

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### "Choice in Welfare" : A Significant Enquiry

*Choice in Welfare*: First report on an enquiry conducted by Mass Observation into the extent of knowledge and preference in state and private provision for education, health services and pensions.

(Published by the Institute of Economic Affairs Limited, Eaton House, 66a Eaton Square, London, S.W.1, July, 1963, price two guineas.)\*

This report is divided into three parts: Part 1 is entitled "Making the Most of Resources" and states the considerations which led up to the enquiry; Part 2, "The Enquiry", explains the problems involved in framing questionnaires, selecting representative persons to answer them and in interpreting and assessing the reliability of the results; Part 3, "The Main Findings", gives the results of a Pilot Survey and of a much larger National Survey. This is followed by a statement of general inferences and conclusions and there is also an Appendix setting out the actual questionnaire.

Mass Observation prepared the questionnaire and the staff of the Institute of Economic Affairs interpreted the statistical findings. They were assisted in this by Dr. D. S. Lees of the University of Keele, Dr. R. P. Kelvin of London University, Dr. A. R. Prest of Cambridge University, Mr. A. A. Shenfield, Mr. E. G. West of Durham University, and Mr. J. B. Wood. Acknowledgements are also made to Mr. L. England of Mass Observation for explanations and interpretations drawn upon in drafting Parts 2 and 3 and to Mr. John Downham who gave an independent assessment of the questionnaire and made suggestions for eliminating possibly unsatisfactory questions.

In Part 1 it is argued that consumer preferences operate best in open, competitive markets. In fact, Lord Robbins has likened the process by which consumers register their preferences in the market-place "to a continuous referendum that caters to majority and minority demands in proportion to expenditure". In contrast, the amount of resources devoted to social welfare and its allocation between and within health, education, housing, pensions and other services does not "reflect or correspond to day-to-day preferences of the people who pay for them and for whose benefit they are intended. The amount and composition of social services emerges from time to time largely as the result of bargaining between and within the Government and the Opposition".

Superficially it may seem that the number of people using the state-provided services roughly indicates consumer satisfaction with them. Thus "9 out of 10 children are educated at state schools". But the writers of the report point out that "the choice is weighted; people who prefer private education are not refunded any of the taxes or rates they have paid to state education. . . Much the same applies to health, the basic pension and other state services". Consequently, "the ability of many people to pay for private education, health or pensions, though sometimes encouraged by tax concessions, is

diminished by contributions and taxes for 'free' state services".

But in spite of everything the "trend to self-provision is spreading" and "increasing anxiety about the standards of public services is reflected in the growth of parent-teacher organisations, the Association for the Advancement of State Education, the (N.H.S.) Patients' Association and the new Research Institute for Consumer Affairs. Moreover, "the experience of the Consumer Councils in the nationalised industries suggests that representation, agitation and consultation are normally not enough to induce monopolies to use resources efficiently. It raises the question whether the ability to reject an unsatisfactory service and buy it elsewhere is essential". The Consumers' Association has repeatedly emphasised that "for the customer to know what to buy, he needs the results of comparative tests, that is, a choice of alternatives".

An academic debate has therefore arisen between economists and sociologists of two distinct and alternative schools of thought. The first, supported by Professors R. M. Titmuss and Peter Townsend, Dr. B. Abel-Smith, Mr. Tony Lynes and others, is that increasing national wealth makes possible and justifies the extension of all or most social services which should therefore increasingly become a permanent and all-pervasive feature of economic and social life. The logical development of this view is the argument for equal participation in public services by all as a "badge of citizenship" and the eventual abolition of private provision, particularly in education and medical care. The second, associated with Professors John Jewkes, P. G. D. Wiles, and Michael Frogarty, Dr. A. R. Prest, Dr. D. S. Lees, Graham Hutton, J. Wiseman, A. R. Hiersic, E. G. West and others, is that the continual rise in personal incomes enables individuals increasingly to provide for themselves and that, subject to maintaining prescribed standards, they should be allowed the choice of contracting out of state services and (with the help of a rebate of taxes, rates and contributions) pay for private services on the open market. This accords with the views of classical economists; for instance, Alfred Marshall regarded the problem of poverty as a "mere passing evil in the progress of man upwards" and thought that state assistance should "contain within itself the causes which would make it shrivel up just as the causes of poverty itself shrivelled up". Also Nassau Senior argued that governmental assistance or superintendance of education was necessarily only until "the labouring population may be safely entrusted with the education of their children. . . in the latter part of the 20th century".

(continued on page 4)

#### A CHRISTIAN DOCTRINE OF WEALTH

Report of the Committee of the Congregational Union of Scotland

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\* Copies of this Report are available on loan for ten days from Penrhyn Lodge, Gloucester Gate, London, N.W.1.

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## At Its Last Gasp?

