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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

In Quentin Reynolds's book *Only the Stars are Neutral*, which is a record of the war travels of that accomplished American journalist, he describes a dinner with Stalin during the first siege of Moscow when food was very scarce in the Capital of the Proletariat. There were twenty-three courses including several kinds of caviare, and the rarest of mushrooms fried in sour cream, sturgeon in champagne, and pilaff of quail.

The drinks were red wine, white wine, champagne and white vodka, yellow vodka and red vodka with peppers in it.

Now we see where we get our austerity from.

• • •

"The English country house is part of the country. . . . a natural growth. . . . the cottage, the farm and the manor are the same in spirit.

"Some of our major and most famous country houses accord with their surroundings as quietly as their little cousins. Some emphatically do not. The reason for this is that they were built all of a piece. . . . they were not allowed to grow with the oaks and elms and beeches. They were false to the real tradition. . . . They are usually the work of a single eminent architect; not of the anonymous builders who, in successive centuries added a piece here, an ornament there, as the needs and taste and resources of the owners changed."

— V. SACKVILLE-WEST: *English Country Houses*.

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"The remarkable military co-operation which has altered the entire face of the war in a fortnight and the complete absence of any political counterpart" provides *The Economist* with a heavy meal which it peevishly and dryly masticates throughout a long first article.

• • •

'Hm!' Things aren't what they were, Clarence! And all Threadneedle Street "pleasant-like, and frothing at the mouth."

• • •

Aho, and ahimé! One man's Beveridge is all other men's poison.

• • •

A correspondent writes:—

"It is rather disturbing to read of the 'sabotage' of food which is said to be going on in a certain laboratory. . . . It is of course possible or even probable that the 'Dark Forces' will 'collar' any idea. This seems part of the nature of

things in this stage of the world's history—they seem so much quicker in the uptake than their opposite numbers. . . . The original intention of the research on the drying of food was comparatively innocent. It was merely to reduce the bulk and weight of foods—a very desirable thing in war and sometimes in peace—and, at the same time, to preserve their full nutritive value and edible qualities during storage and transport. Considerable success has been achieved and I think that you would be rather intrigued with some of the products—I don't think your correspondent would turn up his nose at them. After all drying is one of the oldest methods of food preservation and scientists are merely trying to find the best ways of doing it and to extend its usefulness—nothing wrong in that.

"Is not your correspondent a little bit of a scare monger. . . . After all there is still Mr. C. H. Middleton to reckon with."

From Our Letter Bag

"... There is something peculiar about the Birmingham meeting addressed by the Archbishops, etc. The Archbishop of Canterbury used the phrase 'Social Credit,' but I gather in a completely perverted meaning. But also he complained about the treatment he has had at the hands of the press. This could not have referred to their omission of this reference, since it was made at the meeting. The newspapers have omitted it. There is to be a pamphlet issue of the speech. 'Leftwingers' in Birmingham are pleased with the speech."

A Russian Prayer

Prince P. Kropotkin, in his *Memoirs of a Revolutionist* refers to "all that I ever heard in church that impressed me: the twelve passages from the Gospels, relative the sufferings of the Christ, which are read in Russia at the night service on the eve of Good Friday, and the short prayer condemning the spirit of domination, which is recited during the Great Lent, and is really beautiful by reason of its simple, unpretentious words and feeling."

We are indebted to the kindness of Professor Oliver Elton in tracing the words of the prayer mentioned and publish them as a modest counterblast to totalitarianism in all its forms everywhere:—

"Ruler of my days! do not give to my soul the spirit of weary sloth, of the love of domination, that hidden serpent, and of idle talking; suffer not, O God, my transgressions to grow ripe; so that my brother may receive no condemnation from me, and that the spirit of meekness, patience, love and purity may reawaken in my heart."

Australian Protest

From an Australian leaflet protesting against the undermining of the power of the State governments by the Federal government:—

"When we have convinced the Englishmen and the Americans what a good idea centralisation is, we will then be able to abolish the British Houses of Parliament and have one Government at New York. By a continuation of this process we will finish with one world Government at Jerusalem. . . .

"But before you start the first cycle of abolition think well. . . .

"Remember that the Americans fought a war against centralisation (War of American Independence, 1776-1782).

"Remember that Home Rule for India has been the heart-burning ambition of that country for generations.

"Remember that the Irishmen organised a rebellion to get Home Rule.

"Remember that Western Australia's dissatisfaction with centralisation was so intense that they overwhelmingly carried a referendum for secession from the Commonwealth."

