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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

"The buses broke down, and the street cars stalled, yet three magnificent new bridges spanned the Moscow river; the dwelling houses were insanitary and the rooms overcrowded, yet construction had already begun on 'the Palace of the Soviets' which officials proclaimed would be 'bigger than the Empire State Building' with a statue on top of Lenin 'bigger than the Statue of Liberty.'"

—VIRGINIA COWLES in *Looking for Trouble*.

This book is available in the Social Credit Lending Library.

The pre-war pay of the average Russian working man was 240 roubles per month. Theoretically this was equal to £9 10s. 0d. per month or about 47/- per week, but in real purchasing power was little more than half of that sum.

According to the *Sunday Dispatch*, the U.S. Armies are going to train hard until next November, so that when the other United Nations are worn out, as in 1918, Germany will be confronted with large armies of fresh troops.

"Fresh" appears to be the correct word.

We are not overfond of the general political views of Mr. Herbert Morrison, but we suspect the sources of the agitation against him, which has much the same odour as the "Men of Munich" filth. What defeats the international plotters every time is that in peace-time many Englishmen talk like international socialists, but in war-time practically every Englishman talks like an Englishman.

The "Men of Munich," whatever their faults may have been, defeated the plot to expose an unarmed Britain to a decisive blitzkrieg. The "Second Front" agitation has the same origin.

The "nationalisation" agitation in regard to coal and land is similar to that which was a feature of the immediate post 1914-1918 War. It is inspired by the international loan-mongers, who wish, in the first place, to convert their loans into mortgages secured on the physical assets of once-Great Britain, and secondly, through the "Planning" ramp, to direct the placing of reconstruction contracts so as to increase the taxable value of their security.

Yes, Clarence, Mr. Benjamin Cohen of the U.S.A. is still here.

The *Jewish Chronicle* of May 1, 1942, reported a speech by Lord Wedgwood at a recent meeting of the Friends of Jewish Labour:

"Lord Wedgwood said he hoped that a Federal Union would be established after the war in which the Jews would have a natural and proper place and a much larger Palestine than now. He hoped that they would not have in that Union any country that was not self-governing, and he would stipulate that the people of any country in the Federal Union should be allowed to immigrate unhindered to any other country in it. In that case, with the Jewish immigration into Palestine, that country would in due course achieve a Jewish majority and govern itself in peace, ruled by justice—justice to the Arab just as much as justice to the Jew. 'And you would then in that free country, as a member of the Federation of Free Countries, be able to build a civilisation whence you could give to the world some idea of what justice means and its sense of responsibility to mankind.'"

"In reading that some committee or council or what-not has produced a 'striking sixteen-pint post-war planning policy,' my first impression is that this is rather a crude attempt to get the Brewers' Vote.

"I imagine, anyhow, that most people would rather have 16 pints than 16 points, and the printer who left out that 'o' is not a bad critic of the whole business of 'world-planning.'"

—BEACHCOMBER in *The Daily Express*, May 19, 1942.

Points from Parliament

MAY 20.

War Situation

Petty-Officer Alan Herbert (Oxford University):... I am getting rather tired of reading that we the House of Commons are the same band of jaded old men who were elected in 1935. For one thing, that is not true. We have seen some sad—and encouraging—figures recently. I want to put it on record that there are now 170 new faces in the House since this Parliament was elected, and nearly 80 since the war began. We are renewing ourselves to a greater extent, I believe, than would be done at a General Election. After all, we have not yet reached the seventh year, which used to be the normal life of a Parliament. Let us have rather less of this nonsense about the same old band of Members...

Mr. William Brown (Rugby):... This is not a free House, and the reason for it is that in our political system to-day—the basic explanation of it is the enormous growth

in the size of constituencies and therefore the enormous growth in the power of the machine—it is difficult for a man to survive on his own. It is difficult for him to survive except as the agent of a machine, and the machine exacts its price in punishment and reward. You cannot become an official Labour candidate in Britain to-day, without signing a written statement that you will never vote against the decision of the Parliamentary party. [Interruption.] The Leader of the House can look after himself. The plain truth is that he found that situation intolerable, and got out as I did. [AN HON. MEMBER: "He was thrown out."] I do not know which conferred the greater distinction on the other.

