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FOR POLITICAL AND ECONOMIC REALISM

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A MERRY CHRISTMAS TO ALL OUR READERS

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 the 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.

We have received a copy of a Memorandum issued over the signature of Professor Soddy, F.R.S., stated to embody his ideas of "honest money." No one who has ever had any contact with Professor Soddy can fail to appreciate his transparent sincerity and public spirit.

Equally, a study of his views on monetary problems emphasises the curiously "Legalistic" working of his mind so far as this subject is concerned. No one, so far as we are aware, has ever been able to get it into his head that it is the mechanism by which people obtain money and its registration in that process by the price system, and not whether the money is "honest" or not, which is important, and that this process is completely unaffected by whether they get it from the State or from the banking system. Either can give it away, and neither will. Failing this, the "State" has no more "right" to create money than have the banks.

The Memorandum is accompanied by a facsimile letter from Mr. Andrew McLaren, Socialist M.P. for Stoke-on-Trent (Burslem), which contains exactly the kind of rhetoric calculated to do the subject of monetary reconstruction a maximum disservice.

Mr. McLaren probably knows less about the land question, which he drags in, than about the price system, which he does not mention.

October 2, 1943.)

If monetary reformers would only recognise (a) that the monetary policy of the major nations, during war-time at least, is nationalised; (b) that it offers no problem whatever on the issue side; (c) that it is prices which do offer a problem, and that this problem has been solved with spectacular success by the use of Compensated Price, they would perhaps cease to worry about money issue and realise that there are only three financial questions for their attention.

First, Price Structure. Second, the acquisition of interest bearing securities. Third, Taxation.

It is, unfortunately, obvious that numbers of people with a conscious or unconscious will to domination have come to realise that a managed money system (as distinct from a reflective or realistic, money and price system) offers the most tremendous instrument of generalised tyranny at present known. It is particularly significant that advocacy of managed money is coming to be combined with advocacy of centralised control over land. Sir Reginald Rowe, a managed money advocate, writes to the threepenny daily so well known for its democratic principles, in its issue of September 17, that "some provision such as that proposed by the Uthwatt Report is necessary." So it is—if we are aiming at the Totalitarian State with a slave population.

Planners are solidly in favour of the abrogation of individual privilege and its transfer to them.

(October 2, 1943.)

Perhaps the most vicious fallacy prevalent in these days is that a privilege is something taken from someone else. The idea is equivalent to saying that good health causes bad health.

It is the basis of the idea that the poor are poor because the rich are rich, and its logical consequence is degradation for all. The only hope for the world is that every man shall be confirmed in his privileges, and they shall be extended. That was Magna Carta. The perfect example of Liberty, Equality, Fraternity, is a Desert. Above that level, there is no liberty without inequality, *i.e.*, privilege.

(October 2, 1943.)

"How oft the power to do ill deeds, makes ill deeds done." But not, you know, if the power is wide and large enough. The cure for a bad scheme is to have more of it.

(September 16, 1941.)

(continued on page 4.)

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From Week to Week

As with most journals, we receive a considerable correspondence, and a significant proportion of this deplors the fact that we do not publish a greater amount of 'original' material.

The Social Crediter is a journal of *policy*, not of opinion. It is not in the market for entertainment value. It is perfectly true that in relating events to policy there is a good deal of opinion, because hardly anyone is directly cognisant of the majority of events, and must rely on reports from the "concentrically controlled" Press. But in so far as we express opinions, we endeavour to make them expert (in the legal sense) in relation to our understanding of fundamental policy.

The doctrine of Social Credit is the strategy of the policy of freedom of all individuals, as against the ant-heap, beehive conception. "Consider *the lilies as they grow*"—each and every one of them.

The situation being as it is, there is not very much to be said. We stand before the culmination of the most serious plot in history, and the momentum of events is such that opinions are merely flotsam on the tide—flotsam from the wreck of Christian civilisation.

