

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### The Situation and the Outlook

by C. H. DOUGLAS

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*(Concluded.)*

The situation, then, is that the philosophy of Hegel and Marx, to use the names to which it is generally attached; a philosophy which appears to be fundamentally Jewish with a modifying strain of Prussianism, is now temporarily triumphant in a policy of State Socialism directed under cover of a bureaucracy by a small group of international money kings, perhaps not entirely Jewish at the moment, but intending to become so. Control of propaganda in all its forms has imposed a false mental picture on the group mind which facilitates the acceptance of such patent absurdities as "full employment" in a power-production economy, centralised direction in a universal literacy, and, in fact, general stultification in the name of "the common good."

No refinements on this policy hold any prospect of salvation. It is fundamentally false and vicious, and events are the outcome of it. The greater dominance it acquires, the more events must follow the pattern of its philosophy. We are therefore driven to consider how it can be arrested, what can be substituted for it, and how that substitution can be accomplished.

To say that Social Credit is the only policy which offers any hope to a distracted world would savour of quackery unless accompanied by a definition which is not delimited by a plan, financial or otherwise. The very essence of a plan is that it is static, not organic; and the very essence of the necessity under which we labour is that we have to recognise that life is organic, not static. The conception of Social Credit which first has to be established, so that the error of a static conception shall not stultify *tactical* plans, is that we must aim at liberating reality; to liberate anything you must first be able to recognise it. A good deal of the so-called philanthropic sentiment in the world is not reality, and has no relation to reality. Who are the prime beneficiaries of U.N.R.R.A. and the "Save Europe Now" rackets?

Before touching upon immediate necessities two simple propositions require enunciation. The first is that no-one has ever been able to conceive of a stick with one end, still less to make one. When someone says (and there is a steady propaganda to induce people to say) that a policy is negative, they are talking the same kind of nonsense as those who say that what is wanted is a positive policy. No-

one has yet found a way to travel nearer to Carlisle without getting further from Crewe, if you start from Crewe.

And the second proposition is that a Government is inherently and inevitably restrictive and therefore that the amount of Government which a community can stand without collapsing is definitely limited, and if Governments are competitive, the most governed community will collapse first. And therefore, the first policy to be applied to over-Government, *i.e.*, Socialism, is and must be, a negative policy—a retreat from Government; less Government.

This characteristic of Government is inherent, but is little understood. Government is of necessity hierarchical and cannot stimulate or even tolerate independent, responsible action. Anyone who has contact with Government officials knows the impossibility of getting a genuine decision out of any of them. At the best, what you get is the assurance of a precedent.

In its place (quite a minor place) and with strict limitations, this state of affairs is necessary and useful. But not when elevated to a scheme of life. Governments are not proper mechanisms to which to entrust policy. The result never varies; the world becomes progressively less pleasant to live in. As at present organised, there is no essential difference involved in "Big Business."

I am coming to believe that an extra-mundane code of principles is in the nature of reality. Given that, individual responsibility for the interpretation of the code follows logically. And the first consequence of this which leaps to the eye is that the miscalled democratic system, as generally understood, even if it had any genuine existence, is a dangerous mistake. It postulates Group Responsibility. In the mundane sense, there is no such thing. Groups are psychic constructions, probably sub-human; and the current endeavour to, *e.g.*, identify every individual who happens to have a German passport with "Germany" is voodooism, and proceeds from a source in which the identity of the individual with the group is an atavistic survival.

Individual responsibility inescapably implies inequality, and inequality inescapably implies that an individual *can* (not, with the aid of Miss Ellen Wilkinson, necessarily does, at the present time) know his own business best.

These observations are not intended to be an intro-

*(Continued on page 4.)*

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### “One World”

*For the benefit of those who have not previously read it, and as a revision for those who have, we republish the Editorial from The Australian Social Crediter, September 28, 1946:*

It is being increasingly frequently stated that another war (which on the same or another page of the newspaper saying it is said to be ‘inevitable’) will mean “the end of civilisation.” The particularly fatal quality of the ‘inevitable’ Third World War is believed to reside in the specially horrible weapons with which it will be fought.

In passing, it may be noted that the atomic bomb is certainly not the devastating weapon which propaganda represents it to be. Most of the horror reports are the work of journalists; there is a significant lack of expert testimony, and such as there is gives a much more moderate picture. And the more moderate effect is what one would expect from theoretical considerations.

