

# THE SOCIAL CREDITOR

## FOR POLITICAL AND ECONOMIC REALISM

Vol. 34. No. 4.

SATURDAY, MARCH 3, 1956.

6d. Fortnightly.

“ . . . Neither Do They Spin . . . ”

by BRYAN W. MONAHAN

### I

The psychological damage inflicted on the peoples of Great Britain and other countries by the financial depression of 1929 and the following years probably exceeded even the psychological catastrophe of either of the 'great' wars. Senseless and wanton as modern war is, there is yet something in it to which the ordinary man and woman can respond. The purpose of defeating an enemy, regardless of what made him an enemy, is understandable; heroism, sacrifice of one's life that others may live, are demonstrations of the priority of spirit over matter.

There was nothing understandable about the 'great' depression. It was absurd. Even the explanations of economists, like that which attributed the phenomena to unusual sun-spot activity, were absurd. The suicides from sheer despair had nothing whatever in common with heroism or sacrifice. They were the index of unbearable suffering.

The result of this frightful experience—only terminated by the employment generated by provision for renewed war—was to create in the minds of almost everybody a virtually obsessional belief in the necessity for 'employment.' If the only access to food, clothing and shelter is through money, the only access to money is through employment, then unemployment means starvation. This sequence is not logic; it is what the Russian psychologist Pavlov called "conditioning." It applies to animals just as effectively as to man, the place of employment being taken, for example, by jumping through a hoop. We can well believe that if some animals think, they think that the chief end in life is jumping through hoops, even a flaming hoop. In the case of man, the hoop is represented by employment, and the flaming hoop by employment no matter how degrading.

The sequence "unemployment means starvation" is a convention, just as the sequence "a ringing bell means salivation" in a dog is a convention. This is easily seen. As remarked above, the depression was terminated by the employment associated with preparation for war. Preparation for war means the construction or conversion of factories, the manufacture of armaments and arms, the stockpiling of materials, and the employment of a proportion of the population in doing these things. Of itself, clearly, it contributes nothing to the standard of living. But it does distribute money, allowing access to whatever standard of living is available through the efforts of those not diverted to the production of munitions.

When a maniac in charge of the world's most powerful military organisation is threatening to make war, production

of munitions to meet the threat is a necessity. But insofar as war, under modern conditions, involving the mass slaughter of non-combatants, is an incarnation of evil, employment in the production of the means of this slaughter is degrading employment. But it still distributes incomes, virtually the only access to the means of life.

The production and distribution of pornography also distributes incomes; so does the production of essentially useless gadgets. Employment of any kind, useful, neutral, useless or vicious, is paid for in the same way, by means of money. What enhances the standard and quality of life is remunerated indifferently with what degrades life and despoils the earth. We pay, of course, for this indifference. Wasted effort dilutes the value of useful effort; this is the reality underlying the financial phenomenon of inflation.

(To be continued.)

### Economists and Inflation

The following letter to the Editor appeared in *The Mercury*, Hobart, February 6, 1956:

Sir,

The Industrial Revolution, which introduced mechanical power in place of human power in industry, has been moving with increasing momentum for a century and a half, but our economists and politicians don't appear to have heard of it.

The amount of goods produced does not depend entirely on human labour. Thirty years ago Britain produced by mechanisation more cotton goods in one week than she could use in a year, and in this year American production of food is so enormous that her Government is trying to throw out of production large areas of land. In Germany and England the motor car industry is paying off operators because there are not sufficient buyers to cope with increased production brought about by automation.

Mass production demands mass buying, and this cannot take place unless adequate purchasing power in the form of wages is available. The purchasing power for the maintenance of mass production is very obviously not available; that is why industry can only be maintained in production by the wage-earners using next year's wages to buy this

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This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: *Home and abroad, post free:*\*  
One year 30/-; Six months 15/-; Three months 7s. 6d.  
Offices—*Business and Editorial:* 11, GARFIELD STREET, BELFAST.  
Telephone: Belfast 27810.

\*Note: The above rates cover subscription to *Voice*, appearing fortnightly in alternate weeks with *The Social Crediter*.

### From Week to Week

THEN: "... We are engaged on a deliberate and sustained and concentrated effort to impose sanctions upon the sovereignty and the independence of the fifty or sixty local sovereign independent States. . . . It is just because we are really attacking the principle of local sovereignty that we keep protesting our loyalty to it so loudly. . . ."

