post-war policy of “America” is to be Federal Union—“Soit mon frère ou je te tue.”

“The greatest liar in history” was the description given to Hitler by Mr. Harold Ickes (U.S. Petroleum Co-ordinator), addressing the Jewish organisation. Advocating a union of democratic nations after the war, he said, “If necessary we should impose democracy at the sources of war, even as public health officials impose hygienic rules and regulations on civilised communities.”

Messrs. Burden, Limited, of Charrington Street, Euston, a firm of cloth makers and waterproofers, and J. Douglas Scott, of Elgin Avenue, W. 9, an architect, were summoned at Clerkenwell Police Court for executing a building or structural operation without the authority of a licence granted by the Ministry of Works and Buildings. Messrs. Burden, Limited, pleaded “Guilty,” and Mr. D. A. K. Morgan, counsel for the Director of Public Prosecutions, agreed to withdraw the proceedings against the architect.

Mr. Christmas Humphreys, for Messrs. Burden, Limited, said that since the factory was damaged the defendants had had to deal with 11 or 12 separate authorities. Some £4,000 worth of machinery was left exposed to wind and weather, and a valuable export business to America was held up. When Mr. Scott took charge for Messrs. Burden, said counsel, a good deal of work had already been done. An example of the way in which an elderly architect afterwards had to spend his time was provided by a letter he wrote to Mr. Ricks, a director of the defendant company. He spent a Friday afternoon with the District Surveyor and the L.C.C., but was referred to the Ministry of Works and

Buildings, where he spent the Saturday morning. From there he was referred to the Borough Surveyor of St. Pancras, who sent him under a new regulation to another authority which had been set up.

“If this,” asserted Mr. Humphreys, “is the way in which the ordinary citizen, trying to carry out what is reasonable in the circumstances to protect his property and carry on with his war work, is treated, it is not the Crown which can complain about the behaviour of Burden, Limited, but Burden, Limited, who are entitled to complain about the way in which they were treated by the Government Departments. I suggest that this is not a case in which Burden, Limited, should leave the Court with the stigma of a conviction for what is really a technical offence.”

The Magistrate (Mr. W. J. H. Brodrick) said that he agreed and dismissed the case under the Probation of Offenders Act on payment of 50 guineas costs.

AN INDUSTRIALIST ON PRODUCTION POLICY

Again and again it has been shown that it is those who are most closely connected with the producing mechanism of our war effort who are least satisfied with the results obtained: it is they who know how much more *could* be turned out. At the general meeting of Birmid Industries Limited at Birmingham recently, Mr. Percy Pritchard (deputy chairman and joint managing director) said:—

“Whilst I do not wish to be numbered amongst the many who to-day are loud in their denunciation of the severity of taxation as such, I would like to protest at the inadequacy of the wear and tear allowances granted by the Inland Revenue, and which, coupled with the present high taxation, is making it impossible for Industry to give the maximum assistance to the national war effort which they would like to do, and which they otherwise could do.

“The level of taxation on industry to-day is such that combined with the inadequate wear and tear allowances granted by the Inland Revenue, it is impossible for many firms to provide funds to meet really essential expenditure on the plant and equipment necessary for the purpose of increasing production.

“In support of this contention I have information relating to companies who, although making very large trading profits, are left with absolutely nothing in the form of nett profit after they have made the necessary provision for taxation, disallowances for depreciation, War Damage Insurance, and A.R.P. expenditure.

“Such firms cannot even provide dividends, and most certainly cannot find money from income wherewith to expand their productive capacity. The result in such cases is that either the extra production is lost to the nation, or man power is wastefully employed doing work which

otherwise could and should be done mechanically. Either alternative is equally reprehensible.

"A further, and possibly even more serious, hindrance to the national effort is the effect of the dead man's hand on production caused by over-centralisation of Government control departments. When it comes to consideration of projects or course of action to be decided, no latitude or discretion is given by the powers-that-be in the Government to the man on the spot to say 'yes.' Approval can only come from higher up, and not infrequently has to be given through the medium of several committees, with consequent ages of delay.

"On the other hand, when it is a matter of informing industry what they are not allowed to do, there seem to be hordes of officials who are endowed with plenary powers in this respect. In other words, for every official who is willing and able to say 'yes' to any project, there appear to be dozens who are prepared to say 'no.'

"The sense of frustration that this atmosphere arouses has to be experienced to be appreciated.

"I view with the utmost apprehension the effect of this negative policy upon the war effort, and I submit that in consequence, this country is being placed at a most grave disadvantage to-day as compared with an enemy which appears to have had all its moves and policies planned out thoroughly and methodically years in advance.