The real danger to the world lies, not in the weapons with which the war might be fought, but in its outcome. For the first time in history it is probable that the war would end with the unchallengeable supremacy of a single armed force, which would automatically become a world police force. That police force would buttress supreme political power.

Supreme political power is, or has been, the aspiration of several political groups. No one doubts it in the case of Germany; fewer doubt it now than did even a few months ago in the case of Russia; America is under growing suspicion; and the *pax Britannica* has its advocates.

But the scrambles of what appear to be the major contestants for the prize of world control cloak the machinations of a concealed aspirant: the International Jew. His technique is, through money power and propaganda to dissolve all national institutions, and at the same time to build up his own international organisations of control.

“You may say that the *goyim* will rise upon us, arms in hand, if they guess what is going on before the time comes; but in the West we have against this a manœuvre of such appalling terror that the very stoutest hearts quail . . .” (*Protocols*, IX, 13). The terror contemplated was the mining of capital cities; but the advance of science has provided the atomic bomb, control of which has been assumed by Messrs. Baruch and Lilienthal.

There are several aspects of this situation which demand consideration. One is the fact that advocates of

“One World” play straight into the hands of the conspirators. Their motives are very probably idealistic, and that renders them all the more dangerous. At all events, their activities are deliberately framed to weaken the national sovereignty of their own countries: thus Mr. Attlee in 1934: “We have absolutely abandoned any idea of nationalist loyalty. We are deliberately putting a world order before our loyalty to our own country.”

And again, there are the crypto-Communists, their strategy is to build up the strength of Russia, and then to manœuvre their country into conflict with her; this is intended to precipitate internal revolution.

Supreme political power can be exercised only at the expense of self-determination. It is as if there were a fixed quantity of social power, and what is concentrated in the hands of the State leaves its individuals correspondingly powerless.

Again, individuals as such cannot wage wars; only when they surrender their power of self-determination in favour of organisation into groups are wars possible. And the horror of modern war is proportional to the extent of the organisation underlying it. For example, the atomic bomb requires for its production a more extensive organisation than production of any other sort.

Now why should it be supposed that total organisation of the world would automatically eliminate the horrors that have accompanied the progress of organisation? There is, on the contrary, every reason to believe that such organisation would produce its own, and the ultimate, in horrors.

That is the danger—and a terribly imminent danger—which lies in another war or in the success of the forces working to secure world domination under threat of war. And the only escape is to restore social power—self-determination—to the individual.

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### Pursuit of Power

“No free government or the blessings of liberty can be preserved to any people but by a firm adherence to justice, moderation, temperance, frugality and virtue, and by a frequent recurrence to fundamental principles.”

—Patrick Henry.

“A people left to itself, to upstarts from its midst, brings itself to ruin by any party dissensions excited by the pursuit of power and honours and the disorders arising therefrom.”

—*Protocols of the Learned Elders of Zion*, 1. v. 20.

“In order to incite seekers after power to a misuse of power, we have set all forces in opposition to one another, breaking up their liberal tendencies to independence.”

—*Protocol III*, v. 30.

### Social Credit and Suez

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## Taxation and Public Expenditure

*Extracts from House of Lords Debates, March 6, 1957.*

Lord Coleraine rose to call attention to the level of taxation and public expenditure, and its effects upon the condition of the people; and to move for Papers. The noble Lord said: My Lords, I am glad to think that there is no real conflict between the Motion I am moving and that which stands on the Order Paper in the name of the noble Lord, Lord Pethick-Lawrence, "to call attention to the present economic and financial situation." The experience of the noble Lord in these matters, and his understanding of them, is so much wider and so much deeper than my own that I should not like to enter into a condition of competitive co-existence with him about them. I feel that I might fare badly in the competition, and even my existence might be in some jeopardy. That, I think, applies to competitive co-existence in every sphere. There is an inevitable relationship between the burden of taxation, the level of public expenditure and the general economic situation. It is really impossible to discuss the economic situation without reference to taxation and public expenditure, and it is certainly impossible to discuss taxation without reference to our general situation. The noble Lord perhaps might attach less importance to taxation as a factor than I do—I regard it as probably the dominant factor at the present time—but still I am sure that he would not altogether ignore it. . . .

