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FOR POLITICAL AND ECONOMIC REALISM

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Crystallization

Events since they were written have brought out or emphasised the meaning in numerous of the notes under the heading "From Week to Week," written or inspired by the late C. H. Douglas and published in these pages during the second phase of the World War. Of these near infinity of political commentators, Douglas alone penetrated to the very heart of world politics, and not only exposed the cause of our malady, but progressively elaborated the cure.

The cause is still operative, the cure untried. What Douglas had to say then is applicable to our present situation which is continuous with our previous situation, and for those of our readers to whom access to earlier volumes of *T.S.C.* is difficult, and for other reasons, we propose to re-publish a further selection of his notes.

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

It is profoundly significant that what is now called Socialism, and pretends to be a movement for the improvement of the under-privileged, began as something closely approaching the Distributism of Messrs. Belloc and Chesterton, of which the financial proposals embodied in various authentic Social Credit Schemes form the practical mechanism, although developed without reference to it. It was penetrated by various subversive bodies, and *perverted* into the exact opposite of Distributism—Collectivism.

(January 16, 1943.)

The Nineteenth Century Economic System was never able to prevent the individual getting slight and accidental shares in the increment of association by means of lower prices. But Lord Semphill and his merry concert party have found a scheme. Every time you think you see a bit coming your way—presto! it's gone into slum clearance. And *what* a lot of slums the Ministry of Works and Planning are Planning.

Twopence-halfpenny stamps for ever. You lose three-quarters of your income in taxes to pay the last American War Debt, and seven-eighths of the rest in insuring that while prices can go up they can never come down.

If Semphill isn't made a Duke, it won't be because Israel Moses Sieff wouldn't do all he could to help.

(January 2, 1943.)

It is becoming more certain daily that "monetary reform" is one of the most dangerous threats that face the hag-ridden Briton. As a mechanism for enthroning in something close to impregnability an omnipotent Financial Bureaucracy, "Lord Semphill's" Scheme deserves high marks. We have very little doubt that its ancestry runs straight back to the first Lord Melchett, Ludwig Mond and Rufus Isaacs, Marquis of Reading, with a little varnish from the Economic Reform Club.

(January 2, 1943.)

The so-called Co-operative Societies, which are about as co-operative as Marks and Spencer, are evidently an important part of the "Planners'" drive to eliminate the independent trader. They are buying up businesses almost regardless of cost, employing sums of money of such magnitude that they would, if an ordinary business under peace conditions, come under the attention of the Registrar of Companies. Obviously they can only pretend to be doing this with their own money on one of two grounds—that they have made immense undisclosed profits by charging unnecessarily high prices, or have failed to distribute, in dividends, colossal sums to which their members had a moral, and we should imagine, a legal right.

Both of these may form a partial explanation, but it is certain that they are also being selectively financed against the private trader by credit issues—the reward of the obscurantist attitude to finance which the movement has pursued consistently.

(January 16, 1943.)

PROGRESS: Some prices from the household books of a middle-class family in the eighteen-eighties:—

Rent, eight bed-rooms, dining room, two living rooms, kitchen, scullery, larder, still-rooms, bathroom, modern sanitation, large gardens, lake and lodge, stables, *etc.*, £75 *per annum.*

Mutton: 8d. per pound; Beef, 9d. per pound; cream, 6d. per pint; whisky, 2/6 per bottle (18 degrees under proof); beer, 1½d. pint; cheese, 5d. per pound; salmon, 1/- per pound! cod, 2d. per pound; herrings, 1d. for 6. Theatre (good provincial) seats: Stalls 4/-; Pit 1/-; Gallery 9d. Lounge suit (first class London tailor) £3 15s. to £4 10s.

(March 27, 1943.)

(Continued on page 3.)

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Bureaucracy and the British

The following was originally published in our issue for September 5, 1942:

Dr. C. K. Allen, in his pamphlet,* performs an excellent service in that he sets an honest problem honestly, but he does not solve it, nor even offer principles by which it might be solved. He would find them in Major Douglas's addresses on social dynamics.