The power of punishment and the power of bribery vested in the Whips' Office, because of their control of patronage, are inimical to the survival of any truly representative democracy in Britain. The rebellion that is developing in the constituencies—I hope Chichester has shown that Rugby was not just a flash in the pan; if Chichester has not shown you that, Salisbury will—is not a rebellion against party politics. The division of mankind into Radical and Conservative is a natural division... England is quarrelling with a situation in which the free play of party politics is being cribbed and confined and imprisoned by the operation of the party machines, invested with the power of punishment and the power of reward. There is a rebellion in Britain not merely against the Government. I hope the Government does not read it that way, because that is not its real significance. There is a rebellion against the constriction and the practical destruction of democracy by the very mechanism that democracy has thrown up. That is the significance of Rugby, and Chichester, and of the long series of electoral defeats which I promise the Government will occur, unless the Prime Minister and the Government set themselves free from this particular prison.

The next condition is a united people. There is one sense in which this people is united as I have never seen it in my life—on the necessity of fighting and beating Germany. But within that framework of unity there is deep dis-unity, and you have only to move amongst the common folk to find it out. You will not have real unity until you have real equality of sacrifice, and we are a long way from that yet. Simple men and women feel that, and it acts as a clog upon the whole war effort that at a time when we are living in a state of siege, we should still have the economics of abundance...

This Parliament is suspect in the eyes of the British people. It is an old Parliament. It was elected in 1935, under false pretences. It has renewed itself since by drawing on more yes-men to take the place of the yes-men who died. It does not represent England and England's will. I ask that we should bear in mind the possibility of a General Election even in war time. I know that the register is out of date, but we are an inventive and fertile people. We have ration books and identity cards, on which, at a pinch, we could run an Election. If that is not possible, I beg the Prime Minister to put himself in harmony with the spirit of the people of this country and the rising forces of the times. The alternative will be a series of defeats of Government nominees... Unless the Government put themselves in line with the spirit of the people they will get that result and we shall be told that we are atomising politics in Britain...

The Technical 'Critic'

With people who say (and mean) that they do not themselves wish to co-operate in a community in which determination of policy is decentralised, Social Crediters have no argument, provided that it is understood that such people are speaking only for themselves, and that the right of others to form associations which suit them is not encroached upon.

But, if anyone should say 'I dissent from Major Douglas's technical proposition,' this implies a claim to competency in the technical sphere. The critic should therefore be given an opportunity of establishing his claim by refuting the proposition, and unless he can do so, his opinion is valueless. The present position in regard to this matter is as follows:—

NOT ONLY HAS MAJOR DOUGLAS FAILED TO OBTAIN A REFUTATION OF THE A + B THEOREM FROM ANY REPUTABLE ECONOMIST, BUT MR. DE VALERA HAS PUBLICLY STATED IN THE DAIL THAT HE HAS BEEN EQUALLY UNSUCCESSFUL.

Objectors have thus a double obligation: to refute the proposition and to defend the reputable economists who are unable to refute what the objector says is refutable.

The proposition should be available in a correct form. This is provided for in pages 46 to 50 of the 1937 edition of *The Monopoly of Credit*:—

"It is... clear that the longer the average period over which money is collected in respect of the creation and destruction of a capital asset (which corresponds to the 'life' of an asset), and the shorter the average period over which money is collected for day-to-day living on the part of the community (which corresponds to the 'life' of consumable goods), the greater will be the discrepancy between purchasing power and prices.

"The former period is the average time in years (N_2) taken to make and wear out a capital asset; it is the time covered by the production and destruction of a cost. Obviously, such a period will vary greatly according to the nature of the asset, but a fair and usual average is twenty years.

"The latter period is the average time in years (N_1) during which the money at the disposal of the community (total income) circulates from industry to the consumer and back again.

"In Great Britain, for instance, the deposits in the Joint Stock Banks are roughly £2,000,000,000. In rough figures, the annual clearings of the clearing banks amount to £40,000,000,000. It seems obvious that the £2,000,000,000 of deposits must circulate twenty times in a year to produce these clearing-house figures, and that therefore the average rate of circulation is a little over two and a half weeks... The clearing-house figures just quoted contain a large number of "butcher-baker" (second-hand) transactions, and these must be deducted in estimating circulation rates.*

"After making the necessary correction for the volume of second-hand transactions and for payments that do not go through the clearing house, we may conclude that the average period of circulation of the money spent upon

*C. H. DOUGLAS: *The New and the Old Economics*, pp. 18, 19.

consumable goods is about two months, or one-sixth of one year.

"The effect of the very great disparity between these two rates is as follows:

"Let $n_1 = \frac{1}{N_1}$ = number of circulations per year, say 6.

