

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 8. No. 4.

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

SATURDAY, APRIL 4, 1942.

6d. Weekly.

## THE BIG IDEA (XII)

By C. H. DOUGLAS

The details of the Marconi Scandal are available to anyone interested in them. They were fully reported in the newspapers of 1912 and are in the files of the British Museum or elsewhere.

The only matters which are important in connection with it are (1) The comparative rarity of this type of politico-financial scandal in the United Kingdom. (2) The part played by the Isaacs family. (3) The prominence of the Cabinet Ministers and other public men alleged to be beneficiaries, and their immunity.

It is, of course, well known that every effort is made to prevent the rise to political power of individuals who cannot be blackmailed in some form or other. On the Continent, and more particularly in France, financial corruption became so universal that only something especially flagrant, such as the Stavisky affair, would attract much attention. In England, it is probable that until the opening of the twentieth century, which saw a marked lowering of the standards of political life, together with a transformation of business ethics, financial corruption had in its grosser forms been almost unknown in political life for fifty years.

The Managing Director of the Marconi International interests was Mr. Godfrey Isaacs, brother of Mr. Rufus Isaacs, K.C., afterwards Lord Chief Justice of England and Viceroy of India: first Marquis of Reading.

In 1917, as the result of the collapse of Russia from causes which have been indicated elsewhere, Germany was in sight of victory. Rigid financial orthodoxy had strained the credit of the Allies to breaking point. As Sir Cecil Spring Rice has pointed out in his Memoirs, President Wilson was completely dominated by the German-Jewish group of which Kuhn, Loeb, the Schiffs and the Warburgs were the moving spirits and these had not only done everything possible to achieve the destruction of Russia both internally and externally, thus depriving the Allies of the strategic advantage of a double front, but had obstructed British interests in the United States to an extent which in any other circumstance would have amounted to effective participation in the war on the side of Germany. Lord Reading headed a delegation to Washington which resulted in the entry of America, with the co-operation of Kuhn, Loeb, into the war on the side of the Allies, and the turning of the scale against Germany.

I think that it is important to recognise the philosophic detachment of this group from the interests alike of Germany and the Allies, because it was the primary factor in raising Japan to the position of a first-class Power. No doubt the Pearl Harbour fiasco thus made possible was one of those

unfortunate incidents which seem to be inseparable from the operations of God's chosen people when engaged in High Finance.

What was the exact nature and scope of the bargain concluded by Lord Reading in 1917, we shall probably never know. That it was aimed at the elimination of the British Empire, is certain. Beyond making the United Kingdom responsible for the repayment *in gold* for all sums credited as the price of goods supplied, whether to Britain or any other Ally, some kind of effective control over every aspect of British life and policy was imposed. The Bank of "England" was placed under an American "adviser" and an obviously nominated permanent Governor; an Irish "settlement" which placed, as we are now witnessing, a potential enemy across St. George's Channel, was forced, and Rufus Isaacs, Marquis of Reading, became Viceroy of India, with a member of the bullion-broking family of Samuel Montagu and Company as Secretary of State for India in Whitehall. From that date, the chief factor in Indian affairs has been the Indian National Congress, an organisation mysteriously subsidised from outside India, whose maximum "paper" affiliation has never exceeded four and a half millions out of the four hundred millions of India's population and is generally much less. It is detested by all the better elements of the population.

During the most critical period the Finance Minister for India was Sir George Schuster. It is not unimportant to notice that the present Secretary of State for India is Mr. Leo S. Amery, a colleague on the Board of Messrs. Marks and Spencer of Mr. Israel Moses Sieff. We do not hear much of Mr. L. S. Amery just now, any more than we hear much of Mr. Benjamin Cohen, U.S.A., but it would be very unwise to assume that either of them is idle.

Now, it is difficult for anyone who is not familiar with India to understand that it is perhaps there that the clearest indication of the war of the international Jew against British culture can be perceived. What is being attacked and undermined in India is prestige and prestige is a basis of credit. To put the matter another way, the Indian problem can be reduced in essence to a battle between prestige based on character, and prestige based on money—real human credit in conflict with the golden calf.

This attack on British prestige has been in progress for a long time—Kipling's *Mutiny of the Mavericks*, written in the early nineties, was an amusing dramatisation of something which was already no novelty. The unscrupulous attack on the regular Army, and its capable officers, resulting in the warning by the Home Secretary to an illustrated newspaper which, whether rightly or wrongly, is generally credited to the control of Mr. Sieff, and the advertising by the "B".B.C. of the achievements of overseas troops, to the exclusion of

those from the United Kingdom, are examples of the same policy.