"If I have appeared to speak too feelingly on this subject, I hope that I may be forgiven on the ground of an intense desire to see that nothing which can be avoided is allowed to impede our national war effort."

LEARN TO THINK

By H. R. P.

The misdirection of the public by and for those secretly wielding political power can be traced back to the origin of civilisation. Then it could almost be summed up as superstitions. Nowadays, probably because we have progressed in knowledge though not in intelligence, the deliberate fostering of wrong ideas, faulty methods of reasoning, and perversion of facts covers almost every field of human thought. The B.B.C., being universal of access and a relative novelty, has been chosen as one of the champions of this sinister activity. Some of the regular features of its programme are chronically half-baked and tendentious. It is proposed here to refer to some of the gems to which the listener has been subjected.

There was a discussion as to what intelligence is. The "authority" on the subject, a Professor and a Socialist, gave as his definition that it was the ability to distinguish what facts were relevant and which were irrelevant to the solution of a given problem. Admittedly the definition of intelligence is not easy; but this one is woefully deficient. The shortest possible definition while still covering almost the whole of the meaning is probably that intelligence is the capacity to draw the right conclusions from a given set of facts. This definition covers that of the B.B.C. spokesman but goes far beyond it. You will ask what does it matter? To collect information and tabulate it as relevant and irrelevant is a useful preliminary, in fact an essential one; but it leads nowhere by itself. To come to a definite conclusion must affect, probably even bring about, action.

And let us always remember that the one thing which is really fatal to hidden government is correct action, correctly timed.

There is a mass of evidence to show that those in power are afraid of action by the people. How often do we not have to listen to the definition of democracy as being the right to free speech and nothing more. References to freedom of *action* are given no publicity. Some men are evidently convinced that the general public can be hypnotised into believing that free speech is the be-all and end-all of Democracy. They are wrong because the individual thinks that freedom of action is implicit in the promises and will be dehypnotised by failure if he puts his theory to the test.

Then there was a discussion about Agriculture. Someone had asked what should be done to prevent agriculture sinking back into the chronic slump of pre-war days. The listener was treated to a few expressions of opinion of what the speakers thought would be the state of affairs after the war. The last speaker pointed out that none of the others had replied to the question and he put forward some suggestions, the main one of which was the establishment of an agricultural wages Board and a fixed minimum wage for farm labourers. Many listeners must have been delighted at the way he pulled up the others for speaking irrelevantly: Probably so delighted that they would be very uncritical of all that followed. If the whole affair had been staged for the purpose of avoiding a genuine discussion on agriculture, it could not have been done better. There was no understanding that the labourers' wages have to come out of the farmers' profit and that if agriculture is to flourish all persons engaged in it must secure for their services a reasonable reward and economic security. There was no reference to the fact that ever since 1902 a large part of the legislation passed has been aimed at impoverishing those connected with land in any shape or form. No mention, in fact, of any of the fundamental reasons why farming was such an inefficient and heartbreaking job.

On another occasion the discussion turned on whether the forming of character should be in the hands of parents or handed over to experts. The discussion, of incredible superficiality considering the reputations of those engaged, left a general impression that those engaged in it preferred the expert provided he was sufficiently skilled. Listening to the discussion one wondered whether those engaged in it knew what character is. There certainly was no appreciation of the fact that character must be something intensely individualistic and must grow from inside the person. Mass production of character is a contradiction of terms and yet those people advocated it. Attempts at mass formation of character have been made repeatedly in history. The Jesuits have been very "skilled" at the job. The National Socialists have been quite "successful" in their attempt. Every time the result is, however, not character, but a monstrous distortion of character. Skill can impart knowledge but can have little effect in the building of real character which is a harmony of soul and strength of mind which every individual must build for himself. External factors can test it or disturb its growth, but only to a very small extent can they further its more or less laborious formation.

That any parent who has even a spark of love for his children should agree to their character being formed by a stranger seems unthinkable. The parent has a bond with

and understanding for the child's make-up that is completely lacking in every stranger. What parent, himself a Protestant, would agree to hand over his child to Jesuit "skill"? What British democrat would agree to a "skilled" National Socialist forming his child's character? It is interesting in this connection to remember that the German authorities of the last ten years deliberately broke the natural bond that exists between parent and child by teaching the latter that it was his duty to inform against his parents if they did what had been forbidden, e.g. listen to foreign broadcasts, criticise the Fuehrer, etc., etc. This monstrous kink put into the child's mind, formed an impossible barrier between parent and child, estranged them, and made it all the easier for the "skilled" teacher to turn young Germans' characters into the terrifying monstrosities which can be seen in many of the German prisoners here, and in the behaviour of Germans in general in this phase of the War.

