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FOR POLITICAL AND ECONOMIC REALISM

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The Evidences of Conscious Intention

(Chapter X of *The Brief for the Prosecution* by C. H. Douglas—1944)

Howso great their clamour, whatso'er their claim,
Suffer not the old King under any name!
Long-forgotten bondage, dwarfing heart and brain—
All our fathers died to loose he shall bind again.
Here is naught at venture, random or untrue—
Swings the wheel full-circle, brims the cup anew.

RUDYARD KIPLING, "The Old Issue."

Alfred Moritz Mond, 1st Baron Melchett, died in 1930, his attempt to remove industrial policy from criticism of parliament and the general public having for the time being failed. Towards the end of his life he was much concerned with the New York group of Zionist Jews who controlled the Palestine Economic Corporation and were the force behind the "New Deal."

In 1931 two closely connected events coincided with a reorganisation of the Government and the final disappearance of Mr. Ramsay MacDonald and Philip (Viscount) Snowden from politics. The first was the setting up of the New Fabian Research Bureau, with Mr. Attlee, now (1944) Deputy Prime Minister, as Chairman, and the second was the private circulation of *Freedom and Planning* by the organisation known as P.E.P. of which the moving spirit was Mr. Israel Sieff, a Russian-speaking Jew.

For an admirable little analysis of the origins and activities of the Fabian Society and its offshoot, P.E.P., the reader should consult *The Planners and Bureaucracy* by E. Edwards (K.R.P. Publications, Ltd., 1943).

The nature of the former is well exemplified in a pamphlet, *The City Today*, published jointly by the Bureau and the Jewish-Socialist, Victor Gollancz, over the pseudonym of "Citizen," which reads as though it were written by an international banker concerned to idealise the Money Trust.

The public activities of P.E.P. emerged in 1933. In 1938, *Planning*, the publication dealing with such of its activities as it was desired that the public should apprehend, declared "Only in war, or under threat of war, will a British Government embark on large scale planning." This is a key statement, and it requires careful examination.

It is frequently observed, by those who have given only superficial attention to the matter, that it is perverse to object to planning. Much play is made with "the necessity of regarding the problem as a whole." The implication is that the planning to which reference is made is the alternative to what is commonly called "mudding through." The fact that practically every article we use, from a teaspoon to a motor-car, is the result of skilled, intensive

planning is apt to escape notice, yet we do not plan teaspoons and motor-cars "as a whole."

The planning which results in a teaspoon or a motor-car, however, is the outcome of a desire to produce a teaspoon or a motor-car of a particular pattern, and in a free economy the pattern is conceived in the hope that it will appeal to the individual, and will be bought in competition with alternative patterns. But the planning of the Fabian Society and its colleague P.E.P. is and must be precisely the opposite. *It is the planning of whole peoples on the model of Germany by a totalitarian State which is designed as a whole to be the best instrument of war, the national objective of Germany. The teaspoon and the motor-car alike have to fit into this conception. Comprehensive planning requires one single objective which never varies and to which the individual is subordinate; and comprehensive planning is only justifiable on the assumption that military war is merely one aspect of continuous war.* To repeat the dictum of Clausewitz, "War is the pursuit of policy by other means." Whose policy, and to where it leads, is undisclosed.

Once this conception is grasped, it is not difficult to realise that "only in war or threat of war" could the social and political economy of Great Britain, the great barrier to World Domination, be remodelled in the hierarchical pattern of the Germany Army.

That there is no contradiction between *practical* Socialism (Planning) and extreme militarism, was fully recognised in German fifty years ago. In 1892 August Bebel, a leading Social Democrat (Socialist) told Bismarck that "the Imperial Chancellor can rest assured that German Social Democracy is a sort of preparatory school for militarism." It could not be anything else and remain socialism.

It is at this point that the fundamental and irreconcilable antagonism between the German and the British, the socialist and the liberal (without a capital) conception of life becomes plain. It is not that the Briton is incapable of understanding, and, unless bedevilled by alien propaganda, appreciating, the necessity of rank and consequent discipline. His point of view has been put once for all by the poet of Scotland, Robert Burns. "The rank is but the guinea stamp, a man's a man, for a' that." The German outlook was put with even greater brevity by the Kaiser—"cannon-fodder."

The matter may be phrased somewhat differently, and in a manner more closely applicable to the present situation, by saying that the German, or socialist *proximate* objective is government by administration, whereas the English conception is government of administration. The first is the

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THE SOCIAL CREDIT SECRETARIAT

Personnel—Advisory Chairman: Dr. Tudor Jones, Chairman: Dr. B. W. Monahan, 36 Melbourne Avenue, Deakin, Canberra, Australia, Deputy Chairman: British Isles: Dr. Basil L. Steele, Penrhyn Lodge, Gloucester Gate, London N.W.1. (Telephone: EUSton 3893). Secretary: H. A. Scoular, Box 3266, G.P.O. Sydney, N.S.W.