It may perhaps be remarked in passing that, taking the condition of India into consideration, British *Administration* in India between 1857 and, say, 1900, was probably the finest example of successful Imperial Rule which the world has ever seen. It could not be, and it was not desirable that in the nature of things it should be permanent, but it was as far removed from the picture of soulless tyranny which was persistently circulated amongst people who had never been within ten thousand miles of it, as the fantastic figures of "thousands of British Officials battenning on a downtrodden peasantry" were from the fact that the Indian Civil Service never reached a figure of 1,500 Europeans, and is now less than five hundred in number. British *Policy* in India is not quite so safe from criticism, for the simple reason that it was *primarily* a financial and mercantile policy. But even in this, there is little which was peculiar to India.

This vital question of prestige is linked directly and clearly with the financing of Japan, and the parallel corruption of Russia by the Schiff group. The culmination of it was the abrogation of the Anglo-Japanese Treaty under pressure from Washington in 1922, probably one of the most fatal pieces of folly ever perpetrated by any British Government at any time. From the date of this abrogation, it was mathematically certain that any and every embarrassment elsewhere would be complicated by an enemy gratuitously created in the area in which we were, at one and the same time, weakest, and from which it was most necessary we should draw uninterrupted supplies of oil and rubber.

It is not possible that any explanation of the events of the past twenty-five years can be adequate, and *therefore not possible to ensure that proper action is taken to deal with their consequences and to prevent their repetition*, which does not provide an answer to the following questions:—

(1) Why was Rufus Isaacs chosen to head the delegation to Washington in 1917, and what were the undisclosed terms that he made?

(2) When an Eastern Front was essential to the quick defeat of Germany, why, and at whose request, did the British Government facilitate the release of the Jew, Trotsky, from Halifax, Nova Scotia, so that he might be sent to Russia by Germany to assist in the Bolshevik Revolution, the first act of which was to make a separate peace with Germany at Brest-Litovsk?

(3) Who foisted the British catastrophe, Baldwin, and Montagu Norman, on us, and kept them in office until Great Britain was weakened to the status of a fifth rate power?

(4) Why was the Japanese Treaty, which had relieved us from any serious embarrassment in the Pacific, denounced? What, if any, undertakings were given by the United States to meet the situation which was bound to result from the insult involved in its denunciation, and isn't it odd that the Japanese can't take the Philippines, which are at their back door, but can take Singapore, and that there's only one great General, MacArthur, although he's never won any battles, and that all our Generals, who have been fighting for years, mostly without equipment, are "Brass Hats," "Blimps," and "Old School Tie" failures?

(5) Why was a Jew, Rufus Isaacs, anathema both to the Indian Moslems, the Palestine Arabs, and the Indian Princes, the only reliable bases of British stability in the Middle and Far East, made Viceroy of India? Why had

Ramsay Macdonald, the "Labour" Prime Minister, to make a visit to Rufus Isaacs in India, before he could assume office? Why has the Labour Socialist Party, the friend of International Finance, persistently meddled with the Indian question, of which it knows nothing?

(6) Who controls the Bank of "England" and its apparently permanent Governor, Montagu Norman? Who authorised him to co-operate with the American-German, Dr. Schacht, ("the most unscrupulous and oleaginous scoundrel I have ever come across" — Lord Vansittart.) in financing Hitler with British credits? Certainly not the Foreign Office.

(To be continued)

(All rights reserved)

## "BAD LANGUAGE"

"Ye shall know the truth, and the truth shall make you free."

Here is a book\*—the first on the new Social Credit Lending-List—which it is impossible to review in the accepted sense of that term. For the book itself is a digest of a quite inordinate meal, and one cannot make a digest of a digest.

Amidst a rather confusing number of issues raised—for Mr. Chase, following the lead of the great Francis Bacon, has "taken all knowledge for his province,"—the outstanding impression left is one of a dawning intellectual humility, a change of mind and heart both deep and genuine; and God alone knows *how* badly that is needed to-day!

For a student of Economic Democracy, it is not easy to assess what impact, if any, this book may produce on the "unconditioned" mind, and on those—the great majority of the world's "literate"—who still cherish their intellectual pretensions. They might hop out of the bath at the first touch of the icy water, or else their mental crust may have been rendered bomb-proof. But to those who have digested the philosophic implications of Social Credit, Mr. Chase comes merely as a confirmation, immensely welcome, from a very different source, of the call to economic repentance. "The confusion of the word 'money'," says the author, "with things in the real world required for survival and comfort is perhaps the central economic difficulty of modern times." And don't we know it!

The actual subject of the *Tyranny of Words* is a new and emerging science (semantics) dealing with meaning and words; with their uses, and especially their abuses—what Mr. Chase, with much more reason than the moralists, calls "bad language." If that statement suggests something dull and abstruse and academic, the only reply is, Read the book and see for yourself. The subject, of course, is not dull; it is vital. And the author robs it of none of its natural vitality in his treatment of it. In terms of the publishers' blurb—There is not a dull page.

