

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 7. No. 4.

Registered at G.P.O. as a Newspaper  
Postage (home and abroad) 1d.

SATURDAY, OCTOBER 4, 1941.

6d. Weekly.

## FROM WEEK TO WEEK

When Lord Gort and Mr. Duff Cooper were flown to Rabat, Morocco, to confer, according to Madame Tabouis, with "High Masonic Officials," a Squadron-Leader called Cohen was chosen to command the flying boat. Odd, isn't it?

Animals and birds have a rigid sense of private property. The swannery at Abbotsbury in Dorset, has about fifteen hundred swans, each of which claims a well-defined area of land and water. Any trespass is resented, not only by the owner, but by his neighbours. Dogs know their owners' boundaries perfectly, and will chase a dog twice their size to it, stopping dead on the line. The chased dog turns at once at the same place, on his pursuer.

According to overseas papers Miss Dorothy Thomson, the "American" publicity and advertising agent for the "Planning" ramp, told the people of Plymouth that "A new England, land of the Pilgrim Fathers" would be rebuilt after the war.

Presumably she meant that the mortgages would be held by Abraham and Isaac.

Plymouth has Lady Astor as its Member of Parliament, too. We should have thought that was enough to go on with.

It's just a question whether Mr. Benjamin Cohen, the returning Pilgrim Father who came with Mr. Averill Harriman, or Rudolph Hess, is most out of the news.

Miss Thomson says that the Americans would have more sympathy with us if we were more democratic. You know what she means. You vote for Roosevelt and are black cats lucky, or for Wendell Wilkie and are lucky cats black, and then you leave it to George to hatch out a scheme of monopolies.

The agitation for the "democratisation" of the Diplomatic Service comes from the people who pay the Dorothy Thomsons, because the old type of Foreign Office Diplomat made rings round the kind of diplomat favoured by the United States—the rich contributor to Party Funds. They feel sure they can deal with the Ernest Bevin, and they are quite right.

The professional diplomat has been purposely discredited to divert attention from the fact that he has never been dealt a decent card in the last twenty years.

The Honourable Mrs. Alfred Lyttleton, the Acting Chairman of the English Speaking Union, speaking at a

luncheon of that body, largely composed of Americans, on the 23rd inst., said, "It is not true we do not want American help. We know we cannot win without it. The only thing we do not want is to be told that you won it."

We could hardly have put it better, ourselves.

The writer of the following letter, which appeared in the *Scotsman*, is unknown to us. We print it because, in our opinion, the combination of pseudo-piety, execrable taste, and thinly-veiled alien propaganda emitted by the "British" Broadcasting Monopoly requires the early attention of Parliament:—

Sir,

### B.B.C. PROGRAMMES

For some time past the programmes of the B.B.C.—I refer to those of the light entertainment description—have been such as to make angels weep and strong men (if any ever listen to them) gnash their teeth. It would be difficult to imagine deeper depths of inanity (and worse) than many of the regular weekly features. These "features," solemnly announced, both before and after performance, leave listeners in no doubt as to the persons responsible for the shows, but how sanction is ever given for such rubbish to be put on the air is beyond any ordinary comprehension.

On Sunday last, September 21, both the 9-30 a.m. and 8 p.m. religious services had a new and regrettable feature—viz., intoning of all prayers, and, in the morning, even the Gospel and Epistle likewise rendered. I am devotedly fond of the Anglican liturgy, when it is reverently read, but intoned prayers are an abomination. Anything better calculated to alienate worshippers I cannot imagine. I stood this travesty of worship for fifteen minutes in the morning, and then switched off.

September 22, 1941.

I am &c.,

DISGUSTED LISTENER.

Waal, waal, here's our old friend Wallach-Finkelstein, better known as Litvinoff, back again in the "B."B.C. news. We thought it wouldn't be long. Now, with Fink controlling "Tanks for Russia," and Lozhovsky bottle-necking the news, and Maisky telling Ernest Bevin to make the darned British work harder, we shall soon get to know the "Russians" better, itn't it!

Sir Otto Niemeyer, of the Bank of "England," and the Bank of International Settlements, has been appointed to help China.

The official to help Japan has not yet been announced.

Professor George Catlin, writing in the *Fortnightly*

*Review* is grieved that we don't like "Federal Union." If Professor Catlin, and others like him, could get into their heads that we think co-operation between American individuals and British individuals is quite possibly the major hope of the world, but at the same time, we think that the only worse English-speaking Government than the "British" Government is the "United States" Government, that they are only exceeded in foulness by the Governments of Germany, Russia, and Italy, and that you do not abate a nuisance by making it larger, then it would be quite probable that something constructive might emerge.