None of these things were brought out in the discussion: neither that attempts at mass production of character are most undesirable nor that mass production of real character is psychologically impossible. The curse of our day is that in high places, through stupidity or treachery, theories, apparently created in a vacuum, count for more than solid facts. To put through the theories, despite their patently being contrary to reality, the public must be not merely misled but hypnotised. One way of doing this is to try to take away from them what capacity for critical thought and for original thinking they still possess. Readers of this journal are far beyond the reach of such foul methods, and a word here or an argument there should go a long way to counter the plots of evil men.

CORRESPONDENCE

THE USE OF CENTRALISATION

Sir,

I should like to underline the very sound reservation made by B. M. Palmer in your issue of the 13th inst., to the quotation from *Economic Democracy* which deals with the uses of centralised administration.

Economic Democracy, as its preface suggested, was a severely concentrated presentation of principles. There is nothing in it which the twenty-five years since it was written have shown to be unsound, I think, but there is much in it which is helped by such elaboration as that to which I refer.

I might perhaps add that, as the result of further close contact with practical problems of organisation since it was written, my opinion has hardened that the limits of useful centralisation even in administration are much narrower than I should have been willing to concede twenty years ago, except in a few special cases, and that every extension of them demands executive ability of geometrically progressive quality—rarely available in quantity.

Unfortunately, however, centralisation is one of the easiest forms of organisation to arrange as distinct from its efficient operation and is in fact the only form which a mediocre and untrained intelligence can grasp. The curious outcome of this situation is that in national services, and particularly in improvised war-time services, where the limits of centralised authority for which adequate executive

ability can be found are even narrower than in ordinary business, we are saddled with huge bodies of "administrators" whose only technique is either to evade action or to pass every problem which is pressed to someone nearer the apex.

I am, etc.,

C. H. DOUGLAS.

"SOCIAL CREDIT TECHNIQUE AND CHRISTIAN DOCTRINE"

Sir,

I was delighted and exceedingly interested in the article *Social Credit Technique and Christian Doctrine*, as I have been exploring this aspect for some time, and think its importance—not merely from the propaganda, but primarily from the intrinsic point of view—is much greater and more vital than appears on the surface.

"Christianity" (the teachings of Jesus the Anointed) has been so distorted that it is as difficult to get Social Crediters generally interested in it, as it is to get the public interested in Social Credit. Just as the public are led to believe Social Credit to be merely a "financial reform" movement, so they are led to believe Christianity to be merely a spiritual (ethical) movement, both being highly impractical. The facts are precisely the opposite.

In the same way, we have been led to believe that the Reformation was a theological dispute, but it is clear that there is a parallel between the Reformation and the period through which we are at present passing. Prior to the Reformation, "Federal Union" was in being in the form of a Universal Church, as Toynbee has acknowledged. The General Council was the Central Government to which delegates were sent from all Provinces. The Vatican—or behind it, the College of Cardinals,—was the effective ruling body. An examination of various statutes in this country alone for more than a century prior to Henry VIII's matrimonial essays, particularly the Statutes of Provisors and Praemunire, make it clear that the "people" (i.e. the "ruling" people) were tired of being drained of their wealth, and freedom. That was the true cause, but the fight was worked up over doctrines. To-day, the fight has been worked up over "ideologies."

At the time of the Reformation, the Central Power was manifestly mindful of the "bottom dog" who was fed by the monasteries. In the same way to-day we find "Communism" promoted by Wall Street.

I will not burden you with more, especially as I have been trying to find time to develop the theme in a book, but perhaps I may close by drawing attention to "the order of things" in the Lord's prayer:

1. A salutation to God (the Giver of our inheritance).
2. Give us our daily bread.
3. Forgive us our debts.
4. Keep us from sin.

The modern "Christian," if called upon to frame a prayer, would take the order 1, 4, and add a lot of unreal padding. (Examine a prayer in any "Christian" periodical).

Yours, etc.,

DONALD W. COX,

232, Lyndhurst Road, Wood Green, N. 22; December, 1941.

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 30/-; Six months 15/-; Three months 7s. 6d.

Offices: (Editorial and Business) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone: Wavertree 435.

Vol. 7. No. 16.

Saturday, December 27, 1941.

MOVING MOUNTAINS

After the attack on Hawaii, we are told, the influence of the isolationists in the States disappeared overnight, and the nation was united as never before. This will make things much easier for President Roosevelt and Mr. Cordell Hull; the legislation for complete centralisation will be hurried through without a hitch by the stages, now familiar to us, experienced here from 1939 and onwards. There is a certain logic in events. These things had to happen, not in any transcendental or fatalistic sense, but because they are the natural outcome of what had gone before. It is tempting to look into the future to wonder how far the fifth columnists and grafters will try to exploit "the real America" which we know exists; but for a certainty these real Americans will in the end be forced to wipe out the line which they have drawn between themselves and "politics" in order to save the situation. How long this will take is another matter.

