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FOR POLITICAL AND ECONOMIC REALISM

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FROM WEEK TO WEEK

Pierre Laval, who has been shot, is a French Jew of Moorish descent. He is violently anti-British, and his assailant is said to belong to the extreme Right.

Put a wet towel round your head, and laugh that off.

“No-one should resent being hit below the belt by those who can reach no higher.”

—SIR ROBERT VANSITTART.

We don't.

The Canadian newspapers published statements regarding the Atlantic meeting of Churchill and Roosevelt on August 6. On the same date, they also published proposals, said to be official, for peace.

Mr. Lindbergh says Britain will turn against the United States, “as she has turned against France and Finland.” And Lindbergh.

Miss Claudia Parsons, in an amusing and readable, but far too expensive narrative of “Vagabondage”, which includes driving a £10 second hand car from India to England, remarks on the visible deterioration going on in India—buildings falling into disrepair, transport services down at heel, morale vanishing.

There are two outstanding causes (the book is not concerned with such matters). The first is the change for the worse, both in the personnel of the Indian Civil Service and its transformation into a pure bureaucracy primarily concerned with tax-collecting. The second is the imposition on Indians, as “Sahibs”, of lower-class Europeans unaccustomed to reward personal service with reciprocal respect and affection. The bond between the East and West is weakening, not strengthening. The Isaacs-Montagu Viceroy-India Office period, though short, did more to accelerate this process than twenty years could undo.

The worst variety of a privileged class is springing up in this country with the rapidity of a poisonous fungus. A nightmare of Communism, “To each according to his needs” as settled by a temporary Civil Servant who is five hundred miles away from anything more real than a card index, results in a temporary land girl with a weak digestion getting cheese she can't eat, cows not getting oil-cake of which there is plenty, chain-stores getting supplies and country grocers getting none, bus services run to suit the fads of someone with a pull in Whitehall, wages being raised and management returns lowered, the Ministries

legislating at their own sweet will in regard to persons and property conscripted and handed over to their tender mercies whether they require them or not.

It is quite beyond argument that the only things which are giving general satisfaction at the moment are those few with which the bureaucracy has not interfered, and that our urgent problem is not a New Order but to save the successes of the Old, as a basis on which to deal with its failures. We are not fighting this war to divide the country into Kommissars and Proletariat.

At a recent meeting between representatives of the Alberta government and those of the bondholders of Alberta's public debt, which amounts to \$147,000,000, it was agreed that ways and means of refunding the debt should be considered immediately.

Among the bondholders' representatives were H. W. Tatlock, representing the Prudential Insurance Company of America and other United States interests, and J. M. Macdonnell, president and general manager of the National Trust Company.

A letter published in the *Scotsman*:—

THE GLEN AFFRIC SCHEME

Sir,

It appears to be probable that your correspondent “More Power”, and those who take the same view, are unconsciously arguing on the assumption that the post-war period will be one of industrial expansion. It is most unlikely that this will be the case; if it is, we can look with confidence to a still more devastating war at the earliest opportunity.

Approximately 70 per cent. of British power production of all kinds, in the immediate pre-war period, went in the production of capital and export goods. Assuming that the average useful life, freed from artificial obsolescence, of capital production is ten years, it would appear that we have been devoting many times too much of our power resources to industrialism.

If this view is correct, a release of the redundant power already available would place at least forty mechanical slaves at the disposal of every household in the British Isles, which ought to be enough.

But, of course, if we cannot conceive of a world which does not regard “employment” as the chief end of man, we must develop every possible source of power, and take the consequences, as we are doing at the present time.

I am, &c.,

C. H. DOUGLAS.

August 13, 1941.

OPINION**The Russian Campaign**

The following passages are taken from an informative review of the Russian situation included in the Imperial Policy Group's "Review of World Affairs" for September:

"On June 14, [1940] enemy forces entered Paris. Taking a line from Aachen to Paris, this performance represented an advance of roughly 240 miles in 35 days, an average of just under 7 miles a day.

"... On July 17, [1941] the Germans claimed Smolensk; this was denied by the Russian High Command, but it can be assumed that the town was certainly in enemy hands by August 11,—50 days after the commencement of hostilities. The distance from Warsaw to Smolensk is just under 500 miles, so that on this basis the advance was at an average rate of 10 miles per day. The distance from the nearest point of the East Prussian frontier to Smolensk is about 400 miles (as the crow flies) and on this calculation the advance was at the rate of 8 miles per day. If the town had in fact fallen on July 17, as claimed by the enemy, the rate of advance would have averaged well over 19 miles a day.... Moreover, if there is anything approaching accuracy in the claims of the German High Command, the Russian forces overcome, or forced to retreat in the area west of an arc drawn from Leningrad in the North, through Moscow to Nikoliev in the South, approached the size of the whole former French Army at full mobilisation strength."

