

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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Life and Death

Two and a half years have elapsed since the following article was published in these pages. It merits reiteration.

During the Crimean War, a Medical Officer kept a case-book of the casualties and illnesses he attended, and subsequently this was published. One of the cases was a soldier shot through the chest. This is a wound which gives rise to internal, rather than external, bleeding; but the effect is just as much an effective loss of blood from the cardiovascular system as when the loss is external. The patient becomes pale, weak, sweating, breathless, and has a failing pulse; and on these appearances the diagnosis can be made. The resources of surgery about a century ago were not sufficient for dealing with torn lungs; treatment was empirical rather than rational, and took the form of blood-letting—opening a vein and allowing blood to escape. This was intended to lower the blood-pressure, the *rationale*, such as it was, being that this would induce a fall of blood-pressure to a point where the internal bleeding would cease, thus saving further embarrassment to the breathing due to the accumulation of blood within the chest. The medical officer recorded that despite this treatment, next day his patient's condition was worse; and accordingly he performed a further venesection. Despite these efforts, the patient died.

The history of medicine is replete with similar misconceived pragmatisms, to which untold lives were innocently sacrificed. The germ theory of disease was, for a time, viewed as a dangerous heresy, and the practice of anaesthesia was conceived as wicked. We think today that we are beyond such superstitions; but in fact long-held beliefs are often even now almost ineradicable. And this is true pre-eminently of the so-called 'science' of economics.

The civilisation—Graeco-Roman-Christian—which at the beginning of this century held such glorious promise is visibly dying. For civilisation really is a form of life; it is organic rather than mechanical; like physical life, it evolves; forms of the present are rooted in forms of the past, and decay of its institutions leads to disease and destruction of the body politic.

The early promise of the twentieth century lay in the fruits of the industrial revolution. Revolution is not the right word, for what had happened with the harnessing of steam-power and electricity was a new point of departure for mankind. Before that, animal-power, water-power and wind-power were only a fraction of man-power, such as built the pyramids and the cathedrals, and human habitations from hovels to palaces and mansions. Ships which sailed the oceans were made by hand, and roads and bridges were constructed by sheer labour. Yet, in a few thousand

years, how much was accomplished and remained: the heritage of man.

The industrial revolution, or transformation, could hardly have been foreseen, any more than one with no knowledge of fruit-trees could foresee the orange in the pip. Yet it was an event of the magnitude of the onset of an Ice Age; it has transformed the globe as surely as glaciers have channelled and chasmed mountains. Change is an indication of force, and great change means great force. The force here is solar force, entrapped for the most part in fossil fuels, accumulated from the sun's rays over millions of years—and totally expendable in a matter of a few centuries.

One way we measure this force is in terms of horse-power; on this basis, and under favourable conditions (good mechanical and thermal design; efficiency in the scientific sense) one horse-power unit can displace about ten man-power units. But mechanical power can do more than this; it can accomplish tasks impossible for man. And the number of horse-power units available today is greater than the number of men. A comprehension of all this must lie at the root of any formal system of economics.

Yet the London Sunday press of August 16, 1970 contained a spate of articles on inflation, most of them resembling the pronouncements of witch-doctors on the plague. The Economics Minister, Mr. Carr, had said that Britain is faced with "economic disaster" if cost-inflation is not "curbed". One Eric Jacobs, in an article about wage "restraints" and "small pushes", provides a useful glossary [collection of glosses; list & explanations of abstruse, obsolete, dialectical or technical terms]: "Cripp's 'freeze' (1948); Macmillan's 'plateau' (1956); Thorneycroft's 'Three Wise Men' (1957); Selwyn Lloyd's 'pause' (1961), and 'guiding light' (1962); and George Brown's 'norms' (1965), 'standstill' (1966) and 'period of severe restraint' (1967)". Mr. Patrick Hutber, City Editor of the *Sunday Telegraph*, thinks the leprechauns have been at Mr. Peter Jay of *The Times*, who makes light of inflation, one of "the minutiae of economic management". *The Observer* pontificates on "The only way left to tackle inflation", which it characterises as an "alarming problem".