Odd

In a note on *Britain Can Feed Herself*, by Colonel George Pollitt, once managing director of the synthetic fertiliser plant of the I.C.I., *The Economist* comments:—

"Colonel Pollitt believes that, by the liberal use of artificial fertilisers, the large-scale introduction of agricultural machinery, measures for grass drying and for artificial insemination. . . in fine, through scientific and intensive farming, the land can produce all that the population needs to keep itself on a healthy diet. His chief reasons for aiming at self-sufficiency are that, with the development of secondary industries in primary producing countries, the pre-war markets for British manufacturers will be reduced, while the raising of the standard of living in such countries will deprive the British of their sources of cheap food. Moreover, such a policy, he argues, would provide employment for the millions of men and women now working on munitions or in the Services—as, indeed, would the building of pyramids. To fulfil the programme the labour force would have to be nearly doubled, and a capital of £1,200 millions would have to be invested—a figure which, *oddly enough*, is the same as that estimated in recent articles in *The Economist* as the annual capital expenditure required to maintain full employment for all the nation's resources. Colonel Pollitt would make no alterations in the present methods of financing agriculture, nor in the tenure and ownership of the land." [Our emphasis]

The Citizen of To-day

"The mind of the citizen of to-day was continuously bombarded, through the agency of newspapers, magazines, books, the cinema, and wireless. Overwhelming results in the moulding of public opinion were obtained when these weapons had come under the control of a ruling person or clique. If democracy was to survive it must be immunised by an education which trained the power and habit of independent thought rather than that of indiscriminate gulping down of propagandist fare.

"Alertness was the normal condition of primitive man. How different was the product of our own educational system with his unthinking automatism and his wits either commonly asleep or wandering away from the matter in hand."

— SIR J. GRAHAM KERR, M.P.

HOUSE OF COMMONS: NOVEMBER 18.

DEBATE ON THE ADDRESS

*Commander Sir Archibald Southby (Epsom)**: . . . I believe that the British people are fighting to preserve the British Empire, and that the sailors, soldiers and airmen who are doing such magnificent work are desirous of preserving the British Empire; but I believe, at the same time that they and everyone else are determined that when the war is over the British Empire shall be an even greater force for good and peace in the world than it has been in its not inglorious past.

I suppose that if one had to find one word with which to sum up the causes of the war, and indeed the causes of practically all the misery which has come upon the peoples of the world in the past that word would be "intolerance." To-day, reading the speeches and writings of various men and women, some well-qualified and some not so well qualified to lay down the law and tell us what we ought to do, I sometimes detect a tendency to be completely intolerant of the views of people who do not agree with them; the views of ordinary people, the "little man" immortalised by Strube, the personification of the opinion of this country. There are people who seem to think that the war is being waged in order to destroy a social and economic system with which they do not entirely agree. Nothing could be further from the truth than that. We are fighting the war for our bare existence, for the right to live at all. This is a war of the little man, that irresistible force which, in the end, will break every dictator. What will matter when the war is over is not the views of archbishops, distinguished authors, big business men, trade union leaders, Cabinet Ministers, Members of Parliament, naval officers, Army officers, shoeblacks, anybody you like—it will be the views of the little man, whose unflinching heroism and undaunted faith will have brought us successfully through the war. His victory, I suggest, will have been in vain if, when the war is over, he is obliterated by the State which he fought to preserve. The essence of the evil Nazi creed is that the State is greater than any individual. The essence of democracy, as I see it, is that the State is the servant of the individual and not his master. Therefore, let us at all costs, when we are starting to rebuild the world and to improve it, not impose upon one another a bureaucratic tyranny which is none the less a dictatorship because it masquerades under the name of something which is politely called "democratic planning." . . .

Our hope and belief is that this war will open a path for the advance of mankind to a better world, but if the new world is to be a success it must be, in my opinion, a world in which there is a square deal, and if that means anything, it means a square deal not only for the people who have little and therefore perhaps not many responsibilities, but for those who have much and therefore great responsibilities and commitments. A square deal means a square deal for everybody, and not only for one section of the community. Some enthusiasts seem to support the idea that in the post-war world everything must be fairly shared. That is a nice, easy thing to say. If sharing everything means simply equitable distribution and possession, then certainly I do not quarrel with them. But who is to decide what is fair?

Mr. Stokes: Would it be impertinent to suggest that

*The seventeen lines allotted to Sir Archibald Southby's speech in *The Times's* Parliamentary Report referred exclusively to his remarks on Admiral Darlan and the French Fleet which formed less than one seventh of his speech as reported in *Hansard*,

possibly the main point is equality of opportunity?