"... the abandonment of the Western Ukraine, upon which such a large part of Russia depends for its food and other supplies, was a very serious step to contemplate. Moreover, it threatened to lay the way open to further German advances towards the Caucasus, the communications of which with the rest of Russia might easily be endangered. Yet upon the oil of this area the supply of the whole Soviet Army depends.

"... If the enemy takes Rostov—which is very vulnerable—all rail communications between the oilfields and the main Russian armies will be cut...."

"Russia's position would, of course, have been totally different if a large part of the German army had been engaged against the French in the West, the Scandinavian Powers in the North, or Yugoslavia and Greece in the South. Unhappily, however... during all the time when the enemy was campaigning upon other fronts, Russia not only maintained neutrality, but assisted Hitler with vital supplies."

"In order to gain the Russian oil wells, the enemy must bring about the general capitulation of Russia, or conduct an extremely difficult campaign. Most of the oil lies south of the Caucasus Mountains. These mountains stretch from Kerch (between the Black Sea and the Sea of Azof) to the Caspian. The whole range is over 900 miles long, and varies in width from 30 to 140 miles...."

"South of this mountain range which shelters such rich resources, campaigning conditions are exceedingly difficult. The poverty of local communications and the severity of the climate make operations on a large scale arduous. No commander would welcome a campaign in such extremes of climate, and where the difficulties of movement and supply are so great.

"It can be seen that to penetrate this mountain range

in the face of a determined force would, in any event, be exceedingly difficult...."

"In the event of a Russian collapse, Germany not only hopes to gain the resources of Trans-Caucasia, but to build up a new base from which our Middle Eastern position can be threatened."

"In a previous issue we discussed Germany's oil resources in some detail, and gave the conclusion of the Petroleum Press Bureau that, after allowing some 8 million tons per annum for the purposes of supplying Europe with a minimum ration, Germany had available between 3½ and 4 million tons annually for military purposes. About 1 million tons of this came from Russia, so that at present the enemy is operating on a margin of 2½ to 3 million tons annually for military purposes...."

"For the first time since September, 1939, Germany's oil position is now, therefore, rapidly deteriorating, and unless this latest campaign is brought to a swift and decisive conclusion, it seems certain that there is a strong possibility of collapse. If, however, the enemy does manage to bring the campaign to an end, and gains the resources of the Caucasus, what is now a very dangerous position will be transformed into a highly satisfactory one for him. Although it may not lie within our power to prevent a considerable German military success in the East, it is vital that some means, and very audacious means, should be devised for dealing with the Russian oil wells if necessary."

Another view comes from "The United States News," an authoritative Washington journal:

"... The Nazi panzers had hardly begun to push into Russia before President Roosevelt promised aid to the Soviets. Yet at the week end, speaking to correspondents at Hyde Park, the President confessed he still hadn't the foggiest idea of what form such aid might take."

—United States News, July 4, 1941.

Yet another article in the same issue of the *United States News* on Lawrence A. Steinhardt, United States Ambassador to Russia, said: "He advised Washington of the imminence of the non-aggression pact between Germany and Russia long before the actual signing took place, and four months ago he was preparing for the break between the two dictators. So well did he make ready for the explosion that Department officials here [Washington] declare, 'This war is giving us less trouble than any other on the continent.'"

The journal comments on the nature of aid to Russia:

"President Roosevelt is promising 'all possible aid.' Actually there is next to nothing that the United States is able to supply Russia that would aid in resisting the present German drive. Lend-lease materials are almost all going to Britain, with the remainder going to China and the Dutch East Indies, where they are badly needed. Russians may now be permitted to take the machine tools that they ordered in the United States but have been barred, until now, from exporting. For the most part, however, their aid from this country will take the form of official good wishes."

It remains to be seen what can be done by Messrs. Hopkins and Harriman and Lord Beaverbrook, at the forthcoming conference, to supplement the two tankers of oil that have been in the news at Vladivostok.