### 'A Lawyer's Philosophy'

*Search for a Social Philosophy* by F. W. EGGLESTON. (Melbourne University Press and Oxford University Press).

Most readers of this article will have a fair idea of what is meant by saying that the turbine steam engine is "only" a wind-mill up to date. Any reader who takes the trouble to wade through the 352 pages of solid matter in Sir F. W. Eggleston's recent book *Search for a Social Philosophy* might use similar phrasing and say that according to Eggleston the word "only" needs the Christian ethic, properly applied, to put it to rights. The word "only" in both cases contains just enough truth to make it dangerous: in using it we tend to keep important facts in the background. In the case of the steam engine infinite care and wide experimentation with new ideas as well as newly wrought material and structures were necessary before the turbine was perfected. In the case of the improvement of the social "pattern" (one of Eggleston's pet terms) the same interplay of idealism and realism is necessary, the same subordination of means to ends, the same genuine venture-someness in experiment so that social engineering may become a worthy science.

One may suggest two hypotheses as to why Eggleston should pen a few sentences of misleading nonsense about what he mistakenly conceives to be Social Credit.\* It may be that extreme care has been taken to prevent any adequate presentation of Social Credit philosophy from reaching academic circles: or it may be that there is a fundamental fault in the structure of our whole educational system, so that the vast majority of people finds the utmost difficulty in grasping the significance of a proposition put to them on a strictly realistic basis. The second alternative is not so improbable as some will be inclined to think.

In a negative sense Sir F. W. Eggleston is successful in showing that we dare not go on as we are going, and that we should not trust in legalism, or in force, or in Socialism, or in totalitarianism; and he admits (p. 113) that "we are struggling with these problems in apparent confusion."

\*Quotation from p. 226:—"The theorists who say that there is a mathematical fallacy in the calculations on which capitalistic practice is based, and claim to give us the right equation are numerous: the advocates of Single Tax, Douglas Credit, and Social Credit Schemes and so on. There are certainly many weaknesses in the Capitalistic calculus; from a negative point of view these criticisms may be correct: but probably their reconstructions suffer from similar fallacies. Errors of this technical type are not likely to have anything like the same weight as the errors produced by the narrowness of the individual point of view. Even if the reformers proved their case, the major difficulties of control would remain. Their chief fallacy is that in ascribing the evils to mechanical defects they take away the sense of responsibility: one of the virtues of the capitalistic system is that by basing most of its machinery on debt it gives individuals some responsibility."

We look in vain, however, for positive suggestions linked with a strategy of action.

To those with a grounding in Social Credit ideas a positive note (however incomplete) is possible because we have been encouraged so to think and act that a realistic check with actual facts and experience is a healthy tonic to our lives. This way lies the path to sanity in our social life: But in society the mere structure should become less apparent as the freedom of the individual is enhanced.

C. H. A.

### Export Markets

The *Economist* of September 20 mentioned the anxiety felt by British exporters at the prospect of losing overseas markets to American or other rivals, and their concern that, by reason of the importance of American supplies to Britain, the United States may now be able to propose where and to what extent British exporters may trade.

"Nor is this a question that can be decided merely in reference to materials actually leased and lent. It is a question of the whole British trade policy—or, at least . . . of trade in any of the materials that are in short supply in the United States. The materials which are now being leased and lent include almost every kind of material that goes into the manufacture of British exports."

Bearing in mind the effect of other wars, and particularly the last one, in stimulating industrial production of goods that were previously imported, it would be well for exporters to consider, beyond the 'poaching' activities of industrial rivals, the probability that by the end of the war the total volume of export markets will have been reduced very drastically indeed.

### PARLIAMENT

#### Planning for Scotland

SEPTEMBER 11.

Oral Answers to Questions (37 columns)

#### "WORKERS' GAZETTE."

*Mr. Keeling* asked the Home Secretary whether his attention has been called to the *Workers' Gazette*, the publication of which appears to be in continuation of, or in substitution for, the publication of the *Daily Worker*, and whether he has taken any action against those concerned for contravention of Defence Regulation 2D?

*Mr. H. Morrison*: I did not fail to consider the question raised by my hon. Friend, but I do not think it would be right for me to say more than that any future developments will be watched carefully.

*Mr. Gallacher*: Would not the Minister solve this whole problem and save a lot of trouble and add very much to the production of the country if he were sensible enough to withdraw the ban on the *Daily Worker*?