Sir A. Southby: I quite agree, but let me develop my argument in my own way. Who, for example, is to decide whether a doctor shall receive a greater emolument than a distinguished lawyer? Who is to decide whether the director of a bank is to get more or less than the captain of a battleship? Who is to decide whether the man who digs coal—I pay my tribute to the men who dig coal—is to get more or less than the man who works in agriculture—and I pay my tribute to the man who works in agriculture; it is by no means the easy life that many people seem to think it—or whether an artistic genius who writes or paints is to receive more or less than the leader of a popular dance band, or whether indeed the Archbishop of Canterbury is to receive more or less than Mr. J. B. Priestley, or whether Mr. George Robey, the inimitable and irreplaceable, is to receive more or less than either the Archbishop of Canterbury or Mr. Priestley? Up to date it has been the community which has in effect decided what everyone is to receive for his or her effort or talent. [Interruption.] I knew that that would provoke dissent, but it is my view. I know the community has made many mistakes. For example, under the present system Miss Shirley Temple, charming though she may be, receives a much greater emolument than my right hon. Friend the Prime Minister.

Mr. Montague (Islington, West): Can the hon. and gallant Gentleman inform me who it is who decides that a naval officer of the same rank, however great his ability, gets no more than a mediocre naval officer?

Sir A. Southby: I am sorry that a personal note has been introduced. I should say that all naval officers have great ability, though some greater than others, and that the same applies to trade union leaders. We had better leave that matter out. In the main the system has not worked too badly. But there is something which no amount of planning will ever do away with and that is the law of supply and demand. You may regulate supply, and you may regulate demand, but in the end they must both remain. I do not know that it would be an improvement if the organisation of reward was decided, not by the general consensus of community opinion but by some bureaucrat sitting in Whitehall, after he had perhaps taken a Gallup poll. Incidentally, I do not know that I have ever met a Member of Parliament who has been asked a question by a Gallup poll or has met anyone else who has, but this bureaucrat would, no doubt, decide who was to receive how much. If the world after the war is to be a world of happiness and liberty, it will have to be built by common-sense men and women and not by visionary cranks. The danger that I see in planning is that there is too much visionary crankiness about. I believe we are all united in the desire to build a good, stable, splendid world when the war is over, but already we are hearing ominous talk about things like the conscription of youth—[An HON. MEMBER: "From the Tories"]—from the Tories. That has a nasty, ominous ring to me. This is the age of youth, and we shall need all the fire and enthusiasm which youth can bring to the task of rebuilding the world. Therefore we owe it to the young people who are going to follow us to see to it that they are not driven into some soulless, Government-controlled youth movement in order to satisfy the lust for importance and power of some bureaucrat in a Whitehall Office.

It seems to me that the people who talk loudest about

post-war equality are those who deny the right of anyone who disagrees with them to share in the planning of the new world, but I am certain of one thing, and it gives me great hope and courage. If the little man, who is the embodiment of British common-sense and sanity, is capable, as he is, of destroying Hitler and Mussolini and all their works, he is quite capable, when the war is over, of destroying bureaucracy. He says in effect, in the words of Geoffrey Dobbs:

"We who in the ashes dwell
Want no planned and ordered hell
Fight no wars to be policed
When the bombs and fires have ceased
Life's too precious far to give
For any freedom but to live."

Many Members referred, in this and the previous day's debate, in terms of surprise and disapproval, to the association of Admiral Darlan with the United Nations in North Africa. Mr. Bellenger's (Bassetlaw) remarks are here quoted because they evoked an interesting response from other Members:

... They [the troops, their dependants and relations] see things happening which make them think that the old order is still prevailing. They see Darlan being accepted by our military leaders as the principle authority in Africa. [HON. MEMBERS: "By the Americans."] It may be that the Americans have done it, but I thought we were acting in close relation with them. At any rate, we place our troops under an American commander-in-chief, and surely we cannot absolve ourselves from some part of the responsibility for that act even though it originated from the Americans. It may be a *ruse de guerre*, but the people cannot understand that. All they understand is that a man whom they and Frenchmen believe is a traitor and a Quisling is not the one to rule over Frenchmen and to appoint as commander-in-chief such a fine soldier as General Giraud...

In summing up at the end of the day's debate Sir Stafford Cripps answered these criticisms by quoting Mr. Roosevelt's statement that the association was made to save lives and that it was only temporary.

