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Planned Obsolescence or the Death Date

By JAS. GUTHRIE

An ever-increasing majority of the people in an industrial community are entirely dependent for their means of existence on the wages received in a factory or office; when a factory shuts down the wage-earners are without purchasing power, and are soon in serious economic strife, irrespective of the fact that there may be large and unsaleable surpluses of food and clothes in their own district.

In other words, the wage-earner receives no permits to consume what has already been produced unless he is employed in producing more goods.

In 1920 Major C. H. Douglas drew attention to this ridiculous state of affairs in his book *Economic Democracy*, where he says "if production stops, distribution stops, and, as a consequence, a clear incentive exists to produce useless or superfluous articles in order that useful commodities already existing may be distributed.

"This perfectly simple reason is the explanation of the increasing necessity of what has come to be called economic sabotage; the colossal waste of effort which goes on in every walk of life quite unobserved by the majority of people because they are so familiar with it; a waste which yet so over-taxed the ingenuity of society to extend it that the climax of war only occurred in the moment when a culminating exhibition of organised sabotage was necessary to preserve the system from spontaneous combustion.

"The simplest form of this process is that of 'making work'; the elaboration of every action in life so as to involve the maximum quantity and minimum efficiency in human effort. The much-maligned household plumber who evolves an elaborate organisation and etiquette probably requiring two assistants and half a day in order to 'wipe' a damaged water pipe, which could, by methods with which he was perfectly familiar, be satisfactorily repaired by a boy in one-third the time; the machinist insisting on a lengthy apprenticeship to an unskilled process of industry, such as the operation of an automatic machine tool, are simple instances of this. A little higher up the scale of complexity comes the manufacturer who produces a new model of his particular speciality, with the object, express or subconscious, of rendering the old model obsolete before it is worn out. We then begin to touch the immense region of artificial demand created by advertisement; a demand, in many cases, as purely hypnotic in origin as the request of the mesmerised subject for a draught of kerosene. All these are instances which could be multiplied and elaborated to any extent necessary to prove the point." (pp. 76-77)

When production stops wages stop and therefore consumption stops; but that is not the whole story. Production has been enormously increased by the use of automatic machinery, but as machines receive no wages, (the allocation

of machine charges does not distribute purchasing power) the actual amount paid out in wages by a factory producing consumer goods is very much less than the prices attached to these goods, and it is a matter of experience that an economy drags to a stop unless extra money is pumped into the community from some other source.

The International Financial community usually decides when extra money is to be made available to produce "economic growth" or when no extra money is to be available and there is to be a "credit squeeze".

The methods used to make up the deficiency in purchasing power are perfectly well known. One method is by exporting goods in order to try and obtain someone else's currency. Another method is by the creation, by the banking system, of new credits which are lent to governments and other organisations for the production of new capital works. This extra money when spent into circulation is then available for the purchase of consumer goods. The debt against the capital goods remains against the community, to be loaded into future prices, future rates and future taxes: hence inflation.

There is, at present, no automatic process by which adequate purchasing power is issued to a community. The amount of money in circulation depends almost entirely on the decision of those who control the creation and destruction of bank credit.

In *The Monopoly of Credit* Major Douglas states the position quite clearly: "Money is not made by industry, neither is it made by agriculture, or by any manufacturing process. The farmer who grows a ton of potatoes does not grow the money whereby the ton of potatoes may be bought, and if he is fortunate enough to sell them, he merely gets money which someone else had previously. Purchasing power, therefore, is not, as might be gathered from current discussions on the subject, an emanation from the production of real commodities or services much like the scent from a rose, but, on the contrary, is produced by an entirely distinct process, that is to say the banking system."

THE WASTE MAKERS

Automation has so multiplied men's ability to produce goods and services that problems of finding markets for the ever increasing output are causing tensions on a world scale.

The cost of erecting an automatic plant for producing such things as motor cars is very large and to justify the outlay it is necessary to make sure that the market does not become saturated, in other words it is necessary to have an expanding economy. It is obvious that, if a customer is satisfied with his motor car and keeps it for 10 years, he is out of the market for that time. This does not suit the

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mass production industry. The big question then is how to make the customer dissatisfied with his old car and so buy a new one every two years or preferably every year.