NOW: "... Nationalism reflects an order of society that is now vanishing under our eyes. It is the ideal of an agrarian society, without mechanised means of communication, in which the typical member of society is a peasant rooted in his cabbage patch. But this old order is being broken up by the industrial revolution, with its large cosmopolitan cities whose populations are being recruited from all corners of the earth as a result of 'the annihilation of distance' through mechanisation. These mighty forces are transforming an old world of homogeneous nations into a new world of multi-national States, and it is evident that the way of life which Anglo-Jewry has been working out during these last three centuries is the only possible dispensation for mankind under the new order into which we are now moving so rapidly.

"Nor is it an accident that the Jews should have been pioneers in working this new dispensation out. For the Jews come from 'the Fertile Crescent' where civilisation first arose, three thousand years before it began to spread into Western Europe. . . ."

Both edifying statements are by Professor Arnold Toynbee, the first in 1931, the second in *The Observer*, January 21, 1956, to celebrate the tercentenary of the re-admission of the Jews into England.

The present condition of England is preponderantly the result of that re-admission; and we trust that the confession of the part played by the Jews in "working out" "this new dispensation" will not be forgotten when the day of reckoning comes.

• • •

"... But conditions have developed in this century, beginning in their modern phase after the South African War and the Parliament Act, but taking more sinister form in 1931, which make it imperative that we put the frame-

work of our house in order to enable us to rectify both our housekeeping and our external business. Our present situation is not adventitious—it is the outcome of a venomous hatred and envy of our indigenous qualities. If anyone is foolish enough to suppose that the prestige of this country and the Empire, and with them, the welfare of the population, can be restored by an appeal to an anonymous, irresponsible, and misinstructed ballot-box democracy, I can assure them that, if their opinion should prevail and our destinies be submitted to decision by that process, the outcome is a mathematical certainty—our final eclipse."

—C. H. Douglas, *Realistic Constitutionalism*.

Is it possible that there are none, or not enough suitably placed and, by now, sufficiently informed to deal with this alien menace, and so to avert our final eclipse?

### Social Credit Secretariat

Mr. H. R. Purchase has resigned from his appointment as Director of Technics, for personal reasons, as from February 3, 1956.

### ECONOMISTS AND INFLATION—

(continued from page 1.)

year's production, that is, by the hire-purchase system. If this is shut down Australian industry must also shut down. It is remarkable that credit restriction started in England and Australia about the same time, and as each of these countries requires what the other produces it appears that there is something vital which the professors of economics do not care to mention.

*The Mercury* has pointed to the main reason for this "orgy of spending" by showing how unprofitable it is to try to save. If the professors of economics would explain to the people why the £ has depreciated in spite of mechanisation we might be able to understand the meaning of inflation. I always believed that the sales tax advocated by the professors of economics increased prices, and that this was inflationary. I also believed that all money spent on public works, as advocated by the professors, was pure inflation. But evidently there are two kinds of inflation—inflation where people get nothing is good for them; inflation where people get the mighty production of the mechanised factories is very bad for them, and has to be stopped at any price.

England, which has been pouring out labour-saving machines for the world for a century, receives ever-decreasing dividends for her efforts. It appears the same dismal destiny for Australia. The continuous process whereby increased prices are followed by increased wages, and increased wages by increased prices, is not only ridiculous; it is destroying the social fabric of the country, and is the cause of much strife in industry. It is absurd to suggest that university professors know no way out of this impasse other than by increasing prices by taxation.

Fern Tree.

JAS. GUTHRIE.

## The Aims of Education

by BRYAN W. MONAHAN

Originally published in *The Social Crediter*, in 1944.

### III. THE INDIVIDUAL AND SOCIETY.

The individual grows, as we have seen, physically by the absorption and organisation of matter, and mentally by the absorption and organisation of elements of the cultural tradition. Into these materials, purpose builds what we recognise as personality.

Now, the individual extends both materially and mentally beyond what we perceive at first sight as his limits. On the material plane, his boundaries are quite indefinite to perception. With every breath he acquires fresh atoms and gives up others. People breathing the same air are exchanging their substance in part one with another. The food a person has eaten passes only gradually into his essential being, and, as slowly, molecule by molecule, leaves. The roots of his hair are "alive," the remainder "dead," but the root and the shaft are continuous, and all are "part" of him. Thus matter simply flows through him; it is obvious in the case of fluid, yet the fluid for a time enters into his essential being. Thus in all material aspects, he is related to the surface of the earth as is a cloud of dust, and materially is not discontinuous with other creatures. How then are we to conceive his boundary? That boundary is where his purpose ceases to be effective, the locus of becoming, the boundary where atoms and molecules are accepted and rejected.