In a sense, the manner of the book is disarming—one had almost said, misleading. Mr. Chase's breezy, transatlantic style, serves to hide what is really the modern, intellectual equivalent for the Psalmist's "broken and contrite heart." Its wit and its breathless, almost naive enthusiasm notwithstanding, the *Tyranny of Words* is, both by admission and in fact, the work of a broken-hearted man

\*The *Tyranny of Words* by Stuart Chase. Methuen.

and reformer. That is its great quality—the thing that outweighs entirely all its minor defects. Mr. Chase has taken the advice of poor Charles I to reformers, to try out their experiments on the dog, or rather, as he feelingly said, “on their own hearts”—and heads! It is the advice to the physician, that we all so badly need, to take his own physic.

This is no small thing for an author so circumstanced, at the very apex, so to speak, of modern achievement; successful, witty, accomplished, in the richest and most highly equipped state that has ever existed. Is this book symptomatic, one begins to wonder, of a dawning awareness in the United States—without doubt Exponent No. 1 of “modernism,”—of the intellectual monstrosity that 20th century civilisation is rapidly turning itself into? The author's whole concentration is upon that mental attitude, that disease which we know as “abstractionism,” upon which Douglas has turned such a searching light; the acceptance of the shadow for the substance, of the theory for the fact, which is undoubtedly the predominating and universal social trouble to-day. And has not America—doubtless through no innate fault of her own—been foremost in this race, this urge for the substitution of the spurious and the counterfeit for the genuine? The substitution of journalism and “digest” for literature; of propaganda and advertising for news and information; of “movies” for drama, and “swing” for music; of planning for organic growth.

It would be only fitting, then, were she to repent and lead the world back again from the counterfeit of Life to its reality. But then America, as such, is an abstraction, and it is not wise to make predictions in regard to abstractions. What reality she possesses lies solely in the one hundred and thirty million Cinema-educated and Yellow Press-fed individuals which go to her making. And the test when it comes will be the test applied to Sodom and Gomorrah;—there is no other. All that can be said is that Mr. Chase's book suggests the possibility of a happier fate.

At least one can pay it a high compliment by stating that off-hand it would be hard to suggest more likely or salutary mental fare for anyone, and particularly for intelligent adolescents of both sexes, than a serious study of it would supply: no more healthy antidote to spooks and journalistic poison and the wiles of reformers and educationalists in general.

It is a book that brings out strongly the almost limitless potentiality of modern science and the scientific method, and that method's “moral” beauty—because integrity at all times and everywhere, is beautiful, and especially so in a disintegrating world. And it shows, too, the dangers of its ignorant exploitation—a horde of monkeys climbing about and over a box of high explosives! According to Mr. Chase the only safeguard is to be found in a course of Semantics, this embryo science, which even in its early stages begins to demonstrate how language, in proportion as it becomes divorced from its origin in experience, relinquishes its real function of instructive communication, which is the primary requisite for mankind's survival and development, and inevitably becomes the henchman of theory, in short, of our old friend “planning”—P.E.P., Israel Moses Sieff, *et al.*, and the cult of national suicide by means of universal war-to-end-war.

To separate words—this is the conclusion of Semantics—from their “operational,” physical meaning; that is, their origin in a sensation, almost always associated with the urge

to survive, is to run the grave risk of converting their pre-eminent and positive value for that purpose into a negative handicap. From being a means to enlightenment, they become the chief source of man's confusion, of spell-binding and sorcery, and ultimately the destroyer of what must be any live organism's prime impulse, enlightened self interest—the natural, Christian instinct to live, and let live. What appears as a fact beyond dispute is that individually, men and women want to live peaceably on this earth, each under his own vine and fig-tree, if only they knew how. But in pursuance of this reasonable objective we find ourselves, instead of achieving it, collectively proceeding to blow one another sky-high. The phenomenon is not new, of course, but its scale is. One recalls Paul's heartfelt outburst (Romans 7: 15—Moffat), as his honest mind wrestled with the entangling symbols in his endeavour to transmit the glimpse he had got of the path ahead. “I cannot understand my own actions; I do not act as I want to act; on the contrary, I do what I detest. . . . The wish is there but not the power of doing right. . . . Miserable wretch that I am! Who will rescue me from this body of death?”

Semantics, as from a slightly different angle Social Credit, supplies us with a most valuable and interesting analysis of one of the principal reasons for the excessive darkness of the wood through which society is passing in these present years of grace. And, again like Social Credit, more than a hint of the path through, and out of it.

N. F. W.

## FROM WEEK TO WEEK

“The only revolution which is needed is the revolution of the wheels of industry. That can best be ensured by removing the clogs, wedges and brakes which two-and-a-half years of fussy, amateur, ideological interference has clapped upon the productive machine.” Yes, but *Truth* omits the two-and-a-half centuries of satanic, expert, ideological preparation for the fussy, amateur interference.