"Let $n_2 = \frac{1}{N_2}$ = number of circulations per year, say 1/20th.

"Let A = all disbursements by a manufacturer which create costs = wages and salaries.

"Let B = all disbursements by a manufacturer which transfer costs = payments to other organisations.

"The manufacturer pays £A per annum into the N_1 system, and £B per annum into the N_2 system.

"Disregarding profit, the price of production is £(A + B) per annum. But to purchase (i.e. to cancel the allocated cost of £(A + B)) there is present in the hands of the consumer:

$$\frac{\pounds(A n_1 + B n_2)}{n_1} = \pounds \left(A + B \frac{n_2}{n_1} \right)^*$$

"Consequently, the rate of production of price values exceeds the rate at which they can be cancelled by the purchasing power in the hands of the consumer by an amount proportional to:

$$B \left(1 - \frac{n_2}{n_1} \right) = \text{approximately } B."$$

"A Little Knowledge---"

By B. M. PALMER

A letter from Mr. Cyril Falls was published in *The Times* on May 16:—

"Sir,

"I have always disliked the nouns which pose as adjectives when there are good adjectives to do the work, but supposed their coming to be inevitable. If I objected to 'luxury hotels' and 'Libya battles,' my journalist(ic) friends replied: 'Ah, but you don't understand; it's the headlines that start it. You could never afford 'luxurious' in a headline, and even the extra n in 'Libyan' might upset everything.' Conscious of my ignorance, I kept quiet.

"But now, what do I see? There has been a campaign in this country which I may describe as advocating 'strength through misery' or 'regeneration through suffering.' Incidentally, I believe its parent to be Marshal Pétain, but I am not criticising it; my objection is to its introduction of the new adjective 'austerity.' What have the sub-editors to say about 'austerity meals,' which actually adds two letters quite unnecessarily? This abomination may have come to stay, like others, but I have made up my mind about one thing: I may be compelled, much as I shall hate it, to lead

an austere life for the duration, but nothing in the world, not even Lord Woolton, can compel me to lead an austerity life."

Congratulations to Mr. Falls, who does not mean to lead an "austerity" life, and who seems to have a very shrewd idea of what he is saying. For there is all the difference in the world between an "austere" and an "austerity" life—much the same difference as that between morals and morality—and it would be surprising if there were not master brains in the journalist(ic) world to appreciate this point.

The abomination has come to stay as long as puritanism, and poking your nose into other people's business are with us; as long as self sacrifice and being damned uncomfortable all round are considered good in themselves; as long as means are elevated into ends. To those people who like wallowing in misery, especially if others are more miserable than themselves, a luxury hotel is the abode of sin, not just a luxurious hotel. The austere meals which most of us quite rightly detest but which we tolerate for the sake of getting out of the unheard of difficulties into which our "leaders" have led us, become a glorified adjunct to the heroic life when they are dubbed "austerity" meals. Let Mr. Falls look a little further.

Language is being used with great subtlety to convey a particular idea, the idea that abstractions have an existence in themselves and should be worshipped. The propaganda used is one of the Black Arts and the press and radio its chief medium.

A proper understanding of the meaning and use of words would render such arts innocuous. Better to have no vocabulary beyond the Anglo Saxon of the Lord's Prayer than the misty confusion of high sounding polysyllables in which so many of the products of present day education (so-called) are enveloped.

A further extract of the Albertan Bulletin *Revision of the High School Programme* (mentioned in this paper on May 16) is a case in point:—

"English is a basic 'tool'; and Social Studies, including subjects such as History, Geography, Economics, Sociology, Social Economics and Psychology, are obviously of vital importance in a world struggling with socio-economic forces which it does not yet understand. Why should a boy in Grade X devote as much time to Latin as to English or Social Studies?"

The whole paragraph betrays the influence of abstractionists, at the present day so disastrous in our schools. What is a Socio-Economic Force? Has it an existence in itself?

If English is a "basic tool" the first essential is the proper understanding of the tool.

It is suggested that the habit of seeking for the root meaning of every word used could be inculcated—to this the study of Latin would contribute in a considerable degree—and if to this could be added a grasp of the correct relationship between the words themselves (grammar) there would then be some possibility that the mother tongue would be used to clarify thought, and not to conceal it.

Better a nation of unlettered peasants than of minds so ill trained that they can be led to believe that the world is struggling with "Socio Economic Forces," and not with men and women who have a vested interest in the corruption of all knowledge which might liberate the individual.

