

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### Social Engineering

*An address given by Major C. H. Douglas to the Women's Engineering Society in London on January 19, 1938.*

*(Concluded.)*

People will do the most extraordinarily disagreeable things in the name of pleasure, and they are ready to do these things because they are not compelled to do them; they can stop doing them whenever they want to. Otherwise, it is quite inconceivable to suppose that anyone would put up with having his nose rubbed in the mud on a cold wintery afternoon, in a game of football! And in this connection, I think it is well worth noting the reaction of the population to the physical fitness rubbish which is being put about just now. It is only necessary to pass a law to make people play football, whether they want to or not, to kill all interest in football.

You must, therefore, have democratic agreement on policy—on the objective—and when you have agreement on policy, you should then forget all about democracy, and realise that there is an essential hierarchy in carrying it out, a hierarchy of administration. The general manager cannot possibly consult the office boy before taking a decision. People are ready, properly organised in regard to administration, to give orders and to take them, for the very good reason that they want to get the job done.

In short, there is no democracy about technique. I should like to stress here that you do not get things right by compromise. The amount of rubbish which is talked about compromise would sink a ship. It is quite impossible to compromise about physical facts. It is no use arguing, for example, as to whether or not sulphuric acid is really composed of certain elements in certain proportions. Its composition is represented by the symbols  $H_2SO_4$ , and if one party wants to represent it as  $HSO_4$ , and another as  $H_2O$ , no progress can be made. You cannot compromise about facts, so you must get facts right.

Here, then, is where the mind of the engineer ought to be applied to the working of the world. At the present time the world is in a very bad case. It is like a huge and powerful engine which is being run by a lot of half-baked theorists and idealists who have no notion how to control it, and it is time that others took a hand. In fact, others must take a hand.

I want to ask you to get out of your mind the mesmerism of bigness. There is an idea which is very much put about at the present time, particularly by financial interests who have no knowledge of facts, which suggests that it is best to have everything so big that there is only one of it; only one railway, only one passenger transport system; only one coal mining industry, and so forth; and it is all based on an illusion that bigness means efficiency.

In point of fact, there is no doubt that the most efficient unit is something quite small. The so-called efficiency of huge combines exists only on paper. They sometimes—and only sometimes—look efficient because they have certain facilities. For instance, they can impose prices and they can get loans because bankers love bigness. But don't let that deceive you; financiers do not deal in facts. The greatest financier marooned on a desert island would die of starvation where an ordinary mechanic would probably knock up quite a good living.

Ideas of the essential efficiency of bigness are delusive. There is, as a matter of fact, quite a simple criterion of the most suitable size of a unit, and it is just about the size in which you can get agreement on general principle. In engineering, I should say that the largest efficient unit should not employ more than 700 to 1,000 men. I really do not believe that the enormous units of to-day are really efficient. They may look efficient because they can buy well and can afford to scrap and replace obsolete plant, and because they have special financial facilities; but the fact is that smaller undertakings could do the job better if not hampered by financial restrictions. I am fairly certain that the trend of the future, providing always that the world survives the imminent catastrophes of the immediate future, will be for these huge undertakings to break up into smaller units; so that in about a hundred years' time you will find mostly smaller, much more flexible units, with much better access to the facilities they require than they have at the present time. The picture that I have in mind is exemplified by the idea of a number of different manufacturing units attached to a central power distributing station. There is no need to amalgamate them all into one unit just because you have one power distributing station.

I want to conclude my talk by repeating to you the very effective words which are contained in the American Declaration of Independence. I cannot vouch for the complete accuracy of my quotation, but it runs something like this: "We take it to be a fact that all men are entitled to life, liberty, and the pursuit of happiness."

Notice particularly that the word "liberty" comes after the word "life," for without life there is nothing. But after life they placed liberty, and I think it is profoundly true that we shall never get a stable condition of society until we all have the fullest possible facilities to pursue our own conception of happiness within a system designed in accordance with the laws of social dynamics. For just as it is possible to sail a boat in any wind by conforming to

the laws of aerodynamics, and to go where we choose, though we cannot choose the wind, so when we understand the forces which play about the social structure, then and only then shall we make progress on the way to the kind of world we should all like to live in.

### Employment in Manufacture

Mr. L. Withall, Federal Director of the Associated Chambers of Manufacturers of Australia, in *Canberra Letter* No. 743 for May 5, 1955, issued by the Association, gives strong emphasis to his news item:

"For the first time the manufacturing employment figure has reached the million mark. In the Bulletin issued this week by the Bureau of Statistics, the month of *February* brought our manufacturing industries to the historical point where 1,003,000 men and women are employed. The previous month, the number was 995,900.