Taxation and the War

The speaker in the postscript to the nine o'clock news on September 7, in one breath urged Sir John Reith and Mr. Arthur Greenwood not to eliminate old England completely in their 'reconstruction' of the new, and in the next asked Mr. Brendan Bracken to put up a million posters saying "Taxes are Good for You." The implication that the all-time record for high taxes is a feature of the old England that the people of this country wish to preserve is so fantastic as to command attention as to its significance. Taken in conjunction with Sir Kingsley Wood's statement last week that 'if we could avoid inflation' we should be able to carry on through the present financial year without further increase in taxation, it seems to show that the widely-held belief that present heavy taxation is detracting from, rather than augmenting, our war effort has been observed, and that the 'authorities' consider a further period of psychological conditioning (*vide* the late Lord Stamp) necessary before the imposition of further taxation.

Sir Kingsley Wood continued:

"With all our heavy taxation we are obviously still very far from providing all the funds needed for carrying on the war and for meeting the inflationary danger. To do this a sum of nearly £2,000 millions must be lent this financial year to the State out of genuine savings."

Lord Kindersley, intent on the pursuit of these 'genuine' savings recently let slip a word as to the other—presumably 'mock'—savings:

"When you or I invest we transfer purchasing power to the Government. When the bank lends our money we are still free to buy what we like when we like. New spending power is created for the Government without a corresponding cancellation in the spending of private individuals."

"Pooh, I could do that with one hand tied behind my back," is a favourite form of brag with children. But in such a serious matter as war is it necessary to imitate children? It is time that our intention of winning the war was taken seriously and, amongst other measures, that this property of bank-credit described by Lord Kindersley was used to finance the war neatly and efficiently and to release from the crippling effects of, in Sir Kingsley Wood's words, "almost crushing" taxation the enormous and energetic will to win of the British people.

Lord Kindersley's remarks were addressed to those who left their surplus money on deposit or in current account under the ingenuous impression that by so doing they were benefitting the Government quite as much as by buying Savings Bonds. Press reports on August 29, made interesting comparison in their manner of dealing with Lord Kindersley's implicit confirmation of the fact that banks create the money they lend since they don't lend their customers' money.

The Times:—"Lord Kindersley... emphasised that an investment by a Bank in a Government security was as far removed from an investment by a customer as the two poles."

Manchester Guardian:—"... Lord Kindersley insists that people leaving their money in a bank account is not good enough. When the bank has invested the money the

customer still remains free to draw an equal sum from his account and spend it, with the result that the same amount is spent by the Government and once by a private citizen. That way lies inflation."

Daily Mail:—"... Putting money on deposit thinking that the bank would do the investing would not transfer one penny to the Government, which is the object of saving. People should take their money out and buy 3 per cent. Savings Bonds."

Daily Express:—"It is true that the banks lend surplus deposits to the Government in Treasury Deposit Receipts, but there is a world of difference between an investment made by a bank and one made by a customer.

"When you or I invest, we transfer purchasing power to the Government; when the bank lends our money we are still free to buy what we like when we like. New spending power is created for the Government without a corresponding cancellation in the spending of private individuals."

Financial News:—"... There is unfortunately a growing belief among thousands of these customers of the banks that there is no need for them to invest their money in Government securities because the banks are lending their money, or part of it, to the Government in six months' Treasury Deposit Receipts.

"Now that idea, if allowed to spread, will just paralyse our war finance. An investment by a bank in a Government security is as far removed from an investment by a customer as the two poles."

Financial Times:—[First sentence the same as the first quoted from the *Financial News* above, then:]

"... An investment by a bank in a Government security was as far removed from an investment by a customer as the two poles. When a private individual invested his money in a Government security he transferred the command over goods and services which that money gave from himself to the Government, and the expenditure of the Government to that extent was therefore substituted for, and could not be added to, that of the patriotic individual.

"When a bank lent part of a customer's money to the Government by means of, for instance, six months Treasury deposit receipts, not one single depositor had thereby transferred his purchasing power, his command over labour and material, to the Government. He was still as free as ever to spend what he liked when he liked—though with controls, luckily not quite how he liked. And when he did spend the money his purchases were added to the expenditure of the Government instead of the Government expenditure being substituted for his."

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Saturday, September 13, 1941.

Keeping Douglas Dark

Britain's Problem by B. D. Knowles. (London: John Lane. 64 p.p., 2/6 net.)

A major interest in this booklet lies in the fact that the author was closely associated with the preparation of the now famous *Southampton Chamber of Commerce Report* published in 1933, which he signed as Secretary to the Chamber's Economic Crisis Committee.

The report was remarkable for its clear, businesslike presentation of the difficulties under which producers, distributors and the consumers whom they are organised to serve have long been labouring under the impact of a financial system which serves any purpose except the purpose it is understood to be intended to serve, namely the supply of the community's needs with the least possible trouble to all concerned.