### AGRICULTURE

#### BANK LOANS (INTEREST RATES)

*Mr. De la Bère* asked the Minister of Agriculture whether he will now make a statement showing what has

been done to reduce the average rate of interest charged to agricultural borrowers to a lesser rate of interest than 5 per cent.?

*The Minister of Agriculture (Mr. R. S. Hudson):* I would refer my hon. Friend to the answer I gave to the hon. and gallant Member for Carnarvon (Major Owen) on December 19, 1940.

*Mr. De la Bère:* Is my right hon. Friend aware that these problems will not outwear themselves and that some steps must be taken to find a solution? Is it not the case that up to the present the Government have been unwilling to make any concession in order to find a solution?

*Mr. Hudson:* There is evidence that our agricultural price policy has enabled the farming community to reduce its dependance on borrowed money.

*Mr. De la Bère:* But the interest is still too high.

### POST-WAR RECONSTRUCTION, SCOTLAND (COUNCIL)

*Mr. Erskine Hill (by Private Notice)* asked the Secretary for State for Scotland whether he is now in a position to make any public statement as to the arrangements for fulfilling the Government's pledge regarding the appointment of an Advisory Council on post-war planning in Scotland?

*The Secretary of State for Scotland (Mr. T. Johnston):* Yes, Sir. I am glad to announce that a Council has been formed to collaborate with me for the purpose of surveying problems of post-war reconstruction in Scotland. The Council will select the subjects of inquiry and will determine by whom the inquiries will be made. The members will be all the living ex-Secretaries of State for Scotland, my right hon. Friends the Members for Caithness and Sutherland (Sir A. Sinclair), Kelvingrove (Colonel Elliot), North Midlothian (Colonel Colville), and Leith (Mr. E. Brown), and Lord Alness who held the office of Secretary for Scotland. The work of the Council over which I shall preside will be carried on in close touch with the organisations set up by the Government for the purpose of examining all post-war problems of Great Britain as a whole. I am confident that the appointment of this Council, constituted as it is on a basis of national unity, will commend itself to public opinion in Scotland as a guarantee of the Government's intention to see that Scottish problems of reconstruction are competently and authoritatively surveyed and reported upon.

*Mr. Henderson Stewart:* Is my right hon. Friend aware that his statement will be much welcomed in Scotland? May I ask what is to be done now, or within any measurable period, to solve the problem that was raised in the House on the last Sitting Day? Is a practical answer to be given to that Question?

*Mr. Johnston:* This Council will select the personnel and subjects for inquiries which will be instituted forthwith.

### TRADE AND COMMERCE

#### CLOTHING (EXPORTS TO UNITED STATES)

*Mr. Stokes* asked the President of the Board of Trade whether he will state, separately, the values of made-up clothing and unmade-up clothing materials exported to the United States of America during the first six months of 1941?

*Captain Waterhouse:* As has already been stated in reply to previous Questions, publication of particulars of our trade with individual countries has been suspended since the outbreak of war.

### LOCAL AUTHORITIES' LOANS (INTEREST)

*Mr. G. Griffiths* asked the Chancellor of the Exchequer whether he will now consider taking further steps to reduce the high rates of interest paid by local authorities on their loans to, at most, 3 per cent.?

*Sir K. Wood:* No, Sir. I do not consider my hon. Friend's particular suggestion as practicable. I will, however, continue to bear in mind the possibility of such further conversions of local authorities' loans as may be permitted by the condition under which those loans were issued, provided always that such transactions do not conflict with other more important claims on the capital market.

[The Solicitors' Bill, which was read for a second time, is a Private Member's Bill put forward on behalf of the Law Society.

It sets out to provide safeguards for the public in the matter of defalcations by solicitors. The main provisions are for the presentation by solicitors of an annual certificate from the accountants who audit his books, and for the setting up by means of compulsory contributions from solicitors of a fund from which, at the discretion of the Law Society, compensation may be made to those suffering from such defalcations.

Another clause provides for compulsory membership of the Law Society, to which about 11,000 of the 17,000 solicitors at present practising belong, should it be approved by a two-thirds majority of those voting in a poll of all solicitors, whether members of the Law Society or not.

Criticism referred mainly to the fact that there was no obligation on the Law Society to pay out (Mr. Douglas, Mr. Garro Jones), to the imposition of compulsory membership of a Society in a Bill brought forward by that Society (Mr. Douglas), and to the imposition of further annual fees for audit and to the fund on a profession already highly taxed (Mr. Douglas).]