As treated in the Press and by 'economists', or anyway by "economists of repute" who would lose their reputation and their living if they did not conform to the prevailing mystique, inflation is a sort of mysterious disease of the economic system, incurable, as pernicious anaemia was once considered to be, but susceptible of curbing or restraining by one or another of a variety of measures (see glossary above). To the man in the street, inflation is an increase

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April, 1973

Eretz-Israel

The following letter was published in *The Times* newspaper of Feb. 23, 1973:

From Mr. Carol Johnson, Labour MP for Lewisham South, and Mr. David Crouch, Conservative MP for Canterbury

Sir, Recent utterances (reported in *Maariv*, and summarized in *Le Monde*) of General Dayan, who, as Minister of Defence, occupies a key position in Israel and who is in the running to succeed Mrs. Meir, justify the reluctance of Egypt and Jordan to enter into direct negotiations with Israel otherwise than on the basis of Resolution 242.

The Minister is reported as saying: "We now have the military power and, thanks to the immigration of Jews from USSR, the manpower also, to enable us to establish ourselves everywhere. . . We are therefore in a position to realize the historic aspirations of Zionism, and the dream, cherished by the Jewish nation over so many centuries, of establishing ourselves in the entire territory of Eretz-Israel. Let us not lose this historic opportunity, which the most optimistic had never dreamed of."

He added that the planting of Jewish colonies ought to be "extended and accelerated". He then maintained that the settlers would have only to wait until their enemies resigned themselves to the acceptance of what they considered to be a usurpation, and concluded that there was no justification for "the arguments of those who favour Israeli withdrawal from the occupied territories and other Israeli concessions".

It should be remembered that it was General Dayan and his militarist colleagues who overruled Mr. Eshkol in March, 1968, and forced him to withdraw his announced acceptance of Resolution 242. On the basis of our experience of the Middle East, we believe that such attitudes make peace impossible in the area. We urge our Government to take the initiative in seeking a unified position in the European Community behind the Security Council resolution as the

only avenue to the durable settlement which our own interests in Europe demand.

Yours faithfully,

CAROL JOHNSON,

DAVID CROUCH,
House of Commons.

February 20.

Those who have read the late C. H. Douglas's "*Whose Service Is Perfect Freedom*", originally published in *The Social Crediter* beginning in June 3, 1939, and republished as a whole in *The Fig Tree*, March 1955, may recall that very shortly after the outbreak of the Second World War Douglas stated the "real as distinct from the proximate objectives of the present war" (he had previously analysed the objectives of the First World War):

"(1) The establishment of the International Police State on the Russian model, beginning with Great Britain.

"(2) The restoration of the Gold Standard and the Debt System.

"(3) The elimination of Great Britain in the cultural sense, and the substitution of Jewish-American ideals.

"(4) The establishment of the Zionist State in Palestine as a geographical centre of World Control, with New York as the centre of World Financial Control."

The post-war elaboration of these objectives has been continuously depicted in T.S.C., and may be conveniently followed in the books *Development of World Dominion*, *The Moving Storm*, *The State of the World*, and *The Survival of Britain* (K.R.P. Publications and Tidal Publications).

The S.C.M. Takeover

The recent history of the Student Christian Movement shows "how a body which had evangelical beginnings can be thoroughly de-Christianised and taken over for the purpose of revolutionary politics." (*East-West Digest*, February 1973). The article shows how the Movement has so changed that it "currently offers members a 'Teach yourself Marxism' course" while one of its magazines carries a picture of Marx and refers to him as "the master".

The SCM originated in 1892 for "the evangelisation of the world", but within twenty years it had turned its attention to the evils of society. Charles Gore (later Bishop) founded the Community of the Resurrection in that year, and called on Christians to identify themselves "with the positive ethical ideal of socialistic thought". Doubtless the Church of the day was complacent, but the SCM at least looked in the wrong direction for remedies.

The process accelerated when Bishop Ambrose Reeves became General Secretary in the early 1960's to be followed by the Rev. David Edwards, now chairman of Christian Aid and rector of St. Margaret's, Westminster. The Rev. David Head, a Methodist minister, followed Mr. Edwards in 1966, and during his six years' tenure of office the SCM's "commitment to revolutionary politics" intensified. The Standing Committee in April, 1972, declared itself

committed to "the struggle for a new society—working for the breakdown of our present capitalist society."

