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FOR POLITICAL AND ECONOMIC REALISM

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Why I am a Social Crediter

by BRYAN W. MONAHAN

(Continued)

Social Credit represents the antithesis of the Planned Society; but it is still legitimate to have a concept of a Social Credit Society. The first characteristic of a Social Credit Society is that it takes its form from a profound regard for the supreme importance of the individual. Each individual is to be considered as *potentially* the most perfect of his kind and Society to exist to enable each individual to develop his full potentiality. This, of course, is the way we regard, say, the breeding of race-horses. True, in that case breeding is controlled by careful selection of characteristics but each foal is regarded from the point of view of its possible potential, and its environment is arranged for the sake of that potential. A race-horse is expected only to win races, and, perhaps, to beget other winners, whereas the human individual has wider potentialities than any other creature. His environment, therefore, must be such as to allow those potentialities opportunity for manifestation.

The second characteristic of a Social Credit Society is that it regards each generation as the real and true heir of all the past. Any Society is rich with the accumulated knowledge and possessions of the past. Only a fraction of that wealth is contributed by a given generation—yet, in anything but a hand-to-mouth existence, each generation contributes more than it consumes. Perhaps the simplest way of grasping this important matter is to imagine what we may call the “development” of this planet to be completed; that all the houses needed have been built, all the roads, ships, factories and everything else. Perhaps all production is done automatically, and all power supplied by “breeder” atomic piles. There would be “employment” for no-one, and everyone equally, as co-heirs, would have the right to share in the amenities provided. Otherwise, what use would all the productive capacity be?

Well then, we are considerably advanced towards that state of affairs. The fantastic industrialisation that has so far been achieved is the product of a mere two hundred years—and proceeds ever more rapidly. Out of a possible span of perhaps millions of years, for the human race, the transference of work considered as necessity from men to machines occupies only a few hundreds. And as those few centuries reach completion, so should succeeding generations be progressively freed from necessity. In any other view, we are merely the slaves of our successors instead of the heirs of our predecessors.

It is as well perhaps at this point to deal with the

fallacy that the people of the industrialised countries owe something to those of the non-industrialised. This is an argument developed to rationalise the policy of Full Employment. Full Employment in highly industrialised countries produces more than any sane society can consume; Foreign Aid programmes get rid of the surplus. In fact, however, the industrialised nations have shown the non-industrialised “how the trick is done.” We should, on humanitarian grounds, be willing to help the non-industrialised to achieve our successes; but the idea that these few generations have a duty to industrialise other countries, which, as we did, for hundreds of thousands of years, have remained in a more or less stationary condition, has only to be stated to be seen to be untenable. It is as if one man in his life-time should have to provide for his own descendants and those of his neighbours.

The technical proposals of Social Credit are clearly adapted to the sort of society we conceive. One proposal is a falling price-level, which obviously would progressively eliminate a number of problems which at present threaten the collapse of the society we know. This proposal, of course, is not a vague suggestion; Douglas demonstrated quite rigorously how it could be done with precision, in accordance with the condition of the economy, and without loss to producers.

The second technical proposal is the distribution of a universal dividend, as discussed previously.

Let us look at some effects of these proposals. On the birth of a child, it would become the recipient of a periodic cash payment. This, of course, would be spent by its parents, so that the child would not be—as so many now are—a “burden” on its parents. We are already familiar with this idea in principle through Child Endowment; but Child Endowment has become quite inadequate through inflation. Here again, the importance of a falling price-level is apparent.

As, over the years, the purchasing power of the dividend increased, it would come to cover more and more of the expenses of rearing and educating a child. Received, at first, by the parents on behalf of the child, it would nevertheless help to establish the essential independence of the child. We are not unacquainted with such a situation; some children are heirs to an income from birth, and this provides for their upbringing in almost any circumstances, and gives them a feeling of security and independence as

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Income Tax

“Mr. Gladstone, then, proposes to reduce the duty on tea by a shilling in the pound—*viz.*, from 2s. 2½d. a pound to 1s., spreading the reduction over three years. The duty on soap, producing a net sum of £1,111,000 he proposes to abolish at once and altogether.