His problem is the undermining of the effective incidence of the British Constitution, and the principles it manifests, by the growth of delegated legislation and bureaucracy. He describes the British Constitution briefly and points out that its continuance depends on the safeguard of vesting supreme power in Parliament, over which the man in the street has (theoretically) some power. In fact much of the supreme power has been usurped by offices and officials of whom the elector has never heard and over whom he has no control at all. In at least 50 per cent. of the statutes enacted nowadays by Parliament, power is given to various authorities to fill in the details by means of Statutory Rules and Orders or Orders in Council, which have the force of law. While in theory members of Parliament approve these regulations, in practice the number is so great that it would be a physical impossibility for them to do so:—

“They far exceed in bulk the Acts of Parliament themselves. For example, in the year 1938 the Public General Statutes covered less than 1,000 pages, while the Statutory Rules and Orders exceeded 3,000 pages. It is not putting it too badly to say that Parliament has no idea even of a fraction of the legislation which it is supposed to have authorised and for which it is technically responsible.”

Often the rule-making authority is made responsible only to itself for the interpretation of its mandate. Acts of Parliament, after delegating wide powers to an authority,

**What Price the British Constitution?* by C. K. Allen. Individualist Bookshop, 154, Fleet Street, London.

have added that the rules, when made, “shall have effect as if enacted in this Act.” Sometimes the Minister is allowed to ‘remove difficulties’ in bringing the act into operation, which gives a subordinate the power to take any liberties it likes; or sometimes a clause is enacted that the mere making of the Order by the Minister shall be ‘conclusive evidence’ that all the requirements of the Act have been complied with—i.e., that by merely exercising his powers the Minister is automatically within them. The most extreme case is a provision, nicknamed the “Henry VIII Clause,” giving the Minister power to amend the text of the Act itself for administrative purposes.

Dr. Allen points out that all these devices restrict the censorship of the Courts, devolve tremendous powers to the executive over whom the electorate have no direct control, and to the same extent undermine the effectiveness of the constitution itself in preserving the liberty of the people. The bureaucracy may be a perfectly splendid body of men, but when exercising power which in its own field is complete, even the most incorruptible person needs the curb of an external sanction, appropriately applied, from those who, finally, lay down the policy to which he works.

All this is nothing new. It first grew to serious proportions during the last war, and in 1918 the executive, by then a strong vested interest with vast and various powers, was reluctant to give them up. Public uneasiness rapidly grew, and in 1929 Lord Hewart published his *New Despotism* in strong criticism of the encroaching bureaucracy. The then Lord Chancellor appointed a committee to report on the whole subject of Ministers' Powers, and a report was presented in 1932 confirming all the main criticisms that had been made. The report was shelved and the practices persist.

The author concludes:—

“Unless the utmost vigilance is exercised by those who believe that constitutional government, the rule of law and personal right still have some meaning for the British people, we shall pass, before the majority of Englishmen have realised what has happened to them, from being a state which professes responsible government to being a state which practises irresponsible over-government.”

This is putting the matter mildly: to the realist it would seem that more than vigilance is required to halt a process that has gained such tremendous momentum, and that it must be attempted, not after the war but now,—or the war will not be won. Nothing less than a positive, active reconstitution of the respective positions of elector, M.P., Cabinet and executive will finally be effective. Dr. Allen provides the clue to this himself:—

“The essence of Parliamentary government is that it is *responsible*. The member is responsible to his constituency, the Minister is responsible to the Cabinet, the Cabinet is responsible to the House, and the House is responsible to the country. The danger of all bureaucratic government is that it is *irresponsible* and *anonymous*. Nobody knows who drafted a Departmental regulation which may affect the property, the convenience or even the liberty of millions. . . .”

The ineffectiveness of our so-called ‘democracy’ (for any ‘democracy’ which is not effective is obviously not a

democracy) is largely due to the relaxation of this tie of responsibility, and the confusion as to its proper field of application. And for its strengthening, is necessary, as well as vigilance, its safeguarding by practical measures.

The New Despotism

Under "Letters to the Editor" the following appeared in *The Sydney Morning Herald*, December 27, 1958:

Sir,—It is heartening to witness the persistence of the revolt against recent attacks upon our liberties made in the name of necessity. As always necessity knows no law.