We are all involved, Government and Opposition, Minister of the Crown and private citizen. The plain fact of the matter is that for ten years past we have been swept along in a kind of orgy of inflation, which at one and the same time has increased the burden of taxation and made it easier to bear. How often have we heard Ministers, not only Ministers of this Government but Ministers of previous Governments, when they got into difficulties, saying, "Things are not so bad, and, after all, we are having these difficulties only because we have been so prosperous." My Lords, that is not the judgment of statesmen; that is the judgment of drunkards. It is precisely like saying, "The only reason that I feel badly this morning is that I had such a wonderfully good time last night." Indeed, there is a very close analogy between inflation, as we have had it over the past decade, and acute alcoholism. In both cases the condition of the body deteriorates and in both cases the patient himself feels much better than he really is. . . .

What we have been accustomed to think of as the post-war period has, I believe, come to an end. It came to an end with the events of last autumn. I think we all recognise that, in greater or lesser degree. And what we are looking forward to now is a future that is quite new. I would say that the main characteristics of the post-war period, which, as I say, has ended, have been a great and welcome increase in the production of British industry and a remarkable and equally welcome rise in the general average standard of the life of the British people.

Now there is more than one factor, I think, which accounts for these favourable developments. There has been a radical redistribution of wealth through taxation. There has been full employment, which has meant that

there have been many more hands available for production. There has been the necessity to repair all over the world the ravages of the war. And there has been, too, through a great part of the period, an absence of normal competition in overseas markets. All this has been accompanied by a chronic inflation, which has created great hardship and savage injustice among some of the most valuable sections of the community, and which has exacerbated and made more intractable a recurrent balance of payments problem.

When we look at the new landscape that is opening up, what can we discern? The inflation may be under control now, but I think he would be a rash man who would say that it was permanently under control. We have averted the last balance of payments crisis, but he would be a very rash man who would say that in twelve months' time, eighteen months' time, there would not be another. At the same time, the favourable factors which operated in the post-war period are not operating to-day with the same effect. It is not possible really to conceive that anything further can be done for the standard of life of the British people by a further redistribution of wealth. It is not possible to think that there can be any extension in present circumstances, of full employment. Every man's hand, every woman's hand, is fully employed at the present time. There is virtually an end of post-war reconstruction, and day by day we are conscious of an increase in competition in international markets. In other words, the unfavourable factors seem to be persisting while the favourable factors are losing much of their effect.

There are evidently great difficulties ahead of us, but there are great opportunities too. Yesterday in this House the noble Lord, Lord Mills, developed the Government's new programme for atomic energy applied to industrial uses. That, alone, might transform the outlook for our people in a few years' time. Then there is the European market and the free trade area associated with it. That, too, might make an almost unbelievable transformation in the prospects, not only of the British people, but of the Western world as a whole.

Now I do not believe that we can develop atomic energy, as the noble Lord, Lord Mills, outlined the policy yesterday, without a reduction of the burden of taxation. If we try to develop it with the same burden of taxation, I do not see how we can escape another violent inflationary impulse. Nor do I see how we can possibly compete in a free trade area in Europe under the present rates of taxation. The proposition I am submitting to your Lordships this afternoon is simply this: that we can neither overcome the difficulties which face us nor seize the opportunities which are open to us unless the burden of taxation is reduced; and that means, of course, unless the level of public expenditure is reduced, too.

It seems to me that an industrial economy like our own depends mainly on two factors—human energy and the tools which are at the disposal of that energy for its use. In other words, it depends on incentives and not investment. The economy of any industrial country—for example, the United States of America—depends on precisely the same factors. If we compare our position with that of the U.S.A. we see that they have there a higher standard of living, much higher real wages and much greater political influence.

Of course, they have resources that we have not got. They have population that we have not got, and that makes a vast difference. But there are other countries with equal population and equal resources which do not enjoy the same standard of living or the same real wages as are enjoyed by the people of the United States of America—Russia, for instance. There is more involved here than just resources and population.

First of all, I believe that there is a deep psychological difference in the attitude of the average American and that of the average Englishman towards wealth as such. The American bases himself upon Ambition. If he can get ahead, it does not concern him that others get ahead too perhaps even further ahead than he. The Englishman of these days seems to base his outlook not upon Ambition but upon Envy. He is far too inclined to ask, not, "What am I going to do myself?" but rather, "What is that other fellow doing and how can I stop him from being better off than I am?" The Leader of the Parliamentary Labour Party has more than once asked: how can one expect people to work harder when they see others so much better off than they are themselves? That is not the American attitude. . .