*Today and Tomorrow* summarises the major objectives of the Rio de Janeiro conference (American) of foreign ministers:—

- (1) Removal of all trade barriers, import duties, etc.
- (2) International money based on gold.
- (3) Emergency labour programme permitting “free movement” of labour throughout the international money lands.
- (4) Communal shipping facilities.
- (5) Socialisation of all Latin-American air services ‘for ten years.’
- (6) U.S. guarantee of ‘basic essential exports’ to preserve the internal economy of the nations; communal ‘pooling’ of all international mineral, agricultural resources. U.S. ‘capital’ supplied for development.
- (7) U.S. to be the arbiter, statistician, and collector of commercial ‘information.’
- (8) U.S. ‘financing’ of certain major projects.
- (9) U.S. ‘financing’ and creation of ‘free’ ports, the signatory giving a ‘99-year lease.’

The summary should be compared with *The Times's* “plan” to which attention is drawn elsewhere in this issue.

## THE SOCIAL CREDITER

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

SUBSCRIPTION RATES: *Home and abroad, post free:*  
One year 30/-; Six months 15/-; Three months 7s. 6d.

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

Vol. 8. No. 4.

Saturday, April 4, 1942.

### A LOSER OF CAUSES

An article signed Donovan M. Touche in *Truth* for March 27 is called *The Lost Cause of Toryism*.

It begins badly by appearing to assert that Toryism was something for which Disraeli stood. He didn't. He manipulated it in the interests of the world-revolutionary principle for which he did stand. The statement that "Toryism was based on the discovery that 'Power always corrupts; absolute power corrupts absolutely,'" is better; but Mr. Touche proceeds to infer that when, in shifting not power but the *balance* of power, power is itself shifted and comes to reside in a dictator ("because the people can never really govern themselves"), the 'existence of this popular General Will is, in fact, a pure fiction.'

The argument against the possibility that the "famous General Will" can be vested anywhere but in a dictator directs attention away from Mr. Touche's realistic assessment of the importance of Parliaments reduced to the status of rubber stamps for bureaucrats, and is directed towards the losers of lost causes, of whom Mr. Touche must be surely one. "Totalitarianism, with all its abuse of power," he says, "is the logical consequence of democracy, and has indeed been its historical outcome."

It is so long, and only so long, as the loser of causes persists in ignoring what it is that Will—either the General or the particular individual will—can properly *do*. Willing is preparatory to doing, and properly regarded the General Will is the sum total of what individuals are *willing to do*. That they are not all willing to do the same thing at the same time is by no means a political disaster; it is exceedingly fortunate, and no human society could exist in any other circumstances.

But our losers of causes never tire of voicing the absurdity that the General Will is ineffective because the individual wills which constitute it are never all directed to the same limited objective at the same time. The General Will is effective when all the diverse individual wills conforming it are effective at the same time. The imagination of the loser of causes (always an abstractionist) at once flies to the picture of all individuals willing contrary, irreconcilable, results at the same time. But the continued life of society shows that individuals *do* will different results without these results being either irreconcilable or uncomplementary. Freedom resides in the power to choose one thing at a time, and if Liberty is not that it is an abstraction. Only individuals can choose.

Where Social Credit principles are concerned the most

intelligent among the "losing classes" seem to behave as the rays of light are said to behave in the neighbourhood of very massive bodies—they are deflected out of their course and miss the direction in which they might otherwise be projected. Losers of lost causes lose because they have a blind spot for the feature which would convert their loss to gain.

### PROFESSOR R. F. IRVINE

We regret to report, following the *Sydney Morning Herald*, the death recently, at the age of 80, of Professor R. F. Irvine, who occupied the Chair of Economics in the University of Sydney from 1912 until 1922, and later the Economics Chair at Adelaide. Professor Irvine distinguished himself by insisting that Major Douglas's books should be studied as part of the Economics Course at Sydney University twenty years ago.

### SAGE

"The most miserable tramp is happier than the best fed convict." — CHESTERTON.

"Some say that Happiness is not good for mortals, they ought to be answered that Sorrow is not fit for immortals and utterly useless to anyone." — BLAKE.

"If I knew a man was coming to my house with the conscious design of doing me good I should run for my life." — THOREAU.

"I wonder if the education of opinion towards public affairs might be approached from a different angle; instead of trying to teach people to reason better, which is very likely beyond the inborn capacity of most of us, why not teach us to understand our feelings better, to know what we really want so that we would be less at the mercy of unscrupulous exploiters who like us to rush into what suits them?" — JOANNA FIELD in *An Experiment in Leisure*.

"In dealing with the State, we ought to remember that its constitutions are not aboriginal: that they are not superior to the citizen.

"This is the history of governments—one man does something which is to bind another. A man who cannot be acquainted with me taxes me; looking from afar at me, ordains that part of my labour shall go to this or that whimsical end, not as I, but as he happens to fancy. Behold the consequence. Of all debts men are least willing to pay taxes. What a satire is this on government! Hence the less government we have the better, the fewer laws, and the less confided power." — EMERSON.