### POST-WAR RECONSTRUCTION, SCOTLAND (COUNCIL) (9 columns)

*Mr. Henderson Stewart (Fife, East):* . . . I press my right hon. Friend to tell us what will be the relations between this new body and Lord Reith's Ministry and that of the Minister without Portfolio, to name only two, because those two Ministries have been authorised by Parliament to do much of the work which one conceives this Council may also be doing. I myself feel that before this new body in Scotland can start considering its work its relationship with these English Ministries ought to be made crystal clear. . . .

*The Secretary of State for Scotland (Mr. T. Johnston):* . . . May I again say to the House roughly what the position is? It is generally felt that the Government ought to prepare for the post-war years. Everybody is agreed that something in the nature of post-war planning should take place, but unfortunately very few people are agreed as to what form this post-war planning should take, and the

(Continued on page 8)

## 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) 4, ACREFIELD ROAD, WOOLTON, LIVERPOOL, Telephone: Gateacre 1561; (Business) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone: Wavertree 435.

Vol. 7. No. 4.

Saturday, October 4, 1941.

## THE PROTOCOLS

The *Jewish Chronicle* is, presumably, read chiefly by Jews. It will therefore be interesting to see through what channels and in what forms the amazing incoherencies of its leading article of September 26 come back to us. In this article an attack is made on "the führer of the Social Credit movement, Mr. C. H. Douglas" on the score of his part in an amusing correspondence which *The Scotsman* has just published. This began with an unpretentious little letter of "an inch and a half" in which Major Douglas asked that respect should be paid to the meaning of words, referring particularly to the current description of *The Protocols of the Learned Elders of Zion* as a forgery.

The Rabbi Dr. Salis Daiches, of Edinburgh, replied, and went on replying, without, however, throwing much light on a vexed topic, although he had the courtesy of the last word.

The *Jewish Chronicle* cites only two points from Major Douglas's letters, one to the effect that it is reasonably clear "that the so-called anti-Semitism of Hitler cannot be taken at its face value" (which the newspaper seems to interpret in the sense that we ought not to be fighting Hitler, because Hitler isn't really fighting the Jews. "We English" know better!) The second point is the statement:—

Whatever may be its origin, the document which goes under the name of the *Protocols of the Learned Elders of Zion* is a very serious and arresting forecast of many of the most disastrous developments of the past 100 years, and requires explanation rather than dismissal as a forgery.

Having thus stated just one more of 'this person's gems' the Jewish leader-writer presumably gesticulates, for no words appear on the printed page which have any direct reference to the enormity, though one is left picturing a figure voiceless with rage like the unhappy Jew in Ivan Turgenev's short but terrible story. The criticism, studiously irrelevant, may best be described as oblique but blasphemous, in which tone it passes to a discussion of His Grace the Duke of Bedford, with whose opinions we have nothing to do, and of the jeers and stones said to have been showered with impunity upon one of "the all-Gentile Government of this country."

And now, what is the explanation of the very serious and arresting forecast of so many of the most disastrous developments of the past 100 years; known (to Jews) as "a forgery"?

T. J.

## Centralisation of Power

A letter from a recent issue of "*The Scotsman*":—

Sir,

The importance of this matter, which, as Dr. A. J. Brock suggests, has appeared in various guises in your columns, is so great that possibly I may be permitted to expand a little my attack upon the centralisation of power. The subject is wide, and obviously cannot be dealt with in full, in the space of a letter.

Centralisation of power is absentee management. Absentee management is, *a priori*, bad, and requires justification—it is guilty until it is proved innocent. It is rarely defended other than by the implication of its indisputable necessity, again on the implied inability of the individual to manage his own affairs, and, further, that it is the "trend" (a word of, in this connection, Wall Street invention) for everything to get bigger and bigger. For the moment, I desire only to point out in regard to this presentation of the case for centralisation, that it is our old friend, the *petitio principii*—begging the question—in a blatant form.

But it deceives a large number of honest people because of the false analogy which conceives society as a machine, instead of, as it is, an organism. The fundamental characteristic of a machine is functionalism—it is designed to do one thing to the satisfaction of the designer. At the moment, we can disregard the consideration of the organism's character.

It is not difficult to see that once we postulate centralised power, every interest is invoked, not to produce the best type of society, but to mould society into the most convenient form for absentee management. The indisputable proof of this is the invariable appearance, in connection with such a policy, of the card-index enthusiast. Now, it is not difficult to card-index a function, but it is fantastic to suppose that you can card-index an individual except in relation to a function, and every advance in genuine education and human development makes it more fantastic. But unfortunately, fools rush in where angels fear to tread.

The essential difference between a free State and a tyranny is ability to contract out. Cricket played according to the rules of the M.C.C. is not tyranny; but cricket played under police supervision is.