“We have put these two remissions first and foremost, as they will be felt by every householder in this kingdom. Mr. Gladstone confesses himself unequal to the equitable adjustment of the Income Tax, and instead thereof proposes to abolish it altogether after a gradual diminution for seven years. In 1855 he proposes that it shall drop to 6d. in the pound, and in 1857 to 5d., where it is to stand until 1860, when it is finally to expire. Meanwhile he proposes that it shall be levied to the extent of 5d. on all incomes down to £100, and shall be extended to Ireland, also at the same rate.”

—*Times*, April 19, 1853.

“Expired on the 5th inst. the Income-tax, the seventh holder of the title and estates. The first made its appearance in 1842, and lasted for three years, taking from us 7d. out of every sovereign. It was succeeded in 1845 by another of three years, which again was followed in 1848 by a third; an attempt by Lord J. Russell’s Government on this occasion to raise the tribute to 1s. was very soon disposed of; 1851 gave us a one year’s tax, Mr. Hume beating the same Government on the question of the number of its days; and 1852, in prospect of a dissolution of Parliament, brought a successor of only the same brief existence. In 1853 came Mr. Gladstone’s grand and comprehensive creation, the longest-lived Income-tax of the series, extended also to Ireland and (but at a lower rate) to incomes of £100 a year, the rate to be 7d. for two years, 6d. for two more, 5d. for three more, and then to cease. This tax saw many vicissitudes of fortune in the course of its seven years’ existence, its rent-roll was doubled for a while, then had 2d. more added to it temporarily, and finally, when at its lowest ebb of 5d. and almost *in extremis*, it was raised to 9d. It came to its end in April, 1860, and a temporary tax—a new rate—was granted for one year. That period expired on the 5th and the family is at this moment extinct. . . . Since 1842 Income-tax has got hold of £140,000,000 of the public money.”

—*Times*, April 11, 1861.

Irrationalities Of The Age

“This century despite its alleged scientific outlook has seen a remarkable growth of strange irrational sects and religious substitutes, Theosophy, Christian Science, British Israel, Spiritualism, and Jehovah’s Witnesses. Sunday-paper astrology is popular, lucky mascots are booming, *episcopi vagantes* and charlatan faith-healers multiply. Many weird superstitions flourish. And their very irrationality is almost a source of strength to them, for they are too absurd and often too vaguely nebulous for reasoned criticism, and therefore they escape it. It is like exploring a country in an impenetrable fog, made up of a mist of vague occultism thickened by a persistent drizzle of sentimentality sometimes masquerading as Christian . . .

“‘And if I am reminded of the large number of people who today run after superstitions,’ writes Fr. Bede Frost in a singularly penetrating attack on some irrationalities of the age, ‘I shall reply. What else do you expect when for half a century this professing Christian country has allowed its children to be brought up without any definite Christian teaching in its schools? For you may rest assured that what is called “Bible Teaching” is more often than not anything but Christian.’”

—Rev. Walton Hannah in *Christian by Degrees*.

Modern Education

The root evil of modern education, says Mortimer Smith in *And Madly Teach*, is to be located in its philosophical basis. The essential tenet of this philosophy is the instrumental-experimental theory of knowing that human intelligence is animalistic, limited in scope to the stimuli of environment. We cannot know anything except what our senses tell us. There are no transcendental yardsticks by which to measure the “truth” of our observations.

This, of course, is John Dewey’s pragmatism, the philosophy that holds that what “works” is “true.” It follows that the only knowledge that has any value is that which results in concrete, measurable ends. Education, then, must concern itself with the practical and changing conditions of life, without reference to supposedly universal, timeless values. The past is always dead, the new is always changing and the future will reveal itself in its unpredictable dress at the proper time. Loading the student down with the “best that has been thought and said” is to handicap him in his bout with experience, and disciplining him with principles is to put limits on his potential. What he learns from teacher or textbook will never do him any good; only what he learns in his minute-to-minute experiences counts. The only function of education, therefore, is to provide an environment, a laboratory, in which the student’s personality (whatever that is; the philosophy does not define it) may find proper expression. . . .

