

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### The Great Betrayal

by C. H. DOUGLAS

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#### V.

"The intellectuals of the *goyim* will puff themselves up with their knowledges, and without any logical verification of them, will put into effect all the information available from science, which our agentur specialists have cunningly pieced together for the purpose of educating their minds in the direction we want. Do not suppose for a moment that these statements are empty words: think carefully of the successes we arranged for Darwinism, Marxism, Nietzscheism. To us Jews, at any rate, it should be plain to see what a disintegrating importance these directives have had upon the minds of the *goyim*."

"The intensification of armaments, the increase of police forces—are all essential for the completion of the aforementioned plans. What we have to get at is that there should be in all the States of the world, besides ourselves, only the masses of the proletariat, a few millionaires devoted to our interests, police and soldiers."—*Protocols of the Learned Elders of Zion*, II, ii and iii, VII, i.

If there is one claim made by Socialists more confidently than that their *credo* is that of the "common good," it is that they are the torch-bearers of progress, and the champions of "science" against reaction—a word used to dispose comprehensively of any views not held by the London School of Economics. It is significant, therefore, that what is perhaps the most operative principle in the workings of natural forces on this planet—entropy—is never mentioned by them, and is perhaps a conception which their minds dare not entertain, in view of its implications.

The rigid definition of entropy is "the quantity of heat in a closed system, divided by its *absolute* temperature" and this implies that it is a numerical expression which increases as energy loses availability, because, energy is only available for useful work where there is a fall of potential (a waterfall is the most obvious example). Consequently, if we are to introduce the analogy of physics into Socialism (and there is no intrinsic *social* science worthy of the name) we derive two ideas from entropy: (1) that, of the total amount of energy (initiative) in the world, it is only that which is above the average, is not standardised, which can be expected to produce results. (2) To the extent that Socialism tends to produce social equality, it increases social entropy. It is in fact the technique of social death.

So far as I am aware, there is no instance of an individual who has accomplished anything which is not routine, while retaining abiding belief in equality as a social principle. There are numbers of instances (Karl Marx or

Mordecai is one) of schemers and revolutionaries who have used "equality" as a catchword with which to demoralise their enemies; but practically all of them, including Marx, have left on record their contempt for their dupes.

There is therefore an analogy if nothing more, between the principle of entropy in thermo-dynamics and the social forces (for want of a better term) tending to reduce humanity to a dead level in which nothing can be done—there is no difference of potential. If that state is attained, it would not be fanciful to characterise it as one in which social entropy was a maximum.

It is desirable to recognise that we are familiar with a certain type of repetition-analogy in what we call physical forces. The octave in musical sounds repeats from the lowest audible bass to the highest audible treble, and there is an octave in the light scale, the spectrum. While we have no proof, of the rigid nature which can be measured by instruments, as in the case of temperature-entropy, that a social dead-level exhibits the same kind of relation to a highly diversified civilisation that a stagnant pond does to Niagara Falls, there is much to suggest that it may be so.

Fortunately, the Socialist habit of giving to words a meaning which does not correspond to anything realisable, while it has a disruptive effect of serious importance, ensures its own exposure. "Equality" in action always raises the question of hierarchy in function. No one in possession of average intelligence supposes that one man could be at once a cricketer equal to Bradman, an engineer equal to Brunel, a mathematical physicist of the order of Eddington, and a General such as Lord Wavell. This being obvious, on what function do you equate him? And when you have decided on the inequality of his functional excellence, how do you deal with the inescapable hierarchy of function? Does anyone suppose that, on the one hand, only one man could build the Tower Bridge, or on the other, every engineer would be equally successful?

As Mr. Christopher Hollis, M.P., remarks in another connection, "Simply to say that we must get rid of privilege is to mistake a phrase for a solution" (a common socialist procedure). "Few of the valuable achievements of life are the achievements of a single generation; if this principle were advanced as a principle of biology rather than of politics, it would be hailed as a progressive principle. But whether biological or political, whether progressive or reactionary, it is at any rate, a true principle."

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### Canada's Bankers and Canada's Credit

("Segregation" of personal savings by Banks.)

The Governor of the Bank of Canada proposes to separate personal savings from the 'other' deposits in order to insulate them from other banking restrictions, and to put such savings into long term investments—Government bonds, mortgages, etc.

By thus insulating the personal savings "the Banks could more effectively squeeze credit in commercial undertakings."