We believe that Clifford Hugh Douglas is one of the spiritual leaders of mankind. We have nothing to add to his teaching. Our aim is to apply it to developing events, and, since so much that he said or wrote was authentically prophetic, his observations in the past are a light on the shadows of today. Nobody in or out of the Social Credit Movement has suggested any better way out of our frightful predicament than Douglas offered in anticipation of what has befallen us. He understood the situation, past, present and future; beyond understanding no man has yet gone. The principles of Douglas's remedies are rooted in understanding based on a God-given glimpse of Reality. To that extent, there is no more to be said. If there are no more Douglases, Mankind is doomed; in the meantime, our task is to keep his teaching, so far as possible, in the consciousness of Men.

The Australian Federal Government has increased first-

class postal rates from fourpence to fivepence—an increase generally of one penny per letter, which may not look much, but which is in fact an increase of 25 per cent on the previous rate. This is the rankest inflation, and the Government would fight through the High Court any attempt by its own officers (apart from Members of Parliament) to secure an adjustment of salary merely to neutralise this unwarranted increase in the cost of living.

The constant increase in the cost of living, combined with the idea of progressive taxation, is quite clearly simply one approach to 'Marxism'. In the limit (in the mathematical sense), everyone must be 'equalised'.

There are two possible alternatives: that the purchasing power of the unit of money should increase, or decrease. It is quite easy to deduce (and rigorously, even by orthodox economic theory, which is largely devoted to that sort of thing, but looks on such variations as inevitable trends) the consequences of these alternatives. In fact there is no need to: we experience the consequences of decreasing purchasing-power; and increasing purchasing-power (as a *policy*, rather than as a sudden phenomenon), could properly be expected to have the opposite effect. And that is precisely what we need.

There can be no doubt that modern society has become so complex and complicated that some sort of directing intelligence is necessary to its survival. But this point of view neglects the fact that the complexity of society is the outcome of a policy designed to bring about such a state of affairs. In the limit (again, mathematically considered) men could be set free from the necessity for 'employment' to find their own way to salvation. In other words, what we need is not a super-intelligence (if there is such a thing) to manage us; we need a society in which the individual, as such, can be at home.

Monarchy and Democracy

"... we should expect to find that in monarchical and aristocratic régimes the apparatus of coercion was at its zenith, because there was no other driving power, and that in modern democracies it was at its nadir, because the demands made by them on its citizens are all the decisions of the citizens themselves. Whereas what we find in fact is the very opposite, and that there goes with the movement away from monarchy to democracy an amazing development of the apparatus of coercion."—Bertrand de Jouvenel: *Power*, p. 30

THE MONOPOLY OF CREDIT

by C. H. DOUGLAS

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A Christmas Thought

"And Christianity means too that the one thing that matters in this world is what each individual becomes in the sight of God." "... but Social Credit would have speeded that evolution as nothing else could have done, since it provides the basis of that rather awful freedom where a man becomes responsible to God for his own development and achievement." I am quoting from Dr. B. W. Monahan in *Why I Am a Social Crediter*. Catechisms of some of the Christian denominations, in response to the question what is man's purpose here on earth, give answers which can be interpreted similarly.

Christianity and Social Credit then, are at one in their purpose, as they must be—the worth of the individual and his responsibility for the nurture of his own spirit before God.

What are the conditions under which that responsibility can be most fruitfully carried on? Freedom, yes—by the very nature of the responsibility freedom is essential. Another important condition is friendship. Why do I say that? Because experience shows it, but for authority John 17:20 and 21: "Neither pray I for these alone, but for them also which shall believe on me through their word; that they may all be one; as thou Father art in me, and I in Thee, that they also may be one in us: that the world may believe thou hast sent me." That may mean a great deal more but it does mean friendship, not just toward people in general but to individuals whom we come to know and value.

What is the point in saying this? It is this. By the very nature of Social Credit, Social Crediters are deeply interested in the truth and doctrines of Christianity, as of Social Credit. If they truly sense the truth of its teachings they realise that this matter of friendship or fellowship is essentially important to their own true development; to their life.

The lesson is that, being Social Crediters, we cannot help but feel it is important that the truths of Social Credit should become more widely known.