### Democratic Victory or The Slave State?

By L. D. BYRNE.

PRICE: FOURPENCE.

From K.R.P. Publications Limited,  
49, Prince Alfred Rd., Liverpool, 15.

## THE TIMES STOOPS

The game which Wall Street and Pitt Street (sometimes styled The United States of America) are playing has two aspects, the political, represented by the complete subjection of Life "and Life more Abundant" to the Chosen of the Chosen Race, synonymous with the "Supreme Being" of free-masonic devil worship, and administrative, represented by Finance and its subordinate techniques, enacted Law (or UN-natural law), and the various manipulations of the personal individual, using the herd instinct as a lever.

How 'instinctive' this feature of the true individual in his mob reactions may be is not by any means clear. The child (particularly the male child), said everywhere to be 'father to the Man,' shows the strongest tendencies to indulgence in the most shocking and disastrous of experiments.

Yet the man to whom this prodigy of the scientific spirit is father seems to have learnt nothing from experience but obedience to that ideal of the 'practical' man which chiefly consists in 'practising the errors of one's grandfather'—and practising nothing else.

The Pimps of the Imperial House of Commons, and the Panders of Congress, are merely procurers of the means whereby the 'Supreme Being' of the Freemasons can gratify his passion for personation of a Divine Will, as a convenient means towards making his own will more immediately effective. That any real permanence attaches to this blasphemous usurpation is probably an illusion of perspective in the mind of the Most High Manipulator, whose policy, nevertheless, entails painful consequences for the manipulated. Nor is it necessary to address enquiries on this score merely to Hong Kong, Singapore and the Eastern Front in Europe. But surely it is for the House of Commons, not the newspapers to indicate the lines of public policy?

One very natural outcome of a complex situation like the present is the spectacle presented by every modern community wherein all the able-bodied, high and low, and most of the physically or mentally defective, Great and Small, seem to be doing their damndest to produce results which, though apparently totally unconnected with their intentions, cannot be said to take them completely by surprise, for the simple reason that it seems to be no one's business to connect the results actually experienced with the means actually employed to produce them. Having acquired the habit of 'Looking Up' (without being fed), these workers are nevertheless quite incapable of revising their pious notion that the chief means of food production is extension of the spine in the region of the neck, and what they do with their hands and feet, with a view to sowing and reaping, simply doesn't matter. The mere exchange for hands and feet of mechanical extensions of the hands and feet, actuated by sources of power external to the individual has still less to do with it. So the neck continues to extend until death finally robs it of mobility.

For the next few weeks, and possibly at intervals for sometime longer, until its die-hard abstractionism is entombed by the salt sea of experience bitter even for *The Times*, that newspaper will be 'looked-up-to' as the vehicle of the latest, and perhaps not the least important 'scheme' for at last standing the Egg of the Glorious Future upon its end. Columbus, it may be recalled, accomplished this feat of upstanding by crushing one end hard down upon the table, a performance immortalised by Hogarth. (That

mixture of the ecstatic with the incredulous envisaged by the creature on Columbus's extreme right in the painting can nowadays be seen nearly everywhere outside as well as inside of an asylum). Nevertheless, it is necessary to point out to our modern Discoverer of America, to wit the Special Correspondent of *The Times*, that while the practice of realism is always to be commended, it is chiefly to be commended when devoted to some intelligible end. Columbus's end was the simple demonstration that even eggs had more than one end, and, in choosing one of them to break, in order to satisfy the exacting requirements of his tormentors, the other would have served his turn, and neither by any means rules out either the Third or the Fourth or the Fifth ends of all eggs (to proceed no further in a contentious direction).

Now before *The Times's* Special Correspondent displays his own 'ecstasy of incredulity' at the notion that even an economic system can be made to stand up on its right end, let us see what he has to offer. Ostensibly put forward to help the 'British and American Governments' to secure 'for all' improved labour standards, economic advancement and social security (*vide* the Atlantic Charter), his articles, of which there were two, March 24 and 25, are really concerned with the maintenance of employment after the war. His 'Positive Programme' may well be a sketch of the kind of 'elevation' (to use an architectural word) which the financial oligarchy of New York (and what there is of it elsewhere) has in mind to mask the toil-and-trouble factory in course of construction behind it.

Our economic thinking and financial practice are out of date? Very well, let us think the same things harder and pursue the same financial practice more resolutely! Such a thesis could not easily be advanced without some cover from a show of criticism of the thing intended to be preserved. The correspondent isn't thinking of those quiet geni of banking parlours who entertain unconventional ideas of banking when he says:—

"There is a growing body of opinion in this country which holds that what is required is not merely a new financial technique but a drastic revision of all our old ideas of finance and economics.