*A printer's error accounts for the appearance of this expression as £(A + $\frac{Bn_1}{n_1}$) in the book. The expression with which

social Crediters are familiar is correctly given above. If they have not already done so readers should correct their copies of the book.

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The 'Big' Idea in Electrical Production

Attention is drawn to the article by Mr. W. A. Barratt published elsewhere in this issue.

First in importance is its bearing on politics. 'Politics' is a word much misused, and intentionally much misused. The intention seems to have been to separate, as far as possible, *politic* (pertaining to policy) from *politics* (pertaining to the materialisation of policy): *polis* (the city) from *politēs* (the citizen). The corruption of words has followed and facilitated the corruption of practice. Politics, far from being something which respectable people avoid like the plague, is something which is as inseparable from all sane (and possibly from all insane) action as the two ends of a stick. Administration is what is done. Policy is why it is done. Politics concerns the adaptation of means to ends, and there is no reason either to stretch unduly or to constrict unduly its sphere.

Very little inspection of the political field at the present time, extending back for at least three hundred years, is necessary to disclose the fact that two policies are and have been in conflict, the policy of centralisation of initiative, so that larger and larger numbers of people become subject to decisions taken (allegedly in their interest, but nevertheless increasingly uncomfortable and irresistible for them) by fewer and fewer people, farther and farther away from sight, touch or influence by the 'hordes' their decisions affect; and on the other hand, decentralisation of initiative, so that individual initiative may have full and free play. Only in such circumstances has the word 'responsible' any meaning. The idea that Mr. X., an official hidden from public knowledge in the Grand High Panjandrum's Office is 'responsible' if he helps to 'plan' measures which lead 'his' country by uneasy stages to destruction has no meaning. Mr. X., after years of 'security' retires on a pension, and suffers the consequences of his decisions to an extent slightly less than the average, or in this country, at most one forty-five millionth of what his responsibility really is in a given direction. Centralisation is the 'Big Idea' which this country is supposed to be fighting against; and decentralisation is the 'little idea' of personal freedom which we are supposed to be fighting for.

The excuse put forward by the planners of centralisation of all kinds is that it leads to greater 'efficiency.' Well, now, either it does, or it doesn't. Our contributor has investigated, with such opportunities as officialism has left open, an outstanding instance of centralisation, the centralisation of electricity production. It is unnecessary to repeat his conclusions here; but what needs to be said is that he has taken the absolutely ideal case for examination, for the

production of electrical current is homogeneous, immune from the possibility of adulteration and a purely repetitive process.

IF A CASE CANNOT BE MADE OUT FOR VERY LARGE SCALE PRODUCTION OF ELECTRICITY, IT CANNOT BE MADE OUT FOR THE VERY LARGE SCALE PRODUCTION OF ANYTHING.

T. J.

Jawaharlal Nehru

We regret that in our issue of April 25 it was stated that Jawaharlal Nehru, the leader of the "Indian" "National" Congress, is a low caste Hindu. This is incorrect. Jawaharlal Nehru is a member of a family of Kashmiri Brahmans who emigrated to Allahabad about 1840, and is therefore high caste, as well as wealthy. Jawaharlal Nehru was educated at Harrow and Trinity College, Cambridge.

The error concerning Nehru's caste arose because of his close association with the Marwaris and certain non-Hindu circles with which it is unusual for high-caste Hindus to mix freely.

In other respects, the paragraph was correct.

Unwanted British Restaurant

Whitchurch is a town of more than 160,000 people, a large proportion of whom work in Cardiff and other neighbouring areas. In 1941, the appropriate authorities of the Cardiff Rural District Council advised the Ministry of Food that a British Restaurant was not likely to succeed in this district, but later waived this judgment in view of the Ministry of Food's contrary conviction "that there is a need for one there," and its undertaking to be responsible for any financial loss.

The restaurant was established: and the number of meals bought daily averages less than 100.

"In view of the efforts which have been made to popularise the restaurant," the chairman of the British Restaurant Council wrote in a statement to the *Western Mail*, "the council can only conclude that Whitchurch residents do not desire the facilities provided."

In fact, they have voted against it by not using it.

Small Traders' Plight

Speaking at the Annual Conference of the United Commercial Travellers' Association at Birmingham recently, Mr. W. H. Edmunds, of Liverpool, the new president, said the system of bureaucratic control occasioned by the war was inclined to foster combines and monopolies at the expense of private enterprise. This, he said, was a matter of supreme importance to the commercial traveller and must be viewed with misgivings. Private enterprise was the most important incentive for progress and prosperity in national commerce. They noted with great concern the effect of the limitation of supplies on the small trader. In many cases this had the effect of forcing him out of business, while the effect was not so badly felt by combines, monopolies and chain stores.