Obviously, these considerations leave untouched Mr. Douglas Young's most pertinent inquiry, "Quis custodes...?" to which might be added, in face of the sudden emergence of the "planners," the first inquiry of a criminal trial, "Quis beneficit"?

I am &c.,

C. H. DOUGLAS.

September 24, 1941.

## Mrs. and Mr. Israel Moses Sieff

"Mrs. I. M. Sieff, for whom a farewell luncheon has been organised by the Propaganda Committee of the Federation of Women Zionists leaves England for America next week. She is going at the invitation of the Women's Appeal Committee and of Hadassah on a coast-to-coast tour of American Jewish centres, and will probably be away six months. Mr. Sieff, who has been for some time in New York, is in London at present but will return to New York, probably with Mrs. Sieff."

— *The Jewish Chronicle.*

## Industrial Engineers and Society

By JOHN MITCHELL

The Engineering Industries Association has just published a new memorandum, entitled *A Plan for War Production*. This memorandum is important because of its recognition that the war effort of the British people in the production field can only reach a maximum if certain principles, which are correctly defined in it, but which are at present being violated by the Government, are adhered to. It is remarkable therefore that the Engineering Industries Association in its efforts to get something done about it should in the political field violate these same principles which it so clearly recognises as necessary to apply in the production field.

The memorandum is divided into six sections: 1. *Present Difficulties*; 2. *Principles of Production*; 3. *Policy of Production*; 4. *Plan for Production*; 5. *Summary of Proposals*; 6. *Practical Steps*.

The "Principles of Production" as set forth are a statement of technical principles concerning production organisation, the correctness of which producers only are competent to judge and for which they alone should be held responsible. Yet we are told: "The Engineering Industries Association, therefore, submits this memorandum for the consideration of all interested in the speeding up and increase in the volume of war production." And also:—

"The Engineering Industries Association holds that the root cause of the trouble is that those in high places in the Government and Civil Service appear to have failed to understand the principles of industrial production; or, if they understand them, to have failed to apply them." It is not their proper business to know them or to apply them, so it is not the "root cause of the trouble", a fact which the Engineering Industries Association has recognised in point 5, of the section headed *Policy of Production* where it says: "The business of manufacturing war production is a task for industry and not the Civil Service and consequently all organisation should be built up on industrial and not Civil Service lines."

Section 3. *Policy of Production*, which is reprinted below, demonstrates a sound appreciation of principles which are continually propagated in this journal. Section 5 of the memorandum, which is also reprinted below, may be compared with the following passage which is taken from an article in *The Social Crediter* of August 9:—

"As the responsible authority for the carrying out of the war *policy* and as the purchaser of war production it is obviously the responsibility of the Government to decide *what* industry shall produce. But, if the principle of uniting power with responsibility is adhered to, as of course it should be, the decision in regard to what is produced will be decentralised to those responsible for the strategical and tactical employment of the war material, although of course in conformity with the general war strategy which must necessarily be decided centrally.

"The careful distinction between policy and administration, the establishment of a proper relationship between those responsible for one and the other in the war effort, and the decentralisation and uniting of power, both functional

and financial, to those functionally responsible; these are Social Credit principles and they are matters which should occupy the energies of statesmen."

The object of the Engineering Industries Association—maximum production of what is required in the war effort—is the objective of the British people, whose war this is. The Government, Parliament and the engineering industries are all ultimately responsible to the British people for the results they produce. Therefore, if it is Government action which is preventing the engineering industries from getting the maximum production which they are capable of, and the Government after representations have been made to them fail to remedy their action, the Engineering Industries Association should make their report to the people; and in doing so they should recognise that the people are only interested in results, and not competent to decide what are the correct principles of production, nor what is a sound plan of production organisation. At this point we come to the "root cause of the trouble". The memorandum says that what is "primarily needed is a new conception of the relationship between Government and industry". That is needed, but the *primary* need is for a new conception of the relationship between Government, Parliament and the people, and action based upon a correct relationship.

If the Government refuses to remedy its action after representation by the Engineering Industries Association, then the root cause of the trouble is that the Government is not representing the people's policy. The determination of policy—whether, for instance war production shall be 50 per cent. or 100 per cent. of what is possible—is the prerogative and function of the British people. The machinery for the imposition of their will is in existence. M.P.s and Parliament are part of it. The root of the trouble is that the machinery is rarely used and when it is used it is almost invariably used incorrectly.