HOUSE OF LORDS: NOVEMBER 17 SIR ROY FEDDEN

Lord Brabazon of Tara: ... The Bristol [Aeroplane] Company has dismissed Sir Roy Fedden... The Bristol Company was founded by Sir George White, with great imagination, some years ago. Sir George White had two sisters. It was the next generation who formed the board of that company and form it to-day... To-day there are two brothers and two cousins, and I propose therefore to designate the directorate of that company as the cousins...

On the personnel side of this Company there were two men who were really responsible for its success. One was Captain Barnwell, who designed aeroplanes and who was eventually killed and also his son, flying. The other one was Roy Fedden. Roy Fedden has produced the most successful radial air-cooled engines in the world. The list is an impressive one. It starts with the Jupiter, then the Mercury, the Perseus, the Pegasus, the Taurus, the Hercules, and now one of the biggest engines in the world is coming through. Sir Roy Fedden is responsible for more than half the power plant of the Royal Air Force to-day. All these engines have been copied all over the world. To show the

Continued on page 7

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The Jews in England

Historical continuity is a fact. The tendency, as Douglas has pointed out, to regard history as episodic is fatal to its proper appreciation. Yet in considering the matter contained in the earlier chapters of Mr. Roth's book,* one is struck by the fact that they treat of an event in human history of so complete and final and self-contained a nature as to appear almost to belie the truth of the above statement.

This isolated event is the association of medieval Jewry with the English nation over a period of almost exactly two hundred and twenty-four years. It was an event which contained practically no element of gradualness either in its beginning or in its tragic ending. For the Jews did actually come over first and in considerable numbers, in the train of William the Conqueror, in 1066 and all that—apparently as part of his equipment of occupation, getting down to their job with a businesslike dispatch that reminds one of the German economic experts in Occupied France and the other over-run countries of the Continent. And they did actually depart, bag and baggage, in the late Autumn of 1290.

I say there has never been anything like it since; nor ever before—unless it was the Expulsion from the Garden suffered by our common ancestors. It is indeed a "high-spot," not only in English, but in universal history, and there can seldom or never have been an enactment that displayed more genuine corporate decision and national unity. That it has always been passed over in the official histories with such typical and almost exasperating British modesty, and all the educational emphasis placed on the last successful and humiliating military invasion which these islands suffered, seems extraordinary.

Its remote impulse was, no doubt, something that lay buried deep in the Anglo-Saxon consciousness. For its immediate cause we need look no further than habitual Jewish behaviour. For if one thing emerges more clearly than another from Mr. Roth's concise and well-documented survey, it is that the Jew—pre-Christian, medieval, or present-day—has not altered superficially or fundamentally one iota. Apparently his reflex actions to his environment know no modification, either to time or circumstances. And it is an observable fact that they show an almost terrifying insensitiveness to external realities.

The result of this is that wherever the Jew chances to arrive—on the back, as it were, of an invading William, or propelled from behind by a Gentile pogrom—the moment he is allowed breathing-space, he proceeds with complete concentration to "be himself." The Jews are realists—of a kind. They go straight (too straight) for their objective. This they did in twelfth and thirteenth Century England, not realising, as one must suppose, that probably for the first time in their history they were among equal realists—of another kind. At least that is how it seems to me.

**The History of the Jews in England*, by CECIL ROTH, Clarendon Press 1941.

Following on the Norman Conquest, and ignoring the fact that they had crossed a strip of sea and left the Continent of Europe behind, they pursued their racial policy with relentless integrity, as they have always done, and as they are still doing eight hundred years later, quite regardless of circumstances, or of consequences, either to themselves or to anyone else. In the course of little more than two hundred years, however, the subversive results of that policy in a comparatively small and simple community, had become so marked, and so threatening to the medieval concept of stable Government, as to force a far-sighted statesman in the person of Edward I to put into operation and carry through one of the most stark and drastic enactments of history.

The temptation, common to us all, to let things drift must have been tremendous. For it is quite apparent that the Plantagenet kings and their Government had by degrees been brought into a situation of almost complete dependence on the Jewish community for their finance. And not for cash alone. But the Jews, in their characteristic nation-within-a-nation set-up, supplied to a primitive and essentially unbureaucratic-minded society a ready-made and self-supporting Inland Revenue Authority and Record Office.

Yet notwithstanding all that, and at the risk of the profound dislocation such a move must have seemed to make inevitable, Edward and his Council, weighing these facts against the violence that was palpably being done to what they earnestly conceived to be the natural social order which it was their responsibility to preserve, and in which, no doubt, they saw their own preservation (for we must not forget that they, too, were realists, of a kind), decreed the Jew's complete evacuation, to take place within four months.