"It is for a man . . . to maintain obedience to the laws of his being which will never be in opposition to a just government, if he shows chance to meet with such."

THOREAU.

THE BREAKDOWN OF BUREAUCRACY

Under this title "The Social Crediter" publishes from time to time significant statements, whatever their authorship, concerning the development of the crisis forced upon the world by neglect of the principles of Social Credit.

Unlike the statements previously published under this heading the following article embodies the results of an investigation of available data carried out by a Social Crediter.

Large versus Small-scale Electrical Production: the Grid

By W. A. BARRATT

There are several characteristics which are common to all Plans which we are now experiencing. It is generally contended that the Plan will result in greater efficiency: that it will save money and prevent waste, etc.

The great Electricity Plan was no exception and was originally dressed up with this "increased efficiency" due to "elimination of much idle plant" etc. It was also backed up by powerful financial sanctions.

The following facts relating to electricity generation and distribution have been extracted from the technical press over the last 15 years or more, and have particular reference to the comparative efficiencies of small and large scale electrical undertakings. The National Grid was started in 1926 under the Electricity (Supply) Acts.

As was pointed out in an earlier article* it was contended that the increased efficiency obtained from the new 'super' generating stations through savings obtained by increased load and other factors, with the consequent elimination of much idle stand-by plant, would ultimately make a noticeable difference in the price and supply of electricity to the consumer.

The word 'efficiency' has now come to be used in a much restricted sense and this not only in the electricity supply industry. It is hard to understand why engineers, who are concerned with such a fine degree of exact measurements, do not notice the falling away from accuracy in the use of such a word as 'efficiency'. It can only be appreciated why this is so when we remember that the engineer, in common with most other people, has been subjected to an increasing divorcement from his objective, hence his restricted use of the word 'efficiency'.

A definition of efficiency which would have more relation to the realities of the situation would be one which related efficiency to the ultimate objective of industry—what you want—production is for consumption, or use. It is some time since Major Douglas pointed that out. A nut and bolt may be a serviceable nut and bolt. Fitted into the gun of a Chicago gangster it might efficiently serve his purposes, but not those of other people. Efficiency is the power to produce the result intended. Efficiency cannot be divorced from policy.

For purpose of comparison the following figures from a table published by the electricity commissioners in 1922 are illuminating:

The generating stations were divided into four groups "A" over 50 million units, 20 stations. "B" between 15 and 50 million units, 56 stations. "C" between 3 and 15 million units, 114 stations, and "D" under 3 million units, 273 stations. The table indicates that in group "D" some

of the smallest stations have a coal consumption of 1.7 lbs. per unit generated, which is equal to the average of the whole four groups and over 4½ per cent. lower than the largest stations.

These figures are still more illuminating if we use them as pre-grid figures and compare them with the modern efficiency of 1938.

*For the year 1921 there were 5,000 million units generated at the physical cost of 7½ million tons of coal. That is 3.32 lbs of coal per unit generated. The Grid was reported as being completed in 1933.

19,595 million units were generated in 1936-37. Assuming the 1921 generation efficiency of 3.32 lbs. per unit. These units would consume 29,043,000 tons of coal. But with the increase as represented by 1.47 lbs. of coal per unit in 1936-37, there is a calculated saving of coal of 16,183,000 tons. If hundreds of power stations are scrapped something will have to take their place and the hundreds of new transforming distribution sub-stations, together with the network of high tension lines, have losses, and these losses are summarised under the heading "Units lost in transmission, distribution and unaccounted for" = 2,448 million units (*Electricity Commissioners' Statistical Tables, 1936-37*). Now, if 2,448 million units are converted to coal at the 1937 figure of 1.47 lbs. per unit generated it would equal 16,065,000 tons of coal. Thus there is a calculated saving of 16,183,000 tons of coal, whilst against this there are the total line, transmission, substations, stepup and stepdown transforming losses of 16,065,000 tons of coal making only a negligible gain of 118,000 tons. If the coal figures are converted to prevailing prices the comparison is much worse, as coal has risen in price considerably.