The latest news about this complicated and expensive business is discussed in great detail by Vance Packard in his interesting and well-documented book *The Waste Makers*. (Pelican, 1963, 4/6. First published in U.S.A. 1960.) It is not possible to give a reasonably complete idea of the many facets of American Big Business covered by Packard in this book of over 300 pages. However, an idea of the contents may be had from the chapter headings. Some of these are: "Progress through Planned Obsolescence", "How to Outmode a \$4,000 Vehicle in Two Years", "The Vanishing Resources".

The Nagging Prospect of Saturation

Under the above title Packard writes—"In 1959, the advertising and marketing journal, *Printer's Ink*, asserted: 'Our automobile plants could turn out eight million cars this year if they dared.' But it said the industry would be lucky to sell about half that number. And it added that several other major industries were facing the same 'dilemma'. Labour leader Walter Reuther complained that in four years the United States had 'lost' nearly one hundred billion dollars' worth of potential output because of 'under-utilization' of its productive capacity."

Planned Obsolescence

The obsolescence of any appliance can be ensured by planning the "Death Date" of its weakest part. The life of electric lamps can be reduced to any required figure by stepping up the "light efficiency". Packard gives detailed cases of this.

A car becomes obsolete when its weakest part starts causing trouble and expense, this part is usually the body or shell. But it is by constant and drastic changes of the "shell" that people have their cars dated.

By dating a car it becomes socially impossible to be seen in a model that is not brand new, and modern men and women are so conditioned that they are prepared to go without the essentials of life rather than be considered out of date. By high pressure salesmanship, which really amounts

to black magic, and by bringing out a new model each year, instead of every three years, the mass-production machines can be maintained, so it is hoped, in full employment.

How to Outmode a \$4,000 Vehicle in Two Years

Under the above heading Packard writes—"At Ford, styling was taken away from engineering and made a separate department, the \$200,000-a-year head of this styling department, George W. Walker—"the Cellini of Chrome"—was at one time a stylist for women's clothing. When the 1958 models were launched, he frankly conceded that he designed his cars primarily for women."

"And by 1958, insiders were whispering the news—stunning to competitors—that General Motors was going to overhaul the shells of its five motor cars every single year."

"The Big Three were spending more than a billion dollars a year to put a new dress on their cars each year. To put it another way, since the consumer of course pays in the end, the average new-car-buyer was paying more than two hundred dollars extra to cover the annual cost of re-styling the cars. And this did not include the actual cost of the non-functional 'bright work' or 'goop' placed on the cars. That added at least another hundred dollars."

Progress

Some of us had old fashioned ideas about service: some of us thought that technicians and scientists were dedicated to serve their fellow beings; that they were going to produce better food, better clothes; that our tyres, batteries and cars would be made to last longer, and be trouble free: but how old fashioned we have been let Vance Packard tell us!

The Life of Tyres

"A leading chemical scientist working for a tyre company told me in the early fifties that he had high hopes a tyre would be developed that would last 100,000 miles. Perhaps he is just being woolly-headed, but at any rate in the following years when technological miracles were said to be happening in all fronts, the life expectancy of tyres kept going down and down. The manager of the American Chiclé Company's fleet of 430 cars told Journal investigators, 'We've not only noticed that we get less mileage, we've computed it to be 25% less.'"

Mufflers

Design Sense, published by Lippincott & Margulies, said, "a major steel company has had available for some time—with no takers—a lead-coated steel which, for just 8 cents more per auto muffler, would give a product that would last the life of the car. Instead, automakers are still installing mufflers that must be replaced on an average of once every two years at a cost to the consumer of 18 to 27 dollars per muffler."

Packard, like other American writers, wants to see something done about the appalling waste of the resources of his country, and the even greater waste of the human resources.

The gross immorality of American advertising methods he reveals in all its stark ugliness. He speaks of the squeamishness of engineering designers when they are compelled to design machines to break down at an early date. But it is doubtful if this dilemma is any more acute than that facing other professional men. All have to work to an official policy, and few have the courage to raise their heads out of their textbooks and ask the question "Where are we going?"

Packard starts his great book where I intend to finish, with a picture of "The City of the Future?" The tragedy of this comic picture is that it reveals conditions in existence now.

The City of the Future

If we could probe the real dreams of these marketing people

as they slumber restlessly at night, we would find—when a smile finally settles on their faces—that they are not dreaming merely of more bewitching products to sell to us. More likely they are dreaming that they are in their private world of the future, where selling has again become easy because the haunting problem of saturation has been vanquished. This utopia might be called Cornucopia City, and its setting is out on the misty horizon of time.