The right place to initiate action is in the constituencies and that is where the Engineering Industries Association should go. There, they should place sufficient information before the public to show them that better results are possible and join with the public in each constituency in presenting an instruction to the M.P. representing each constituency to represent their demand for better results. The matter was recently put succinctly by Major Douglas in the following words:

"What has to be done," he said, "is to bring back the Member of Parliament to the representation of *policy*, and away from the discussion of methods. As I see it, the House of Commons should call for experts from the properly qualified service departments, engineering organisations, etc., etc., economic or administrative, and they should be tied down to stating what RESULTS should ensue from their activities and how long it would be before it would be possible to check up on the degree of accuracy of their statement of the case. Then discussion in the House of Commons should be solely on the RESULTS—whether, these results were desirable or undesirable results. And BEFORE ACTION WAS TAKEN someone in the reporting body should be made responsible for achieving the results desired within a stated period of time, and subject to the removal of the responsible person and prohibition from further public service if the results promised are not forthcoming."

The post-war aims of the Engineering Industries' Association seem to be to secure 'employment' for everyone, and this taken in conjunction with what their chairman,

Mr. E. C. Gordon England, is reported by *The Times* to have said in a speech in London on September 24 suggests that they have not grasped the proper conception of the relation between industry and the public. Mr. Gordon England is reported to have said that "a standard of war production not yet considered possible could be achieved, and a *sound foundation laid on which to build a better world when peace returned.*" If Mr. England and the Engineering Industries' Association are not appreciative of the vital distinction between production for ends decided *individually* and by unfettered choice by consumers and war production, which they claim to be *sound* foundation for the former, they are recommended to read *Credit Power and Democracy* by Major C. H. Douglas from which the following passages are taken:—

"But it is interesting to notice how the obsession of 'work for its own sake' has held this school of thought. To its members production, any sort of production which makes 'money,' is wealth, and you cannot have too much of it; and, seeing quite accurately that their constructive proposals would, *if carried out*, enormously increase employment, it is clear that no misgiving alloys their vision of an earth packed solid with the most modern and highly efficient factories, pouring out massed production into limitless space.

"... More and more under the struggle for purchasing-power which would be intensified by such arrangements, the great masses of mankind would be employed in making things they did not want and could not use, in order to earn money to meet the constant rise in prices of articles which they do not want and must use, and as a result the system would create quite inevitably a psychology of unrest: no wage rates would be stable and no leisure would be possible.

"It is not usually wise to prophesy in terms of time, but in this case it is safe to say that, even if such a policy could be inaugurated, it could not last three years. Passing rapidly through a period of feverish activity and excessive capital and export production, a position would be reached in which misdirection of production and actual restriction of output of consumable goods would provoke either war, or absolute revolt, active or passive, with the result that co-operative production would fall to zero, and either a military despotism or a reversion to comparative barbarism would supervene.

"... The materialisation of the proposals for consumer credit... would make it far easier than it is now to experiment with any idea, however apparently wild it might appear at first sight. What it would prevent is the manufacture for sale, at the expense of the public, of armaments, machinery, factories, 'luxuries,' shoddy articles, etc., without the public as individuals having any opportunity to express an opinion as to whether such articles are or are not a fit object on which to expend the capacity of the community to deliver goods and services—i.e., its credit."

J. M.

*The following are sections 3 and 5 of the memorandum:—*

### 3. POLICY OF PRODUCTION

Parliament, the War Cabinet, the Treasury, the Supply Departments and industry as a whole must subscribe to a

30

broad industrial production policy based upon the principles of production. To ignore them is, at the worst, to create chaos; at the best, to perpetuate the present unsatisfactory state of efficiency throughout industry.

The fact should be faced that were it not for the cohesive influence of our common danger, industry under the present condition of State maladministration would be even more chaotic.

The following are the items of industrial production policy to which there should be general adherence.

1. The organisation of industry for war production is essentially a matter for the producer, and the Government function in relation to it should be confined to providing adequate inducements and facilities for industry to co-ordinate and manage its own efforts.

2. The best possible utilisation must be made of all manhours available whatever the section of industrial activities in which they occur, be it management or operative.

3. The provision of all that is best must be made to keep the workers of all grades in perfect health, goodwill and spirit of co-operation, and to provide for their continual education.

4. The Managerial authority must not be separated from responsibility: otherwise the result is loss of speed in action, and efficiency.

5. The business of manufacturing war production is a task for industry and not for the Civil Service and consequently all organisation should be built up on industrial and not Civil Service lines.

6. The frequent failure of competent and proved industrialists to function with the same efficiency when serving in a Government Department as in their natural environment is no matter of choice but the logical result of conflicting attitudes of mind.