This illuminates the present undignified scramble of the private banks in Australia to enter the Savings Bank field and gradually destroy the specialised institutions like building societies, hire purchase organisations, loan funds, etc., which have, apart from the Commonwealth Savings Bank, negotiated most of the personal savings of the people.

All this is merely a matter of administration of the same policy of restriction of the people's credit, but it goes to show how determined the financial powers are to retain their monopolistic power. They can permit no loop-holes or weak links in the centralised control.

In this direction the move to create a Central Bank in Australia, detached from the commercial operations of the Commonwealth Trading Bank would remove another weak link in the chain of Central World Banks. This would make it possible to over-ride any national policy on banking and would stifle local agitation—of which there is some vocal discontent at the moment over credit restriction.

World control of policy is evidenced by a statement by the Financial Editor of the *Manchester Guardian*:

"The Bank of England is helping in forming the banks in the Gold Coast, in Malaya, and in Nigeria. In the Gold Coast the existing State Bank is in effect to be split, so that the trading activities are kept separate (in what will be the Ghana Commercial Bank) from the real central banking activities of the new Bank of Ghana. But for the advice of the Bank of England (given by one of its most experienced 'advisers,' Mr. J. B. Loynes) there might have been another bank on the Australian model combining both trading and central banking."

The World Bank controlling a chain of Central Banks will make the control of the people's credit by High Finance complete. Loans from the World Bank (i.e., the creating of national debts) are bringing each national unit under the fiat of the financiers. We now see why finance wants a world police force to ensure its commands are carried out.

G.A.M.

### "Power Tends to Corrupt"

I quote it [Lord Acton's dictum] again, to give it to you in full, and in its context. Acton was not only a great historian—one of the greatest of modern times—but he was also a very sincere and consistent Christian.

The famous sentence occurs in a letter he wrote to Bishop Creighton about the latter's *History of the Papacy*, which Acton has reviewed in a periodical edited by Creighton. Acton had found in Creighton's history what he called "a spirit of retrospective indulgence and reverence for the operation of authority," and he insisted that historians "maintain morality as the sole impartial criterion of men and things, and the only one on which honest minds can be made to agree."

In this letter to Creighton, Acton was more explicit. He said, "I cannot accept your canon that we are to judge Pope and King unlike other men, with a favourable presumption that they did no wrong. If there is any presumption it is the other way, against the holders of power, increasing as the power increases. Historic responsibility has to make up for the want of legal responsibility. Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men, even when they exercise influence and not authority, still more when you superadd the tendency or the certainty of corruption by authority. There is no worse heresy than that the office sanctifies the holder of it."

—Mr. Herbert Read in *The Listener*, March 27, 1947.

### Contemporary Civilisation

"Contemporary civilisation is the product, in every one of its aspects, of intellectualism based on theory. As such it is in sharp contrast to that of the 'Old Order,' which was the fruit of experience. . . ."

"Humanity today is not unlike a man who uses certain articles for purposes quite other than those for which they were intended. . . . We live in a world where falsification has become the general rule, and our inner lives feel, as they are bound to do, the effects.

". . . Hence the curious atmosphere of moral sickness which is abroad to-day—the feeling that some curse lies on everything we do, a feeling that is explicable in no other way."—Humbert Michaud: "Towards a New Orientation" in *The XIX Century, and After*.

### English Character

"A second important aspect of English character is the belief that character is something which grows like a plant, given proper soil and proper care; something which cannot be hurried and which is also, the English believe, ultimately dependent on the quality of the seed. . . . Perhaps indeed because of a failure to apply strictly enough the adage 'you cannot make a silk purse out of a sow's ear' it is necessary to recognise the equally English attitude of fierce equalitarianism. . . ."

The preceding quotation is an extract from a penetrating analysis of the English character, *The English as a Foreigner sees Them*, by Miss Margaret Mead, an American anthropologist, which was broadcast in 1947.

## The Development of World Dominion

During the period of the Socialist Administration in Great Britain, following the end of World War II, *The Social Crediter* analysed the activities of that administration in our progress to disaster; and emphasised over and over that a change of administration would not mean a change of policy. The Constitutional issue, philosophy, politics, economics and strategy were examined in the notes under the heading "From Week to Week." Written or inspired by the late C. H. Douglas, these notes are a permanent and invaluable addition to our understanding of the policies of opposed philosophies, and we propose to re-publish a considerable selection of them, both for their relevance to a situation which has developed but not otherwise altered under a 'new' Administration, and for the benefit of new readers of this journal to whom otherwise they are not readily available.