Frustration

The following paragraphs originally appeared in our "Week to Week" notes on October 30, 1948. The pen of Douglas can be recognised:

"It is becoming more clear, if possible, every day, that the fate of the world is bound up with the elevation of the Finance-dominated industrial system into a religion closely connected with Communism. Any race which was gifted with even elementary intelligence would appreciate the fact that, outside the agricultural population and a small and decreasing portion of the building, engineering, and textile trades, the activities of mankind are diverted from the benefit of the individual and directed to his destruction—not merely in time of war, but daily and always. And this is not accidental; at the centre of direction, it is conscious. It is proved to be conscious by the lying and deceptive propaganda which sweeps the world, directing the pattern it shall take.

"Anyone who will examine the situation dispassionately in the light of facts which are available to the interested, will inevitably reach certain other conclusions, of which the primary is that the factory, mass-production system is a part of, and indissolubly connected with, war, and war which has only one logical end—the annihilation of all but vestigial traces of the human races, or perhaps of the world itself.

"It is not really very difficult to understand the root cause of our doom—all history demonstrates it, and empirical psychology adds emphasis to history. There is implanted in man a creative urge to embody ideas—an appetite just as definite as hunger and thirst. This urge is the mainspring of the progress which is possible, but not inevitable, to the individual. If there is any truth in the pseudo-science of Freud, Jung, and Adler, it lies in the emphasis on the dangers of frustration. The life of the factory worker is one long, unconscious or conscious frustration and war is incipient in the factory. Anyone who is practically familiar with modern industry knows quite well that there is no solution for strikes. The fomenting of strikes is an outlet for frustrated will-to-power and the settlement of one strike merely leads to

another. Creative instinct involves policy; and the modern individual has no policy. His individual policy-attribute has been stolen from him.

"Centralisation of policy is merely another way of indicating power without responsibility. That power has been stolen from the individual, and his actions disclaim responsibility. The whole drama is symbolised in the conflict between Christianity and Judaism—e.g., the murder of Count Bernadotte by Jews who were financed by other Jews disclaiming responsibility for the deeds they continue to finance.

"The open responsible vote, obtained on the same terms as the open responsible income (economic vote) is the only path visible along which to decentralise policy. And no decentralised policy could compass mass war. It is the Trades' Union which differentiates a strike from contracting-out. So far from such a policy leading to indiscipline, it is the only path to the restoration of a discipline which has almost gone. The facade of discipline in the collective State is rotten to the core, and a mere cloak for intrigue, laziness and dishonesty.

"Even on the lowest, mercantile, plane, mass repetition production has been fatal to this country, except for the purpose of waging wars which have been her ruin. We have, or had, craftsmen unique in quality, and our proper policy was that of a well known motor car builder. We should have decentralised in producing articles of the highest quality and individuality for the enrichment of the life of man, not its degradation and destruction. Quality is what the world needs, not equality; quality was once our boast, in men, animals, food and things. The sentiments of our politicians are now the cries of the cheap-jack and the ghetto; and our glory has departed."

Black of "The Free Man"

We deeply regret to record the death of Robin McKelvie Black, one of the earliest Social Crediters.

Born in Oban 75 years ago, his talents led him to follow his father into journalism and his wide experience (*Cycling News*, *Glasgow Herald* and as assistant editor of *S.M.T. Magazine*) made his work for Social Credit particularly valuable as speaker and writer. He saw very clearly that the freedom he desired for his native land would never be realised as long as Scotland remained in the grip of the money power.

In the mid thirties, in the face of amazing odds, he named and published *The Free Man*, a weekly which, for the sheer clarity of its writing on freedom, was unsurpassed. For most of its considerable life, he wrote, printed and distributed the paper single-handed. Well-known in England at that time, its influence was greatest in the North, where its memory and that of its creator live on.

Honest and kindly, loving his fellow men and the little things of the field, he will be sadly missed. To his wife and daughter who survive him we extend our sincere sympathy.

—W.J.S.

THE EVIDENCES OF CONSCIOUS INTENTION

(continued from Page 1)

unbridled rule of the expert: the second is the subjection of the expert to the criticism and restraint of human need and desire.

It is a remarkable tribute to the sound instincts of the English that they have always distrusted experts in politics. If the average man, assuming that there is such a person, were to be told that this distrust is probably the root cause of their survival, and that it took the form of scepticism in regard to the Encyclopaedists who were responsible for the French Revolution, he would probably repudiate any understanding of the subject. But if the average craftsman, small trader, or farmer were asked why he voted for a Conservative, he would be quite likely to reply, "These socialists are too clever. I don't trust 'em." Some instinct warns him that sympathy for the under-dog is one thing; an under-dog Party in the House of Lords, a School of Economics identifying the Gold Standard and international cartels with Under-Dog Economics and providing its picked graduates with desirable positions in the Bank "of England," and Somerset House, is quite another.

