

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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Scrambled Social Credit

Any new book on Social Credit should be authoritatively reviewed and evaluated. The latest is *Social Credit Handbook*, written by William Rose and published in Canada. William Rose is not one of those whom Douglas knew and on whom he conferred some measure of authority. He did not even sit for the examination set for the Associate Diploma of the Douglas Social Credit Secretariat.

That his understanding of Douglas is not complete is evidenced by his opinion that Douglas's creative period ended in 1933. Rose is obsessed by the technical proposals put forward by Douglas. They are only the mechanism necessary for the introduction and functioning of what Douglas correctly called economic democracy, just as the present financial system is operated to maintain a dictatorship which remained hidden until Douglas exposed it.

Policy is always more important than method, and Douglas once laughingly admitted that even if his diagnosis of finance were wrong what was most important was the establishment one way or another of the policy* he and other fully informed Social Crediters stood for. After 1933 Douglas concentrated on policy and how it could be brought into operation, and stated that as no valid answer to his technical proposals had been forthcoming, no elaboration by him of those proposals was necessary.

The Social Credit movement in its early days attracted a number of Socialists, who did not understand Social Credit policy, but thought that the technical proposals could make Socialism workable. With the publication of the perverted proposals of Maynard Keynes, they joyfully transferred their allegiance, landing us in the very antithesis of Social Credit—Monopoly Socialism dominated by the institutions of finance.

From 1933 and even before, the main problem was how to make the people realise what is being done to them and to teach them how to act to get the present evil policy reversed. That is why Douglas concentrated on this aspect. It is still the main problem today; but this book casts no light at all on it.

Judging by the passages from writers other than Douglas, it must be assumed that Mr. Rose has not grasped the implications of the fact that virtually all money originates as credit created out of nothing by banks who claim the equity in the debt also created at the same time, demanding interest on it and repayment in cash. Nor can he have realised that

*"It is suggested that the primary requisite is to obtain in the re-adjustment of the economic and political structure such control of initiative that by its exercise every individual can avail himself of the benefits of science and mechanism; that by their aid he is placed in such a position of advantage, that in common with his fellows he can choose, with increasing freedom and complete independence, whether he will or will not assist in any project which may be put before him." C. H. Douglas: *Economic Democracy*.

in a Douglas Social Credit system finance would merely reflect the facts of production and consumption, whereas under the present system the masters of finance control both. This lack of understanding is also shown in Mr. Rose's conclusions and his use of words like "savings", "investments", "equilibrium", etc. They are typical of economists who accept as natural that finance operates in a vacuum, completely divorced from the real potential of industrial production and from genuine psychological demand.

This book, despite its title, has a peculiar feature. There are pages in which quotations, comments and conclusions bear no relation whatever to Douglas's writings. What appears on those pages is often the misleading political economic teaching fostered by the Establishment.

There are whole passages in *Social Credit Handbook*, e.g., chapters 8 and 9, that could have been written by someone who had never read a word of Douglas's. Other passages are not bad. It makes one wonder whether the book is the result of a joint effort by more than one person, one of whom was an expert at producing red herrings and confusion.

Many of the quotations in this book are useful; some of them are wrong in that the quoted authors thought in terms of the financial theories as taught—or rather mistaught—at our universities. The quotations from Douglas's works are realistic, unbiassed, and financially and economically accurate. To mix these quotations, as here, is to confuse the reader, especially when words like "Capital" and "wealth" are used with confusing meanings, a habit of economists.

One of the fundamental demands of Social Credit is that prices shall *not* be stabilised, but should be progressively reduced so as to reflect the steady decrease in the ratio of human effort to machine power in producing goods. Another is that the efficiency of industry for a given level of production should be measured by the small and reducing number of people employed in production, not by the reduction in the number of unemployed. The description as "unemployed" is deliberately misleading as it really means "unemployed". Mr. Rose has evidently grasped neither proposition.

Stability of prices, or equilibrium—whatever that may mean—are not the aim of Social Crediters. Both phrases are repeatedly used in this book. Douglas's proposals aim at constantly reducing prices in line with that steady reduction in necessary human effort, which is the achievement of all industrialists, inventors, and industrial scientists.

There is one rather strange point in the acknowledgments on page 150. It is stated there that Miss Douglas, who holds Douglas's copyrights, gave permission to quote from *The Monopoly of Credit*. In fact there are several unauthorised quotations from other books by Douglas.

(continued on page 3)

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FROM WEEK TO WEEK

Rather surprisingly, Peter Simple II (*Daily Telegraph*, July 30, 1968) suggests that "the young" have nothing more to contribute to the political discussions of their time than "mindless slogans". It is very likely true that the young make their contributions *mindlessly*; but slogans, so far from being mindless, are a concentrated manifestation of the power of the mind, and political dynamite. Slogans can be for good or for evil purposes; but this is a period where slogans carefully conceived by evil minds are playing a literally vital role in the most intense and deadly attack on spiritual civilisation in the whole of history; for slogans are perhaps indispensable in the formation and cohesion of mobs.

