

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 51. No. 21.

SATURDAY, 8 JANUARY, 1972

7p (1s. 5d.) Fortnightly

## Fascism II

LILLIAN BOEHME SCANS NIXON'S "NEW" N.E.P.\*

If President Nixon's wage-price "freeze" of August fifteenth formally initiated fascism in the United States, his "Phase II" speech on October seventh indicated that fascism has survived its novitiate and is in for a bad, long stay. The labyrinth of wage-price "guidelines" and "restraints" hazily outlined by the President, combined with his requested authority to control interest and dividends by dictatorial fiat, amounts to a blueprint for virtual totalitarian control over American lives and livelihoods.

The President apparently felt secure enough to drop all pretenses. As Harvard socialist John Kenneth Galbraith chortled, "There was a pleasant absence of that old nonsense about getting back to the free market". The President, crowed Galbraith, "has come a long way. He has categorically accepted the need [*sic*] for controls".

The only aspect of the economy left technically uncontrolled is profits, and Mr. Nixon made it perfectly clear that he has plans for them, too. "More profits," quoth Mr. Nixon, "means there will be more tax revenue to pay for the programs that help people in need. That's why higher profits in the American economy would be good for every person in America." There's more than one way to skin a cat—or bleed the productive. Some of us will be allowed (note the choice of verb; it was a careful choice) to make profits so as to hand them over to the "disadvantaged".

As for those wicked "windfall profits"—that is, any sort of profits the Government decides it doesn't want someone it doesn't like to get—well, they'll be confiscated somehow. Probably by Internal Revenue.

Meanwhile, the "basic wage and price guidelines" will be laid down by Mr. Nixon's "flexible" (meaning arbitrary) Price Commissions—little groups of big citizens whose whims will be enforced by the minions of Internal Revenue. As U.P.I. analyst Mike Feinsilber (*there's an irony*) explained it, these Commissions will set "the rules of the game for the vast majority of American business enterprises—the Mom-and-Pop grocer, the town printshop, the small local textile plant. So if the neighborhood television repairman wants to know how much he can raise prices, he will have to consult guidelines established for his industry by the price commission".

And, of course, if the "disadvantaged" kid who sweeps the banana peels off the floor of one of those Mom-and-Pop groceries should happen to deserve a raise, that too will be subject to the arbitrary whim of one of the President's local Commissions. Which will be subject, in turn, to the arbitrary whims of the *top* commission, the Cost of Living Council. ("We're going to have some arbitrariness," understated Presidential aide Herb Klein.)

About the only thing left unperpetrated so far is a law forbidding Mom-and-Pop grocery stores from going out of business when they drown in a sea of paperwork and permission forms, or go broke because the "flexible" Price Commission decided that the wages of "disadvantaged" floor-sweepers may rise, but grocery prices mayn't.

Much more controlled than this, an economy can't get. Indeed, virtually the only thing that is sure not to be controlled is inflation. Which is why the President's media extravaganza of October seventh was such a fraud.

Please note that we are not accusing the President of dishonesty just because he had repeatedly sworn that wage and price controls were the last things lurking in his mind. ("Now here is what I will not do," he said in June 1970. "I will not take this nation down the road of wage and price controls, . . .") After all, that was before Mr. Nixon found the true faith and "became a Keynesian". Any man is entitled to conclude that he's been misguided and choose to divert his feet from the paths of economic sanity. That doesn't prove him dishonest; he may be merely foolish.

Nor do we chide President Nixon for dishonesty because he so strenuously insisted that the "freeze" of August fifteenth was only temporary. The temporary freeze *was* temporary. It's just that a permanent freeze is to succeed the temporary one.

That whole "temporary" business was a trial balloon. It could have been shot down. It would have been, and pretty hastily, too, if a lot of Americans had emerged from their TV-rooms and vigorously protested the blatant and unconstitutional violation of their rights inherent in a dictatorial order telling them how much they are to be *allowed* to earn, to pay as wages, and to spend for everything from tape recorders to thumb tacks. Indeed, even by October seventh, Administration officials were still being quoted by U.P.I. as saying that they dared not impose total "stability" for fear of public "rebellion".

But, the public wasn't rebelling. Even nominal "conservatives" applauded the early freeze of August fifteenth. As for the majority of Americans, two years of intensive brainwashing about "wage-price spirals" and "cost-push, demand-pull", piled on top of years of "Liberal" education, had done its dirty work. Polls showed the public to be overwhelmingly in favor of controlling prices (especially other people's).

(continued on page 4)

\*In Review Of The News, Oct. 20, 1971.