Whatever we may think of their action, we must admit the extraordinary strength of their conviction and unanimity. Such strength can only have been derived from Edward's knowledge that the nation of which he was the responsible head, was fully behind him. "The fatal step," says Mr. Roth, "was taken on July 18, 1290 by an act of the King in Council." And it was no cruel, discriminating, tongue-in-cheek affair such as we have been witnessing lately on the Continent. On the contrary, on the testimony of our author, "It was executed with scrupulous fairness, almost humanity."

On that momentous date the whole Jewish community of thirteenth century England—a community dug-in to the very vitals of society as only the Jew understands how—was officially told "where it got off." And between October 10 and November 1 following, at it were, the bus was stopped, and the king and his Government assisting, they all did in fact alight in the chill, inhospitable air of medieval Europe. And the bus went on, along the road that led to one of the three or four cultural peaks on the chart of human civilisation—the road to Tudor England, and Will Shakespeare, and Bacon, and Milton, and Uncle Tom Cobley and all—.

There was no social or financial collapse. Luckily for Edward, England possessed no "National" Press to threaten inflation, or whatever was the popular bogey of the epoch. Instead, there was an almost immediate surge forward along the road to political responsibility. "It is not without significance," says Mr. Roth, naively cryptical, "... that the Model Parliament assembled and the English Constitution received its shape, four years after the expulsion of the Jews."

For almost four centuries the name of England disappeared from Jewish history. The Chronicles never refer to it, except occasionally as a synonym for cruelty and oppression. "A reputation undeserved," as Mr. Roth, himself, points out.

N.F.W.

WORLD REVIEW;
THE JEFFREY PROFESSOR OF
POLITICAL ECONOMY,
University of Aberdeen;
Edward Hulton;
etc.

Disregarding various intimations published from time to time, and particularly that published in *The Social Crediter* for May 30, last, defining what it is that any critic claiming technical competency and to criticise Social Credit on technical grounds has to refute, *World Review*, a periodical published from 43, Shoe Lane, London, E.C., edited by Edward Hulton, printed, in its October issue, an article by the Jeffrey Professor of Political Economy in the University of Aberdeen, Mr. Lindley Fraser, entitled *Social Credit is a Fallacy*.

Unless a certain smartness of style, designed possibly to appeal to a jaded palate, there is nothing in the article which does not conform to the conventional recipe for 'refutations' of Social Credit, viz., avoidance of direct citation of any complete statement of his thesis by Major Douglas himself, or by anyone presenting this thesis in its entirety, the critic thus being free to state his own view of the central feature of Social Credit technics in a form suitably adapted to his own purpose.

Upon information reaching us (not from the author or the publisher of the article) that the article had appeared, the following letter with the enclosure mentioned therein, was addressed, dated October 20, to the Editor of *World Review*:—

Dear Sir,

The current issue of *World Review* contains a statement by the Jeffrey Professor of Political Economy in the University of Aberdeen that "Social Credit is a fallacy." Will you or your contributor or anyone else you may choose either disprove the mathematics of 'Financing of a Long-term Production Cycle' (copy attached), which embodies in a convenient form the demonstration alleged to be fallacious, or the premises?

If there should be no satisfactory answer to this invitation the Social Credit press will be informed.

Yours faithfully,

(Signed) TUDOR JONES.
 Deputy Chairman,
 Social Credit Secretariat.

(attached:—)

FINANCING OF A LONG-TERM PRODUCTION CYCLE

Let N_1 = average length of the credit cycle in years
 = $\frac{\text{bank deposits} \times 2}{\text{bank clearings per annum} + L - K}$

where K is the value of "Second hand Transactions."
 ("Second hand transactions" are those which do not cancel a cost.)

Then N_1 = average period of circulation of A payments + L
 L = Internal (non-clearing bank) transactions

Let N_2 = average length in years of the production cycle at any selected period
 = $\frac{\text{(process time} \times \text{number of processes)}}{100}$
 + $\frac{\text{depreciation \%} + \text{obsolescence \%} + \text{consumption \%}}{N_2}$
 N_2 = average period of time cost production and destruction.

Costs are generated in production and cancelled in consumption.

Therefore N_2 = average period of cost cycle.

N_1 is the order of 2 months;

N_2 is the order of 20 years.

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 1/20.

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—

$$\frac{\text{£}(An_1 + Bn_2)}{n_1} = \frac{\text{£}(A + B \frac{n_2}{n_1})}{n_1}$$

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 $B(1 - \frac{n_2}{n_1})$
 = approx. B.