The present work is divided into two parts, one dealing with *The Approaching Economic Collapse*, and the other with *The Remedy*. Concerning the first part, Mr. Knowles is very well qualified to explain to his publishers how very far wrong they are in asserting that his competent treatment of this part of the subject constitutes in any sense the solution to something still problematic. For over twenty years there has been no 'problem of discovering by what flaw' our economic system is prevented from supplying individual needs with the minimum of trouble to all concerned. Mr. Knowles's own summary of the position follows lightly but closely the lines of Douglas's analysis in his first Social Credit book, although no mention is made of this fact, nor, indeed do the words 'Douglas' and 'Social Credit' appear in the book at all. Presumably the choice of writers from whom to quote approvingly has been made in the light of the author's view of their weight in the minds of the public still uninformed, when it is not misinformed, concerning the realities of economics and politics, and hence we see such names as Mr. Winant's, Lord Revelstoke's, Dr. Jacks's, Mr. Keynes's and Sir Arthur Salter's in what must be, for them, very uneasy proximity to the ideas of their great opponent, Major C. H. Douglas. This is doubtless in accordance with a view of strategy which is widespread at the present time. We believe it will be a very wrong and highly mischievous view for reasons which will be set forth later. But generally, in regard to the ideas to which Mr. Knowles gives expression in this part of his work, we can only thank him and hope that the cogency of his arguments goes home to as wide a public as is impressed by Great Reputations artificially (and artfully) made and sustained.

It is part 2, with its promise of a future truly glorious, secure and free, whence the 'phantom' of universal employ-

ment in tasks set by a task-master is banished, which suddenly falls at the post, illustrating, with terrible force, Douglas's thesis that it is not schemes but the machinery—and to that extent the power—to determine policies which the people of the world lack. Mr. Knowles, in his last chapter, has fallen for a scheme, very unfortunately and erroneously labelled "The Unshakeable Foundations on which the Remedy is Based." Here is the second 'unshakeable foundation':—

The creation and issue of money should rightly be governed, *not* by the capacity of a nation to get work, *not* by an arbitrary amount of unconsumable gold in some near or distant vault, *but by sheer capacity of a nation to produce real wealth in the form of goods.*

The italics are the author's. This is one of those statements which can, in fact, be made to mean anything at all, and is exactly of the type to which the orthodox economist is so prone. This is, in fact, a statement that it is quite unimportant what you produce, i.e. guns or butter, and that at any moment what you are not producing in guns you can produce in butter. This is a major fallacy from which we are suffering at the present time. Now the fifth 'unshakeable foundation' is the recovery of the Government's 'sovereign right' 'to bring our power to consume into line with the modern ability to produce,' and, as though to reassert and underline that sovereign power is the Government's, not the people's, a note on this 'foundation' is headed 'The Sovereign Power of the State.'

Conjoin these two expressions, and what is there to prevent the Government's use of a 'reformed' monetary system to keep the population working 'to plan,' and although in virtual ownership of all the capital goods in the country still short enough of consumers' goods to regard rationing as a marvellous device of a paternal Government? The answer might be 'Oh, but they wouldn't be so foolish!' But wouldn't they? Systems are potent to blind. The determination of the Bank of England's Charter is *not*, and does not in any sense promise to be, an end to England's miseries. The problem confronting Britain is not the problem of how to endow Governments with powers but the problem of how to impose a popular policy upon the use of power by Governments. "Britain's Problem" is a social dynamic problem, not a monetary problem.

And now about this matter of keeping Douglas dark. It used to be a matter of the greatest punctiliousness in all scientific circles (and some others) to respect 'priority'—that is to say to respect the right of an original discoverer to the title. Doubtless personal vanity played a part in preserving this custom; but behind it was a *fact* of, perhaps, a much higher order, namely, that there is always more in the vision of an original discoverer than in all the collective vision of a host of mere recognisers and adapters. It has become common to see Douglas's ideas (some of them) in a great variety of high places. The fact that the most determined steps are taken to secure that they appear there under any label but the one which would help the wanderer to their source should warn us that, whether we understand it or not, and whatever it is, a profound motive animates the opposition to Social Credit in separating, if it can, the ingredients which go to the making of the Social Credit understanding of the nature of human society from one another, and the whole of them from the mind and personality of Douglas wherein they took coherent shape. "Find out what the enemy doesn't want you to do—and do it." T. J.

MATTERHORN

During the 1860's the supreme desire of mountaineers was to climb the Matterhorn. It was an objective towards which action was lively and persistent, for at that time many were trying to reach the summit: so many that the way to get there became conventionalised, and, with one or two exceptions, guides and amateurs alike believed that the only possible route lay up the south-western ridge. Attempt after attempt was made; some of the mountaineers climbed a little further than others, but all fell back unsuccessful in their main aim of reaching the summit.