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which was founded in 1933 by Clifford Hugh Douglas.

The Social Credit Secretariat is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: Home and abroad, post free: One year £2.60 (52/-), Six months £1.30 (26/-).

Offices—  
Business: 245 Cann Hall Road, Leytonstone, London, E.11. Tel. 01-534 7395  
Editorial: Penrhyn Lodge, Gloucester Gate, London, N.W.1. Tel. 01-387 3893

IN AUSTRALIA—  
Business: Box 2318V, G.P.O., Melbourne, Victoria 3001  
Editorial: Box 3266, G.P.O., Sydney, N.S.W. 2001 (Editorial Head Office)

## THE SOCIAL CREDIT SECRETARIAT

Personnel—Chairman: Dr. B. W. Monahan, 4 Torres Street, Red Hill, Canberra, Australia 2603. Deputy Chairman: British Isles: Dr. Basil L. Steele, Penrhyn Lodge, Gloucester Gate, London, N.W.1. Telephone: 01-387 3893. Liaison Officer for Canada: Monsieur Louis Even, Maison Saint-Michel, Rougement, P.Q., General Deputy Chairman and Secretary, H. A. Scouler, Box 3266, G.P.O., Sydney, N.S.W. 2001.

## FROM WEEK TO WEEK

Anyone wishing to understand what is happening on the Indian Subcontinent should carefully study *From Colonialism to Communism\**, by Hoang Van Chi. This is an eye-witness account of the Communist take-over of the national independence movement in Vietnam. The author is a Vietnamese, who participated in the independence movement even after he witnessed its take-over by the Communists, until the French were defeated; then he joined the nationalists in their resistance to Communism. What comes out of this account with frightful clarity is that Communism has nothing whatever to do with nationalism; it is a system for reducing everyone except the bosses—the higher echelons of the Party—to a common servitude. The method is by the systematic recruiting of the majority against successive minorities to strip them of their privileges. This was effected in two campaigns: The Land Rent Reduction campaign, and the Land Reform campaign. "At the start of the Land Rent Reduction campaign, the party taught the peasants how to classify the population into different social classes in accordance with the Population Classification Decree which they had to study carefully for ten days. They could then classify the population of the village" in several categories ranging from landlords, rich peasants, strong middle, average middle, weak middle to poor and finally landless peasants. "The party then put into practice its famous slogan: 'Depend completely upon the poor and landless peasants, unite with the middle-level peasants, seek an understanding with the rich peasants, and liquidate the landlords.'" The rich peasants, with whom an 'understanding' guaranteeing their safety had been reached, were not permitted to join in the 'heroic fight' against the landlords, some of whom were publicly shot, and others put into penal servitude. But of course when the Land Reform campaign came into operation, it was found that the rich peasants had been "wrongly classified". And so on. Hoang Van Chi quotes M. Gerard Tongas, a French professor who remained in Hanoi up to 1959: "This indescribable butchery resulted in one hundred thousand deaths."

The charade being enacted of hostility between Moscow

\*Popular Library: New York. Special Student Edition, 20c.

and Peking is a perfect cover for the extermination of part of the population of the 'over-populated' Subcontinent, and the reduction of the remainder to servitude. The writing has been on the wall for a long time, but it could be more easily deciphered when the Treaty between Moscow and New Delhi was agreed and signed with extraordinary expedition a few months ago.

Nobody could imagine that anything remotely as terrible as what is happening in 'India' now could have happened if the British had not been booted out; their accomplishments were all in the opposite direction (see *The Development of World Dominion*, p. 101, for a summary). But even the subjugation of 'India' is but another step in the subjugation of the peoples of the entire globe; and wherever the final form of Communism has triumphed, its implementation has been uniform—liquidations, terror, and poverty of the masses.

Communism is gradually (in terms of one man's lifetime, but in terms of historical periods very rapidly) enveloping the globe. If you have a weight on one side of a scale-balance, and slowly pour sand onto the other, for a time nothing seems to happen. But quite suddenly, the sand over-balances the weight, and the scale tips over. Of course, it is possible to put a chock under the sandy side of the balance, so that although the sand outweighs the weight, the balance does not shift. But when the chock is removed, the balance alters instantaneously. And that is just the position in the world today. Massive deception as to what is actually going on conceals the fact that the Indian Subcontinent is being Communised. The only "weight" against global Communism is what is conceived as 'traditional' America; but when the chock is pulled away, it will be seen that America has no alternative to either defeat, or amalgamation with the Communist bloc.