This organisation, not surprisingly, directed itself against the whites of Africa. The SCM Press Ltd. published in 1969 the Mason report which held that "there was no solution to the South African problem other than armed rebellion." The SCM also in 1969 joined the Dambusters Mobilising Committee which aimed to "arouse public opinion against the Cabora Bassa Dam Project in Mozambique" on the grounds that it was an attempt to consolidate white power in Africa. This led to attacks on Barclay's Bank.

Dr. Basil Moore, a South African Methodist, banned from the Republic for five years, succeeded Mr. Head. The article asks whether the SCM will rediscover Christianity in view of advance publicity for the January, 1973, conference which admitted, "We have found that we cannot live by Marx alone and that there are spiritual dimensions which we would affirm but have hardly begun to explore". This could either mean, put in another way, that some SCM members are tired of being used as a tool of Marxism, or that Marxism has no further use for them.

The SCM Press has recently published a report of a working party set up by the British Council of Churches called *Search for Security* which, dealing with such matters as defence and disarmament, comes to the conclusion that the UN "represents the most coherent and concrete endeavour on a global scale towards community or peace". This I take it implies yet further reduction of British sovereignty. (*Church Times*: Feb. 23, 1973).

The SCM of course is only one of several penetrated organisations. We read in the same issue of an assembly in Puerto Rico, arranged by a subsidiary of the World Council of Churches, on the question of how Churches can engage in "political action for development". The conference is to study "ways of action which are effective".

Meanwhile the attack on anyone who produces anything, particularly in Africa, continues merrily at the General Synod of the Church where the Rev. Paul Oestreicher asked whether the Central Board of Finance was holding shares in Consolidated Goldfields Ltd. "in order to bring pressures on them to modify policies based on racial discrimination". Mr. Oestreicher, who made further allegations about conditions of employment by the firm, said that a "censure motion on the CBF might be considered". Yet he would doubtless have no criticism for the conditions or objects of employment of the destructive 'liberation' forces in the African continent, let alone for workers in the vast territories presided over by the Master Marx. —H.S.

Over to You

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.

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Life and Death

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in the cost of living, to be combated by an increase in income. To the 'economist', increased incomes means "too much money chasing too few goods", a "cause" of inflation, on the one hand; and on the other, a variety of inflation known as "cost-inflation".

In fact and in short, however, inflation is pure robbery.

Leaving aside such contemporary shibboleths as population explosions, the most fundamental economic fact is that man, like every other animal, can support himself—indeed, must have done so before the invention of the earliest tools. With the coming of tools, and even more with the development of co-operation between individuals or groups, the effectiveness of individual effort, or work, was progressively increased. Moreover, there began an accumulation of the products of past efforts; tools have a certain longevity, as do various constructions, such as houses. The use of accumulated resources again increased the effectiveness of individual effort. This continuing process can be summarised in the expression that continuing invention and accumulation progressively increased the purchasing-power of individual effort, in exactly the same (non-financial) sense that the use of a lever increases the purchase of muscular power.

An entirely new factor (multiplier) enters with the application of mechanical power (mainly through the combustion of fossil fuels) to the processes of production. On the simple basis noted above, that one horse-power-hour can replace ten man-power hours, it can be seen that the real purchasing-power of human effort is constantly increasing as further energy is harnessed.

By the beginning of the twentieth century, the industrial revolution, in principle, was largely accomplished. No doubt the distribution of the product was inequitable, but the fundamental reason for this was the concentration of resources on the expansion of the industrial base, and the development of overseas resources—an excess of exports over imports is always and necessarily a net physical loss. However, the continuous expansion of the industrial base provided the means for lessening inequalities.

Now suppose that in the year 1900, all incomes had been fixed, but at the same time the prices of goods to consumers had been continuously reduced—that is to say, inflation in reverse. That would be an exact reflection of the physical fact: that the harnessing of extra-human energy increases the purchasing power of human effort. In these circumstances, inequalities of incomes would become progressively of less significance, while still reflecting the hierarchy of natural abilities.

If, at the present time, everyone's income were doubled, with no increase of prices to consumers, a great deal of the provocation to social disorder would disappear. But precisely the same effect would be achieved if incomes remained as they are, and prices were halved. Either course would no more than partially rectify the situation brought about by decades of inflation; but at the present time, neither course is practicable, because economies are oriented to excessive capital production. But it would be practicable to set a policy of steadily reducing prices, thus continuously increasing

effective purchasing-power in the hands of consumers; and this would in itself gradually effect a re-orientation as between capital and consumer production. That the basis exists to meet a significantly increased consumer demand is borne witness to by the intensity of advertising; there must be few firms or industries which would not be capable of increasing their capacity to meet an *assured* consumer demand.