It is a question of making adjustments in the organism while it is growing, for we are dealing with life.

We should as far as possible think of ourselves as part of a living tree, rather than as part of a building. Mr. Greenwood's words about building an "edifice of freedom" are all wrong. It is a contradiction in terms. Freedom cannot exist apart from growth. It is the life in the tree that makes it an organism.

It is a good thing that the Americans have become united in intent. Without it they would have no possible means of implementing their policy, which, stated in general terms, must be to save what they understand to be their own culture from outside domination and final destruction. Exactly the same problem faces us. But the vital power that is strengthening us both has only been recognised by psychologists in its negative sense—as the "herd instinct" or "mass psychology."

Some months ago there was in the *Scotsman* a letter signed A. J. Brock dealing with this negative aspect of what I believe to be the most powerful force on earth.

He deals first with "the Mass Man" who readily develops the herd psychology, and continues:—

"In fact, the whole matter is largely a psychological one, and a further interesting sidelight is thrown on this aspect in Professor D. K. Henderson's recent annual report from the Mental Hospital at Morningside (noticed in your columns last Tuesday.) Dr. Henderson points out that the morale of the neurotic and even of the potentially insane has been wonderfully sustained by the war atmosphere of the country generally. Like so many other members of the public, these patients no longer feel themselves weak and isolated beings, but now part of a great and powerful

body; as Dr. Henderson says, 'they experience the comfort and protection of the herd.' Naturally this eminent authority does not advocate war, with its mass mentality, as a permanent ideal—elsewhere in his report he emphasises the primary need for the individual to develop 'faith in himself'—but he does recognise the provisional value for his neurotic patients of this mild form of what may be called 'escapism.'

Those who had experience of the atmosphere in our cities during large scale air-raids will know exactly what is meant by "the war atmosphere of the country generally." There are no words in which it can be described. The herd instinct, so far as it goes, is a good and useful thing for the herd. But there was something more in England during the raids—it was the common conscious policy to fight and endure together that gave us the positive side of this life force. Something much more than "mass mentality" won the Battle of London. Perhaps the man who designed the Spitfire engine was the most important factor; but he who swept the broken glass from the streets was likewise indispensable.

We should study every manifestation of this force—for which there is at present no adequate name—wherever it may be found: in a team of actors putting on a good show, in an orchestra losing itself in the performance. No one would say these things were manifestations of the "herd instinct," but what *are* they? Something which as yet we do not fully understand. The orchestra creates something as real as a flowing river but much more dynamic, because part of the common will. In it the audience can have but little part, they can only experience at second hand.

Now I do not believe, like Dr. Henderson, that the primary need for the individual is to develop "faith in himself," or that the neurotic's war time experience is nothing more than "escapism." It has always seemed to me that the psychologist come to a dead end just where he ought to begin. Surely what the neurotics need is not so much faith in themselves as faith in some method by means of which they can live in harmony with their fellows, so that they may be one of the orchestra and play in harmony and rhythm, not constantly missing the beat. They need to learn how the sovereignty of individuals can hold sway without impinging on the sovereignty of others. And how can this be done? By learning, painfully perhaps, the meaning of membership through their associations. In so far as we have not learned to be members one of another we are all neurotic, in greater or lesser degree. It seems strange that Dr. Henderson should not realise that his patients were cured, not merely by "war with its mass mentality," but by a manifestation of a force which before many years have passed will be recognised as strong enough to move mountains.

Future progress will be possible because we have learned through a systematic study of the Social Credit, that the principles of association are as capable of exact definition as those of any other science. Without them, all that has gone before would be as vague as a dream. But the problem is for individual Englishmen here, and for Americans overseas, to see that the war-time strength which is supporting them is not wasted when the war danger dies down; but is diverted into its proper channels, as the water from the Niagara enters the turbines.

A wise man uses what is lying to hand. Examine such associations as are in your neighbourhood and see what can be done.