For our own sakes we need to find and enjoy a widening number of friends. Let us do that. It is a rich and at the same time a humbling experience. But friendship does not exist in a vacuum. Some friends are deeply interested in what is in the other friend's mind. Show him, as lucidly and fully as you can. If he wants more, give him or direct him to more. If not, don't. You still have a friend, of whatever cloth. And some friends will be interested in the thoughts which uncover some truth.

—D.S.H.

Correction

We regret that in our issue of December 12 a line of print was omitted from Mr. Swabey's article *Ad Clerum*. Words in the last paragraph should have read: "unless the vote becomes responsible, so that voters are involved in the decision they have made, for weal or woe. This new approach is designed to free man from preoccupation with the material and to salvage Quality"

Burckhardt and Freedom

A veteran socialist said to me in 1947 that the dream of his lifetime had come true, but it had turned into a nightmare. Political dreams are apt to turn into nightmares, one knows, but even if the dreamer were deaf to Douglas and blind to Belloc, the development of socialism has been forecast for eighty years or more.

Burckhardt won himself a European reputation as a critic, and then returned to his native Basle where he lectured for the rest of his life. In this volume*, Mr. Nichols presents three courses of lectures delivered in and around 1870, when Burckhardt was fifty-two.

Before we reach the lectures, Mr. Nichols contributes an excellent preface that tends to outshine the text. He demonstrates Burckhardt's prophetic insight; "... all these demands of popular democracy were made of the state, and no one seemed to observe that as the state took over these things, individuals became more dependant on it. If the state ran schools for everyone, then everyone's children would learn what the state wanted to teach them . . . Burckhardt, in fact, saw a century ago . . . that all progress towards a 'social service state' was at the same time a loss of individual liberties and initiative"

It is of course true that our State does not run all the schools, but the syllabus and the examinations are so centralised that the child is bound to learn from his standard text book the required outlook on such questions as the Bank of England and President Roosevelt, and will be fortunate or unique if not brainwashed by the London School of Economics before the examination is passed.

Burckhardt foresaw militarism as well as socialistic bureaucracy. He also had a warning for the Jews, when they were quarrelling with the Catholics in the eighties. He cautioned "slick manipulators" like Rothschild. Mr. Nichols quotes from a letter of 1880 in which the lecturer said: "The Jews, in brief, will have to do penance for their completely unjustifiable intervention in everything possible"

Burckhardt rejected the theory of evolutionary progress towards higher civilizations, for "neither man's spirit nor his intellect has demonstrably improved in the period known to history." Moreover, great men to him were great only in their freedom, and "history was closest to being the history of the free human spirit"

The first series of lectures deals with the interaction of State, Religion and Culture. Burckhardt dismisses the philosophy of history as a centaur†, coloured by pre-conceived ideas, and remarks that barbarians and Americans alone renounce history. His preference is for the small state which "possesses nothing but real actual freedom, an ideal possession which fully balances the huge advantages of the huge State, even its power." And as for power itself, Burckhardt repeats several times that "power in itself is evil." Thereupon he writes some extraordinarily modern paragraphs on Frederick II, adding that the methods by which barbarism is subdued "should not rival those previously in use among the bar-

* *Force and Freedom: An Interpretation of History* by Jacob Burckhardt; Edited by James Hasting Nichols; Meridian Books, New York, 1955.

† Neither one thing nor another.

barians themselves." He notes the wars of religion as "most terrible."

The vast increase in the power of the State over the individual may, he says, "even lead to the complete abdication of the individual." And looking back, we see that caste has implied the negation of individuality and has crushed the freedom of the creative impulse. We might indeed say that the bureaucrats have reintroduced a kind of caste system, while the crushing of the individual is no longer a by-product but positive policy. The taxes and monopolies and other horrors under Frederick of Sicily have an unpleasantly modern ring. After repeating that "power is of its nature evil," Burckhardt hopes that the Churches "will once more be elements and proofs of liberty."