The date of original publication is given in brackets after each item.

There is a certain body of opinion which is under the impression that we have abandoned the financial aspect of Social Credit. In this connection, we are reminded of a pungent criticism made some years ago, that the great disadvantage under which the Social Credit movement then laboured, was that it was largely composed of Socialists who wanted nationalisation of banking.

People who hold this type of opinion have not taken the trouble to grasp the fundamental subject matter with which we have always been concerned, which is the relationship of the individual to the group. Thirty years ago, that relationship was predominantly a financial relationship. Quite largely through the exertions of Socialists, strongly assisted by the highest powers of International Finance, the Central Banks have become practically impregnable, and the sanctions which they exert have shifted from the bank balance to the Order-in-Council.

It ought to be, but unfortunately it is not, apparent to everyone who takes an intelligent interest in these matters, that the fundamental problem has been greatly complicated by the developments of the past twenty years; and that the immediate issue is in the realm of Law and military power, not of book-keeping. That does not mean in the least that book-keeping is one penny the less important than it was when we directed attention to it; but it does mean that it is the second trench to be taken, not the first. For that, we have to thank in great part, the obsession with "nationalised" banking.

The problem presented by the centralised ("majority") political vote is the same in its fundamentals as that of which it is only another manifestation—the monopoly of credit. (October 16, 1948.)

We make no apology for referring to the dangerous dissidence to genuine reform which is offered by many "monetary reformers" who mix up certain ill-understood "moral principles" with attempts at practical design. Amongst the objects of their attack, an easy first is "usury," which they would define, if they troubled to define it, as

the taking or giving of interest upon a money loan.

It should be understood without much difficulty that, in a predominantly gold coinage system, if Moses Finkelstein lends one hundred gold sovereigns to John Brown and demands back one hundred and twenty-five at the end of a year, and continues that process, it is only a question of time before Moses owns all the gold. But if John Brown makes a deposit in his bank, and the bank allows him three *per cent.* interest (no, Clarence, this is not a fairy story) there is no available evidence to show that John Brown will come into possession of the bank. What has happened is that John has shared, to a minute extent, in the profits of the bank, in return for providing a smoke screen for the legend that banks only relend money deposited with them. Now that this legend is exploded, John has been informed that he is no longer wanted, and his share ceases. In fact, he is charged for keeping his account. That is what the usury hunters have achieved.

But you may say, the banks "have no right" to create money to bribe John with a decimal fraction of it. The only part of this sentence which makes sense is the latter. John and others like him, ought to have a larger "interest" on their deposit (really, a dividend on the money created). The greatest nonsense, of much, which has been written about the banking system is that which attacks their dividends and interest paid on deposits. These items are the only fresh money, corresponding to the normally increased real wealth, which comes into the hands of John Citizen. The rest disappears into invisible reserves, such as those colossal figures which Mr. Dalton will not disclose, which, by the acquisition of the Bank "of England," have now been made a free gift to Mr. Barney Baruch, *et. al.*

(January 12, 1946.)

The rapturous iconoclasm of certain groups of "monetary reformers" to whom "usury," the sparring-partner of the bankers "inflation," is the Scarlet Woman of Babylon, has had the inevitable effect of encouraging the financial authorities to abolish, for practical purposes, the interest paid on undrawn current balances, and deposit accounts. We do not say they would not have done it anyway—the one thoroughly sound feature of the banking system was its dividends to shareholders and its interest payments to depositors which jointly with the insignificant mint issues, provided almost the only fresh unattached purchasing-power. It is obviously lost time to beg of our amateur currency experts to consider whether they really mean what they ask which is the replacement of unattached purchasing-power by loans. But they must not complain if we, and others with us, regard them as propagandists for totalitarianism. (October 27, 1945.)

In that noteworthy study *Grey Eminence*, Aldous Huxley propounded the thesis that all 'great' politics are essentially evil, which is only another way of saying what has often been said in these pages, that mankind has no real business with politics: all politics are bad; and the business of man is with himself, not with politics at all.

What has really happened in the world lately is that civilisation has gone back on Social Credit 500 or 600 years; and, while Social Credit was, at any rate soon after its inception, a practical proposition for almost any civilised community, we are now 500 to 600 years ahead. The world has fallen back to a far greater extent than we have advanced. Whatever may have changed in the purely technical field (which is after all merely relative) there is visible no change at all of policy from that which proved so disastrous after 1919. Exports, employment, *etc., etc.*: the same identical song is in the mouth of every politician and industrial 'leader.'