B. M. P.

SOCIAL CREDIT

By TUDOR JONES

*The substance of an address to the Surbiton
Rotary Club, December 16, 1941.*

Mr. Grosvenor, your Speakers' Secretary, has told me that he conceived the idea of organising a series of talks dealing with some of the fallacies which beset the path and entangle the minds of members of the public. Social Crediters have been trying to combat some of the worst of the popular fallacies for over twenty years, and I do not think we can altogether complain of the headway we have made, which is almost miraculous, having regard for some very exceptional difficulties, the nature of which is probably apparent to not a few of you here to-day. You have all doubtless, at one time or another, heard the question, when some seemingly extravagant project of a desirable kind was suggested, "Ah, yes; but where's the money to come from?" Now that many millions of pounds a day are easily forthcoming for financing war production, everybody, including *The Economist*, everybody, that is excepting Sir Kingsley Wood, seems to know about that, and even *The Economist* openly voices the opinion that Sir Kingsley Wood has "strayed quite unnecessarily on to dangerous ground" when he has told the House of Commons that "the money banks lend to the Government is, broadly speaking, derived from deposits made by their customers."

Well now that I have mentioned the dreadful word 'banks,' I have no doubt that some of you may expect me to enter upon some special line of attack upon banks and banking reflecting some particularly unfavourable opinion which Social Crediters are supposed to entertain. May I at once dispose of this, not perhaps as a major, but certainly as a minor but yet mischievous fallacy concerning Social Credit and Social Crediters? The banker is usually a thoroughly competent, and (outside business hours) a most accommodating fellow, who can be trusted to run the present banking system, or any other banking system almost to perfection. Bankers act from the starting ground of a series of propositions which they regard as axiomatic. No one among us Social Crediters would lay the slightest claim to superior ability to deduce the results which ensue from certain of these axioms, or all of them, upon which the existing financial system is built up, or to define the processes within this system. Our admiration for bankers is illustrated in the assertion I have just made that most of them are every bit as competent to run another financial system as well as they run the present, and that is the whole point. Perhaps some of you have come across the story, now twenty years old, of the agent of a carpet manufacturing business in Yorkshire, who, when his firm was on the point of collapse, interviewed the bank manager, and was met with the rather cold statement: "Sorry, we're not carpet-manufacturers; we're bankers"—to which the agent replied: "No, but don't forget that, if you give me accommodation, you'll be carpet-manufacturers by tomorrow morning."—and a very good thing too! And one result might well be that reserves of carpets would be built up as steadily and as expeditiously as the vast hidden 'reserves' of bank credit which now exist, and far more easily mobilised for socially useful purposes. The agent was a very sound fellow and knew what he was talking about. We are not out to attack the monetary system, but the use

which is made of it.

What we have done, is, first of all, (looking at it from the technical point of view) to propound the proposition, now tacitly accepted everywhere, which can best be put in the form that the monetary system always presents an entirely erroneous picture of the real economic system. That I may call our first proposition, and it embodies the point against which our practical criticism is directed. I won't take up your time on such an occasion as this with a demonstration of the truth of this proposition. Such a demonstration is much better followed from books, of which there are several which are excellent. The only completely helpful author is still, after over twenty years, Major Douglas himself. I say the proposition is tacitly accepted.

Our second proposition is one which is more openly and generally admitted, although a practising banker here and there may still be found to contest it. This is the proposition that the banking system can be, and is consciously manipulated by bankers. The very phrase, 'a managed currency' embodies the truth of this proposition. It is in this way that increases of money arise *as the bankers' property*, and are lent by them. Quite a natural, and perhaps inevitable, accompaniment of this claim to ownership of the community's wealth, is the proposition, which *must be* conscious, of the idea that it is axiomatic that full employment is required to produce and maintain a high standard of living, and arising from this idea is the allied idea that everyone should primarily be trained, as in Russia, with a purely materialistic and economic objective in life.

Now it can be deduced from these premises without much difficulty that ultimately the totalitarian state *must* supercede the type of civilisation to which we and our forefathers have worked and looked forward, a type of civilisation which, constantly and progressively growing richer and freer, gives play to individual initiative and choice of objective to individual desire.

Please regard this as quite inescapable: *if* these two linked propositions are indeed axiomatic—the proposition that bankers because they create the credit instruments own the production which these instruments will buy, and the proposition that an employment complex results—if these propositions are indeed axiomatic, no administrative technique whatsoever would be of any use at the present juncture. The development to the work-state, replacing our cherished civilisation, would be inevitable.