"Reforms come about more slowly in Britain than in any other advanced society. British reformers push, shove and hammer at doors barred by tradition for decades, even centuries. . . . [Five lines in parenthesis.] But somehow, sometimes a door unexpectedly flies open. The wardens of British tradition at last, unobtrusively, have drawn the bolts and turned the handle from within. The phalanx of frustrated reformers is suddenly precipitated into the desirable room. They fall flat, all mixed up. Picking themselves up, sorting themselves out and dusting themselves down, they painfully realise that the only skin off anyone's nose is their own. The wardens, blinking at them, innocently ask: 'Why all the heat, buddy?'"

This opening paragraph of a front-page article (extending over three pages of *The Times Literary Supplement* for August 23) is mainly about the need for improving the education of British 'men of business'. There are digressions, of course, into such things as the need for better educated politicians—"We cannot (yet) train politicians; but we are pretty certain that *some* formal training for them. . . ." etc.

Boy! Just think how well trained the reviewers are! On still another page, the "Supplement" prints thumb-nail reviews of twelve books of management and the organisation of business which have been noticed since the last piece of high-pressure salesmanship for "raising the productivity" by the same journal a year ago.

Ironically, the first is a book by Vance Packard, but *not* "The Waste Makers" recently published by *Pelican* for 4/6, to which the newspaper's attention might well be drawn.

## Wisdom

(Chinese proverb quoted by a B.B.C. broadcaster, August 25, 1963.)

I listen and forget,  
I see and remember,  
I do and understand.

## Leisure

The following letter, to the Editor, was in *The Sydney Morning Herald*, August 31, 1963:

SIR,—There was a significant sequence in your editorial headlining over the first two letters of the correspondence column on Thursday.

If it was meant to suggest a connection between "Lagging development" and Australia's international "Lead in leisure" it is a dangerous reversal of the truth.

There is nothing to be ashamed of in achieving the highest rate of leisure in the world. It is what all civilised countries are striving for, and what all people must have who believe that a high standard of living means something more than a high level of conspicuous waste and consumption in the gadget and chrome markets of a breathless industrial productivity.

### HUGE DIVIDEND

Surely what makes the dreary monotony of Western industrialisation worth adhering to, for those who do the work in it, is the enormous dividend in increased leisure time it can be made to pay to everyone in the community.

The famous nineteenth-century sociologist, Thorstein Veblen, showed how history has proved the world's culture to be the product of leisure time; but the leisure of the aristocracy of the old world was unfair to the majority excluded from enjoying it, and produced a distorted sort of culture biased towards those who monopolised and paid for it.

The problem of modern society is to work out a way of spreading the leisure equally throughout the whole community, so that everyone has an equal opportunity of using it as he or she thinks fit. And, perhaps just as importantly, so that all will have an equal opportunity of enhancing their own life with the time to follow up their own interests and develop their personality by doing things in their own peculiar way.

L. C. MASTERMAN.

Sydney.

## "Even Britain Can Live Without Exports"

The following are some of a reviewer's quotations from a book by Jorian Jenks, *From the Ground Up*:—

"What in fact is happening is not the constitution of a new social order but a further development of the old industrial structure of society under the guidance of its technicians. These form the new ruling class . . . probably the last phase of the Mechanical Age."

The answer to the "discomfort and insecurity" of the export system is "a systematic build up of home production to a point at which international exchange is again confined to true

### THE UNSEEING EYE

Oration delivered at the London School of Economics on Friday, December 6, 1957, by

Sir Hugh Casson, R.D.I., M.A., F.R.I.B.A.

" . . . if we can borrow from the Social Credit enthusiasts their slogan—'Full enjoyment rather than full employment'—as an objective, then we might create between us a civilisation based upon freewill in which all men are artists and there will be no need, thank goodness, to talk about it." (Concluding sentence.)

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specialities and genuine surpluses" . . . "Even Britain can live in the sense of having enough to eat without imports and therefore without exports." . . . "We have within the United Kingdom all the primary resources required to provide the essentials of life for our existing population." Unemployment? "Obviously we cannot develop these resources without putting into them much more labour than we do at present, and this labour can come only from industry, commerce and administration."

### Misdirection

Sir Julian Huxley's work, *Evolution in Action*, now published in a Pelican Edition, refers in the last chapter, "The Human Phase", to "the intrinsic wrongness of absolutism". Unfortunately, in support of his contention, he takes as an example of an absolute—"political absolutism"—"totalitarian government". But a totalitarian government is anything but absolute; it is, in a very real sense, dissolute; for if, as Professor Huxley rightly affirms, "absolute power corrupts" then the seed or virus of corruption operates within such a government to bring about dissolution, decomposition, disintegration and death. Moreover, its power is not intrinsic, but is derived from the failure of the will to resist it of those over whom it is exercised. It is therefore by nature parasitic, of a nature that eventually destroys the unresisting host upon which it feeds—in this case the individuals who have surrendered to it, and whose virtual destruction is thus threatened and in the end achieved.