A mob, as has often been observed, has its own particular psychology, whose main feature is probably suggestibility—a near hypnotic condition of mind which will accept uncritically ideas normally repugnant to belief. But these ideas, once accepted, thereafter lead a life of their own, and generate in the *individual* activities which would otherwise hardly have been contemplated.

The slogan "God is dead" has been *seen* to activate agnostics into participation in attacks on the institutions of religion. "Make Love not War" (and particularly in its pornographic and obscene expressions) has metamorphosed into promiscuity and gross promiscuity, a potent solvent of personal responsibility and patriotism. "Black Power" and "Student Power" have erupted in violence, murder and arson; theft, looting and destruction. The cry "Police Brutality" has intimidated the forces of law and order and been accompanied by a growth in the crime rate greatly exceeding the rate of increase of the population.

The very universality of slogans and the international synchronisation of 'protests', demonstrations and strikes points unmistakably to an international conspiracy, whose pervasive power is borne witness to by the virtual complicity of the mass media in the provocation of destruction and paralysis of reaction to the forces visibly destroying the foundations of our society. These media too propagate the

'liberal' slogans of internationalism—mass terrorisation by the threat of annihilating atomic warfare ("Better Red than Dead"); the 'mellowing' of Communism and its growing 'compatibility' with an increasingly socialised 'Capitalism'. And there is the unbroken conspiracy of silence concerning the central part played in all this by the international Financial Power.

For there are solid grounds for protest, arising from the shortage of purchasing-power *relative* to the swelling evidence of potential abundance for all in the industrialised nations. What should be purchasing-power in the hands of *individuals* is accumulated in the executives of *institutions*, resulting in a senseless proliferation of office buildings which are mainly daylight prisons for hordes engaged in form-filling; and a grossly expanding industry whose product is increasingly 'for export'. All this is the consequence of financial *policy*, which aims at keeping the population 'employed' as a means of government, regardless of whether the product, or none, of 'employment' fulfils the genuine needs of individuals.

And equally there are grounds for feelings of frustration as a result of an educational system distorted in the interests of technology, increasingly turning out specialists surplus to the requirements of a computerised and automated production system, and untrained in other occupations offering remuneration commensurate with their redundant specialist qualifications.

But the protests and frustrations are aggravated, distorted, and exploited; and restless young intellectuals are fed with the doctrines of subversion, resulting in an outpouring of books of pornography and destruction. Thus George Steiner (*Guardian* July 21, 1968) quotes Raoul Vaneigem (*Traité de savoir-vivre à l'usage des jeunes générations*): "We must destroy the enemy, not judge him . . . We know that there will be no one left to judge us, that judges shall be forever absent, for we shall have devoured them". And Steiner remarks that Vaneigem is right in believing that there will be "no overthrow until language itself is made new, until speech as we know and use it ceases".

The Daily Telegraph, July 22, 1968, reports Mr. Pieter Botha, the South African Defence Minister, as saying that guerrilla attacks in Rhodesia, Angola and Mozambique were aimed ultimately at South Africa. "At the moment we are threatened by unconventional warfare, but if terrorism should succeed, a greater, conventional threat will tax our powers."

But even this does not see into the situation deeply enough. The constant and mounting threat of guerrilla activity is likely to gradually raise the political temperature of the whole area, until a point may be reached where spontaneous combustion occurs in the form of outbreaks of terrorism—the objective of the outside pressures and incitements directed particularly against Rhodesia. As things are developing in the world, there is a point of no return for South Africa along this road. If it is not anticipated by an act of initiative consciously directed against the international forces, South Africa will be faced by massacre or surrender.

Mr. Diederichs, the South African Minister of Finance, is reported (*South African Digest*, July 26, 1968) as saying: "I find it incomprehensible that the United States and

certain other countries . . . should now wish to force South Africa to sell its gold on the free market by attempting to prevent it selling to monetary authorities . . .

"This reversal of policy must lead to a weakening rather than to a strengthening of the international monetary structure as well as to a total loss of confidence".

The Minister poses, by implication, the wrong question. The real and urgent question is: "In what context does the policy of reversing a policy make sense?" Surely Mr. Diederichs does not believe that he knows more of the operations of international finance than 'the United States'—*i.e.*, those responsible for the monetary policy followed by the United States and "certain other countries"? A first assumption in matters of this kind must be that the 'authorities' *intend* the consequences of their actions rather than that they have reached their eminent positions without being able to foresee those consequences.