In Cornucopia City, as I understand it, all the buildings will be made of a special *papier mâché*. These houses can be torn down and rebuilt every spring and fall at house-cleaning time. The motor cars of Cornucopia will be made of a lightweight plastic that develops fatigue and begins to melt if driven more than four thousand miles. Owners who turn in their old cars at the regular turn-in dates—New Years, Easter, Independence Day, and Labour Day—will be rewarded with a one-hundred-dollar United States Prosperity-Through-Growth Bond for each motor car turned in. And a special additional bond will be awarded to those families able to turn in four or more motor cars at each disposal date.

One fourth of the factories of Cornucopia City will be located on the edge of a cliff, and the ends of their assembly lines can be swung to the front or rear doors depending upon the public demand for the product being produced. When demand is slack the end of the assembly line will be swung to the rear door and the output of refrigerators or other products will drop out of sight and go directly to their graveyard without first overwhelming the consumer market.

THE DESTRUCTION OF THE WEST

“When the Industrial Revolution struck 19th-century England no one was prepared for the devastating changes which were ultimately forced on them. The use of solar energy to drive automatic machinery increased the magnitude and complexity of the units of production, and transferred economic power and authority from the village and the farms to the cities. Also, the financing of the sale of the avalanche of goods which poured from the steam-driven machines was far beyond the domain of the individual industrialist. Very quickly the creator of real wealth came under the control of the creator of credit; the international banking houses of London became the arbiters of fortune for producing and consuming countries alike. They created the necessary credits to monetise the wealth of Britain and transfer it to the four corners of the Earth.

“Whatever happened in bygone days, in modern times the destiny of nations was very definitely decided in bank parlours; it is doubtful if any important trade or military expedition could take place without the permission and financial support of the international fraternity which made its temporary abode in London, since transferred to New York.”*

The international financial houses which monetised the wealth of Great Britain are now monetising the wealth of U.S.A., and robbing that country of its vast resources. The North of England and Scotland have been robbed of their irreplaceable treasures of the more easily available high-grade coal and iron, and the population is now getting out of these plundered regions. U.S.A. which was an exporter of steel and copper is now importing these strategic minerals.

“As we view the contemporary scene we see a people, richly endowed with everything the heart could desire, spending their time, energy and emotions in a vain attempt to find the money to pay themselves for what they themselves have produced; we see the versatile and powerful precision instruments of production used to produce anything and everything except that which will enable men to become free; we see a people as a collectivity building mighty reserves at an accelerating pace, and the individuals of the collectivity moving further into debt and servitude to a system they cannot control. As the group becomes mightier the individual becomes more helpless, and is quite unable to build reserves for himself or his family.

“The communists and their shadowy backers must rub their hands with glee as they watch what is left of our civilisation being turned into an ant-heap.

“Our greatest menace does not come from Russia; our immediate task is not to emancipate other people, but to emancipate ourselves. The problems of the West are vastly more critical and more dangerous than those of the Asian world. No intelligent man can fit comfortably into a system which he can see has no future for himself or his family. A productive system, however ‘scientific’, which produces rubbish is no place for an honest man; a productive system where labour-saving devices do not save human labour is no place for an intelligent man; a productive system where every great endeavour, every new invention and every new technique increases the price of its products is no place for a man who believes in progress or efficiency. What then is wrong with the productive system? The socialist would say that ‘it produces for profit, not for use.’ But when they have said this they have not told us anything, for the people who do not work for profit are usually found in mental asylums. Our chief objection to the productive system is that it is not profitable.”*

“The end of production is Consumption”; surely there can be no doubt about this, yet all around we see vast sums of money being spent to force people to buy rubbish they don’t want in order to maintain production.

In U.S.A., as machines displace human labour the unemployment problem becomes more acute and very dangerous. The American people will support practically any scheme which will give the unemployed work, and so inject more purchasing power into the community. American people are quite prepared to shut their eyes to the present useless production, and even to encourage it, and are quite keen to see a huge armament programme started for the same purpose. Could anything be more tragic than this?

Although the army of unemployed keeps on increasing the individual and his family are unable to get any help in their homes, gardens or farms; they have not the necessary official permits, that is, not the necessary purchasing power.