In 1863 Edward Whymper reconsidered the problem. Throughout most of one season he turned his back on the Matterhorn and climbed the various peaks which surround it. With him he carried telescope and clinometer and he made observations from which eventually he evolved a new line of attack.

Seen from Zermatt and other viewpoints accessible and frequented at that time, the east face of the Matterhorn appears to be a sheer precipice, impossible of ascent, and was universally held to be unclimbable. But Whymper's observations showed that this was, in part, an optical illusion, and that when viewed in profile its angle scarcely exceeded 40 degrees. In addition the rock strata, instead of overhanging in such a way as to hinder climbers, as on the south western arrête, lay so that advantage could be taken of all irregularities of surface.

Therefore he decided that the route to the summit lay up the eastern face.

On July 14, 1865 the Matterhorn was conquered by the guides Michael Croz, Peter Taugwalder and his son, and by Lord Francis Douglas, Charles Hudson, young Hadow and Whymper himself. Croz and Taugwalder, experienced in every tactic used to surmount rock faces and to cross glaciers and snow slopes, brought their skill to cope with the detailed difficulties encountered. For much of the way they could not see the summit, and it was only resolute adherence to Whymper's strategy which enabled them to find their way. Often they could not see much further than the next step, but having faith that it was the next step to the summit, they took it, each using his own strength and initiative in the taking.

Those seven men had the same policy and worked to the same strategy. There was no dashing off to join other parties, no sitting on rocks to discuss alternatives or to wonder whether it was worth while. They were agreed, and moved on—a Movement which took them where they wanted to be; and they were affiliated (for the purposes of that enterprise) in action, to which verbal affiliation is merely a preface.

The major strategy to which they worked was based on facts ascertained by accurate observation and brought to the point of action by an understanding which was competent to deal with the factors involved, informed as to what was relevant and what irrelevant, what was possible and what impossible, and what was illusion and what reality.

Pursuit of the policy of Social Credit lies in the same framework of exploration and has the same quality of exhilaration as the conquest of Matterhorn. But the strategy which will bring social credit into effect is infinitely more

complex, for it must meet and engage things as they exist at every point of contact—and what is the objective reality with which social credit is not in some degree concerned?

If a particular policy is to be achieved, decision on strategy cannot be evaded. What will attain success? Those who made the first ascent of Matterhorn left that to Whymper.

THE POLICY which is now in force is the domination by the few of the many, the subservience of the people to the State.

STRATEGIES which are being pursued to maintain and extend this policy are Centralisation, Regimentation, Standardisation (etc.); in open forms such as Communism, Socialism, Hitlerism, and in the concealed form of Democracy as perverted by the Party System ("divide and rule"). Federal Union is designed to extend this policy to world proportions, and Bureaucracy to enforce it in detail. Finance by debt creation is a mechanism of control throughout, from nations to individuals, and there are many other lines along which such action is being relentlessly pursued. The keynote is concealment of the real relationships which exist between man and nature; concealment of responsibility by Committee and Absentee management; and the deeper concealment of those who pull the strings by such devices as Freemasonry and Secret Societies. And many other strategies with which readers are familiar.

THE ALTERNATIVE POLICY is that which aims at the Sovereignty of the Individual: personal freedom to "choose or refuse"; the State the servant of the People; a "just relationship between the mind and things"; Social Credit.

THE STRATEGIES to obtain this policy are the inversion of those at present in use: decentralisation of initiative; democracy of policy (as outlined in Douglas's Buxton and Liverpool speeches); the Electoral Campaign, which includes all concerted action taken by individuals to secure mastery—in matters of policy—over their representatives; exposure of concealment by public assessment of responsibility, and of secret forms of control as they are ascertained; the use of money as the mechanism of freedom—these and many others.

TACTICS should be constantly re-focussed on strategy. They are the experiments of individual initiative whereby strategy is put into effect and are not directed from the centre, but are quick to follow the line (emphasis) given.

EMPHASIS: "It is in this different emphasis that the most important thing which we have to contribute may be said to reside." —C. H. DOUGLAS.

The essence of the direction of strategy lies in placing correct emphasis on this or that line of action. This varies with events; e.g. a strategy which is of central importance while electors are in control of the representatives becomes out of place when representatives assume control of their electors. The exposure of underground control becomes easier—and more necessary—as that control becomes more obvious. These points are clear enough, but the complexity of events is such that the selection of a line of action which will meet them is hardly a task for those

without special qualifications to undertake it.