"According to this view, mass and power production, vastly improved transport facilities, the establishment of great monopolistic combinations, and amalgamations have already destroyed the foundations of the old economic system. These developments have made our economic thinking and our financial practice as much out of date as tanks and aeroplanes had made our military thinking, training and equipment."

The first of these paragraphs is to acknowledge the growth of something much wider than monetary reformism. The second is to stultify that something by misrepresenting the causes which have operated to produce break-down. The return to the concept of force in the last sentence is significant. Tanks and aeroplanes are used to enforce policy. The "new" economic practice, in the same breath, is to enforce policy too.

At the same time, many years after the publication by the Manchester Economic Research Association of Major Douglas's paper entitled *The Breakdown of the Employment System*, it is acknowledged that the sequel to the present war—"prosperity" can only be at best:—

"A short reconstruction boom, followed by another and worse depression with mass unemployment for urban workers, collapsing prices for primary producers, and social unrest and civil disturbances all over the world."

"Among many professional economists, bankers, merchants, shipowners, and other leaders of opinion in this country and the

United States, there was a tendency at one time to think that everything would come right if international trade could be revived."

The correspondent goes on to say that this will not be enough in itself, and "a revival will only be practicable through the removal of the causes from which international trade and the international money standard broke down in the early thirties."

Under the Cordell Hull programme, the agreements effected "did little or nothing to facilitate the balance of payments which is necessary for any enduring stability. Moreover the last word in these matters rests with Congress, not with the Administration. Few who know the United States and the working of Congress find it easy to believe that the American tariff can be lowered to the extent which would be needed to enable deficit nations to pay in goods and services for what they buy and for what they have borrowed, and at the same time to go on buying American goods."

### "SOME OBSTACLES"

"Some obstacles" is the heading to the statement that the 'real' difficulty is that a great export trade is necessary for the United States in order to provide employment. "In economic theory the main, if not indeed the sole, function of exports is to pay for imports. In practice this other function of providing employment is often more important. This is especially true of the United States, which, unlike Great Britain, can produce nearly everything needed to maintain a high standard of life." American citizens can't buy what they produce, so they are to be kept at work to provide 'backward' countries like "China and the Balkans and indeed all over the world" with "Innumerable Tennessee Valleys, which would give ample employment to the engineering capacity now employed in war work."

If this is to be done without "bedevilment of world trade" and, one might add, "bedevilment" of the Chinese (who are also to enjoy the blessings of work for work's sake), "it will involve departures from accepted ideas of peace-time finance." A broad hint concerning the nature of the 'departure' contemplated is given by the correspondent in his reference (contemptuous after the event) to "those people who were confident that Germany could not rearm because she had no money and who scoffed at the idea that a penniless Russia could build up great industries in a backward and devastated country without borrowing from foreign financiers." (But did they?) In any case it seems that the technique which "must be found" is the familiar technique of giving away capital production until such time as the 'backward' countries cannot take any more. Then another war to destroy 'surplus' capital goods. In the meantime, the labour and raw materials incorporated in the goods delivered abroad, which belong to somebody, are given away by somebody else who is not the owner of them, for the real enrichment of nobody, all in the sacred name of 'providing employment.'

Evidently, as Major Douglas has predicted, no death-bed repentance is contemplated by Finance; but it is not even necessary to expose past errors by attributing the 'benefits' of the new system to the enlightenment of bankers. These benefits (among which may be included the conversion of the pleasant valleys of Bulgaria into—the correspondent's very word!—Tennessees and the depriving of the placid Chinese at one and the same time of compounds abroad and

peace at home to which he may return with the unspent fruits of indentured employment) can quite easily be attributed to the exceptional intelligence, unhampered by any sense of responsibility, of the bureaucrats of the World Development Committee, armed to the teeth by 'the principal Governments' to wage war on organisations of producers bent on restricting the superfluous stream of unpurchasable consumable goods in the hope of being able to enjoy a sufficiency of them themselves.

"The pre-war system broke down because of its failure to distribute the products of industry," says the correspondent, who quotes Mr. Churchill (not Major Douglas) in support of the assertion that from 11 a.m. on November 11, 1918, "a new set of conditions began to rule... The money cost, which had never been considered by us to be a factor capable of limiting the supply of the armies, asserted a claim from the moment the fighting stopped." If it had not been so, the whole product of industry could have been distributed, the consumer's purchasing-power need not have been taxed to provide the banks with claims to superfluous capital goods (which the consumer himself had to produce) and 'reparations' would have been what the word implies instead of but one step towards the concoction of past (and present) troubles, and those future troubles diabolically contrived by those who have prompted the sinister 'suggestions' of *The Times's* special correspondent.