That is the Big Idea. But if Britain refused to sign the Treaty of Rome, and publicised its reasons—recognition of the Conspiracy—it just might alter the carefully contrived time-table, and force the Conspirators into the open before they are ready. As Douglas recognised many years ago, it is essential to narrow the front until a break-through is a real possibility. The issue, as Professor Toynbee disclosed in 1931 is: National Sovereignty. A sovereign Britain might, by its example at this time, yet save Christian civilisation.

## Costa Rican Repulse

The President of Costa Rica, which adjoins Panama to the North, decided to re-establish relations with Russia, but the announcement aroused public protests and the two vice-presidents publicly disagreed with President Figueres. The National Liberation Party, supporters of the Government, condemned the move and the President of the Legislative Assembly severely criticised Figueres. The newspaper *Eco Catolico* pointed to the danger of increasing subversion, while patriotic, civic and Catholic organisations protested.

So the President postponed his plan. The Russians countered by offering a loan of 200 million dollars at 4% per annum, payable in 20 years. Figueres has sent a special mission to Moscow and his government is studying the offer.

—TFP Press Release No. 9.

K.R.P. Publications Ltd., 245 Cann Hall Road, London, E.11, for books on Social Credit and the International Financial - Communist Conspiracy. Free book list on request.

## Douglas's Predictions of the Second World War

By ROBERT KLINCK

As indications increase that international trading relations are on the verge of a major breakdown, we deem it appropriate to publish some of the predictions of World War II made by the founder of Social Credit, C. H. Douglas. Comment on these extracts would appear to be superfluous.

During his testimony before the Agricultural Committee of the Alberta Legislature in April 1934 Major Douglas made the following statement: "Just as I told them in Ottawa in 1923 exactly what was going to happen in 1928 (the 'Great' Depression) so I tell you now in 1934 that before 1940, if you have not changed the financial system it will change and probably eliminate you."

"There is no doubt whatever that the perfectly easily understood economic urge towards war comes primarily from the working of the financial system at the present time because of this necessity for overseas markets in order to provide purchasing power from these overseas markets. There is practically no room for discussion that the next war will almost inevitably destroy what we know as civilization. There is very little doubt that the next war is only two or three years ahead unless something is done to prevent it."

In February 1935 Douglas said: "If you allow this thing to go passively you will be regimented through various stages until we arrive at an effective dictatorship in which nothing can be done, and we shall be hurried by the inevitable results into either another world war, which is looming up very fast at the present time, or one long series of revolts and ultimate chaos. That is one of the paths which you can follow. . . . The other path is to take a hand in your destiny and say, no. . . . I can say quite fearlessly that the world is faced with a succession of dictatorships, and I am willing to take the risk of trying a real democracy as a very much preferable alternative. The game is in your hands, as they say at Monte Carlo. Make your play—faites vos jeux. The game will not wait. It will take one direction or another at the very longest within the next five years."

And in July of the same year: "All we can say is that the time is so short that we must use all those energies. . . . wisely . . . in the hope—I believe it to be a forlorn hope—that we may avert a great catastrophe. . . . Within the next two or three years (I will say, in spite of my well-known objection to prophesying in terms of time), certainly within the next five years. . . . we shall enter this critical period in the autumn. . . ."

At Westminster eight months later Douglas said in answer to a question: "What would save us from the coming war?": "It is quite possible that nothing will save us. There is always a point at which you must bear the consequences of your acts or omissions to act. When something acquires a certain momentum practically nothing can stop it. I have myself frequently stated that the latest date at which the threatened war could have been prevented was 1923."

And in October 1936 Douglas described the policy that was leading men towards bloody disaster: "The most dangerous man at the present time is the man who wants to get everyone back to work, for he perverts means into ends. This is leading straight to the next war—which will provide plenty of work for everyone." —From *Regards* (Ottawa).

## American Notes, Etc.

The T.F.P. movement of Brazil reports in its Press Release No. 8, 1971, that the Bishop of Campos has celebrated a Mass in Sao Paulo Cathedral (in the St. Pius V Ordo and in Latin) on the third anniversary of the Soviet invasion of Czechoslovakia to pray "for the liberation of Czechoslovakia and other captive nations from the red tyranny". Thousands attended the celebration, including some 400 "young TFP militants", and a procession of captive nations followed the service.

In the same issue Professor de Oliveira comments on another anniversary, the eighteenth of the Cuban revolution. He contrasts the silence of the Cuban bishops with the "reformist" activities of many bishops in Latin America. The sugar crop in Cuba has, he says, for the sixth year been below expectations and the agricultural "production deficit" is extremely high; the island already owes Russia three billion dollars and its debt is said to increase by 250 thousand dollars a day. In Latin America, say these bishops, miseries contrast with abundance, but in Cuba "there are miseries which do not contrast with any wealth at all".