Where the unreasoning instinct of the Englishman (and in this the Scot and the Welshman are not so obviously included) has been so remarkable is that it has led him to a decision on a matter in regard to which reason would require an array of fact inaccessible to the great majority. Without argument, he accepts the bureaucratized state as largely inevitable in war; without argument, he indicates that it is unpleasant in war and intolerable in peace.

But it is doubtful to what extent it is generally realised that retreat from the centralised, Socialist State is much more difficult than progress towards it. Vested interests in bureaucracy are not alone the cause. The situation has been put with accuracy by Professor Brutzkus, from 1907 to 1922 occupant of the Chair of Agricultural Economics at St. Petersburg, who remarks: "it should not be forgotten that the communist state, with all resources at its free disposal and resting on an absolute dictatorship, is the most powerful in the world; while the subjects of such a state are the most impotent of all peoples." (*Economic Planning in Soviet Russia*, p. 136.)

The foregoing paragraph, and indeed the whole of the book from which it is taken, will repay careful study, since it contains either implicitly or explicitly indications of the tremendous problem with which the world is faced in the bureaucratized or "planning" State. Professor Brutzkus, who had unrivalled opportunities of observing the transition from Czarist to Communist Russia, and was highly critical of the former, concludes: "Russian experience bears out in the clearest manner our basic conclusion — namely, that the principle of socialism is not creative; that it leads the economic life not to fruition, but to ruin."

But it hardly requires insistence that such arguments as the many adduced from various sources on the unsatisfactory conditions of Russia and Germany, both examples of the planned bureaucratic Socialist State, have little or no bearing on the likelihood of a change in the system. Its very defects strengthen the system. Can anyone seriously suggest that Hitler or Stalin, together with the Great German General Staff and the Moscow Communist Bureaucracy, will resign

voluntarily? And if they will not resign voluntarily, "the most impotent of all peoples" are not exactly in the best strategic position to force a resignation. The Gestapo and the OGPU can deal competently with anything of that nature.

There is no essential difference between the higher officials of a Trust, Cartel, or Trades Union, once they are free of Parliamentary control, and a Russian Commissar or an "Office General" of the Great German Staff. None of them is creative; all of them are primarily concerned with their own positions and the perpetuation of the system which maintains them in positions of maximum power and minimum responsibility. And not one of them can pursue an independent policy. The policy is that of the type of organisation to which they belong — it is the organisation which makes the man, not the man the organisation.

Sir Alfred Mond's plan was one way of ending parliamentary control of the bureaucrat; failing, resort was had to the New Despotism, "P.E.P."

Once again, there is a tendency to assume that we are witnessing an automatic, and to that extent, inevitable development. So far from this being true, it is possible to indicate exactly where, and by what steps the present situation has been reached, and in so doing, to place the conscious nature of the policy beyond dispute. One clue can be found in the nature, transformation, and mechanism of taxation.

The fundamental idea of taxation can be discerned in the maxim "*inter arma silent leges*." Taxation was originally a war measure; it was not law, it was not legal. It was simply a recognition of the fact that when the house is burning down, the mill race may have to be tapped to put the fire out. The income tax, introduced by Sir Robert Peel, was a temporary tax to replace the revenue lost by the abolition of import taxes on various articles and like Peel's Bank Charter Act, Police Legislation, and general policy, can be seen to have been a portion of a definite plan to familiarise permanent taxation, of which it is most improbable that his was the creative brain. During the whole of the nineteenth century we can see the conception of taxation as being a device to finance specific ends, changing into something entirely different — a political weapon, in the main aimed at agriculture but in general intended to make Finance the Supreme Government. The core of the plan was the National Debt and the Balanced Budget working in conjunction with the Bank of England. In order to avoid repetition, the reader who is not familiar with the technique of Government Finance may be referred to *The Monopoly of Credit*, Chap. V, for further detail.

Knowledge of finance was confined to a select few, and the general public was gradually trained to believe that in some unexplained way, life was becoming much more expensive. In actual fact, the general population was receiving a decreasing share of wealth produced. It never seems to have been generally observed that the "social services," which were often given as a reason for higher taxation, were almost wholly due to the inability of the individual to get by purchase what was physically obtainable, since public bodies did in fact obtain it, paying by loans which further increased taxation. The individual was not to be allowed to spend his own money.