"This reversion to the traditional money criterion as a limit on production and employment for which the real resources of organisation, labour, and capital equipment were available in plenty was possibly the master blunder, from which have flowed in inevitable sequence all the frustrations and miseries of the past 20 years. We are not likely to solve our post-war problems unless we make up our minds to treat money as a bookkeeping technique to facilitate the production and exchange of goods and services, not as something the supply of which sets a fixed upper limit to our productive activities. It plays much the same part in economic life as railway tickets play in transportation. It is dishonesty, akin to inflation, to issue tickets for more trains than can be run. It is absurd to cut down the railway service because the ticket office has run short of tickets."

*The Times* says so!

If there be any who still believe that time should be spent in teaching economic facts to those individuals known as the public let them pause here, and ask themselves whether the greatest danger we have to face is not the rivetting of even heavier shackles under the pretence of some kind of monetary reform. There have been several pleas for family "allowances" recently. It would be perfectly possible to issue a monetary dividend in a slave state. After all it is not desired that the slaves starve, only that they should work as required of them, and possess no sanctions.

To call what is proposed the "urgent practical steps needed to avoid an economic collapse, the social and political effects of which might well imperil what remains of western civilisation" is to misrepresent their true nature and intention and to display a moron's view of what truly constitutes western civilisation, which was something to revere before Columbus discovered America, and has been on the downward path ever since.

## Points from Parliament

### MONEY: TRADE UNION ASSETS: PRODUCTION.

MARCH 24.

Oral Answers to Questions (41 columns)

#### WARSHIP WEEKS

*Mr. A. Edwards* asked the Chancellor of the Exchequer whether he is aware that the appeal for £125,000,000 in the London Warship Weeks will, if successful, increase the charges on the Exchequer by much more than £1,000,000 per annum; and will he consider bringing these demonstrations to an end?

*Sir K. Wood*: It is in the national interest that an adequate proportion of the money borrowed for the war should be raised by medium or long-term loans, and to these, of course, a higher rate of interest is appropriate than that of short-term borrowing. I very much hope, therefore, that Greater London will not only reach, but will exceed, its Warship Week target.

*Mr. Edwards*: Is it not a fact that the whole of this money was in the banks at the beginning of the week and that it will still be in the banks at the end of the week, and that all that happens is waste of time, a bookkeeping arrangement, causing colossal expenditure, and a certain waste of man-power?

*Sir K. Wood*: No, Sir.

#### BUSINESS OF THE HOUSE

*Mr. Thorne*: May I ask the Chancellor of the Exchequer whether he is prepared to grant the Return asked for in the Motion which appears on the Order Paper in my name?

[Return of the assets of the registered trade unions, building societies, of the number of Post Office savings bank depositors, and particulars of 16 other such societies similar to the information published in the Statistical Abstract for 1935-36 in connection with people's savings.]

*Sir K. Wood*: Perhaps my hon. Friend will allow me to look into that Question.

Written Answers (13¾ columns)

#### NEWSPAPERS (OWNERSHIP)

*Sir R. Glynn* asked the Minister of Information whether any steps are being taken to ensure that the ownership, and consequently the policy of newspapers, does not pass into hands unfriendly to this country; whether he will, in consultation with the Home Secretary, consider the introduction of regulations to necessitate the bi-annual publication of the share-ownership of all registered newspapers and similar enactments to those in force in the United States of America?

*Mr. Thurtle*: It has not been judged necessary up to the present to take any steps for the purpose indicated in the first part of the Question. As regards the second part, my right hon. Friend is not clear what purpose would be served by such action, which would require legislation, but he would be glad to consider with other Ministers concerned any arguments my hon. Friend may care to send him.

#### GOLD EXPORTS

*Mr. A. Edwards* asked the Chancellor of the Exchequer to what countries are we exporting gold; and to how many countries debts are at present being paid by gold exchange?

*Sir K. Wood*: It would not be in the public interest for me to make any statement on this matter.

#### COMPULSORY LENDING

*Major Lyons* asked the Chancellor of the Exchequer whether, in addition to the present system of compulsory credits by taxation, he will consider, during the present emergency, the introduction of a process of compulsory lending to the State for war purposes?

*Sir K. Wood*: No, Sir.

#### PRODUCTION (127 columns)

*Mr. Higgs* (Birmingham West): . . . . At the present moment we are suffering from the absence of competition. Competition is the backbone of industry. That being so, the Government have had to resort to artificial means for replacing the competition which does not exist, and one of the principle ones has been the costing system. The Government have indeed gone to the other extreme by over-emphasising it, and in my opinion too much costing is being done. There is costing by the firm, costing by Government accountants, and then a third costing by technical accountants. Simplification of these costings is very necessary. The cost-plus-profit system has practically disappeared in practice, but it is in the minds of the workers in the majority of factories that the managements are paid on cost-plus-profit. That is incorrect, and I hope that an effort will be made to inform the workers throughout the country that cost-plus-profit is not generally applied to-day. As much publicity should be given to that as has been given to the fact that contracts were placed on cost-plus-profit. Another difficulty arises, however, and that is costing during the process of manufacture. Contracts are placed without a price, and then the price is fixed during the process of manufacture. The result is that a higher price is often obtained than is necessary, and high prices do not contribute to efficiency. This is a very important point from the managerial point of view. A low price will encourage efficiency, a high price will not, and it is efficiency in production which is absolutely necessary to-day in order to obtain maximum output. . . .