In any case the fuel costs in generation as given in the weekly costs tables by "Chesterfield" in the *Electrical Times* are shown to be only a small fraction of 1d per unit. Taking a few figures at random from these tables the costs for fuel are shown to be about .22d. There are other forms of losses not dealt with here, such as the standardisation of frequency, which cost up to the end of 1937 £16,687,366, and apparatus on consumers' premises £23,282,432. A large part of the expenditure was concerned with the scrapping of millions of machines of all types and sizes, of which this country is now in urgent need.

In 1936 the passion for "planning" was again to the fore, and the famous McGowan Report was published; but so much bitter opposition was shown by the small undertakings that it was shelved. The small undertakings received rather harsh treatment in this report, and it was proposed that the small undertakings should be compulsorily absorbed by the larger ones. Nevertheless, some interesting figures

*In *The Social Crediter*, September 6, 1941.

*Electricity Commissioners.

came to light as a result, which proved that the small undertakings were in many cases more efficient than the larger ones.

In the *Electrical Times* for May 19, 1938, were published some tables for 1935-36 which put the case beyond doubt. Under the heading "efficiency of small stations," it was shown that, out of a total number of undertakings (both local authority and companies) of 485, for lighting heating and cooking only there were 272 undertakings, under 10 million units size, selling the unit at under 5d. While the undertakings of over 10 million units per annum size within the same price of 5d. only total 213. As for power supply there were 251 undertakings selling the unit at figures ranging under 2d. and only 215 undertakings of over 10 million size which were able to sell at the same figure.

The position is still more favourable if we consider the unit price between 1½d. and 3d. For lighting, heating and cooking, there are 140 undertakings of the smaller size which sell at 2d. to 3d. per unit and only 72 of the over 10 million size at the same price.

In regard to power supplies, there are 168 smaller undertakings selling at ½d. to 1d. per unit. While there are only 48 of the larger undertakings at this price.

Many of the smaller undertakings were proved to be more efficient, even on the restricted price standard, than many of the larger ones.

There is one aspect of efficiency which the planners never mention, in which the large centralised undertakings can never hope to compete with the smaller undertakings, and that is the personal contact with their consumers, direct service and the ability of consumers to get what they want. As the *Electrical Times* has it (June 3, 1937)—"They offer their public everything the industry has to offer and they do it with a degree of intimacy denied to the larger undertakings."

But finance does not worry about such little things as public satisfaction, it is control it is after, as is proved over and over again to anyone who cares to make enquiry into these matters.

As an illustration of what a small undertaking can accomplish, the following is chosen from among others similar:—

1938. Fleetwood, Chief Engineer, Mr. Rilwall: Public lighting is 100 per cent. electrical: Industrial power in town is also 100 per cent. Houses of all kinds 98 per cent. on electric mains. One dwelling in every 3 has electric cooker, one in every 3½ has electric water heating; of Hotels and Boarding houses, 70 per cent. cook by electricity and a large proportion of bread-baking is done electrically. Fleetwood, as the *Electrical Times* says, "will soon be an all electric town and it is difficult to see how electrical development could be assisted by its absorption into a larger group."

Commissioners' Powers

Evidence as to the great power with which the Electrical Commissioners are armed in their financial sanctions, and how these sanctions are used, is afforded in the many cases which have been fought against the Commissioners.

Chester's case in 1940 is an example. Chester Corporation made application to the Commissioners for

sanction for a loan in respect of some proposed post-war extensions at Queensferry, Mr. S. E. Britton having reported that electrical energy could be produced at a considerable lower cost than if it were taken from the Grid. The Commissioners refused sanction, although they admitted that Chester might at first produce electricity at a lower rate. They thought the city would not do so ultimately.

One can only marvel at the Board's optimism in regard to lower prices for electricity, especially when it is remembered their statement in the 1937 Report—"... The Central Electrical Board views the situation with some anxiety. ... Although fuel consumption was less in 1936 than in 1932, thanks to the increased efficiency of generation, yet the average price of coal rose by 11 per cent. and to a large extent defeated the generating stations' efforts to cheapen production."

Why do prices rise continually—apart from what is called abnormal rises, although they are generally a different aspect of the same flaw—in spite of the production gain inherent in improved process, scientific advancement and increased efficiency?

The answer to this can only be found in Major Douglas's earlier financial analysis with respect to costs, prices and purchasing power, and would certainly be productive of results desired by the public, whereas the artificially inspired concentration on restricted efficiencies is not.