Yet our parliamentary democracy owes its existence to our observance of the rule of law, and to our providing that the functions of government should always be left to separate bodies. Where this is not the case there is always a contingent threat to our liberties.

The parliament has tended increasingly of late to abdicate from its primary function of exercising a control over the Government on behalf of the people, and to invest officials with power to make and police laws, as well as to adjudicate upon conflicts that arise in interpreting such activities. Hence the rise of the New Despotism.

Mr. Cahill says that the Government makes the laws and is responsible for their execution. Some of us have thought that the Parliament makes the laws and not the Government, and we have resented the usurpation of that power by the Government by its use of majorities to gag measures through the Parliament without sufficient and effective debate: *e.g.*, the defamation measure.

Similarly Mr. Cahill asserts that the Government is responsible for executing the laws through officials. The fact that an official is, in the nature of things, a pliant instrument of the Executive provides all the elements of a tyranny unless recourse can be made to the Courts against decrees of officials.

F. A. BLAND, M.P.

Sydney.

Liberty

"Generally, the moral substance of liberty is this: that man is not meant merely to receive good laws, good food, or good conditions, like a tree in a garden, but is meant to take a certain princely pleasure in selecting and shaping, like the gardener. Perhaps that is the meaning of the trade of Adam. And the best popular words for rendering the real idea of liberty are those which speak of man as a creator. We use the word 'make' about most of the things in which freedom is essential, as a country walk or a friendship or a love affair. When a man 'makes his way' through a wood, he has really created; he has built a road like the Romans. When a man 'makes a friend' he makes a man. And in the third case we talk of man 'making love' as if he were (as indeed he is) creating new masses and colours of that flaming material—an awful form of manufacture.

"In its primary spiritual sense, liberty is the good in man, or, if you like the word, the artist. In its secondary political sense liberty is the living influence of the citizen on the State in the direction of moulding or deflecting it.

Men are the only creatures that evidently possess it. On the one hand, the eagle has no liberty; he only has loneliness. On the other hand, ants, bees, and beavers exhibit the highest miracle of the State influencing the citizen, but no perceptible trace of the citizen influencing the State."

G. K. CHESTERTON.

CRYSTALLIZATION— (continued from page 1.)

The coal nationalisation racket is now becoming clearer in outline. It was foreshadowed by the Sankey Commission in 1920, at which, it was freely alleged in Washington, a Jewish witness was briefed at £10,000 to present a case for making coal "a national asset." "National assets" are, of course, under lien to national mortgagees.

At that time, this little scheme went awry, but the Orientals behind it are nothing if not patient, and it is evident that British coal and the second world war have close relations.

Coal having been acquired but not paid for, we now see the next step in the Report (one more Report) on "Coal Utilisation Research and the National Economy." The Chairman of the Committee which presents this Report is Viscount Samuel. The Report is a truly remarkable instance of the use of the step-by-step process of Encyclopaedism, each step by itself being unexceptionable.

It should be realised that coal is probably the most important source of raw material for the chemical and dye industry, including the production of synthetic rubber and high-octane fuel for aeroplane engines.

The chemical industry is completely "international" and predominantly Jewish in control, and German-Jewish at that.

The amount of consideration which will be given to "the people," as distinct from the Chosen, in the use made of once-great Britain's vital asset, can be readily assessed.

(May 29, 1943.)

Dr. J. W. Beyen, director of Lever Brothers and Unilever Limited, said recently that although many seemed to be in disagreement with the Keynes and Morgenthau plans, very few responsible people seemed to doubt that there should be an international monetary system.

It depends, of course, to whom the 'responsible people' hold themselves responsible.

Dr. Beyen left the Bank of International Settlements in 1939, shortly before the end of his three-year term as President to join the board of Lever and Unilever, Limited.* According to M. Bonnet, then French Foreign Minister, it was Dr. Beyen who authorised the transfer of Czech Gold to Germany in 1939.

(July 31, 1943.)

"... Keynes is simply applying internationally the practice of domestic banking systems as exemplified by the

*This fact is not recorded in *Who's Who* for 1943 where the entry under his name runs:—"President of Bank for International Settlements, Basle, Switzerland, since 1937." Mr. McKittrick, the present President, is not listed.

U.S. Federal Reserve System."—*Time*, June 7, 1943.