"Total private employment at February was 2,001,700.

"Total employment including Government and defence forces was 2,772,600."

For the benefit of Mr. Withall and others, the following paragraphs are republished from *An Introduction to Social Credit* written in 1946 by Dr. Bryan W. Monahan:

"The amount of solar energy already harnessed is immense—many times the man-power of the entire world—and the efficiency of its utilisation, from a mechanical point of view, is constantly increasing. For this reason, the energy which might be derived from nuclear fission (so-called atomic energy) or from genuine atomic energy, is largely of academic interest. Every individual at present has at his *potential* disposal the solar energy equivalent of fifty or more man-power.

"The third factor is the introduction of automaticity into the operations of machines. There is a vast difference between say a power-driven grinding-wheel against which a man may sharpen a blade, and a machine which automatically grinds the edge; but of course the application of automaticity, even in such a simple machine, goes much further. A machine which is fed from strip steel and cuts, shapes, grinds, sharpens, and finishes a tool, and mounts it into a handle, or wraps and packs it (as with razor blades, for example), is a simple machine as machines go these days. Extraordinarily complicated procedures are carried out entirely automatically, and with extreme precision. This development is equivalent in its effect to the use of solar energy; it represents a *multiplying* factor.

"The ultimate meaning of industrialisation in a developed country is that the *necessary* amount of work to maintain a high standard of living is something of the order of an hour per day per man. The primary fact on which to be clear is that we can produce at this moment, goods and services at a rate very considerably greater than the possible rate of consumption of the world, and this production and delivery of goods and services can, under favourable circumstances, be achieved by the employment of not more than 25 *per cent.* of the available labour, working, let us

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### From Week to Week

An article in *The Freeman* (New York) points out that UNESCO is setting up the actual machinery of a world bureaucracy. It is creating the real Executive Departments of World Government. Publicity goes to the sterile debates of the Assembly of UNO; but the important work is being quietly done. In addition, an immense amount of propaganda is being permeated into schools, by introducing "one-world," socialistic, and "controlled economic" ideas into school text-books and University courses.

The importance of this permeation on a world scale is obvious from the success of the Fabian Society in Great Britain; and, of course, it is promoted from the same ultimate source.

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Probably the most important (potential) product of the industrial system is—*leisure*. There simply is no sense in a system of more production which requires an enormous and complicated system to dispose of its output. The 'demand' for a high proportion of the output of industry is artificial, and would wither away in a genuinely cultural society.

The basic needs of man are merely food, clothes and shelter—plus, in some places, artificial warmth. Where Nature is generous, man can supply these needs with nothing but his own muscles and a few simple tools, and where Nature is bountiful, leisure is man's normal lot, and hunting a diversion.

Now what is *really* added to man's enjoyment of life by the industrial system? It has been well pointed out that nowadays both man and wife must 'go to work' to pay for the labour-saving devices that enable the woman to get out to work. And, as Douglas pointed out, all the industrial system does is enable man to do more work. The industrial system feeds on itself. An enormous part of its output is consumed merely in keeping itself going, dragging man along with it. It has developed, as it were, a purpose of its own, to which man is subordinated.

We have never seen it seriously contended, except by Marxists, that the purpose for which man exists is anything other than self-development—either as perfection in the sight of God (as the lilies are perfect), or as an end in itself. But equally, the implicit assumption of modern industrial society is that man exists to keep the system

going ("if we are to develop this country, we need more population;" or, where population outstrips resources, "we need more industry"). The end result of this assumption is clearly delineated in George Orwell's 1984.

Imagine a world with man set free: a world of education for cultural leisure, a world of artistic production and creative activity, a world where men were served by automatic, power-operated industry. It is within our grasp.

Imagination creates reality.

• • •

Enjoyment, not employment.

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The fundamental assumption of Social Credit is that Society has a metaphysical basis; or, put differently, that Society is a manifestation of spiritual activity. And since this is Social Credit's fundamental assumption, the most fundamental reason there is for hope at the present time is that there is increasing evidence that the assumption (to call it no more) is common to more and more significant contemporary thought. The character of any historic period is determined, not by contemporary thought, but by that of some preceding period. This present materialistic Age is determined by the thought of such as Darwin, Freud and Marx; by 'Rationalism'; by the type of mind that could believe that "the brain secretes mind as the liver secretes bile." Now although there are still plenty of militant materialists about, there is no doubt that materialism as a philosophy has had its brief and disastrous day—though that is not to say that we have yet experienced the last or worst of its consequences. It is only to say that the new age, if civilisation survives to see it, will once again manifest the reality of the Spirit.