The following is from the financial statement issued by the Commissioners for 1936-37:—"Of the gross surplus 27.2 per cent. is required for interest charges, 46.9 per cent. for loan repayments, 6.6 per cent. for income tax." This makes a total of 80.7 per cent. for financial charges. Prices can be made anything that is required as is now proved by the Government's price fixing schemes. It is further proved that loans for electrical development were made available *after* finance had obtained control of the industry; but loans were withheld from the free, comparatively self-contained undertakings in pre-grid days.

What can now be done in view of our common peril is shown by the voluntary agreement arrived at by many of the private generating stations (collieries, etc.), to link up with each other for mutual help as to continuity of supply. Groups of private generating stations have got together and inter-connected their supplies without having had to sacrifice their independence.

"Distribution is the leading item in the bill of costs," which explains why there is not so much stress laid on 'efficiency' in the agricultural direction. With the exception of one or two show places such as the Bedford and Suffolk experimental areas not much has been done to make supplies available for farmers; "sound finance" is not in favour of it. Fourteen farms in Denmark are electrified in every 20; one farm in Germany is electrified in every 3; one farm in U.S.A. is electrified in every 6; one farm in Great Britain is electrified in every 25. These are 1937 figures.

Nearly 20,000 million units of electricity were generated in 1937-38, but less than half were consumed for the sole benefit of the people of this country:—

	Units
Domestic Uses	4,290,000,000
Shops, Offices, Commerce	2,698,000,000
Farms	50,000,000

Factories 9,508,000,000

It has been said that "you cannot export electricity"; but while the above figures require further analysis some idea is given of the amount of electricity used for export and the building of more and more large scale factories, etc. "Export or die" should be written "Export *and* die" in another good war, which is the inevitable outcome.

As was to be expected the Central Electricity Board seems to be quite proud of their statement that "employment was given (1937-38 report) to a full total of 96,637 persons, staff and workmen in administration, distribution and generation."—This with a total output for the year of 20,000 million units, which works out to approximately $\frac{1}{4}$ million units per person employed or 335 thousand horse power, or 3 million man-powers.

The policy of work for the sake of work is made to look ridiculous with such figures.

I may suitably close this review of the position with a quotation from Major C. H. Douglas's *The Big Idea*:

"There is not a large newspaper in the world which has not misrepresented the technological increases of production per man hour as unemployment."

In electrical production the "Big" idea does not work out to the benefit of the public.

An Illuminating Resolution

The following is the statement of principles adopted by the International Conference held in London at Chatham House in 1935. It is quoted from the Annual Report for 1941 of the Division of Intercourse and Education of the Carnegie Endowment for International Peace.*

This conference, called by the Carnegie Endowment . . . was attended by sixty-two persons, all of great influence and importance, coming from ten countries, including Germany and Italy. Among its members were those who had held some of the most distinguished positions in their governments as well as those who in the fields of finance, of commerce and of industry were in most intimate and practical contact with the economic and financial life of the world. It is of interest to record the fact that among them were representatives of the Bank of England, of the Banque de France, of the Deutsche Bank of Berlin and of the Banco d'Italia in Rome. The members of this conference, after intimate consultation and discussion, agreed unanimously upon the following declaration of principles:

I

1. Seeing that the commercial policy of creditor nations is of supreme moment to the financial and economic stability of debtor countries in all parts of the world, this Conference recommends that the Governments of the United States and Great Britain, the world's greatest creditor nations, be requested to consult together and with such other Governments as it might be advisable to approach, for the purpose of agreeing upon measures to enable the debtor nations to meet their obligations in goods and services and thus of materially assisting in the work of creating stability and restoring confidence.

2. The Conference draws the attention of Governments to the desirability of forming low tariff or free trade unions

*Reference was made to this conference in *From Week to Week* in *The Social Crediter* of May 16.

on the model of the Ouchy Convention to which any nation which did not originally join might afterwards adhere on the same terms.

In this connection attention is also directed to the treaty drafted at the Montevideo Pan-American Conference, with special reference to the most-favored-nation clause.

II

Seeing that the instability of currencies and the chaotic condition of exchanges are among the chief causes of:—

1. the difficulties which trade experiences every day in concluding international transactions;
2. many of the barriers farther restricting that trade, such as exchange restrictions, compensation and clearing treaties, quotas, and many of the increases of tariffs;
3. the accumulation of gold at a few centres and the hoarding of gold on an extensive scale;
4. the discouragement of long-term lending, the resumption of which would mean increased movement of goods and a reduction in the abnormal volume of floating balances;
5. a narrowing of the world's market and a decline of world prices,

We recommend that the leading Governments, especially in the first instance those of France, Great Britain and the United States, should consult one another without delay for the purpose of coming to a provisional stabilisation of exchange on the basis of gold—allowing for the possibility of readjustment in case of need—with a view to the establishment of a stable world gold standard.