—and Warburg and Baruch and old uncle Kuhn Loeb and all!

(July 31, 1943.)

The Debate on Economic Policy in the House of Commons on February 2 showed, nesting together in the minds of M.P.s, (1) the determination to make Full Employment for All the explicit objective of the State; and (2) the realisation that war stimulates the development of industrial processes to greater efficiency and production both at home and in countries which formerly imported manufactured goods.

Little birds in their nests don't always agree: one of these notions may cuckoo the other out. Which?

Sir Kingsley Wood's 'constructive' suggestions were:—

(1) "First we need a policy of expansion so that employment is maintained and production serves the ends of consumption. . . ."

(2) "Secondly, we need a strong effort to prevent those disastrous swings in the prices of the raw materials and primary products of the world. . . ."

(3) "Thirdly, we need an international monetary mechanism which will serve the requirements of international trade and avoid any need for unilateral action in competitive exchange depreciation.

(4) "Fourthly . . . there is another phase of international economic co-operation . . . which we hope will be of increasing importance—the work of the International Labour Office.

(5) "Finally, as the world begins to settle down after the war . . . we may well need some international organisation for assisting the direction of international investments for development."

International, anyway.

(February 13, 1943.)

One of the common misstatements in Planning propaganda, requiring exposure whenever it appears, is illustrated by the following paragraph from a leading article in *The Sunday Times* of August 16, 1942:—

"*Economic changes* [our emphasis] have disabled landowners from supplying the need as they used to do: and the rents which could be paid under the old low wage conditions have ruled out other private enterprise."

The reference is to rural housing as dealt with in the Planners' Report on Land Utilisation.

To read correctly, the paragraph should read:—

"Financial policy in taxation and price manipulation, directed from the same international source as that which is now seeking to acquire control of the land it has wrecked, has impoverished the landowner while raising the cost of building, and thus made an economic rent under a sane costing system impossible."

The objective (we do not suggest of *The Sunday Times*) is to blame our dear old friend, "inexorable economic law" for the consequences of the considered actions of the World Monopolists.

Implicit in the paragraph, with its references to "old low wage conditions," is the idea that "high" wages (*not high purchasing-power*) and high rents, *i.e.*, inflation, are inevitable and even desirable.

We have previously drawn attention to the policy of verbally attacking a course of action, and attributing it to opponents, while pursuing it. The Evil Powers which are in control of us have, through their puppet Government spokesmen, deplored the danger and evil of inflation (no, Clarence, not, of course, *reflation*); while every Government controlled service, beginning with the most viciously Masonic of them, the Post Office, put up its prices in the first week of the war and so made inflation and further taxation automatic.

It is most significant that, in the welter of taxation and the spate of Planning, no newspaper has suggested that Bank Loans should be taxed, or that bankers should be Planned.

"*Que Messieurs les assassins commencent.*"

(September 5, 1942.)

Recent articles and correspondence in *The Times* on post-war planning have made it clear, to quote one correspondent, "that expansion of consumption is the main post-war problem."

This is a remarkable conclusion, considering all the energy that has been expended in impressing on the people of this country how poor we shall all be after the war. But it seems that the consumable goods are not to be consumed by those who are threatened with poverty, but to be exported in the traditional way for the benefit of primitive peoples specially educated to consume them, in order that the industrial poor may get the benefit of the work. "The backward communities must be instructed in better modes of life; primitive peoples provide no market either for themselves or for other communities. Attention might be called to what Great Britain is doing along the lines of community education in her colonies, as it is an important contribution to the solution of the world problem of consumption. The colonial peoples are being systematically educated in such things as the improvement of housing, sanitation, hygiene, foodstuffs, local industries, and in marketing. It is suggested that this British policy might be followed with advantage in all backward countries *as a means of expediting world consumption.*"

By ignoring the real markets existing internally in the great industrial countries in favour of 'educating' natives into buying things they don't want, not only is 'inexorable economic law' (that you must be employed before you may eat) upheld in the home country, but its rule is extended.

(September 5, 1942.)

Erratum

In our issue of January 10, 1959 the following correction should be made:—'eclectic' instead of 'electric' on page 4, column 1, line 10.