In the mental sphere, personality extends outwards into Society; this fact is the basis of Sociology. But the nature of this extension is commonly misunderstood. Society, for each individual, is nothing but the extension of his own personality. The situation is analogous to the physical situation as revealed by the Relativity Theory of Physics. The space-time continuum has no practical reality for the individual (possibly because of his special relation to the time dimension); he is a unique observer, with his own unique frame of reference. The space-time continuum is independent of the observer; otherwise, there are as many physical worlds of relations as there are individuals. In the same way, there are as many societies in the concept Society as there are individuals. That is to say, each individual sees society as a set of relations of which he is the centre, and into which his personality extends. His *perception* is of *his own* society, in this sense; he can only *conceive* Society. On the other hand, he *can* perceive other Societies, of which he is not a member; the Englishman thus perceives the Society of the French, the Americans, *etc.*

The fundamental attitude of the individual to his own society is, therefore, of its subservience to his personal purpose. One has only to watch children to realise that; the development of the child consists largely in discovering modifications of that fundamental attitude. And it might easily be that unsatisfactory experiences in this modification lead to that pathological desire to change Society by force, through identification of Society with a personal perception of society.

What really exists for each individual is a unique set of relations, of organic connections *centred within himself*, between himself and other individuals and groups. The

connections are organic, because they are vitalised in a perfectly real sense, from the centre—that is, from the individual—"Social power proceeds from within," to answer Douglas's question (*The Big Idea*, p. 60). Of course, the connections are reciprocal, to varying degrees, individually; but as a set they are unique, and dependent on the existence of the individual. Now Society, in the relativity sense, is the aggregate of these relations, and thus can never be identical with any one set. That it can be, is the Collectivist fallacy.

From the point of view of the individual, then, society is a further mechanism serving his purpose. Particular functional organisations of this society are as regards his personality what habits are as regards his mind: they set him free "for his own proper work."

If a man is asked: "What would you do if you were in a position to put Society right?" the almost invariable first response is to conceive himself as a dictator, and from this position to imagine Society organised outwards from himself, so that his percept and concept would be identical. Any change is, in fact, conceived from the position of "What I would do if I were in such and such a position." Now the actual results of such a reorganisation of Society are not only a matter of theory; we are all too familiar with them, so that there is no need to analyse them here. What we want to find is the Why that the How expresses. In the first place, the structure of such Society must be unicentric, hierarchical, and must be based on power of one sort or another. The vertical relations between individuals are transitive non-symmetrical (more . . . than). But at the bottom of the pyramid, the transitive relation ceases to hold, a fact which leads to instability—and a fact that no doubt leads the Germans to postulate a slave race, since this permits the transitive relation to be carried right through their own race, the slave race being held by naked power. Where it is not a case of two races, the bottom layer consists of what we may distinguish as serfs (as against slaves). In this case the criterion would presumably be "intelligence" quotients as against "racial purity."

Totalitarian Society is the most complete extension of personality into Society, and as such it involves the permanent organisation of other partial personalities into the extended structure of the Leader's personality, through the transitive relation, which in its psychological aspect is the Will to Power, with its components assertion and submission. Will to Power holds in an organised manner all through the structure except at the bottom layer, where the assertive component must be suppressed. The whole Society is, therefore, an organic unity organised by the purpose of the Leader. Such a group is as a result an actual living unity.

The individual in whom this personality is centred must be, as a result, a super-normal individual. Hitler's statements give us a glimpse of the subjective aspect of this, and the objective evidence is before us. But the personality is necessarily limited and rigid in much the same way as on the material plane the Crustaceans are limited. Too great a part of the personality is beyond the control of purpose, and even more beyond the control of conscious purpose. Purpose is limited in the same way, in principle, by the laws of matter and the laws of mind. Purpose makes decisions, which pass into structure, and there remain effective; purpose has passed on, but the decisions

are limitations, whether right or wrong, because becoming is the integration of a series of them.

The same considerations hold, only in lesser degree, for subordinate functionaries, and this is, I think, the explanation of their distorted personalities—"in their function, possessed of devils." Here there is the extension of personality far beyond conscious control; but the case is worse, in that the structure has been built not by the individual exercising the function in question, but transitively. The functionary enters into a structure he did not build, so that structure never did pass through his consciousness.