III

Fundamentally, international, economic and financial problems depend for their solution upon the preservation of peace and the restoration of political confidence and security.

Throughout the world, the people as a whole are earnestly desirous of peace and eagerly anxious that practical steps be taken to secure it.

Therefore, the policies of Governments and their use of the organs of international organisation should be such as will strengthen the habit of consultation between nations on equal terms, and thus keep them out of the atmosphere of war which, when it exists, makes almost impossible an adequate period of time for negotiation and the peaceful solution of disputes. These policies would include:

1. Strengthening the League of Nations and increasing its influence and authority as an impartial instrument of all the nations.
2. Steadily building the habit of the judicial settlement of international disputes by use of the Permanent Court of International Justice, of the Permanent Court of Arbitration and of commissions of enquiry and conciliation.
3. Checking the constant growth of armaments which may so easily be used for violating the pledge given in the Pact of Paris and which are so heavy a burden upon the tax-payer.
4. Steps to increase the effectiveness of the Pact of Paris by providing a regular method of consultation and by affording an adequate interpretation of the Pact and of the obligations implicit in it.
5. Recognition by peoples as well as by Governments of the fact that continuous consultation is the best safeguard against war and that should restraints ever be necessary, economic measures could or would be effective if virtually

universal and that, if effective, military measures would be unnecessary.

6. Cooperation of the nations to raise the standard of living of their several peoples and to assist in solving their pressing social problems as has already been undertaken through the International Labour Organisation.

IV

Believing it to be important that there shall be made available in accessible form all possible accurate information with respect to international economic relations, we recommend that the Trustees of the Carnegie Endowment for International Peace and the officers and directors of the International Chamber of Commerce shall give consideration to the practicability of sponsoring jointly the institution of a competent commission to make a comprehensive and exhaustive survey and study of international economic relations in all of their aspects, to the end that a better understanding of these relations by the peoples of the world may be promoted and the cause of economic stability and progress furthered.

These principles were at once formally and enthusiastically endorsed by the International Chamber of Commerce and have become the direct and official contribution of the Carnegie Endowment to a constructive postwar program.

To all Social Credit Groups and Associations, Home and Overseas

Affiliation to the Social Credit Secretariat, which was accorded to Groups of Social Crediters, has been replaced by a new relationship and all previously existing affiliations were 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.
- Social Credit Principles1½d.

ALSO

- The Bankers of London by Percy Arnold4/6
- Hitler's Policy is a Jewish Policy
by Borge Jensen and P. R. Masson6d.
- Southampton Chamber of Commerce Report6d.
- Democratic Victory or the Slave State?
by L. D. Byrne4d.
- How Alberta is Fighting Finance2d.

Leaflets

- The Attack on Local Government
by John Mitchell9d. doz.; 50 for 2/6
- Taxation is Robbery50 for 1/9; 100 for 3/-
(Please allow for postage when remitting).

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49, PRINCE ALFRED ROAD, LIVERPOOL, 15.

SOCIAL CREDIT LIBRARY

A Library for the use of annual subscribers to *The Social Crediter* is in the course of formation. It will contain, as far as possible, every responsible book and pamphlet which has been published on Social Credit, together with a number of volumes of an historical and political character which bear upon the subject, as well as standard works on banking, currency and social science.

A deposit of 15/- will be required for the cost of postage which should be renewed on notification of its approaching exhaustion.

For further particulars apply Librarian, 49, Prince Alfred Road, Liverpool, 15.

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.
- BLACKPOOL D.S.C. Group: Hon. Sec., 73 Manor Rd., Blackpool.
- BRADFORD United Democrats: R. J. Northin, 11 Centre Street, Bradford.
- CARDIFF S.C. Association: Hon. Sec., 8, Cwrt-y-vil Road, Penarth, South Wales.
- DERBY: C. Bosworth, 25 Allestree Road, Crewton, Derby.
- LIVERPOOL S.C. Association: Hon. Sec., 49 Prince Alfred Road, Liverpool, 15. Wavertree 435.
- LONDON D.S.C. 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 June 4.
- NEWCASTLE-ON-TYNE D. S. C. Association: Hon. Sec., 10 Warrington Road, Fawdon, Newcastle, 3.
- SOUTHAMPTON D.S.C. Group: Hon. Sec., 19 Coniston Road, Redbridge, Southampton.

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