Mothers with young families, instead of getting much needed help, have to leave their homes to punch a clock in a factory or office to get the necessary permits to obtain the domestic appliances which are specially designed to fall to pieces in a few years. This is what you might call service in reverse, and the tragic part is that the men and women who are in the grips of the industrial monster could, under rational conditions, be released to give personal help in a hundred different ways.

* “Hire Purchase”, T.S.C., March 19, 1960.

* Ibid.

To get some idea of what is happening in U.S.A.—the wealthiest country in the world—and in other countries like Australia, it is instructive to have a brief look at what has happened to once-Great Britain. By industrialisation and a large export trade Britain was plundered of its mineral wealth, the countryside destroyed, and men and women regimented into factories. The wealth and skill of the British people was poured out in unbelievable quantities to industrialise Europe, America, Japan and other countries; and during this period of rapid expansion these countries all had trade deficits; and Britain an international trade credit. In other words, the British people gave away more than they received back, which means that they were not paid for a large part of this colossal effort.

The vast majority of problems facing families today are money problems, and, as far as governments are concerned, all other problems are very much secondary. Why should a country like U.S.A. or Australia have to export its wealth on such a large scale in order to use its own wealth? Why should an economy collapse as soon as it ceases to expand?

Why should every new invention, every improvement in technique and management increase the price of goods?

Why should we pay in prices, rates and taxes for the capital development of a country built by people long since dead? The money equivalent, or the credits created for this capital development, are also long since dead, and do not exist as purchasing power anywhere.

Why should we be debited financially for the capital development built by us for people not yet born? Is it impossible for us to have any financial assets?

When a man builds a house for himself he has an asset, there need not be any corresponding debt attached to it. But public accountants demand that every national or civic asset, built by us, should have a debt attached to it. And it is these colossal debt charges which are crippling the power of every municipal government, and preventing them from performing the most elementary task. Municipal governments are trying to do a million pound job with three-pence halfpenny in the till.

Official commentators, when they speak enthusiastically about diverting money from the private sector to the public sector for much needed public works, are very dumb when faced with the problem of the colossal debt charges, private and public.

The rule, that every physical asset should have a financial debit attached, is rigidly imposed on every government, and any attempt to evade this very destructive and fraudulent rule is severely dealt with. With the improved methods of production, and the use of less manpower, the price of goods and services should continuously fall, and thus give a national dividend to every person. In this way everyone would see for himself the meaning of Progress and share enthusiastically in it.

Increased prices and increased taxation are not reasonable, natural, nor the accidental product of a false system of accountancy.

Increased prices and increased taxes are essential parts of a system of government—the government of the many by the Chosen Few. Modern taxation was designed to prevent any person, or groups of persons, raising their heads above the financial gutter, so removing any opposition of the central government.

Taxes were not designed to raise the level of the lower income group at the expense of the higher income group:

taxation has not done this, and, as has been shown in this journal, it cannot do it. Those in the lower income groups are in continuous financial difficulties, and very much resent this unnatural and chronic condition. The great mass of discontent has been exploited politically to breed suspicion and vindictiveness, and in the name of Equality, has been used by governments to destroy the power of each minority in turn. As all of us are members of a minority at one time or another we are all victims of this government policy.

Finance is essentially an instrument of power, and in the hands of the international financial community can be used to destroy any country. This international fraternity, with its temporary headquarters in New York, has singled out the British people for destruction. This task was almost completed in the first World War. Since then every British institution has been subjected to a very heavy, prolonged and venomous attack by the international fraternity.

Britain is the most heavily taxed country in the world, and today, with the additional threat of the complete destruction of its sovereignty by absorption into continental Europe, highly-qualified men are leaving in increasing numbers. This seems to be the only freedom of choice left to the British people—to get out. Although this is something more than is still left to the Russian people, the question is, “How long will there be any place to escape to?”

It appears that Australia is next on the list to have its mineral wealth monetised and its resources plundered and exported. What, if anything, will be paid to Australia for the wheat exported to China? The Australian people will probably never know.

With U.S.A. and Britain stripped of their readily accessible high-grade ores and Europe separated from its raw materials in Africa and Asia, the liquidation of the basis of White civilisation seems near to completion.

I wonder what Death Date has been fixed?

With regret

It is regretted that the “Annotations” promised for this issue have had to be held over, owing to lack of space.

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