Mr. Diederichs and other members of the South African Government know very well what would be the consequences of handing over government in South Africa to "black majority" rule. Yet 'world opinion' is *directed* towards this objective. They know the importance of the Cape route to international commerce; yet the 'British' Government refuses to supply arms for its defence. Whether they realise that the Republic of South Africa is, *for the present*, the remaining country which could perhaps successfully challenge the emerging World Government is a more open question.

Supposing there is a "total loss of confidence" leading to a universal economic crisis? Supposing the United States, the headquarters of International Finance, and Russia, logistically prepared and strategically placed by its Middle East and North African dispositions to take over Europe in the event of an economic crisis, agreed to set up a World Government of the United Nations "to avert nuclear war"?

Control of the *whole* of Africa is essential to effective World Government; and, in the face of the population explosion, so is de-population. The Republic of South Africa stands in the way.

The visible destruction of spiritual civilisation *may* be due to incomprehensible foolishness on the part of those in the seats of highest power. But it may more probably be due to a perfectly comprehensible long-sighted knavery which, if not frustrated while there is time, will surely engulf the Republic of South Africa.

The Satanic ruthlessness of the drive for World Government is perhaps only apparent in perspective, and some of its manifestations become forgotten. Thus *Human Events* (July 13, 1968) reprints an article from the *Chicago Tribune* which recalls the use of slave labour after the end of World War II, the forced repatriation of Russians rounded up after the defeat of Germany, and the mass expulsion of Germans from their ancestral homes in Eastern and East Central Europe. Yet who nowadays is *aware* of all this?

"Some 900,000 anti-Communist Russians were shipped home from Germany after the war, with the certain prospect of becoming inmates of slave labour camps or facing a firing squad. President Franklin Roosevelt and Prime Minister Churchill of Britain countenanced this operation at Yalta.*

*Code name: Operation Keelhaul—Ed. T.S.C.

"They also agreed with the Soviet dictator, Josef Stalin, that Russia was to have 'the use of German labour' as a form of reparations. In deference to their own sensibilities, the two Western humanitarians buried the provision in a secret protocol.

"The stipulation that the Western powers were to hand back to Stalin his runaway subjects placed American and British military authorities in the role of slave catchers, rounding up refugees from Soviet tyranny.

"Hundreds of thousands of German soldiers taken prisoner after their country was defeated were transported to forced labour in the Soviet Union. Years after the end of the war broken survivors were still coming home to Germany. Britain and France also availed themselves of German forced labour. The British had at least 500,000 prisoners at work for them, and a third of these had been supplied from United States and Canadian prisoner-of-war camps.

"Equally savage was the fate of the Great Germans who had been living for hundreds of years in Poland, Czechoslovakia and Hungary, as well as the Germans of East Prussia, parceled out at Yalta to Poland and the Soviet Union, and of Eastern Germany, handed over to Poland.

"It has been estimated that 18 million Germans were forced out of their homes and set on the road westward. More than two million men, women and children are believed to have died in the expulsion . . ."

The liquidations and purges in Russia in the 1920's, the current chaos in Africa, American supplies to the U.S.S.R. enabling the Russians to supply the North Vietnamese to prolong a war which could have been terminated years ago—all belong to the one perspective of horror, to which there is no end yet in sight.

Scrambled Social Credit (continued from page 1)

In his final conclusion he summarises his idea of what the Social Credit proposals are and puts these under four headings. The first and fourth are wrong, and the other two are very badly worded.

The first sentence of the Introduction to the *Handbook*, that it begins where Douglas left off, is presumptuous. It would be more correct to write that the author had not yet caught up with him. If Mr. Rose, or anyone else, wanted to compare Douglas's writings with those of other economists he was at liberty to do so, though most genuine Social Crediters would think that a waste of time. It does not justify the title of this book. What matters now and also mattered to Douglas was by first of all pinpointing the technical flaw in the financial system which reflects a centrally imposed policy, to find the right road to economic democracy—the control of production by and in the interests of the democracy of consumers.

To point out the erroneous statements and assumptions in many of the quotations and the author's conclusions would require a long book. Let us say that this book can do more harm than good and that the title is objectionable.

—H. R. PURCHASE

K.R.P. PUBLICATIONS, 245 CANN HALL RD., LONDON, E.11, FOR BOOKS ON SOCIAL CREDIT AND THE INTERNATIONAL FINANCIAL-COMMUNIST CONSPIRACY.

Prophecy

The young have two handicaps: time (they grow older by the minute) and their own good faith. Had anyone foretold in 1945 that Salazar, Franco and de Gaulle would be in power almost a quarter of a century later, that socialism in England would faithfully support a Vietnam war and shuffle along on the sufferance of the international money market, that millions would be on the brink of starvation due to lunatic tribal warfare, he would have been deemed a sinister crank. The young always underestimate the cunning, the rapacity, the sheer staying power of the old. They never understand how deeply their dreamt-of to-morrows are already mortgaged to cruel, insoluble yesterdays.