But we Social Crediters say that these propositions are not axiomatic. That, indeed, they are delusions, and delusions to some extent propagated for interested purposes. We say that the difficulty attached to the operation called 'earning a living' arises out of adherence to these propositions: that most of the frictions of the present time, including war, can be traced to acceptance of these delusions; and that war itself is used to accentuate the delusions by sabotaging (or consuming, if you prefer the word) any possible production of the economic machine. The impact of a war situation on a situation such as the one with which we have to deal is manifold, and I cannot deal with all aspects in the short time at my disposal; but to take two prominent features the vast destruction effected by modern war presents so impressive a picture to the imagination that it is quite easy, when the war is over, to continue the illusion that 'hard work' is essential to repair its ravages by reconstructional works. And for many years afterwards it

can easily be suggested that most if not all the repressions which might otherwise call forth strong opposition from the community are all 'due to the war.' No one would pretend that the destruction occasioned by war is unimportant; but certainly the material destruction is not, and cannot be, in a rapidly advancing production system, by any means the catastrophic thing which it is pretended it is. The moral side is much more impressive; for (and this is my second point) once the free play of individual initiative has been eradicated, whether because of the exigencies of the war situation or on the pretext that the national situation demands the sacrifice of rights and the destruction of institutions which the work of many centuries has acquired, the whole community is almost completely at the mercy of manipulators, themselves highly organised and in control of communications of all sorts. So it all boils down to the unattractive offer: 'Unemployment or War; whichever you like,' but you can only escape if you accept full employment in works not of your own choosing and which will not benefit you personally, which is what the grinding tyranny called a totalitarian state, whether fascist or socialist, really is, and must be. What you must on no account have is endowed leisure and peace, which are what the world really wants and has been progressively attaining for 6,000 years. The fraudulent element in the working of the existing financial make up lies chiefly, if not entirely, in the assertion that the financial system can only work one way. It can and does work in a wide variety of ways, and no policy which has ever been determined upon in the productive field, whether in war or in peace has, in fact, been affected in the slightest degree by monetary difficulties not entirely artificial in their construction. But again what we have to say in regard to the technical aspects of the monetary system can best be understood by quietly reading the large available literature on the subject. The intention is to free the production and distribution systems from such inhibitions as we are familiar with under the phrase: 'We can't do it because there is not enough money,' while at the same time meeting the cry raised by certain of the beneficiaries under the present system that we *mustn't* do it because that would be inflation. I might here interpose the correct definition of inflation, which is an increase in money accompanied by a rise in prices. By definition, an increase not accompanied by a price-rise is not inflation—it is merely that ideal of every sensible person, 'getting on,' so long as goods are there to buy.

I mention this important point about inflation because, while the financial spokesmen of the Government loudly proclaim their intention to avoid inflation like the plague, they are constantly taking the most determined steps to make inflation inevitable. Within one month of the declaration of war, and before any considerable expenditure had taken place, or any considerable increase in credit resources had been created, the Government had given the broadest possible hint to everyone in the community who could do so to raise prices by doing it themselves, and not on any shy, demure or in any sense a hesitating or half-hearted scale, as one has only to see by comparing the cost of sending a letter in England now with that in 1938. Railway fares, petrol and many other things under Government control afford other examples.

Remember that the real price of articles is not merely what you pay for them over the counter, but is that with the additional charge which you also pay for Government at the same time. The real price is the shop price plus all your

rates and taxes. The price of anything is what you pay for what you get.

But we also say that the illusion of economic scarcity in normal times and that curiously dangerous illusion that it is essential that there shall be a continuous increase in productive efficiency so as to be able to compete with 'someone else,' have no foundation in reality. It is easily provable that excessive capital production and artificial sabotage by changes in fashion and in many other ways (quite apart from sheer waste involved in our competitive export system, by which, as even orthodox economists agree, not less than £8,000,000,000 of real capital at present prices have been completely thrown away without any return, notably in South America) all this is solely accountable for the high price and comparative scarcity of consumable goods in normal times.

But at this point you may be inclined to ask, "Well, what's your scheme?" Viewed from a purely logical point of view it is perhaps quite a natural question. Numbers of us are very well used to being asked for 'Social Credit in a nutshell' or to put our 'scheme on a postcard.' Well, do you know?, we *could* do it; and if that was the problem we would do it. But it isn't. The problem is what professional diplomatists call the problem of sanctions.

Too much elaboration of plans at present, if it were to achieve anything, would be merely to inform the conscious opponents of ideas such as ours—who may be described as the international financiers and world-state politicians—as to the best method of countering any useful action.

There is probably only one way available to the people of this country to deal with the very serious situation which faces them, and that is to regain control of their parliamentary representatives by regaining the conception, which is not new, that an M.P. does not represent say the Conservative, or the Liberal, or the Labour Party but, let us say, Surbiton. It is the wishes of the electors which should be represented, and correctly represented, in the House of Commons, and not the dogmas of the political Party which organised his election. Only in this way can the policy of the general population be saved from that situation well-expressed by Mr. Chamberlain when he said that 'Strong central Governments are very handy tools for ambitious men.' We have got to recapture the conception of Government as being a convenience, and teach our governors that the idea that this country and its population exists to be manipulated by its government is a delusion.