That organisation of individuals into a group does occur is a fact of observation, and that some individuals are inherently leaders is a similar fact. It appears to me indubitable that personality is a force of some kind, extending in some sense beyond the material boundary of the individual, and that this force acts on other individuals in such a way as to orientate them by virtue of their assertive-submissive polarity. That is the primary phenomenon. But it is confused with and overlaid by other phenomena, of which the most important in this connection is the use of external force to carry further the effects of the orientation produced by personality—external force in the sense of being outside the personal polarising phenomenon, and acting on such other psychological attributes as fear, hunger, *etc.* This use of external force to secure and maintain permanent organisation as an extension of the individual's own personality is clearly something to be distinguished from the organisation which is the pure expression of a powerful personality.

There can be no question here of saying what personality is, except that it is what one actually perceives it to be, in exactly the same sense that sight and sound are what one perceives them to be, and that it is the external aspect of Self. There is no reason why personality should resemble anything else with which we are familiar, any more than that sight should resemble sound or electricity. The effect of personality is a matter of individual experience: the word "personality" is the one I attach to that experience in its transcendent aspect. Now personality has its own laws, not the laws of matter, and consequently the concepts of physics are inapplicable, and should be forgotten when we use the words "force" and "power," as we have to do in the absence of others more appropriate.

The power of a personality is evidently related to the degree of organisation and integration of the components, both material and mental, achieved by purpose, and this in the first place is within the boundary of the individual as previously defined—power comes from within. Conversely, and perhaps more obviously, a disintegrated personality lacks power. Hence, no doubt, Douglas's insistence on integrity. Besides the integration, however, there is the question of orientation. What this means can be appreciated, again, from personal experience: it is a matter of the polarisation of assertion-submission. There is a *natural*, easy orientation, experienced as a feeling of superiority (in the sense "superior to adverse circumstances," not in the unpleasant sense of domineering) which is the subjective aspect of assertion, when one is master of a situation—"nothing develops a man like achievement." I do not think that either integrity or orientation have anything to do with the inherent, inborn, abilities and endowments; they are

found in the lowly and in the genius. But they are related to purpose, and they are influenced by environment. They are independent variables, but can be correlated by purpose, and out of their development and correlation arises the power of personality.

One of the properties of personality to be noted is that the transitive relation does not go far by itself; that is, while a given personality can and does act through one individual on another, adjuvants, in the way of external power, or else secondary personalities, are required to carry the relation through an extended series. Even a great General requires good subordinates and discipline to weld an army. This has nothing to do with the numbers that can be affected directly, which is a matter of reciprocity. It was noted previously that the relations which lead to this extension of personality are to varying degrees reciprocal, depending on the polarising effect, which is not necessarily, and not always, passive: polarity is subject to purpose. On the other hand, it is also subject to suggestion—the extreme example is hypnotism. Suggestion, however, is of the greatest importance, because a knowledge of the technique of suggestion is an adjuvant of extreme potency. Propaganda is simply the scientific technique of suggestion, and "organised"—centralised—education is simply propaganda.

Theoretically, reciprocity may mean anything from a symmetrical relation to the complete absorption of one personality by another, though in practice the extreme of absorption is inconceivable, and the extreme of symmetry rare. In fact, in Society each individual centres a unique set of relations, limited, and variable; ideally, subject to his purpose. This is the antithesis of the totalitarian ideal. Thus we return to the statement that Society is the aggregate of individual societies, which are unique sets of relations, and as such, simply mechanisms serving individual purpose. Particular functional organisations of this society are as regards the individual's personality what habits are as regards his mind: they set him free "for his own proper work." And equally the right to contract-out is in this sphere what liability is in evolution. With the development of machine production, never before in history did man have such an opportunity. We are being thwarted at the threshold of what amounts to a new evolutionary development in the setting-free of purpose.

(To be continued.)

## THE FIG TREE

*A Douglas Social Credit Quarterly Review.*

Vol. 1. No. 4. (NEW SERIES).

MARCH, 1955.

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K.R.P. Publications, Ltd., 11, Garfield Street, Belfast.

Published by K.R.P. Publications Ltd., at 11, Garfield Street, Belfast.  
Printed by J. Hayes & Co., Woolton, Liverpool.