I should like to recite three brief facts which I have recently culled from the newspapers. One is that the horse-power at the disposal of the American worker is  $2\frac{1}{2}$  times that at the disposal of the British worker. The second fact is that the International Longshoremen's Association recently settled for a basic rate of 2.80 dollars an hour; of course, their earnings would be at a much higher rate than that. The third fact is that a Mr. Harlow Curtice, who, I believe, makes motor cars, had in the year 1954 a net tax-free income of more than £40,000. I believe these three facts, which seem to have no relation to each other, to be very closely connected. If it were not for the personal income of men like Mr. Curtice, and hundreds of others like him, there would not be at the disposal of the American worker  $2\frac{1}{2}$  times the amount of horse-power that there is at the disposal of the British worker; and if there were not that amount of horse-power at the disposal of the American worker, then it would be quite impossible for the International Longshoremen's Association to secure a basic rate of 2.80 dollars an hour. I believe that is something on which we might ponder. . . .

If the Government, for whatever noble purpose—whether for defence or for social services or for investment—take more than a certain proportion of the national product, the consumer reacts. Especially does he react in a time of full employment. He demands higher wages, and he gets higher wages. All you have done by seeking to create a Budget surplus is to give another boost to the inflationary spiral. . . .

I should like just to give the House a few figures bearing on comparative rates of taxation in the United States and in this country. It is a little difficult to be precise, because the comparison depends very much on what rate of exchange you select. My comparison is based on a rate of 2.80 dollars to the pound—the official rate of exchange. I think that that is probably an unfair comparison because it takes too much account of the difference in the standards of life between America and this country. On the other

hand, if you take a rate of 5 dollars to the pound the result would not be very different, but the equation, I think, would still be at fault the other way. On a basis of 2.80 dollars to the pound, then, the man with; £3,000 a year in this country has £950 taken from him; in the United States he has £444 taken from him. A man with £4,000 a year in this country has £1,550 taken from him; in the United States he has £670 taken from him. A man with £8,000 a year here has £4,400 deducted; in America, he has £1,880 deducted. I am speaking of a married man with two children and earned income in both cases. . . .

(To be continued.)

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### THE SITUATION AND THE OUTLOOK—

(continued from page 1.)

duction to the subject with which they deal, and I have therefore no doubt that anyone sufficiently interested to read them will be able to follow the connection with the general principles involved, of the following tactical implications:

(1) Rationing is economic ("household management") centralisation. It is diametrically opposed to Social Credit, and should be fought consistently and bitterly.

(2) Money (which comprises prices) should derive from the individual and be contributed, without coercion, to such state functions as are necessary (N.B., This is *not* a scheme). "Coupons" are simply a "Russian" trick.

(3) An individual has no more right, moral or pragmatic, to indiscriminate and unlimited voting power than he has to unlimited and indiscriminate purchasing power. Any one who is in favour of a secret ballot franchise on an unrestricted agenda prefers to make his purchases at a thieves' receiver. What is not for sale, ought not to be buyable.

No-one has ever produced the slightest evidence to support the "Gentle Jesus, meek and mild" conception of Christianity (except by quoting a mistranslation). It appears probable that Christianity has many aspects; the one immediately important is depicted in the adjuration "Ye generation of vipers" and in the scourging of the money changers from the Temple. A firing squad may be necessary.

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The following works, the gift of Dr. Basil Steele, have been added to the Library:—

A, Ancillary; C, Controversial; E, Expository; M, Miscellaneous; P, Pamphlet; R, Reference.

M 13. Thibon, Gustave, and Daniel-Roep, *Christianity and Freedom, A Symposium*, 1955 (Hollis & Carter).

M 14. Tate, Allen, *The Man of Letters in the Modern World*, 1955 (Thames & Hudson).

M 15. Wilhelmsen, Frederick, *Hilaire Belloc: No Alienated Man*, 1954 (Sheed & Ward).

Also added:—

A 116. Johnson, Charles, (Editor), *The De Moneta of Nicholas Oresme*, 1956 (Nelson's Medieval Texts).

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