Socialism, he holds, is spreading misery in some Latin American countries, which are separated by clear cut frontiers from the other countries of the continent where there is still misery together with wealth, but "there is less and less misery and more and more wealth, as in the brilliant case of Brazil". In fact, despite "lamentable deformations", religious principles regarding family, property, individual initiative, etc. can alone bring any form of prosperity in contrast with the "hunger and tyranny" of Marxist lands. I do not know if these fine Brazilians, heroically defending their heritage, are aware of the outstanding work of M. Louis Even in Canada.

The news from USA, appearing in *Human Events*, Sept. 4, 1971, tells of squalor and violence, particularly in the story behind the "San Quentin Shootout". The facts, still being gathered and pieced together, show that the deaths of George Jackson, two white prisoner-trustees and three guards resulted from "the long and determined leftist assault on California's law enforcement, court and penal system".

Members of the National Lawyers Guild, a communist-front organisation, had been "manipulating Jackson" and others to stir up trouble, and someone, owing to the laxity of prison rules, had smuggled in arms to the prisoners. The article recalls the gun battle, resulting in four deaths, after Jackson's brother had kidnapped Judge Haley and four hostages. Jackson and two others were shortly to stand trial for the murder of a Soledad prison guard, and witnesses, it is alleged, were intimidated.

The same issue tries to number the victims in China of Mao's communism, and the estimates range from 34 million to 63 million deaths. Professor de Oliveira exaggerates nothing when he speaks of miseries, tyranny, death. The Bishop of Peterborough, almost a lone voice in the hierarchy, told the *Church Times* (Sept. 17, 1971) that the World Council of Churches appeared to be making grants to organisations promoting armed conflict with the governments of their countries, adding, "If this is so, the Church of England should, in my view, cease to make any further grants to the WCC". The bishop, a tall, spare figure, no longer young but as upright as a guardsman, has retained a

balance and a respect for life that many British and American dignitaries have left behind them. I should have thought that the break-down of law and order in our own back yard would have brought some of these dupes and visionaries down to earth.

—H.S.

## Fascism II

(continued from page 1)

Schoolteachers in Kankakee took pen in hand to assure the President of their willingness to "sacrifice" for the cause of "stability"—a goal which no economy or living organism can achieve except by dying.

Mr. Nixon was home free. Now the rest of us would pay the bill.

We're not even going to fault Mr. Nixon for his references to the "voluntary" nature of his "guidelines"—backed as they are with fines and jail terms. There's a sort of bitter humor in it. A contradiction like that one, which exposes itself in the same sentence, hardly counts; those who swallow it are more culpable than those who mouth it. When they get hauled off to the pokey for the "crime" of giving an employee a raise, they'll have mostly themselves to blame.

No, these little shadings of the truth fade into insignificance beside Mr. Nixon's Grand Evasion, which is the lunatic idea that inflation can be controlled by freezing prices.

Wage and price increases (the terminology is redundant: wages *are* a price) are not the cause of inflation. Controlling prices will not control inflation because economy-wide price increases are *effects* of inflation. Inflation, as dictionaries still admit, is "an increase in the volume of money and credit relative to available goods, resulting in [emphasis added] a substantial and continuing rise in the price level". The volume of money and credit in the United States is controlled by *government*. It is not controlled by business or labor or "consumers" except insofar as *Insiders* from these groups manipulate government policy.

In short, this inflation is Mr. Nixon's own baby! During the past year the President has been piling up a huge deficit, supported by the Federal Reserve with a glut of printing-press money. This not only bid prices into the stratosphere, it panicked foreigners holding dollar claims against our gold into demanding payment. Before Mr. Nixon slammed down the payment window on the fingers of nervous foreign bankers, our *claimed* gold reserves were down to just a hair over \$10 billion—a decline of almost ten percent from the *claimed* gold reserves of a year ago. Mr. Nixon's August repudiation of America's solemn obligation to redeem foreign-exchange debts in gold is presumably what he was referring to when he spoke of being "glad to report substantial progress in our campaign to create a new monetary stability and to bring a new fairness to world trade".

The President has a euphemism for every disaster.

During the past year the *admitted* increase in the money supply (currency plus demand deposits) has been in the neighborhood of eight percent. That's the *admitted* increase. Remember that such figures, like the gold reserve figures, come from those with a lot to gain from falsifying them. In some months of the past year the Federal Reserve was blowing up the money supply at the fantastic rate of fifteen percent per annum.