However, in place of the "intrinsic wrongness of absolutism", thus rejected, Professor Huxley offers a "trend"—"the nearest to an ultimate that we can discern in human life is not an absolute, but a trend". This raises the question of direction. But Sir Julian has no doubts on this score for he defines it as ". . . the trend toward greater realisation of possibilities by means of the co-operation of integrated individual personalities". He also postulates the primacy of personality as "a fact of evolution", and "human personalities" as—"the highest products of evolution".

This does not, however, dispose of the question of direction, or more important, that of misdirection, which latter conception would seem to be supported by the author's contention ". . . that evolution involves the realisation of new possibilities, but that this only occurs to the accompaniment of imperfections of every kind". He finds support for this contention in the saying of Walt Whitman: "It is provided in the essence of things that from any fruition of success shall come forth something to make a greater struggle necessary." But this does not allay the doubt as to misdirection. What guarantee are we given that this "something", undefined, will appear worth this greater struggle it involves and makes necessary.

In view of such a prospect, and in default of an answer raised by it, one is tempted to ask—"Why bother?". If the realisation of "new possibilities" must always be accompanied by "imperfections of every kind", and every fruition of success will make a "greater struggle" necessary, one might as well, or even better, stay 'put': the risk of misdirection is too great. Better, as it were, to "bear the ills we have than fly to others that we know not of". The question might, and no doubt would, appear frivolous to Sir Julian Huxley. One feels, nevertheless, that it requires an answer, for what assurances have we that these "imperfections", these "greater struggles" will not, in the end, betray us and lead us astray?

But, the question does not arise, and may be seen to be ir-

relevant if we recognise in Professor Huxley's attitude a 'hang-over' from a perverted form of puritanism that sees more virtue in greater struggles and imperfections of every kind than in the fruits of success and the realisation of new possibilities, for the greater struggles and imperfections seem to acquire a glamour that success and realisation do not bestow, and thus satisfy a perverse desire of man to see himself as a hero, or in heroic guise. The "Puritans' Passion for Perfection", or any absolute good possible of attainment—contentment and peace in attainment—are suspect.

Nevertheless, there are certain words and even ideas employed by Professor Huxley that make one suspect he entertains, albeit unconsciously, a wish to have it both ways. ". . . in human life," he says, "the fact of progress is linked with the problem of destiny, in its dual sense of something to be obeyed and something to be fulfilled." But what responsible person would be willing to regard destiny as "something to be obeyed and something to be fulfilled" unless he was sure that this "something"—undefined as it is—had some absolute aim and end, and, moreover, one of which he approved? Who, or what, is it, he might reasonably ask, that possesses, and presumably exercises, the authority to demand my allegiance and obedience? Professor Huxley provides no answer to this question. Furthermore, when he declares—"I rely on the truth of the facts"—one is entitled to ask him if he would not allow that truth is an absolute, that fact is an absolute. Otherwise what reliance could be placed on them? One speaks of an *absolute* truth, an *absolute* fact, not as though there were some dubiety involved, but by way of an assurance that only in this absolute sense could they be regarded as reliable. Twice he refers to the principle of increasing certitude. But a certitude simply *is*, it cannot increase or diminish, it has the status of an absolute. It can be used, but only as a firm foundation, for—for example—scientific research. In the realm of numbers,  $2+2=4$ , is an absolute certitude, otherwise it would be fatal to any arithmetical calculation based upon it.

Although it would be absurd to accuse Professor Huxley of complicity, it should be realised nevertheless that any denial of an absolute in its true sense is of the utmost importance to the powers that be. For the "imperfections of every kind" that accompany "the realisation of new possibilities", the "greater struggles" that follow any fruition of success, the fate, in short, of always losing on the swings what one gains on the roundabouts, constitute the raw materials which provide the manifold excuses for increasing the plans designed, ostensibly, to assist, but in reality to *control*, the lives and activities of individuals, exercised by the state over which, irrespective of political parties, the money power holds complete sway. Hence the 'Welfare State', the unreal problem of 'Full Employment' geared to a factor in the situation that displaces labour, and the rapidly increasing tempo of change bringing us ever nearer to that totalitarian dictatorship rightly distrusted though misconceived by Professor Huxley.

Hence, also, the embargo maintained on the subject of Social Credit by press, radio and every avenue of publicity. For Social Credit stands for the sovereignty of the individual, and the proposals of Major Douglas embody the means of "absolute economic security"\* designed to realise and main-

\* "We are hoping, by various means, chiefly financial, to enable the human community to step out of one type of civilisation into another, and the first requirement, as we see it, is that of absolute economic security." (C. H. Douglas.)

tain that end. But such an end and aim are anathema to the powers that be, and they will oppose them to the bitter end.