This deficit may be made up by the export of goods on credit, by writing down of goods below cost, by bankruptcies, and by money distributed for public works and charged to debt. But in the main, it is represented by mounting debt.

Since no acknowledgement had been received on November 2, enquiry was made, accompanied by an offer to despatch, by registered post, a copy of the original letter, should that have gone astray. An apology from the Editor of *World Review* for non-acknowledgement disclosed that the letter was in the hands of the Jeffrey Professor of Political Economy in the University of Aberdeen, and, after some further delay the following letters were exchanged:—

(1) From Professor Fraser to the Deputy Chairman

Dear Sir,

The Editor of *World Review* has forwarded to me your notes on my article on Social Credit.

I have studied your analysis of the credit system and am fully aware that I shall not provide you with a "satisfactory" answer, since in the nature of the case the only

answer you would consider satisfactory is one which would support your faith, and that I am unable to do.

There are many points that I should have to quarrel with in your version of the Social Credit thesis if I were to deal with it fully. For instance, I do not accept your conception of a "credit cycle," as distinct from a "cost cycle." Nor do I agree that A payments are all made into the " N_1 " system, again as defined by you.

But the main objection I have to your analysis is the formula for the amount the consumer receives. If your formula were correct, it would imply that (assuming for the purposes of argument that your estimate for " n_1 " and " n_2 " are approximately correct) only 1/120 of every B payment reached the consumers in the form of an A payment. That might be true in a short period, for B payments made within that period. Thus of B payments made by manufacturers on March 1, only a small fraction will have reached consumers by March 31. Other parts of the March 1 B payments may have to wait a long time before they are finally paid out as wages or in other A payments. But during March money will be reaching consumers which is not the result of B payments made in March, dating back from earlier months—some of it dating back (if your estimate for N_1 is correct) as long as 20 years or more. And unless you can show that during March—or whatever other period you may choose—total B payments, by all manufacturers, exceed substantially the total back-flow from the " N_2 " system into the " N_1 " system during that month, you cannot claim that there is a deficiency of purchasing power in consumers' hands.

I am not denying that there may be a deficiency of the kind you have in mind in this or that particular month—just as in other months there may be an excess of purchasing power (when, namely, the back-flow from the B system exceeds new B payments). But in any case, the deficiency, if one does emerge, can never conceivably be anything like of the order of $\frac{119}{120}$ of the total B payments made in the period in question.

Yours faithfully,

(Signed) LINDLEY FRASER.

(2) From the Deputy Chairman to Professor Fraser

Dear Sir,

Referring to your letter of November 10, the extract sent to you by the Editor of *World Review* was taken from a paper read by Major C. H. Douglas before the Institution of Mechanical Engineers.

In saying that your letter does not provide a "satisfactory" answer to our request to justify, *inter alia*, the title of your article by refuting this extract, either as to its premises or its very simple mathematics, we think you may be credited with a large understatement.

So far as the premises are concerned, your letter merely contains a series of dogmatic assertions, unsupported by any attempt at demonstration. For instance, you say you do not agree that all wages and salaries are paid into the N_1 system; but you offer no disproof. You will, we feel sure, understand that it is not your disagreement (which we take for granted) but your reasons which might be of interest.

Your 'objection' to what you describe as the formula

for the amount the consumer receives appears to be that of the old lady who was shown a giraffe and observed with firmness, "I don't believe it!" The 'formula' to which you refer is, of course, merely a logical mechanism in mathematical form, and either conforms to the rules of such mechanisms, or it does not. To say, "If your formula were correct it would imply" something with which you do not agree, without showing that the logic is faulty, is exactly equivalent to saying, "your formula would imply that twice two make four, and that is absurd."

We expressly confined our request to the editor of the periodical in which your article appeared to a simple and narrow issue, and did not, and do not desire to cover again controversies which, in our opinion, have been decisively settled in our favour by the logic of incontrovertible facts. We will therefore only remark that your statement that a possible deficiency in one month may be balanced by an excess in another seems to suggest that a clock which loses five hours to-day is quite a good clock if it gains six hours to-morrow. You do not even mention the astronomical growth of debt, which largely indicates the locus of the deficit, and would require to be paid off to validate your contention.

We consider that, in view of the indisputable connection between the subject under discussion and the world catastrophe, it is a public disservice for the occupant of a Chair in a British University to publish an article, which is merely an extension of a dogmatic title, labelling as a 'fallacy' a serious contribution which forms the basis of one British Government, on no better grounds than those disclosed in your letter, *i.e.*, unsupported opinion.

Yours faithfully,

(Signed) TUDOR JONES,

Deputy Chairman,
Social Credit Secretariat.