7. One of the basic differences is that in industry authority is always linked to responsibility, particularly financial responsibility; whereas in all Government organisation financial responsibility is divorced from authority.

8. An essential feature of the linking of authority and responsibility is that management must be able to embark on essential capital expenditure as soon as the need is foreseen.

9. Management must have the authority to judge the situation and should be held responsible for the progressive improvement in production volume and efficiency resulting from given expenditure.

10. Management must be given the responsibility for determining what capital expenditure is justified, and management's authority for further spending should be governed by ability to demonstrate progressive improvement in output and increased efficiency.

11. It is impracticable and undesirable for all essential capital expenditure to be approved by Government officials because they do not understand what is essential or what is not. All war-time capital expenditure should be related to the production resulting from outlay.

12. It should be the aim of all wishing to conserve labour and increase war production to raise the h.p. available in all factories per capita and the value of machine tools per person to an ever-rising level. The need for war production can no longer be met merely by diverting civilian production

to war needs. An adequate increase in war production can to-day be achieved only by an increase in efficiency.

13. Small and medium-sized businesses form the bulk of the engineering capacity in the country; there are sufficient people capable of managing them efficiently, and it is therefore in the national interest that they be maintained in a flourishing condition.

14. It is hopelessly impracticable to try to provide enough Government officials with enough knowledge of industrial needs to govern these small businesses and to deal, for example, with the huge number of capital and other vital expenditures having to be made all over the country every day.

15. There must be appreciation of the fact that enlargement of an engineering company's plant and equipment is almost certain to be a millstone round the necks of its directorate and management the instant the company ceases to be engaged on war production.

16. All capital spent on increasing war production such as security provisions, canteens, and other improvements for staff and workpeople, is part of the cost of production and chargeable as such.

17. The great number of engineering businesses now joined in war service must have every incentive to expand and redouble their efforts and increase efficiency.

18. Thus it is the responsibility of Parliament to see that taxation of industry is intelligent, honest and equitable and that there is a clear-cut plan for dealing with essential expansion of industry so that the businesses involved may carry on essential production without being penalised for their good work.

19. The inequity of two businesses of the same size, doing the same work and giving the same output, being dealt with on entirely different lines as regards taxation (in the case of one, most favourably because of the entirely fortuitous fact that it had a splendid profit standard: the other being subject to every possible injustice and hardship because unfortunately it did not have a profit standard) is against public interest in securing maximum war production.

20. Both management and workers must be encouraged and fortified by the knowledge that their present efforts are being made more effective, and that, the more effective their war effort, the more they are building a future both for themselves and those of their fellows at present in the armed forces who look forward to returning at the end of the war to remunerative civil employment.

**5. SUMMARY OF PROPOSALS**

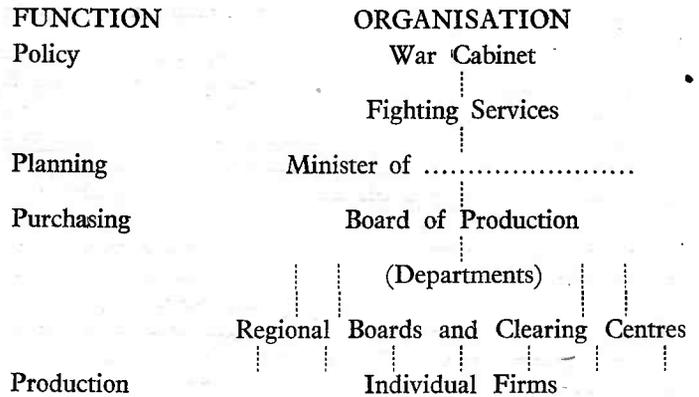
The essence of these proposals can be stated in three items:—

*The function of the Supply Ministries should be to buy.*

*Responsibility for the actual function of production should be put on the manufacturers.*

*The manufacturers should be allowed to take the full weight of that responsibility and be given the full authority needed to carry out their task.*

In diagrammatic form, the proposals may be summarised as follows:—



**H.R.H. The Duke of Windsor**

“Washington, Monday.—The Duke and Duchess of Windsor will spend 24 hours in Washington on September 25-26 on their way to their ranch at Alberta.

“They will stay at the Embassy.”

— *News Chronicle*, September 9, 1941.

A correspondent writes:—

“It is neither confirmed nor denied that our late ex-King Edward VIII is to be Ruler of the British Isles and Empire in conjunction with his brother King George VI when the war approaches it last sad knockings.

“That this trip to Alberta is not without significance is well known among those who have been planning and plotting against British interests for many years.