It seems so obvious to anyone who is completely ignorant of the subject that the poor are poor because the rich were rich, that no decent minded person could object to making the rich poor by taxation even if in some curious way the general body of the well-to-do became poor without the poor becoming perceptibly more well-to-do.

It has been proved repeatedly, by the most orthodox economists, that the distribution of surplus money income over the bare subsistence level would be quite inadequate to raise the general standard of living to any tolerable stage, and would kill any but elementary industries. Over twenty years ago, Dr. Bowley stated that the confiscation of all incomes over £160 would only provide £25 per family if the sum confiscated were completely and evenly distributed. It is being proved at this time, when we are spending £14,000,000 *per day* that the confiscation of the *money-wealth* of the well-to-do would not take us very far, since on Dr. Bowley's figures, when there were well-to-do, they, collectively, had only about two-thirds of a million a day to spend.

The detail of this question is intricate and far-reaching, but the main dominant fact is simple. It is that there is under existing financial methods no relation between wealth and money, and that taxation, which is always in *money*, is levied on price values which do not in themselves add one penny to the amount of *money* in existence. A landowner may have property, the *price value* of which is £100,000, but to pay his taxes he must get *money* from somewhere. And the money is created, not by the ownership or the cultivation of land or even by the sale of it, except to a bank, but by the banks—"out of nothing" as the *Encyclopaedia Britannica* puts it.

Had this been widely understood, the fantastic taxation of the past thirty years in particular, beginning with Mr Lloyd George's Budget of 1910, would never have been tolerated. It was not widely understood, *but it was thoroughly understood both by the international forces which brought Mr. George to power and by the German High Command* which realised that the landed proprietor was the backbone of the fighting strength of Great Britain, and that his elimination would leave the "internationalist" in a commanding position. *The German landowner is almost completely untaxed.*

An understanding of this matter is essential to even an elementary insight into the politics of at least the past two hundred and fifty years. The fact that *money* has been kept in short supply has deluded the vast majority into believing that *wealth* was in short supply. By keeping (no matter what the improvement of process and the increase of production) the less fortunate short of money, a discontented body of the population could be, and has been, kept available for agitation against every type of property except the credit or money-creating mechanism. Skilfully financed propaganda against property itself as a "private" conception has provided votes to transfer it to institutions governed from the shadows, or has so depreciated market values as to amount to virtual confiscation, without in any case detaching the conception of ownership *by somebody or something*, from it.

Out of this has grown a feature new in British life—the idea that uninstructed criticism of one's neighbour's business

is normal and proper, and can reasonably be extended to any infringement of his "privileges" which does not involve interference by the police.

The policy of "full employment" is perhaps the next evidence of conscious intention.

U.N.O.

On the 'Crisis of Confidence' in the United Nations, Dr. Franco Nogueira, Minister for Foreign Affairs of Portugal, stated in a speech at the General Assembly of the United Nations, on October 18, 1962.

"We do not believe that there is in fact a real crisis, and we could find many reasons for it. In our view, however, the most important reason stems from the fact that the Charter is not being respected and implemented. . . .

"When we ignore the law, or when we amend it through unconstitutional procedures, then we are actually killing it, and I am afraid that this is precisely what is happening to the Charter. When we see that countries are allowed to resort to naked aggression to end arguments, thereby violating articles 1, 2 and 33 of the Charter; when countries are allowed to establish in their territory military bases to launch attacks against the borders of neighbouring territories, thereby ignoring the letter and the spirit of the very preamble of the Charter; when Chapters XI and XII of the Charter are brushed aside and interpreted in a way which bears no connection with their letter and spirit; when Chapter XVIII is entirely forgotten and the Charter is revised by a simple majority vote—then we are in reality killing our basic law. In this context, and referring to some procedures, which have recently been adopted, I am bound to say that my Government does not understand the deep concern shown by some in respect of the advisory opinion of the International Court, stating that members should contribute to the United Nations forces in the Congo, when this Assembly did not show the least concern for the implementation of a decision of the Court—not merely advisory opinion, but a clear-cut judgement—which was favourable to my country in respect of Goa. For all the foregoing reasons, we think that it is urgent to go back to the true principles and philosophy of the Charter. Some say that we should strive for world peace through world law. My delegation agrees entirely. But to achieve that, Mr. President, first and foremost we have to have a law and respect and apply it—and we have to do so without a double standard."

THE BRIEF FOR THE PROSECUTION

by C. H. DOUGLAS

This book is the last of the contributions to the understanding of world politics written during the war of 1939-1945 by the author of SOCIAL CREDIT. The series began with THIS 'AMERICAN' BUSINESS (August, 1940) and continued and expanded with THE BIG IDEA (1942), THE 'LAND FOR THE (CHOSEN) PEOPLE' RACKET (1943), and, PROGRAMME FOR THE THIRD WORLD WAR (1943).

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