We publish this account of the facts hoping that our readers will give them the widest possible publicity. Marked copies of the present issue of *The Social Crediter* are being sent to a selected list of individuals who may be interested.

Notice

The address of *The Social Crediter* for both editorial and business communications is 49, Prince Alfred Road, Liverpool, 15. Correspondents are asked to remember this as the use of old addresses causes loss of time to the staff.

NOW READY:—

"The Tragedy of Human Effort"

By C. H. DOUGLAS

Major Douglas's Liverpool Address, October, 1936.

ALSO

"The Policy of a Philosophy"

The first republication in pamphlet form of the address given to a conference of social crediters in June, 1937.

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SIR ROY FEDDEN

Continued from page 3

sort of engineer he is, he was awarded the Guggenheim medal in America, and Dr. Lewis, head of the Advisory Committee on Aeronautics in America, said "I regard Sir Roy Fedden as the most outstanding engineer on air-cooled engines in the world." That is the type of man we are talking about who has been dismissed from the Bristol Aeroplane Company. Sir Roy was very much responsible for getting Lord Rothermere to take up that Miss Britain I, a purely private speculative venture, which was the basis of those Blenheim machines which, although out of date to-day, were of such vast use at the beginning of the war. He was also responsible for producing the Rotol Company. He saw clearly, although few others at that time saw it, that the variable pitch propeller was bound to come. It was advancing in America and should be encouraged here, and he persuaded the Bristol Company and the Rolls-Royce Company to come together and form the Rotol Company. And if it had not been for the Rotol Company I do not know where we should have been to-day, because it has been a constant struggle to keep the supply of propellers up to the supply of engines.

The Government asked that Fedden should be put on the board as long ago as 1931, but the cousins were not going to break their personal relationships. . . . The cousins [later] offered him what was called the post of technical controller, but there was this point, that part of his organisation was to be controlled by the production manager; in other words he was going to be responsible for research and development and the designing of new things, but the control of his staff and the design office were to be in somebody else's hands. He said that was an impossible position, and he could not accept it. They could not agree and consequently he was dismissed. . . . the culmination of this man's work has resulted in his producing the most powerful aeroplane engine in the world. It has passed its type tests. It has got to go of course from the type test to become standard equipment in the ordinary squadron of the Air Force, but there is a long way between a type test and an engine becoming a satisfactory engine in the hands of squadrons. . . . This engine is of the utmost importance to our Air Force. It wants its father to nurse and to look after it, and at the very time when that man is essential to that engine he is dismissed from the company. . . .

The Joint Parliamentary Under-Secretary of State for Air (Lord Sherwood): . . . The difficulties which have arisen were entirely confined to the aero engine design side which was in charge of Sir Roy Fedden. . . . We all know what these engines have done and how much in that connection we owe to Sir Roy Fedden. But there is no doubt that a state of affairs had arisen which was not furthering the development of the Bristol engine. That was clear to my right honourable friend, and he had to take a decision having regard to the range of interests of the Bristol Company. My right honourable friend weighed carefully all the factors involved, and he came to the conclusion that the war effort would be best served if the connexion between Sir Roy Fedden and the company was brought to an end. . . . the Minister has offered him a position involving his going to America. It is a position connected with this most vital matter of engines and various other matters in connection with flying which are so necessary to the Minister's Department. It is indeed a post of the highest importance and Sir Roy Fedden has accepted it. . . .

House of Lords: November 18, 19

PLANNING AND RECONSTRUCTION

The debate in the House of Lords on Planning and Reconstruction centred round the Reports of the Uthwatt and Scott Committees. Lord Balfour of Burleigh, whom the Lord Chancellor described as "an enthusiastic planner" described the background against which the reports should be discussed: "The background is the acceptance by the Government of the principle of national planning. What that means can be summed up in one quite short sentence. It means that it is essential that there should exist means by which the requirements of agriculture, transport, public services, and defence, as well as housing, industrial location, town siting and other matters, can be given proper weight and considered as a whole. That definition is in the Uthwatt Report, and. . . I think it would not be denied that that represents the Government's view of what national planning means on the largest scale." In his summing up to the debate the Lord Chancellor said more shortly: "The object of planning is to secure that people should not, except by leave, develop their property to the highest possible degree. . . . The ownership of the land is not in itself a factor on the way to planning, as long as you have got adequate legislative power for the purpose of giving the necessary directions and control. . . ."