The Policy of the *Movement* is Social Credit.

The *Secretariat* is constituted to give information and advice as to action (towards that policy) as indicated by the Advisory Chairman, Major Douglas.

Affiliation with the Secretariat is of those who, being in agreement with the Policy of the Movement, act in line with Strategy. Or, to put this into more homely language, of those who want social credit and are willing to act as advised by Major Douglas.

HEWLETT EDWARDS,
Director of Overseas Relations,
Social Credit Secretariat.

Special attention is drawn to the above, in view of an announcement with regard to affiliation which will shortly be made.

H. E.

The Conscription of Women

By B. M. PALMER

According to the *Daily Express* 75 per cent. of the young women recruits to munition factories and other industrial enterprises are dissatisfied, and many of them have returned home without permission, thereby creating problems for the authorities, some of whom have said that they do not wish to take severe measures. Only faint repercussions can be heard in *The Times*. It is probable that a true picture of the situation is something between the two.

A question concerning the conscription of women was put to Mr. Bevin on July 29 by Sir Leonard Lyle. Sir Leonard has since written to Mr. Bevin pointing out that the use of the word "conscription" would perhaps prove somewhat misleading.

The reply he received is interesting in that the first half is a mere play on words.

"Mr. Bevin is sorry if the reply given to your question in the House on July 29 was open to misunderstanding. He used the word 'conscription' in the sense in which it applies to men of military age. In this sense there is no conscription of women to the Armed Forces of the Crown, *i.e.*, the W. R. N. S., the A. T. S., and the W. A. A. F. The Minister of Labour and National Service has, however, power under the Defence Regulations to require any person to perform any services specified at the 'rate for the job.' Mr. Bevin can, therefore, direct women to war work. If a direction is issued, the person directed has a right of appeal to an Appeal Board, which makes a recommendation to the Minister, which he can either accept or reject."

—*Times* Report.

And the second part is an admission that after all this measure of compulsion was unnecessary:—

"Present experience shows that most persons are prepared to undertake work essential to the war effort when the necessity has been explained to them and their circumstances do not reasonably prevent it. It has, therefore, been necessary to issue directions only in relatively few cases."

—*Ibid.*

Surely if Mr. Bevin is to "direct" me to leave my home, and only relax his orders after a successful appeal to the Minister of Labour and National Service, then to all intents and purposes, direction and conscription are interchangeable terms, and Mr. Bevin is the leader of the modern press gang, however considerate his methods may be.

And if "most persons are prepared to undertake work essential to the war effort when the necessity has been explained to them," etc., why not revert to the voluntary system immediately, and allow "the relatively small proportion" to return to their homes? Industrial concerns will lose nothing in relinquishing the services of these unwilling and therefore inefficient girls, who are merely a drag on the wheels, a source of irritation to foremen and workmen alike.

The trouble, of course, is that the whole theory of conscription, the press gang, is a flat contradiction of one of the four basic facts of realistic political economy, whether it be applied to the mechanised fighting forces or to industry.

"Labour is not exchangeable, product is."

A democracy wherein that axiom were properly understood would be in no need of a press-gang, no matter how dire the national emergency. The principle of voluntary service with pay would suffice. For were a man's or woman's power to do work acknowledged as his most precious possession to be cherished and developed with the most skilful care, each would already be in a position to make full use of this inalienable right—when he so desired; and provided that the national affairs were "explained" to them (*explained*, Messrs. Churchill, Eden and Bevin, not merely given a good face) every volunteer would before many days, pass automatically to his place in defence or attack, as the ball bearings fall around the axle.

But if your political economy is arranged after the manner of Heath Robinson, with as many square pegs in round holes as possible, and good pieces of machinery rusting or scrapped, it will be hopeless to believe that any amount of oil (which Mr. Bevin has promised to use) will force nuts and bolts to fit when they are of different gauges. Why not use a little intelligence concerning the nature of the material?

Perhaps it was Mr. Winant, Harriman, or Harry Hopkins who whispered the idea to Mr. Bevin, at the time of the Lease and Lend act; no greater mistake could have been made than to suppose better results were to be obtained by "directing" women than by allowing them to volunteer. But the results desired by us may not be the results desired by these gentlemen. We do not know.

Dilution of Labour

"It is necessary to make it quite clear," says the Ministry of Labour and National Service, "that neither the armed Forces nor the war industries can be fully mobilised unless women in large numbers are obtained."