The same old problems are being forced upon mankind, problems which simply do not exist except as the edicts of an overriding organisation. We have no problems worth mentioning. There is not even a suggestion that when the Organisation (which has all the attributes of a personal Devil) has at last disintegrated everything, reduced everything and everybody to a dead (literally dead) level and is confronted with the question what is it (or he) to do with it, that he has any idea. And has anyone else? And so, we are back at the root question: how we can torpedo the organisation—any organisation but particularly this organisation which has the world by the neck. A civilisation which is on the point of expiring from too much control, is looking only for means of control. It hasn't the nerve to hold itself in check by simply giving itself more line, as a salmon is held by giving it line; and there is nothing else necessary. (October 20, 1945.)

#### THE GREAT BETRAYAL— (continued from page 1.)

If we realise that the outstanding necessity of our times and our culture is to minimise social entropy, to raise available individual potential (and not merely economic potential), and at the same time we observe that immensely influential agencies have financed propaganda and organisation on every plane of society directly and skilfully designed to produce the degradation (in the exact sense of the word) to which the British people are being subjected, only one conclusion is possible in regard to that situation. Every person involved is at the best a dupe of a national enemy; or otherwise is a traitor, and should be dealt with according to his merits.

#### VI.

One of the reasons frequently and reasonably advanced against what is called the world plot theory is that it postulates a degree both of organisation and discipline which is out of all proportion to anything with which we are familiar on the necessary scale.

It would be possible to answer this objection on its own ground, because there are several aspects of religion, secret societies and commerce which are not too greatly disproportionate to such a task. But in fact, it is highly probable that the proof does not lie along those lines, and that permeation and perversion, the product of education, observation, and patronage, is the technique mainly effective. A little elaboration of this theme may be useful.

If you want to catch mice, you don't specialise in canaries, you keep a cat. If long observation has convinced

you that success in politics or industry is impossible unless a certain hierarchy of function is preserved, and you wish to destroy a rival, you don't, at least at first, order him to consult his office boy before making a major decision—you stimulate the formation of Trades' Unions, permeate the schools, take great care that words such as policy, administration and ownership are mixed up so that they can mean anything or nothing, and secure executives in the Trades' Unions who are both ambitious and technically ignorant. In fact, you hypnotise everyone into agreement that the office boy knows it all. If you can ensure that Trades' Union policy is based on the assumption that the object of life is full employment you have an almost omnipotent monopoly ready made. The leisure class is, you say, living on the worker, and consumption being a mere by-product of production, the consumer should be given less and less and the production process absorb more and more. You will almost automatically develop a state of affairs which requires supermen to run it. Then abolish all principles of law, morals or politics on some theory such as the divine right of majorities and the omnipotence of Parliament, and you may be confident that your Materialist State, which requires supermen to run it, will elect for that purpose demagogues ignorant of the elements of the problem with which they are required to deal. Quite naturally, they fail, and still more "sacrifices" are suggested. Quite a small organisation of conscious, trained traitors can bring about this situation. It takes time, and "wars or the threat of wars," but it can be done. It has been done in the British Isles, and the evidences of it are indisputable.

The defence against it is to expose the strategy, minimise the demand for labour, maximalise the availability of consumption goods, and break up every monopoly whether of goods or labour.

These policies are only possible inside the framework of a Constitution which has an organic relation to reality. For instance, if it is once established, as it is being established, that the primary object of the Constitution is to demolish the rights of the individual ("Parliament is supreme—it could, in its wisdom, decree that all blue-eyed babies be destroyed at birth") and so centralise them that they can be transferred out of the country and the nation, which is the exact opposite of the Constitution envisaged and reinforced by Magna Carta, the measures I have just suggested lose all meaning. They would be the last method by which to establish the centralised world, which is neither organic nor realistic. It is mechanistic, static, and abstract. There seems to be small doubt that its primary agency has been, and still is, the Financial System, which has been increasingly a conscious and lying aberration of a magnificent instrument for good. By its agency, Constitutions, Governments and Peoples have been corrupted. "Ye are of your Father, the devil. He was a liar from the beginning."

The plight of the British is not a consequence of the war, neither, in the true sense, does it originate in the so-called Labour Party. All the ingredients of defeat can be found, active and conscious, in the Baldwin-P.E.P. reign of the Armistice period. Their shop window is redressed—that is all.

(Conclusion.)