None of the Lords admitted to not being planners (although the Earl of Radnor said that he was constitutionally an anti-planner, he admitted to serving on the Scott Committee) and the speeches were concerned with criticising and suggesting modifications of the measures suggested in the two reports. All the Lords were agreed on the desirability of some Central Planning Authority although not on its exact constitution and function.

The Earl of Radnor: . . . I come next to what is perhaps the most important, and I think will probably prove to be the most controversial, of the recommendations of the Uthwatt Committee—the unification of development rights in undeveloped land. Might I say, in parenthesis, that I should have had more respect for the findings of the Uthwatt Committee if, instead of using that horrible word "unification," which was pulled out of the dictionary some years ago in order to conceal real intentions, they had come out into the open and talked about State acquisition or even nationalisation—because that is what it is. The State acquisition of all the development rights in undeveloped land must mean that on the State would devolve the task of getting that land developed. It would become, for the purposes of development, the landowner of the land which may be developed. And I sometimes wonder whether those people who view with favour such a proposal, or proposals of this nature, really understand the problem. I think there are far too many people who have it in mind that the landowner with land which is likely to be developed has merely to sit back, watch the land develop almost automatically, and rake in the money when it is developed. Well, of course, there are cases where that happens. On the other hand, there are a number of cases where it does not happen. A great deal of the development, and some of the very best development in this country, has been owing to the initiative of the individual landowner, who has taken a chance—a speculative business, as I know to my own cost, in many cases.

I personally—and I think most of your Lordships will

agree with me—think it is not the duty of any public body, nor is it desirable, that they should enter into any speculative business on a large scale, as is suggested by the acquisition of development rights. They are not suited to it temperamentally, and it would lend itself to all sorts of difficulties. Besides that, there also seems to be an idea that all development by public bodies is good, and that all development by the individual is bad. Well, I do not think either statement or belief is true. I have seen some extraordinarily bad development by public bodies; I have also seen some extraordinarily bad development by individuals. But I think what one must remember, first of all, is that planning is designing to preserve much of what we love in this country and, if possible, improve it—preserve that which has been created by private endeavour in the past. I do not think a public body is going to do any better. My personal conviction is that in nine cases out of ten a public body will do a great deal worse, and that they are not the right people to carry out active development. . . .

Lord Brocket: . . . an agreed long term policy for agriculture is essential in the interests of the nation. Any long-term policy of agriculture must also include such items as land tenure and planning, and I wonder whether it is too much to hope for that political Parties might be brought together to agree upon a really long-term policy for agricultural planning and what is called the land question. If that were possible, the whole of these very important subjects might be taken out of Party politics, and I should personally like to see that happen. The political Parties are political Parties and, speaking as a member of the Conservative Party, when I see the suggestion put forward for the nationalization of development rights I am quite naturally suspicious that perhaps at some future time the Hitler technique of one by one will be put into operation by some political Party, and that the nationalization of development rights is the thin end of the wedge of wholesale nationalization. We have had already the nationalization of oil, and we have had the nationalization of coal royalties and, incidentally, arising out of that, we have had the first attempt at fixing a global sum, which I do not think treated the coal royalty owners very well. Now we are asked to consider the nationalization of development rights, and it is, in fact, one of the main recommendations of the Uthwatt Report. . . .

If all the development rights are vested in the State, the developer would then have to go to the State Department and ask if he could develop a certain piece of land. That piece of land may be land upon which the owner of the remaining agricultural value sets great store. It may be near where he lives, it may even be a beauty spot, but if the developer can convince the Government Department that it would be a good thing to develop this land, neither the neighbouring owner nor the owner of the land itself would have very much to say in the matter. The land would be taken away from him and leased out to the developer, who might develop it exceedingly badly and greatly to the disadvantage of the old owner. That is a very unfortunate suggestion and if, as I hope will not happen, this scheme of nationalization of development rights is brought into law, I would suggest that the owner of land in the case of an approved scheme should have power to buy back the development rights and develop his own property in the way private owners and individuals have developed their properties in the past. . . .

BOOKS TO READ

By C. H. Douglas:—

Economic Democracy	(edition exhausted)
Social Credit	3/6
The Monopoly of Credit	3/6
Credit Power and Democracy	(edition exhausted)
Warning Democracy	(edition exhausted)
The Big Idea	2/6
The Tragedy of Human Effort	7d.
The Policy of a Philosophy	7d.
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.
Democratic Victory or the Slave State? by L. D. Byrne	4d.
How Alberta is Fighting Finance	(out of print)
Southampton Chamber of Commerce: Report of Economic Crisis Committee.....	9d.
The Rulers of Russia by Rev Denis Fahey..	(out of print)

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/-

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