PARLIAMENT

DECEMBER 11.

Oral Answers to Questions (37 columns)

NATIONAL SERVICE ACTS (MEMBERS OF PARLIAMENT)

Sir P. Harris (by Private Notice) asked the Prime Minister whether he has any statement to make about the position of Members of Parliament under the National Service Acts?

The Prime Minister (Mr. Churchill): Yes, Sir. I am glad to take this opportunity of explaining the position of Members of Parliament under the National Service Acts.

In the view of His Majesty's Government it would not be appropriate to confer on Members of Parliament a statutory exemption from the obligations which they share in common with everyone else. Members of Parliament have, however, also the high duty of service in the Legislature, and they must themselves be the judges of how that duty can best be performed. They are therefore given a free choice by virtue of their position as Members of Parliament and not as a favour. This was the position in the last war, and has always been maintained in the present war. Furthermore, if a Member of Parliament joins the Armed Forces of the Crown, and later decides that he wishes to devote his whole time to Parliamentary duties, arrangements are made for his release from military service for that purpose, provided, of course, that reasonable notice is given to arrange for his relief.

Considering the very large number of Members serving with the Forces, and the many questions that may arise in the combining and reconciling of their duties, it is very satisfactory that there has been so little difficulty in practice.

Mr. Bernays: While I thank my right hon. Friend for his reply, which has done much to clarify the situation, can he say whether, as a result of these National Service Acts, anything has been done to alter the ancient rights and Privileges of Parliament?

The Prime Minister: I think I can safely reassure my hon. Friend on that point.

NATIONAL SERVICE BILL (74 columns)

CLAUSE 6.—(*Amendment of Act by Defence Regulations.*) Motion made, and Question proposed, "That the Clause stand part of the Bill."

Mr. Silverman: I do not want to delay the Committee, but I should like a word in explanation of this Clause. I confess that I do not understand it.

Mr. Assheton: Clause 6 enables the Bill to be amended by Defence Regulations. It has already been found necessary to amend the National Service (Armed Forces) Act, 1939, by a Defence Regulation. The occasion on which it was done was to alter the constitution of the appellate tribunal. Exactly similar power to this was included in the National Service Act, 1941, carried by this House.

Mr. Silverman: I asked for that explanation because I could not believe that it was true. It was the only explanation I could put upon it myself. It seemed so improbable a one that I thought I would ask for confirmation from the Government. I hope that the Committee, before we part with this Clause, will realise exactly what it does. The Bill itself is revolutionary in its scope. I am not complaining of it on that account. I think it is necessary. I have not opposed it at all from its introduction until now. I thought it should have been accompanied by other things, but since that view was not agreed to, I have not done anything to impede its passage.

I think this is a dangerous Clause. Time after time the Minister has said it is better to put something into the Bill rather than have it dealt with merely by Regulation, so as to make it perfectly clear to everybody what are the limits he proposes to put on the powers this Bill gives him. If, at the same time, he adopts this not altogether unprecedented, but very dangerous, course, of asking the House to give him not merely the Bill in set terms but also the power

to amend it by Regulations which the House will have no power to amend, I think we are going altogether too far. I wonder whether my right hon. Friend would indicate any of the circumstances in which he thinks it may be necessary to amend this Bill by Defence Regulation. If he is going to do it only in matters of administrative detail, he seems to be taking a very large sledgehammer to crack a very small nut. If, on the other hand, he is not going to use it only for questions of administrative detail, or for questions narrow in scope, but to extend the principle of the Measure—and there is nothing in the Clause to limit his powers—in order some day to take away some of the exemptions which he has put into the Bill, I should have thought that this was not the right way to do it. . . .

What has my right hon. Friend in mind? I will accept his assurance upon the matter. Is the power to amend the Clause by Defence Regulation to be used only in respect of small matters, or does he want to leave the Government free to extend the Act by Defence Regulation on matters of principle, to which, I think, the Committee would very reluctantly consent? Perhaps we may be able to obtain a statement of what the Government have in mind in this Clause?

Mr. Assheton: I do not think that the hon. Member should really be in any very great anxiety because of the fact that we are making certain proposals under this Bill. We have the power to do a great many things by Defence Regulations, which in itself is an answer to the hon. Member's anxiety. He will remember that the Emergency Powers Defence Acts, 1939-1940, enable the Government to amend Acts of Parliament passed before May 22, 1940, by Defence Regulations. This is one of a series of Acts dealing with National Service, and it would be very inconvenient if this was the one Measure in the series which the Government were not able to amend by Regulation. I can give the assurance to the hon. Member that, if there were any suggestions to include, for example, married women or to raise the age above the present age of 51, the Government would come back to the House and do it in a normal way through a Bill.