—From a review by Frank Chodorov in *Human Events*, February 22, 1950.

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 appears to be a tendency, (which we have done our best to discredit) to suggest that the Social Credit Secretariat should mould its activities on those of the American statesman who concluded his electioneering address with the words, "Them's my principles, gents, and if you don't like 'em, I'll change 'em." So far from complaining of this attitude, in moderation, we recognise that it represents a degree of confidence for which we are grateful.

But in fact, the idea that there is some magic word which if discovered and pronounced would transform the situation, can be very dangerous. At some risk of being platitudinous, may we repeat what in effect we have been proclaiming for thirty years—that policy, function, and power are all different, and that the fundamental "sin" of our present era is that we allow policy and power to be dependent on function. To put it in the simplest manner, to our orthodox philosophy, there's nothing like leather.

It is from this fundamental fallacy that we derive such fatuous ideas as the "right" of "Labour" to do this, that, and the other, e.g., "Full Employment." "Labour" has no rights whatever except the right of the *individual* labourer not to function—to contract out.

If this situation is clearly grasped, and it is surely not too difficult of apprehension, it should be obvious that the best of policies (and it must be remembered that we can only impinge upon ideas which go to form policy) is quite powerless without function and power. We commenced our crusade by emphasising that finance controls policy, and (because we have a fraudulent financial system) our policy is fraudulent.

Finance is part of our Constitutional system (more so than ever since the "nationalisation" of our Central Bank) and to rectify Finance, we have to rectify our Constitution. We have made consistent suggestions, alone amongst contemporary movements to embody these policies. They have not so far been pushed very hard (that is neither our business, nor within our competence), but we have no bright ideas to offer which will make the walls of Jericho fall

down even without trumpets.

"Them's our sentiments, gentlemen, and if you don't like them, we're sorry." (June 10, 1950.)

Observation of the events of the past few years has confirmed our opinion that the only legitimate power (and properly exercised, it is immense) of a democracy as such, is negative—it is almost comprised in the power to contract-out. We say almost, because such criticism of the present Government mentality as that of the Dean of Chichester, Dr. Duncan-Jones, is of immense value, although negative in form. "Positive" politics cannot possibly be democratic—the idea of obtaining a majority for a specific policy which is comprehensive and sound, is on the face of it, ridiculous. But an educated minority can reject a fallacious policy and, in so doing automatically provide a demonstration which will ultimately be effective in forcing the substitution of something better.

It is with great satisfaction that we notice the growing body of negative criticism of totalitarian Governments. Viscount Cecil's Motion on the Power of the Cabinet being symptomatic. That way, and, we think, only that way will the poisonous growths which have stifled us for much too long, be eradicated. There is an organic connection between "inevitable and automatic progress" and "positive," Planned Legislation. The difference between the statesmen of England's great days, and the Aneurin Bevan and Shinwells is that the former knew their limitations; the latter cannot conceive that they could have any.

(June 10, 1950.)

The important point to notice in exhibits of the Bevan and Shinwell type is that they base their self-esteem, and their claim to public approval, on the proposition that labour produces all wealth, has a "right" to all wealth, and is the only ground for a claim to consideration. It is, of course of the essence of their support that labour shall be a permanent majority. They are the mighty champions of virtue against the usurping parasite, and "full employment" is the outcome of their high-minded selfless (£5,000 *per annum*) efforts. Two world wars, with a third on the way, are powerless to expose the fallacy, because "labour" has become the most rigidly organised and controlled vested interest in existence, as Mond (Melchett) recognised in the Mond-Turner Conference that it could be. The mass of of contradictions in which the "axiom" is involved makes it essential to keep the subject on the plane of emotion and away from reason. Once this is done, as it is done, the "scarcity of Labour" serves the same purpose as the intrinsically (nearly) valueless gold cornered by the same interests. There is no limit, in theory, to the racket—every "labour-saving" device can be diverted to "the service of under-developed countries," war, or just plain waste.