All this is not in the least degree theoretical. It is a matter of life or death as a nation and, in all probability, a matter of life or death for huge numbers of individuals.

Was Mr. Carr indulging in empty rhetoric when he warned of economic disaster? And if not, what did he mean?

There is absolutely no possibility of preventing price rises if increased pay claims are met, *under present accounting procedures*. All costs go into prices, and total wages are far greater than total profits. To talk of "voluntary restraint" is mere empty mouthing, for the demand for an improving standard of living is quite correctly based on an intuitive perception that the physical basis for it exists. So that Mr. Carr's warning is better put in the form: "Unless the accountancy system governing wages and prices is rectified to ensure a continuous improvement in purchasing power to reflect the potentialities of industrial productive *capacity*, disaster, both economic and physical, is certain".

Now, the real trouble is that the problem is not primarily an economic one at all; it is a political one. As *The Times* remarked recently of the British, "We are not our own masters". This means, of course, that *any* British government is not the arbiter of the policy it follows. *The Times* even names the real master: the International Monetary Fund. So the situation is that the British Government is under duress to continue a policy which, as Mr. Carr quite well sees, *must* lead to disaster. So there really is nothing else for it but to defy the duress and change the policy.

The solution to the economic problem is, in principle, simple: internal financing should be separated from external financial transactions so that, for example, a 'run on sterling' would not affect the internal economy. Efforts should be made to renegotiate international debts, which in fact have their origin in war debts in wars in which Britain 'won', but was forced to pay for. The I.M.F. does not really want the repayment of debt; money paid would be set against debts, and cancelled out of existence. What it does want is control over British policy, and that fact should be given maximum publicity. For how is it that Germany and Japan, the 'losers' of the war, are two of the most prosperous nations?

British internal financing should be based on British industrial *capacity*, along the lines proposed in the Draft Proposals for the Republic of South Africa, published in this journal on June 27 and July 11, 1970. To the extent that it is necessary to repay overseas debt (which in the last resort can only be done by exporting goods and services), what can suitably be exported should be sold at cut prices, the apparent monetary loss being compensated by subsidy from the National Resources account.

Lower taxation and a falling cost of living, combined with a proper explanation of the new policy and the reasons for its adoption, together with an appeal to patriotism in a situation which in actuality is essentially a military one ("War is

the continuation of policy by other means"—Clausewitz) would probably restore British morale just as the threat of German conquest did.

This article is not put forward as a panacea, but as a, probably final, attempt to inject some realism into the conduct of British affairs. The condition of the British people has, on the whole, worsened under every government since the First World War; and in relation to the possibilities over that period of time, almost immeasurably worsened. The reason, of course, is that every government has pursued substantially the same policy. It has brought the British to the point where economic breakdown, anarchy, and finally revolution (which of course would be supported by the Soviets: that is the point of Marx-Lenin-Stalin-Brezhnevism) is a probability well within the normal life-time of the present Parliament. It is already apparent that the Heath Administration is realising that it is not going to be able to fulfil the expectations of the electorate, and that it is having to hedge on its promises. If that realisation proceeds to the point of comprehending that only a completely radical change of policy can avert the disaster Mr. Carr foresees, a disaster which would mean the stone end of the Conservative Party, and probably the eclipse of the British *as a nation*, perhaps its virtual destruction, there may be a glimpse of hope. This century has already seen mass deportations and exterminations. These were not due to the human nature of the Common Man, but to the power of organisation which could fling masses into conflict—a process intended to culminate in the final emergence of a single World Government and the elimination of national sovereignties—the death of nationhood. Some idealists think this is a good thing, but such catastrophic means can only end in ultimate Evil. And already that end is visible. It looms in the Middle East, and in the increasing war against Southern Africa, and in the renewed German-Soviet Pact.

If the Heath Administration ignores this warning, then it will be because "*Quem deus vult perdere, prius dementat*".

R.I.P.

We remember gratefully Mrs. Hilda Clifford and Colin Hurry active friends who gave thought and support for many years.

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