There is no reason to doubt this statement. But there is every reason to object to the word "obtained." Once again the Press Gang spirit is manifest. It is assumed that the people of this country are unwilling to employ their full strength to win this war, that it will only be won by the constant efforts of the administration in gingering up "the public" by rousing speeches, and finally by forced labour.

But, as has been said before, "It is Mr. Churchill who must go to it."

The plain fact is that many of the steps taken by the administration, of which the conscription of women into industry is one of the most drastic, have in themselves created new problems which industrial workers cannot ignore. The leading article in *The Times* for August 30 states the position thus:—

"A fact to be always remembered is that in these relaxations [of workshop practices] it is the skilled man who is required to forgo most. The fortifications of his position are put in peril by mass production methods which give the semi-skilled and the unskilled and even hastily semi-trained women a large share of the work that has been his prerogative. If he were absolutely sure of no after-war challenge to that prerogative, either through the unions of the semi-skilled men or the employers or the incalculable force of circumstances, and if he had no fear, either later or now, of the cutting of 'the rate for the job' in piece work, then an enormous expansion of production would be possible. The skilled men, outnumbered by the unskilled men, are not, as things stand, without fear of the cost of patriotism notwithstanding the compacts made for the restoration of pre-war practices. Circumstances may sometimes be stronger than policies."

Now it is no answer to these problems to say with this leader writer that if we lose the war we shall lose all these interests and privileges in any case, so we might as well sacrifice them temporarily, and there must be good faith and confident trust that in better days after the war skilled men will have their skilled work back again.

All that, to be vulgar, is mere gas.

The recruitment of hundreds of thousands of women into industry is a dilution of labour which is a serious problem to the Trades Unions, and which they cannot ignore without endangering their sanctions. At the moment little comment is to be heard, because it is considered helpful to maintain the appearance of unity. But when the Trades Union Congress in Edinburgh considered the General Council's report on women in industry, Mr. H. C. Kershaw (Colne Weavers' Association) said that the absence of the principle of equal pay for equal work in war industry was one of the main reasons why women had not volunteered to go into war industries and there had to be conscription. He appealed to the Women's Advisory Committee, the unions catering for women, and the Ministry of Labour to have the situation altered.

Miss F. Hancock, representing the General Council on the Women's Advisory Committee, said they did not want to ask men to help women unless women were prepared to help themselves, but they must remedy a situation where women were taken out of industries such as clothing and boot and shoe making, where they were enjoying a minimum time rate very much higher than in engineering.

These are straws in the wind, and if there follows a serious complication in the war effort, the administration will be responsible; it will not be "lack of goodwill" on the part of the men and women concerned.

Functionaries or Citizens?

Mrs. C. H. Douglas when speaking to an audience of

women engineers in the autumn of 1939 said,

"Which is the more important to you, your function as women and individuals, citizens of Great Britain, or your function in the factory where you do your daily work?"

"If you grasp what I mean you will realise the great danger, particularly to women, of separating your citizenship from your function as workers. The main reason for this, I think, is obvious to all of us. We are fighting to save our people and our country, but if we allow ourselves to be treated as mere functional units in a works factory there is a possibility that we may be used to further some concept of a remodelled state whose policy, if it were made plain to us, we should repudiate with all the energy of which we are capable.

"Those of you who can remember the last war will recall how women workers were used in the struggle against Trades' Unionism to reduce the bargaining power of men, so that they were forced to accept lower wages. This is perhaps a crude and simple aspect of the question, but it illustrates clearly how unscrupulous powers may use women for purposes of which they would not approve.

"The fundamental idea to bear in mind is that while assisting in the main objective of bringing the maximum pressure to bear on Germany we do not *at the same time* fight some other war in which we have not enlisted, and of whose existence even we may be barely conscious."

So far as I am aware this was the only public statement at the outbreak of war which made the issue clear. Women must help the war effort—it is their responsibility as citizens—but just as the last war was used as an opportunity to establish the League of Nations and to transfer the control of world credit to Wall Street, so it looks as if unscrupulous men and women in positions of power without responsibility are planning that this war shall place functionalism above citizenship, and will attempt to use women in industry as one of the means to this end.

We have only to consider the plans for deliberate sabotage set forth in the journal *Planning* for July 29, 1941,* to realise that generally low purchasing power, with a strong brake on the rapid rise in the standard of living which will be possible after the cessation of hostilities is already planned by those behind P.E.P. These gentlemen are not likely to consider the interests of skilled men without jobs. They have already decided that surplus crops shall be destroyed and producers subsidised to keep supplies off the market. Against such evil, good faith and confident trust in better days after the war will avail nothing, unless they be partnered with a sound understanding and practice of an effective democracy.