That this is so is well illustrated in a profound address delivered to The College of Radiologists of Australasia by Dr. J. R. Darling, Headmaster of Geelong Grammar School, Victoria. It is published in *The Medical Journal of Australia*, April 16, 1955, under the title "On Looking Beneath the Surface of Things."

"A multiplicity of new facts in every field has tended to obscure all sight of principle, and the advance of knowledge upon its frontiers has almost made excessive specialisation imperative. . . . If it is part of the art of living to see life clearly and to see it whole, this age of specialisation makes living a very difficult art. . . .

"It is, of course, no new problem. . . . Ever since man first began to study natural phenomena he has been obsessed by the difficulty of making general sense of all the discoveries which he made. . . .

" . . . the ancient Greek philosophers . . . sought for some single binding principle from which it might be said all else sprung. . . .

"But the Greeks must be right. The scientist can no more deny or devalue the truths of spiritual experience than the theologian can neglect the truths of science; and the two truths must be reconcilable, and it must be of importance to each of us that they should be reconciled. Fortunately there lies between the two extremes and stretches over the gulf of division a bridge—or would you prefer

to call it a rainbow (for a rainbow combines in it something of both worlds)?—the bridge of the arts, music, painting, poetry, those strange emanations of the evolutionary process. . . .

. . . For truth is there to be revealed, as all scientists know; and the seeing of the truth is a discovery, not an invention. It may well be that it is on the common meeting ground of art and music and poetry that scientist and theologian may meet to compose their differences.

" . . . I am suggesting that it is to the idea of purpose in all things that we must return, if we are to discover unity in the midst of variety. . . .

" . . . I should like to be allowed to come back to the possibility that solution lies quite simply in what is known as the teleological conception of evolution. . . ."

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"It has long been a question whether the existence of a free Press is compatible with democratic institutions, and sometimes one is tempted to ask whether the existence of the daily Press is compatible with any thinking at all."

—J. R. Darling.

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It is not without significance that the first special 'feature' article to be published by the London *Times*, reviving from the hibernation imposed upon it by a handful of maintenance men on strike, concerned the movement launched by a small shop-keeper of St. Cere in the Lot Department of France, M. Poujade, to defend the 'little man,' whether shopkeeper or artisan, against the ravages of the taxgatherer. One day was not enough, and the article 'From Our Paris Correspondent' was spread over two, under the title 'M. Poujade's Flying Start.' It is made clear that the movement might well lead to the establishment of a new *Etats Généraux*, in which 'would be represented the different social and commercial interests of the country—tradesmen, civil servants, farmers, workers.' Among many expressions calculated to belittle M. Poujade, who 'ekes out a precarious existence' among the 270 shopkeepers of his home town of 3,200 people, occupies 'two little rooms, overflowing with typists and visitors and correspondence over the now-famous bookshop' and is good-looking, rubicund, in his early thirties, with 'a remarkable capacity for sustained speech and some charm of manner, when he cares to use it,' the potentialities of the movement, which 'nearly brought the Government down' are not altogether obscured, unless by the use of Flaubert's French (which readers of *The Times* are believed to understand). The great French novelist in his *Dictionnaire des Idées Reçues* (*Dictionary of Accepted Ideas*) coupled *octroi* and *douane* (dues and duties) 'and defines them "on doit se revolter contre et la frauder"'—something one should revolt against and defraud. "Thus," says *The Times*, "not only is M. Poujade in a good tradition, but nearly everyone agrees that he has a lot of right on his side when he criticised the system of indirect taxation, which is now to be changed."—That is to say, the grievance is past, not present or future.

Yet this too is somewhat contradicted by the recognition that 'a certain amount of "folk-law economy" seems bound

to continue in France for a long time; no amount of re-conversion funds or decentralisation of industry can suppress the traditional French concept—which is as much social and psychological as economic—of the “little man.” What is execrated is “the technicians and functionaries and planners and all the other busybodies of the State.” Against these the *Poujadists* are fighting a ‘rearguard action to try to turn back or bring to a standstill the creeping advance of modern times.’ With characteristic smugness, *The Times* regrets that M. Poujade’s propaganda does nothing to make ‘those painful and inevitable changes easier.’

But why should the victims conspire to make easier a process which ensures that ‘wealth accumulates and men decay,’ and not real wealth, either, but merely its financial representation? This is not ‘inevitable’—a word we are familiar with in other undesirable connections.