Question, "That the Clause stand part of the Bill," put, and agreed to.

OVERSEAS NEWS

EXTRACTS FROM "MONEY"

(Published in New York, U.S.A.)

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—W. R. TWYFORD: July 1941.

"Allan Sproul, President of the Federal Reserve Bank . . . said that revolutionary forces are abroad in the world. . . . 'I do not think,' he added, 'that the banking system can meet the requirements of that test to-day, but will be able to meet them if it is aroused to the requirements of this critical time.'" — July, 1940.

"The American head of Lazard Bros., has had his way. His two representatives, Knox and Stimson, are now in the intervention cabinet as heads of war and the navy." — August, 1940. (*The population of U.S.A. does not exceed 160*

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"Readers. Please judge *Money* justly and correctly: Do not say we endorse a plan because we give it publicity. We publicise any plan to release abundance but endorse none. *Money* is a movement paper, not a plan organ. Signed: THE POLICY BOARD."—Published in all issues.

"Nightly I kneel at my little trundle bed, lace my little baby fingers, and pray, O Lord, help us to agree on What we want and make Congress find a How to get it. Keep us, O Lord, from chasing our little 'Hows' in forty 'leven directions but keep us on the trail of What. Amen." O. M. THOMASON:—August, 1940. (*An idea which is in strange company. It seems necessary to include big Hows in this petition.*)

To all Social Credit Groups and Associations, Home and Overseas

Affiliation to the Social Credit Secretariat, which has been accorded to Groups of Social Crediters, will be replaced by a new relationship and all existing affiliations will be terminated as from January 1, 1942. This new relationship is expressed in the following Form which Associations* desiring to act in accordance with the advice of the Secretariat are asked to fill in:—

Name, address, and approximate number of members of Association

.....

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

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

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

Date..... Signature.....

A brief statement is also requested giving the history or account of the initiation of the group, and its present activities and intentions.

HEWLETT EDWARDS,
Director of Organisation
and Overseas Relations.

*For this purpose an Association to consist of three or more Social Crediters.

†The Secretariat is the channel used by Major Douglas, the Advisory Chairman, for the transmission of advice.

BOOKS TO READ

By C. H. Douglas:—

- Economic Democracy(edition exhausted)
- Social Credit 3/6
- The Monopoly of Credit3/6
- Credit Power and Democracy(edition exhausted)
- Warning Democracy(edition exhausted)
- The Use of Money6d.
- "This 'American' Business" 3d. each
12 for 2/-

ALSO

- The Bankers of London by Percy Arnold4/6
- Lower Rates (pamphlet)3d.
- Hitler's Policy is a Jewish Policy
by Borge Jensen and P. R. Masson6d.
- Southampton Chamber of Commerce Report6d.
- Is Britain Betrayed? by John Mitchell2d. each
12 for 1/6
- How Alberta is Fighting Finance2d. each
12 for 1/6

(All the above postage extra).

Leaflets

- Bomb the German People100 for 1/9
- The Attack on Local Government
by John Mitchell9d. doz.
50 for 2/6
- (The above are post free).
- Taxation is Robbery100 for 3/-
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REGIONAL ACTIVITIES

Information about Social Credit activities in different regions may be had by writing to the following addresses:

- BELFAST D.S.C. Group: Hon. Sec., 20 Dromara Street, Belfast.
- BIRMINGHAM (Midland D.S.C. Association): Hon. Sec., 20 Sunnybank Road, Boldmere, Sutton Coldfield.
- BLACKBURN S.C. Association: 168 Shear Brow, Blackburn.
- BRADFORD United Democrats: R. J. Northin, 11 Centre Street, Bradford.
- DERBY: C. Bosworth, 25 Allestree Road, Crewton, Derby.
- LIVERPOOL S.C. Association: Hon. Sec., 49 Prince Alfred Road, Liverpool, 15. Wavertree 435.
- LONDON Liaison Group: Mrs. Palmer, 35 Birchwood Avenue, Sidcup, Kent. Footscray 3059.
Lunch hour re-unions on the first and third Thursdays of the month at 12-30 p.m., at The Plane Tree Restaurant, Great Russell Street, W. C. 1. Next Meeting January 1.
- MIDLAND D.S.C. Group: see Birmingham.
- NEWCASTLE and Gateshead S.C. Association: Hon. Sec., 108 Wordsworth Street, Gateshead.
- PORTSMOUTH D.S.C. Group: 115 Essex Road, Milton, or 50 Ripley Grove, Copnor.
- SOUTHAMPTON D.S.C. Group: Hon. Sec., 19 Coniston Road, Redbridge, Southampton.