He rather liked the Phoenicians, for they provided a "free intellectual mart," and the whole sphere of intellect "can only be fostered by freedom." He allows to the Middle Ages a considerable degree of genuine freedom, and commends them because "they bequeathed no national debts to their posterity." But in Burckhardt's time, an "ever-increasing and more comprehensive power of coercion" was claimed for the State.

He returns to debt, "the chief, miserable folly of the nineteenth century," adding that "this habit of flinging away the fortune of future generations" reveals heartless pride as the chief characteristic of the time. Yet he looks for some kind of reaction towards a free ideal at the cost of "super-human strength and effort."

The inter-relation between Church and State requires no less definition. Burckhardt deplores the time when the Church became "a second political power, instead of being a moral force in the lives of the people . . . power and possessions filled the sanctuary with those who had no call to be there. But power is of its very nature evil." Towards the end of this lecture course, he feels menaced by the vision of the current crisis intertwined "with tremendous national wars."

The second series deals with the Great Men of History. He holds that the great poets form in their totality "the greatest coherent revelation of the mind and soul of man." The great men, he says, "openly regard themselves as important enough for fate to take seriously." In fact, the great men of history consider it their chief duty to stand their ground and increase their powers, "and power never yet improved a man." He calls the delimitation of "necessary" crime after the fashion of the *Principe* a fallacy. We may recall Landor's note that history records the great butchers but not the great lovers of mankind, and that Henry Fielding wrote a satire on "greatness", which he applied to highway robbers! To-day nothing is great that is not "scientific", in the narrowest sense, but Burckhardt is evidently not over impressed with mechanics.

The final lecture, on Fortune and Misfortune in History, asserts that man's mind was complete early in time, and suggests that we leave the enquiry as to "moral progress" to Buckle, "who was so naively astonished that there is none to be found . . ." Otherwise Burckhardt does not add much to what he has said, and turns somewhat Hegelian when he prefers an abstraction he terms "the whole" to the individual. Yet as a lecturer he may have intended to stimulate rather than to pronounce, and he has said enough previously to

commend the hard, diamond quality of his mind. One is indeed grateful to Mr. Nichols and to the Meridian Books and the Noonday Press, at a time when the market is flooded by deplorable junk, for producing a book that is worth re-reading.

—H.S.S.

CRYSTALLISATION— (continued from page 1.)

"For fear of accentuating inflation," writes the *Financial News*, "the Treasury clamps down on money payments of all kinds. It is this which explains inadequate pay for soldiers, inadequate allowances for their dependants, the skimping on legitimate compensation payments—all of which breed more damage to morale than the additional inflation which might (only might!) result from fair treatment."

The extent to which INFLATION has been 'groomed' for star bogey-dom was apparent from the manner in which Mr. Montagu Norman was able to address his listeners over the wireless on October 9. Discussing the sources of money to finance the war he stressed the necessity of investing in war bonds lest we should have recourse to, "the source I hesitate to mention—the unmentionable source . . . which makes everyone tremble at the knees to mention its name—inflation."

Even the *Financial News*, which has recently been advocating the restoration of the incentive of monetary gain for both employers and employees in order to increase production, while admitting that in such a case inflation might tend to occur, says that its evil effects could be countered by certain measures—it suggests strict rationing.

Possibly the financial powers foresee that in the near future they will be forced into openly unorthodox methods of finance, and by keeping alive in the minds of the public the fear of inflation are leaving themselves a back door to regain more 'orthodox' methods when the pressing need of war time conditions are past.

(October 25, 1941).

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Taxation is the blackmail which individuals pay to international financiers, *via* the Inland Revenue and the banks, for the use of their own money. During the 1914-1918 phase of the war, profiteering was general, particularly amongst wage earners and manufacturers.

In the present phase, only the money "makers" can profiteer in a really big way.

Within a week of the declaration of war, taxes, *i.e.* bankers' profits, were five times those of 1914 and the true cost of living, which of course includes what you pay in taxes as well as what you pay for goods and services, shot up accordingly. Just think, Clarence, if the banks had to pay 18/- in the pound tax on the new money they "subscribe" to finance the war, and you got the taxes!

(November 8, 1941.)