The Times's leader-writer concludes with a question—what are the conditions of freedom of production in industry?

The basic principles for this freedom are to be found on page 110 chapter VIII, of Major Douglas's *Economic Democracy*.

The specific measures towards the implementing of these principles are not beyond the knowledge and power of a growing number of people in this country. It is possible to take the first steps now.

*See *The Social Crediter*, for August 30, 1941.

OVERSEAS NEWS

New Zealand and 'Sacrifice'

Taxation per head in New Zealand for the year ended March 31, 1940, amounted to £27 4s. 8d., according to the latest Official Year Book. In 1931 it amounted to £12 12s.

The total loan indebtedness of New Zealand is now £225 per head of the population, an aggregate of £367 millions of which all but £70 millions is central government debt.

Meanwhile, as a correspondent of the New Zealand *Otago Daily Times* wrote on July 3:—

"Sir Harry Batterbee, the British High Commissioner in New Zealand, has been warning the people in this country, at a meeting of the Royal Agricultural Society in Wellington, that 'greater sacrifices' may be called for from the people of New Zealand before the war can be won or a 'better and happier world' dawn for its peoples. What about a little sacrifice from the heads of the banking system? The surrender, for instance, of the power it has usurped to monetise the nation's credit at no cost to itself? 'The war,' says Sir Harry, 'is being paid for out of the pockets of the people of Great Britain.' The war is being 'paid for' preponderately by creations of bank credit, for which the people are being put further into debt to the banking system, further and further into the power of the financier. Does he expect us to believe that £14 millions per day are coming out of the pockets of the people of Great Britain? Especially when we have read in the Chancellor of the Exchequer's own words that only a proportion of the cost is being or can be raised in taxation. . . . We know how the world was to be made safe for democracy twenty-four years ago, and how it actually was made safe for bankers. We know about the foreign loans of the Bank of England, by which the credit of Britain was used to finance German re-armament. The other day Mr. Winston Churchill spoke of the shame we must feel at having supinely allowed—'nay even helped'—Germany to re-arm. I noticed that the words in inverted commas, which I certainly heard over the radio, were omitted from the cabled report of his speech. We know how the bankers' debt system was used to pinch British people, to sabotage British industries, to break up British shipyards, and bring Britain to a condition of almost shameful helplessness when war threatened, and imminent danger when war broke out. That was how the world was made safe for democracy. That was how it came about that under pressure of the new war which the bankers' system had fostered and brought upon the world—without that system Hitler would never have risen beyond paperhanging—Britain has had to go to the United States bankers for the means to carry on the fight. And now Sir Harry Batterbee is calling the same old tune. What does he take us for? The war will be fought out and we shall win it despite the shackles of the debt finance system, but this time we mean to win the peace also. The world is not going to be made a safe playground for the international financier again at the cost of blood and tears and agony for the millions. That new and happier day Sir Harry Batterbee talks of is going to dawn for men and women and little children, not this time for the bankers and their puppet politicians. What about a little sacrifice in the right quarter?"

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REGIONAL ACTIVITIES

Information about Social Credit activities in different regions may be had by writing to the following addresses:

- BELFAST D.S.C. Group: Hon. Sec., 17 Cregagh Road, Belfast.
 BIRMINGHAM (Midland D.S.C. Association): Hon. Sec., 20 Sunnybank Road, Boldmere, Sutton Coldfield.
 BLACKBURN S.C. Association: 168 Shear Brow, Blackburn.
 BRADFORD United Democrats: R. J. Northin, 11 Centre Street, Bradford.
 LIVERPOOL S.C. Association: Hon. Sec., 49 Prince Alfred Road, Liverpool, 15. Wavertree 435.
 LONDON Liaison Group: Mrs. Palmer, 35 Birchwood Avenue, Sidcup, Kent.
 MIDLAND D.S.C. Group: see Birmingham.
 NEWCASTLE and Gateshead S.C. Association: Hon. Sec., 108 Wordsworth Street, Gateshead.
 PORTSMOUTH D.S.C. Group: 115 Essex Road, Milton, or 10 Ripley Grove, Copnor.
 SOUTHAMPTON D.S.C. Group: Hon. Sec., 19 Coniston Road, Redbridge, Southampton.

BOOKS TO READ

By C. H. Douglas:—

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

ALSO

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

(All the above postage extra).

Leaflets

Bomb the German People	100 for 1/9
The Attack on Local Government by John Mitchell	9d. doz. 50 for 2/6
(The above are post free).	
Taxation is Robbery	100 for 3/- 50 for 1/9

(Postage extra).

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