As we have seen, it was that deficit-backed increase in the supply of money which bid up prices, with those first to get their grabby little hands on the government-counterfeited dollars (lately, that's been the "disadvantaged") being ahead of the game, and the latecomers who work for a fixed wage being severely behind.

The price increases which result in such situations are effects of government's causal policy of inflating the currency by expansive debt. And Mr. Nixon knows this—as is proven by the speeches he made when he was "out" wanting "in". If he had been really serious about controlling inflation, Mr. Nixon could, at the outset of his term of office, have embarked on an intensive campaign to educate the American people about the real nature and cause of inflation. To help him, he would have had all the vast resources of radio and television available to any President. He could have then ended federal deficit spending, thus halting the inflation of our currency.

He did not do such thing. Instead, a wail for price controls was orchestrated to crescendo in the Establishment press, while Mr. Nixon appeared to make a show of resisting the "spontaneous" pressures right up till the final coup de grace he administered personally on August fifteenth. Apparently Mr. Nixon wasn't the faintest bit interested in controlling inflation. His game is controlling *people*—which is what price controls really control.

As to what comes next, we can only wait with increasing trepidation. In his peroration of October seventh, which most listeners probably ignored as routine hyperbole, the President spoke of making "the most significant initiative in monetary affairs in 25 years", and replacing a "crisis-prone [world monetary system] of the past"—tied, however indirectly, to gold—"with a new system tuned to the future". He also spoke of "historic events" on the international scene, "events that could affect the peace of the world in the next generation, even the next century".

When would-be presidors over "a new world order" start talking about "great new eras", and "movement in challenge and change", watch out. Knowing what Richard Nixon has already wrought, and looking ahead to his crawl to Peking, we can only wonder what horrors are in store for a once-free America and its TV-stupefied people.

The Feds, you know, have already come up with a "co-operation" decal which price-controlled merchants and patriotic citizens may display in their windows. (No, Virginia, it's not a blue eagle.) The new decal, shown below, depicts a U.S. shield torn in half by a dollar pointed downward. That should give you a clue to what's coming.



The Social Crediter since its inception forty years ago has always been a journal of policy, not of opinion. It has been concerned continuously with political and economic realism, so far as reality can be perceived.

The perception of reality is always a matter of insight - not of reason. It is a direct vision of the whole which underlies the parts; of the pattern which underlies apparently disconnected events. What we call history (Definition: "Continuous methodical record, in order of time, of important or public events ...") the late C.H. Douglas, the author of the conception of Social Credit, characterised as "crystallised policy", meaning that the events recorded as history were to be understood only in terms of the policies which brought them about - or the conflict of opposing policies.

Douglas also perceived that there were only two fundamental policies operative in the world of events - policies deriving in their turn from two opposing philosophies, or conceptions, of the nature and purpose of Man. One conception is that the individual is simply an inter-changeable component of a larger unity, like the spare parts of a motor-car. This is the Collectivist-Materialist view - the philosophy of which Socialism is the policy. But to paraphrase George Orwell: even in this view, some men are more interchangeable than others. The characteristic of the Collectivist society is centralisation - a pyramidal power-structure, with those at the apex of power replaceable, as a rule, only in the event of death, from violent or natural causes. In other words, the car has a driver.

The second, and opposed philosophy - of which Social Credit is the policy - regards the uniqueness and increasing differentiation of the individual as of supreme importance, so that, in consequence, social organisation should be such as to enable each individual to fulfil his personal destiny (whatever it might be) with increasing ease and certainty.

For a full understanding of Social Credit the study of Douglas's original works is indispensable, and of course underlies the relevant commentaries on events which have appeared in The Social Crediter. .....

The present volume\* has been made possible by the foresight and generosity of a supporter in having printed extra copies of successive issues of T.S.C. We feel now, though, that the momentum of events is so great that this present generation will witness the greatest tragedy in human history - the culmination of a centuries-old Conspiracy. But just as medical practitioners preserve the lives of sufferers from 'incurable' cancers, lest research suddenly produces a near-miraculous cure (as happened in the case of infectious diseases), so we may hope that a wide-spread understanding that the evils that beset us are the outcome of conspiracy may yet give the Conspirators ultimate defeat.

---

\* Above is the Introduction to the specially bound volume of The Social Crediter (issues May 1970-December 1971 inclusive) which is therefore now available in handy form for reference. PRICE: £1.00 posted.