That civilisation perishes will, of course be explained as progress.

When the nineteenth century cost-cum-profit system was operating there was a real check on labour monopoly be-

cause wages and production (even if the wrong production) had an organic relationship. But with the nationalisation of the Bank of "England," the glorification of the Keynesian deficit-spending racket, intimately connected with credit monopoly, and the systematic propagandisation of employment-as-an-end-in-itself, *i.e.*, "Full Employment," this check was removed.

Messrs. Shinwell, Bevan and other scum are a minor consequence. (April 1, 1950.)

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.)

WHY I AM A SOCIAL CREDITER—

(continued from page 1).

they become old enough to understand these circumstances.

The National Dividend, beginning as a relatively small amount, would need to have a purchasing power just sufficient to maintain an individual. It appears to be desirable that it should increase only slowly much beyond this until society had become adjusted to new concepts, and had outgrown the more prominent evils which have appeared as the result of materialism and 'Welfareism.' But at a low initial level it would give the recipient a degree of true independence and yet leave him with an incentive to earn more. He would be more free to choose how to earn more.

I think there can be no doubt that the basic security and independence conferred by the Dividend, together with the confidence in the future which would result from the knowledge that the purchasing-power of money would steadily increase, would effect a rapid transformation in Society.

Under the present system, there is every incentive to waste the resources of the earth. The more copper, tin and oil that can be mined and consumed, the better. It is one thing to build a bridge of iron, but something quite different to use iron in motor engines, and build these to wear out in a limited time so as to ensure continuity of production. Immense quantities of oil are consumed in transport to and from 'employment,' much of it not only unnecessary, but wasteful. All this and much else arises mainly from making income a function of employment. We owe it to the future of mankind that we should in our generation conserve the resources of the earth, and make the best use possible of those we draw on.

Now many a man can best develop himself by creative activity within the productive system, and it is in the interests of society that production should be in the hands of such people. They would work towards the highest attainable efficiency in the use of both energy and materials.

The fundamental need is to change the objective of industry from that of providing employment to that of most efficiently, automatically, and economically meeting those genuine needs of society which can best be met by power production. But much that Man requires as a spiritual being can best be provided by his own creative activity. We have at present a vicious circle, where men are forced to buy what otherwise they might make, because too much of their time is taken up in the mass production of what they must buy.

As again this, Social Credit envisages a Society where the child is educated to understand himself as primarily spiritual and creative, whose prime task on earth is to create and fulfil the meaning of his own life. He would learn to treat his own existence as the painter treats pigment and canvas.

Many people who are generally sympathetic to the Social Credit view are yet deterred by the question—Who would do the dirty work? But there is no real difficulty here. The Social Credit technical proposals offer the possibility of a gentle transition from the conditions we know to those we hope for. Conditions, indeed, have been becoming increasingly difficult for large numbers of people for many years; we have, on the whole, been better off in the past than we are at the present. This in the main is simply a financial phenomenon—rising prices and vicious taxation. Falling prices and decreasing taxation would produce an immediate amelioration for everyone, without anything else being changed. The "dirty work" would continue to be done.

But it is to be expected that with the progress of industrialisation "dirty work" will be eliminated. Road-making once was a task for gangs of convicts; now it is done by machines; and to participate in the creation of new roads and other projects, will be for some people an adequate expression of their creative impulse, when they participate by consent instead of compulsion. Children instinctively take this attitude to projects, and long to grow up to take part in them. Current education largely kills this instinctive attitude by conditioning them to "earn a living"—to regard a job as a means to an end, instead of as an end in itself, an expression of creative activity.

(To be continued.)

BOOKS TO READ

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