Mr. J. Lewis May has unearthed two sentiments concerning science which are new to us, one from the work of George Gissing who wrote of it in 1903 that he saw it “destroying all simplicity and gentleness of life, all the beauty of the world. I see it restoring barbarism under a mask of civilisation; I see it darkening men’s minds and hardening their hearts; I see it bringing a time of vast conflicts, which will pale into insignificance ‘the thousand wars of old,’ and, as likely as not, will whelm all the laborious advances of mankind in blood-drenched chaos.” The second is from Charles Lamb:

“Can we ring the bells backwards? Can we unlearn the arts that pretend to civilise, and then burn the world? There is a march of Science; but who shall beat the drums for its retreat?”

It is, we believe, a profound mistake to speak any longer of ‘Science’ as a single, uncomplicated entity. Throughout history there have been two ‘Sciences,’ one animated by the desire to discover what is in nature, and all that is in, or if possible even above nature, the other animated by the desire to impose man’s will on nature, a desire which is ultimately doomed to frustration.

#### EMPLOYMENT IN MANUFACTURE—

(continued from page 2.)

say, seven hours per day. It is also a fact that the introduction of a horse-power-hour of energy into the productive process could, under favourable circumstances, displace at least ten man-hours. It is a fact that the amount of mechanical energy available for productive purposes is only a small fraction of what it could be. It seems, therefore, an unassailable deduction from these facts that for a given programme of production, the amount of man-hours required could be rapidly decreased, or conversely, the programme could be increased with the same man-hours of work, or any desired combination of these two could be arranged. (C. H. Douglas: *Social Credit*.)

“This, then, is the physical and realistic basis of ‘plenty.’ It should be carefully noted that all considerations other than the physical have been excluded. But it is particularly important that the student should have a thorough appreciation of the physical situation, which is rooted in the history of thousands of years, and underlies economic vagaries as the ocean underlies the waves on its surface. It is par-

ticularly to be understood and remembered in the case of America, for America is virtually a self-contained economy, with industrialisation further advanced than anywhere else and still accelerating. It must be obvious, therefore, that in no physical sense (apart from military invasion or cosmic cataclysm) can America suffer a ‘crisis.’ The crises that have occurred, and which threaten, must be due to something super-imposed.

“At this point it is convenient to observe that the theoretical limit to industrialisation is a condition where all production derives from solar energy, operating through machinery which is fully automatic and self-renewing; man would be completely superfluous and displaced. Now while it is improbable that such a limit will ever be reached, it is quite certainly the direction in which production is moving at an accelerating rate—a rate which has been calculated to be proportional to the fourth power of the increment of time. Clearly, only either leisure, or ‘employment’ outside production can dispose of the ‘unemployment problem.’

“The problems of economics and politics are absolutely conditioned by the physical realities described; short of sabotage or cataclysm, the progress of the situation is inexorable; and anyone who really grasps what is involved can ‘see through’ the confusions which result from a wrong posing of the problems. Now if ‘employment’ is regarded as the problem, the result will be increasingly artificial employment—employment outside production, as for public works whose only benefit will be to yet unborn generations, or for a surplus of exports over imports. That is the real physical situation, and it will gradually dawn on everyone involved in it that he is engaged in unnecessary work and he will have to be constrained by force to continue in it; or else the objective will have to be altered. That is the aspect of high politics; but before we consider it, we must examine the financial economics of the situation.”

#### Labour Costs in Motor Chassis

“In the 1920’s A. O. Smith & Co. of Milwaukee set up fully automatic machinery for the manufacture of motor-car frames. This is fed with strips of steel, which it passes automatically from station to station, while it cuts, bends and presses them, and punches rivet holes. Still automatically the various parts are brought together, riveted and finally brushed and cleaned and delivered ready for painting. Each frame takes 90 minutes to travel through the machine, but a frame is delivered every 10 seconds. The total staff numbers 120, mostly supervisory and maintenance, so that the transformation from steel strip to complete chassis costs about 20 man-minutes per frame. Even if we paid the whole staff at the rate of £2,000 a year, the labour cost per chassis would be a little over six shillings!” (Dr. S. Lilley in *Discovery*, April, 1955.)

#### An Introduction to Social Credit

by Dr. Bryan W. Monahan.

Relating the later to the earlier phases of the doctrine first enunciated by Major C. H. Douglas thirty-seven years ago, and developed by him over a period of thirty-four years. Cloth Bound, 8/11; Paper Cover, 5/3; Including Postage. K.R.P. Publications, Ltd., 11, Garfield Street, Belfast.