*Mr. Woodburn* (Clackmannan and Stirling, Eastern): . . . . I want to refer to another fallacy, namely, that there is something good in having people working for the sake of working. There are some people who seem to think it is better to have a person working 48 hours a week on an inefficient machine that produces half the quantity which the same person could produce working 24 hours on an efficient machine. The important question is, what achieves the maximum production? If the greatest quantity can be produced by utilising to the maximum the most efficient machinery, it is better to have out-of-date tools idle than to use them merely for the sake of keeping people at work. . . .

I want to make one reference to another factor which

is not yet a handicap on Production, but which is causing great dissatisfaction and may become a very important handicap to Production; it is the question of deductions from Income Tax, which are now having their full effect. I have in my hand a pay-slip of a worker in an engineering works. Suggestions are frequently made in speeches in the House that engineers are drawing about £20 a week. Similar charges were made in the last war, and it may be true that here and there such things do take place. . . . It is a curious paradox that the most highly skilled men get the least wages in the engineering industry.

This is a case of a worker in marine engineering. If my arithmetic is right, his total wages for the week amount to £4 4s 4d. But all he takes home at the end of the week is £2 8s. 2d., because his Income Tax deductions amount to £1 15s. 6d., and certain other deductions have also been made. Theoretically it may be said that workers pay a heavy contribution by way of Income Tax to meet the cost of the war, but I say that men are being encouraged to put their backs into industry, and, if this Income Tax problem is not hindering industry, then it is a great tribute to their patriotism. . . .

*Mr. Deputy-Speaker (Colonel Clifton Brown):* I am afraid that we are getting on to a very dangerous topic. This question involves legislation, which is out of Order on an Adjournment Debate.

*Mr. Woodburn:* I bow to your Ruling, but I hope the Chancellor of the Exchequer will take the hint.

*Mr. George Griffiths (Hemsworth):* Is it not a fact that this question will hinder Production? It cuts a man on the raw. This matter has to be put across the Table, so that the Government may know about it.

*Mr. Deputy-Speaker:* The Rules of the House have to be obeyed. This is a matter which comes under the Finance Bill, and is not a matter for an Adjournment Debate.

*Mr. Woodburn:* May I point out, without suggesting any remedy, that this matter will have a deterrent effect on Production, even if it is not hindering Production? . . .

I am not a believer in committees being executive instruments. Committees can decide policy, but men must be made personally responsible to carry out that policy. Committees can suggest certain things and lay down proceedings, but the Government will obtain far more effective action if they tell a man he is responsible for it. There ought to be that personal responsibility from top to bottom, which would put an end to passing the buck which takes place in industry. . . .

*Sir Granville Gibson (Pudsey and Otley):* . . . I am firmly of the opinion that the great majority of employers and employees in the country are pulling their weight. What we want to do is to get hold of the small percentage who are not pulling their weight. That is the job of the Minister of Production, who has a very difficult task in front of him. . . . I often hear in the House statements about people receiving £5, £6, £7 or £8 a week. I do not mind what they get if they produce the goods. These people have only their labour to sell, and no one can blame them if they sell it in the best market. In my opinion, the reason many of these high wages are paid where the work is not satisfactory is solely bad organisation and bad management.

. . . There are no political considerations in this country which should enter into the minds of the Ministers of Supply

and Production. Nothing matters except maximum production.

*Mr. G. Griffiths:* On both sides.

*Sir G. Gibson:* Yes, on both sides. One of my friends is the head of one of the best firms in the North of England, which employs from 2,000 to 3,000 people. It is recognised as one of the finest firms in the country. He told me, "God help my firm if it had to come under entire Government control." . . .

## BOOKS TO READ

By C. H. Douglas:—

Economic Democracy .....	( <i>edition exhausted</i> )
Social Credit .....	3/6
The Monopoly of Credit .....	3/6
Credit Power and Democracy .....	( <i>edition exhausted</i> )
Warning Democracy .....	( <i>edition exhausted</i> )
The Use of Money .....	6d.
"This 'American' Business" .....	3d.
Social Credit Principles .....	1½d.

### ALSO

The Bankers of London by Percy Arnold .....	4/6
Hitler's Policy is a Jewish Policy by Borge Jensen and P. R. Masson .....	6d.
Southampton Chamber of Commerce Report .....	6d.
Democratic Victory or the Slave State? by L. D. Byrne .....	4d.
How Alberta is Fighting Finance .....	2d.

### Leaflets

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

From K.R.P. PUBLICATIONS LIMITED

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 April 2.
- 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.