—*Sunday Times*, July 21, 1968.

1945? The late C. H. Douglas foretold from the early 1920's onwards (see T.S.C., June 29 and July 27, 1968, for example), in necessarily generalised terms, just the developments summarised by the *Sunday Times*. Following the renewed outbreak of war in 1939, his warnings grew ever more specific, epitomised in his statements: "They (the international money marketeers) care no more for the immolation of the peoples of a continent than for the death of a sparrow"; and "unfortunately the world is in the grasp of theorists to whom misery and death of millions is a grain of sand beside the working out of their designs".

The *Sunday Times* article is discussing the student mutinies which for some years now have increasingly swept the world, and notes *inter alia* the part played by the breakdown of sexual morality: "I believe that this liberation at the core has released enormous psychic energies. That it has created a gap of understanding between young and old—a failure of shared reference deeper than any we have known in recent history." But, characteristically, the *Sunday Times* does not tell us, what can be confirmed from Communist text-books, that conspirators planned to 'liberate' sexuality from morality, long before Communism became manifest as a force in history. Stormer's *None Dare Call It Treason* reveals quite plainly the planned progress of the 'permissive' society. While it is true that probably almost all the students are motivated ideologically by frustrated hopes and idealism and driven by an unrestrained sexuality, the frustration and the amorality are the product of a planned unbridled industrialism coupled with a centralised monetary control which turns mounting disorder to the advantage of the international monetary marketeers; while the demonstrations of the students are so obviously manipulated and co-ordinated that it is a miracle of hypnotism that more people do not see it to be so.

Unprecedented sabotage of production (largely in the form of grossly misdirected effort) conceals the world of leisure and plenty which could so easily be our lot and which is our rightful heritage—a heritage in which cultivated idealism, good manners and artistic endeavour would make protest undreamed of.*

Strategic Reality

The following letter from Marshal of the Royal Air Force, Sir John Slessor, appeared in the *Times*, July 22, 1968:

Sir,—I have never met Lieutenant-Colonel Mitchell and know nothing of the activities of his world-famous regiment

*See *Neither Do They Spin . . .* by Bryan W. Monahan: K.R.P. Publications 1/6.

in Aden other than what I read in the newspapers; he has attracted a good deal of publicity—probably involuntarily; I personally do not approve of relatively junior officers being interviewed by television reporters; but, thank goodness, that was not a problem in my day.

I am obviously in no position to judge whether or not Mitchell exceeded or even disregarded his orders. But it may be relevant to recall that in staff exercises before 1914 the German General Staff had the sense sometimes to introduce a problem of which the correct official solution was for a subordinate commander to disobey his orders from above, if it became evident that they were based on an inaccurate or incomplete appreciation of the situation; if he did not, then he got a black mark. I don't know whether we ever did the same—I don't remember that we did, which I think was a pity.

Mr. Tam Dalyell, M.P. (July 18), apparently finds something shocking in your picture of Arab "trade unionists" (sic) being pushed around by Jocks in the Crater. I don't know whether he has ever found himself in a comparable position, but I wonder whether your Defence Correspondent's article in the same issue may have given him cause to reflect that perhaps a bit of pushing around at a cost of five "incidents" and no casualties in two weeks might perhaps have been better than "throttling back" at a cost of 91 incidents, two British soldiers killed and 18 wounded in the ensuing six weeks—if that is true.

But what I find profoundly disturbing about this Argylls affair is this. I don't suppose I am the only officer in the R.A.F. or R.N. who was already more worried about the future of the Army than of his own service—and that is saying something in these days! And in my view if potential recruits to the commissioned or other ranks of the Army come to believe that if in a dangerous emergency or actually in action they ever do anything unorthodox or even a bit undisciplined—with conspicuously successful results including the avoidance of unnecessary casualties—they will be subjected to this sort of witch-hunt and their careers abruptly terminated (perhaps even their regiment disbanded), then they will not join the Army. What is perhaps more, morale will go to pieces and men now serving will get out as soon as they can. What happens then to our defence policy—in Nato or elsewhere?

To me it is about as simple as that. And never in 58 years' service, except just before Dunkirk, have I been so worried about the future of the British Army as I am today.

Yours faithfully,

J. C. SLESSOR.

Rimpton Manor, Yeovil, Somerset,
July 19.

Correction

In *The Social Crediter* Vol. 48 No. 11 August 24th, 1968, on page 2, column 1 "From Week To Week" paragraph 2 should have read:

"Yet in 1798 John Thomas Malthus published his *Essay on the Principle of Population as It Affects the Future of Mankind*. The "Principle", to be understood in the general rather than the strictly mathematical sense, is that population grows in a geometrical ratio, while means of subsistence grow only in an arithmetical ratio. This principle . . ."

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