“Certainly no two living men could be better fitted than the Royal Brothers to proclaim the establishment of the Just Price and the National Dividend throughout the Empire, *beginning at Home!*

“By virtue of that strict training in neutrality which the education and experience of British Royalty entails, their impartiality to all interests, parties and persons could not be impugned; whilst their popularity throughout the services of the Crown would ensure the implementing of their Royal Decrees.

“Perhaps we may yet see in a Royal proclamation the news that our Doles shall be turned into Dividends and our Taxes into Interest Bearing Bonds.”

**“Privateer” ahoy!**

Wrekin Division bye-election result:

Mr. Arthur Colgate (National Conservative)	9,946
Mr. N. Pemberton-Billing (Independent)	7,121
	Difference 2,825

Mr. A. P. Kennedy (Independent) polled 1,638 votes, and forfeited his deposit.

The total poll at the last general election was 35,705.

**“Bon” Mot**

“Our two Governments.” — MAISKY.

## PARLIAMENT

Continued from page 3

Government have set up three separate organisations by which we hope the whole field will be covered. There is first the responsibility of the Minister without Portfolio, who has to consider all aspects of post-war problems, including the whole future of relationships outside this country which will have to be faced in the post-war years. He will deal, for example, with the import of foodstuffs. Then there is the Minister of Works and Buildings, Lord Reith, who is charged with the responsibility for long-term planning in the sphere of physical reconstruction of this country after the war. Lord Reith's duties have been clearly stated in the House of Lords in a Debate which took place on July 17. Then there is a Council of Ministers presided over by Lord Reith, the members of which are the Minister of Health and the Secretary of State for Scotland. They were charged with a simple and rather limited duty. They were to ensure that the administration of the town and country planning Acts and any legislation implementing the recommendations made in the first Report of the Uthwatt Committee should proceed in conformity with long-term planning policy as it is progressively developed. That is to say, no reconstruction which takes place now, such as in Coventry, for example, shall be permitted by the Ministers who are responsible for town and country planning unless it is in conformity with what is conceived to be the long-term planning which Lord Reith and his Department is considering. That is the sole purpose of this Council of Ministers. I think I may say that measures will very shortly be brought into this House to implement the first Report of the Uthwatt Committee, and they will be brought in by the Minister of Health, so far as England and Wales are concerned, and by myself so far as Scotland is concerned.

I hope that is a picture of what is roughly the Government's present intention. But we in Scotland have a particular responsibility. . . . and it is our duty to make the necessary arrangements for inquiring into these problems with a view to preparing legislation to meet them. . . . with the best will in the world, to set up a committee for which I alone was responsible for filling the personnel might weaken its authority in dealing with the important questions to which I have referred. . . .

It is important that the committees should be impartial, and. . . . In my view that could be achieved only by associating with the present Secretary of State for Scotland, with his political background, ex-Secretaries of State for Scotland. These right hon. Gentlemen have readily agreed to help. . . .

I do not want to suggest in this House or anywhere else what kind of subjects we should deal with. It may be Highland development, which, as my hon. Friend knows, is a most important subject, or it may be hill sheep farming, electricity and gas. . . .

But this Council cannot itself hear evidence. It can only appoint the personnel for the various commissions of inquiry, and I should think that these commissions will be most lacking in their duty if they do not take evidence from every possible source from which they could obtain competent evidence. The Council will not administer anything or take away from the responsibilities of the Secretary of State for Scotland or the Government. It will only be a guarantee and assurance to the people of Scotland that all parties will weigh in in a co-operative manner to assist in making immediate post-war reconstruction in Scotland. . . .

## 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., 17 Cregagh Road, 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.  
 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.

## BOOKS TO READ

By C. H. Douglas:—

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

## ALSO

The Bankers of London by Percy Arnold .....	4/6
Lower Rates (pamphlet) .....	3d.
Hitler's Policy is a Jewish Policy by Borge Jensen and P. R. Masson .....	6d.
Southampton Chamber of Commerce Report .....	6d.
Is Britain Betrayed? by John Mitchell .....	2d. each 12 for 1/6
How Alberta is Fighting Finance .....	2d. each 12 for 1/6

(All the above postage extra).

## Leaflets

Bomb the German People .....	100 for 1/9
The Attack on Local Government by John Mitchell .....	9d. doz. 50 for 2/6

(The above are post free).

Taxation is Robbery .....	100 for 3/- 50 for 1/9
---------------------------	---------------------------

(Postage extra).

From K.R.P. PUBLICATIONS LIMITED  
 49, PRINCE ALFRED ROAD, LIVERPOOL, 15.