"For evil to abound it suffices for good men to do nothing." Perhaps today it is more important that they should say nothing, and perhaps it is of still greater importance that they should see nothing, for "where there is no vision the people perish". The vision which will prevent the people from perishing must be one, whole and indivisible, not broken up into innumerable facets calculated to dazzle and confuse the beholder, and thus conceal from him the truth it is supposed to illumine, but which it seems designed to darken, and, in the end, put out.

—B. C. BEST.

"CHOICE IN WELFARE" (continued from page 1)

Politicians of all parties have overwhelmingly adopted the first alternative and claim that preferences in services can be indicated through the ballot box. The writers of the present report, however, consider that the ballot box "cannot reflect individual preferences in services as personal as education, health and pensions"; it is "not as sensitive, flexible and accurate as the market mechanism in measuring individual preferences and ensuring that resources are used efficiently to satisfy them". Economists are concerned with long-term efficiency rather than with political expediency and must "examine the consequences of political decisions in the use of large amounts of resources and explore new methods of learning whether the assumptions made about public preferences are well founded". So far these assumptions have led to a fifty-fold increase in expenditure on social services between 1910 and 1961 until probably between one-fifth and one-sixth of national resources are now allocated to social services. There is thus a danger that, in this country, "principles and problems that should be open to discussion and experimentation by writers and thinkers most removed from the pressures of interests and day-to-day distractions may be rendered barren and abortive because the results have been prejudged by politicians". In other countries such researches have been applied in various forms.

The Institute's investigators could find no satisfactory published evidence from researches in this country to support the political assumptions; in fact, private research on this subject has been on a meagre scale and the government's own Social Survey unit has done little or nothing. The investigators therefore found themselves "confronted with a striking paradox. In consumer goods, where free choice is exercised . . . the suppliers use market research to learn more precisely about the changing requirements of customers; but in government-organised goods and services . . . little or no effort is made to seek their views except in the crudest way by reference to pressure groups, party conferences or infrequent election campaigns. . . In the absence of free markets in welfare we can try to create a synthetic market by eliciting hypothetical preferences through some form of public poll or attitude survey".

In making this survey the procedure was for the Institute to indicate in general the kind of information it wanted and for Mass Observation to frame questions to meet these requirements, the questions being as short, simple and neutral as was compatible with clarity both to the interviewers and the respondents. Great care was taken to avoid "leading" questions. The enquiry was divided into a pilot survey of a sample of 404 men and women in 20 local authority areas spread throughout Great Britain and a full survey of a further nationwide sample of 2005 male, married heads of households chosen to cover representative class and age groups, people under 21 and over 64 being omitted.

The investigators regard the report as a preliminary and pioneering effort in a neglected field but claim that, although there may have been uncertainties in the questions and ambiguities in the answers, the enquiry has assembled information that is not available elsewhere and discovered unexpected opinions, attitudes and preferences. They found considerable ignorance on the part of those questioned concerning costs and benefits in education, health and pensions and were surprised that both private and public suppliers of services have failed to give more detailed information on these subjects so that opinion and policy could be based on fuller knowledge. But in spite of this they consider that "the amount of general knowledge or intelligent surmise displayed in most answers makes many of them significant". When the enquiry is repeated they will try to build up more information into the questions.

"One of the most unexpected preferences shown by the survey is that from nearly one-half to approaching three-fifths (depending on the class of person questioned) appeared in favour of allowing individuals to contract out of state services for education, health and pensions or of confining the services to people in need. . . Even more unexpected is the finding that these preferences are not much less common among the lower than the higher income groups or among Labour than Conservative sympathisers." There is also an indication that a large proportion of the sample would be prepared to pay more for a private service. Considerable interest was shown in the system adopted in some American states of giving vouchers to parents which can be used for the school of their choice. Such a system could be applied to health services."

### Confessions

These paragraphs are from a lengthy review, in *The Times Literary Supplement* for June 14, 1963, of F. H. HINSLEY'S *Power and the Pursuit of Peace*; Theory and Practice in the History of Relations between States. 416 pp. Cambridge University Press:

"He also makes two interesting personal confessions, which have a good deal of importance for the later part of his book.

"One is that he would dearly like to influence events. . .

"The same desire has also been felt by economists, who have been rather more successful. But even when they gate-crashed the Bank of England, Lord Norman told them bluntly that their role was only to explain to the Directors why they had decided what they had decided, the decisions themselves being taken exactly as before. Historians have similarly infiltrated the Foreign Office, but their role is even more subdued. In Washington they have had more success. But in general Mr. Hinsley's pessimistic premise is justified.

"His second confession is more surprising. He acknowledges a personal predilection for prophesying, and goes in for it with a vengeance in his last chapter . . ."

## THE NATURE OF DEMOCRACY

by C. H. DOUGLAS

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