

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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BRYAN WILLIS MONAHAN

1910 — 1981

IT IS WITH THE DEEPEST REGRET
THAT WE RECORD THE DEATH OF
DR. BRYAN W. MONAHAN
ON SUNDAY, NOVEMBER 1.

Like Major C.H. Douglas and Dr. Tudor
Jones before him, he desired no obituary.
His works are his epitaph.

*"His sword is for him who can use it . . . and the Trumpets
sounded for him on the other side."*

Why I am a Social Crediter

By BRYAN W. MONAHAN, M.B., B.S.

THE FIRST SIX PARAGRAPHS OF DR. MONAHAN'S TREATISE,
WHICH FOLLOW, GIVE THE GENESIS OF A DEVOTED LIFE TO
SOCIAL CREDIT.

When as a medical student I reached the study of pathology, I found that one of the exercises set by my professor was to write a paper on the course of the illness of a patient who had died, and on the post-mortem findings, and on what was known of the nature of the disease which had

caused his death. The case which I had to deal with was one of pernicious anaemia; of the cause of this, at that time, really nothing was known. There were in the text-books a number of theories concerning this cause, and all of these were unsatisfying. But we were supposed to read beyond the text-books. We had to go through various journals with the aid of a cumulative index and collate the research being done all over the world on the pathological mysteries of the time. Eventually I found some recent work which was instantly recognisable as having approached the true fundamental cause. My exercise now acquired an altogether new significance and interest. I remember clearly my excitement and pleasure as I read my paper to my fellow-students, and their interest too in the virtual solution of an old problem. It was after that that the treatment of pernicious anaemia with liver restored the ill to health and saved many from premature death.

In the many years since then I have seen a number of these fundamental discoveries made and applied, and I have for long been impressed with how, in many cases, the truth, when disclosed, is quite definitely recognisable.

As a student I had to live away from home; but I returned home by an over-night train journey for my vacations. Thanks to the depression, I had to sit up all night on these journeys, and miserable experiences they were. But shortly before one of these trips, I saw Douglas's *Economic Democracy* on a friend's book-shelf, and idly took it down and turned a few pages. The subject matter was something quite unfamiliar to me, but it caught my interest, and I asked to borrow the book. I read it on my train-trip, in one session and far into the night.

Apart from the inconvenience of my reduced allowance, I did not at that time take any interest in the depression. I remember that my scientific training made me scornful of the idea that it was due to sun-spots; but probably some other of the now clearly absurd theories then current seemed satisfactory enough. So I read *Economic Democracy* not in the hope of finding a remedy for the depression, but purely from intellectual curiosity; I wanted to know what the author meant by the term.

Economic Democracy was written long before the depression; nevertheless, to anyone who could grasp its thesis it provided an instant understanding of the depression. That was of considerable interest and importance, no doubt, but it was not what made the impact on my mind. What possessed me was the fact that *Economic Democracy* represented a perfectly unitary concept of the greatest profundity. It was clearly the key to an understanding of diverse problems of political economy.

So it has proved. History appears to the Social Crediter as crystalised politics, as Douglas put it, and no longer as a string of disconnected and unrelated episodes. . . .

Our condolences go to Dr. Monahan's wife and to his family.

THE SOCIAL CREDITER FOR POLITICAL AND ECONOMIC REALISM

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The Social Credit Secretariat

Forming part of the Statement of Constitution of the Social Credit Secretariat, two of the Regulations read:

- "10. If there be no Advisory Chairman, the Chairman shall appoint a General Deputy Chairman."
- "11. In the event of the death or incapacity or resignation of the Chairman, the Advisory Chairman, if any, shall appoint a successor; otherwise the General Deputy Chairman shall succeed as Chairman."

There being no Advisory Chairman, with the death of the Chairman, Dr. B.W. Monahan, by succession, Mr. H.A. Scouler becomes Chairman.

Subscriptions

To relieve Mr. Ken Macdonald, of Melbourne, who has been responsible for subscriptions and mailing lists for *The Social Crediter* since publication was transferred to Australia in 1955, and who now finds it difficult to continue due to personal affairs, Mr. Bill McGurgan, of Sydney, has agreed to take over this voluntary work.

In future all matters dealing with subscriptions should be addressed to Tidal Publications, 11 Robertson Road, North Curl Curl, N.S.W. 2099.

We thank Mr. Macdonald for his years of voluntary service.

R.I.P.

An old friend and supporter of the Social Credit Secretariat, Fred Jones, of North Perth has died at the age of 94.

Some years ago he referred to a fellow Western Australian Social Crediter who visited Douglas and asked him had he a message to give fellow Australians. Major Douglas's reply was yes! Give all the help you possibly can to Dr. Monahan.

Mr. W.J. Sim of Aberdeen, who was in his 90s died on the 15th September, 1981.

Of wide and beneficent influence, he had a warm personality. He was a Director of K.R.P. Publications Ltd., England, and was a staunch friend of the Social Credit Secretariat.

Programme for the Third World War

By C.H. DOUGLAS

THIS TREATISE, WHICH FIRST APPEARED IN THESE PAGES BETWEEN APRIL AND AUGUST, 1943, WILL NOT BE FAMILIAR TO MANY OF OUR PRESENT READERS. FOR OTHERS A RE-READING SHOULD PROVE ENLIGHTENING.

I DON'T know if there are any readers of these words who believe that if Adolf Schickelgruber, better known as Hitler (but perhaps more correctly described as Rothschild), had, in the inscrutable wisdom of Providence, been dropped from a second storey window at an early age, there would have been no World War. There may be. There are kindly people who believe that Henry the Eighth had six wives because he was just unlucky, and that Mr. Anthony Eden goes to Washington at critical periods because he belongs to the Society for the Propagation of the Gospel amongst the Christians.

But to any such, I will render the only service to them in my power. I advise them not to read any further. For in this matter, to suppose that the cure for war is to make it impossible for anyone to wage war, is to concede victory to the organisers of the great wars of, at least, the past two hundred years. War is a terrible affliction—none of us at this time is likely to overlook that. But the danger which threatens us is that, in sheer horror of ever more devastating and, so far, completely inconclusive wars, we may surrender to a slavery so far-reaching and irrevocable that its contemplation is a glimpse of hell. Or, shall we say, we are faced with the permanent enthronement of Might divorced from Right, without Might risking even a kick on the shin.

That is, of course, the inescapable alternative so long as we are content to accept the present situation as a war between the Axis Powers and the so-called United Nations. No prize fight promoter was ever put out of business because the contestants were both battered into insensibility and remained permanent wrecks, more especially if he was in a position to arrange that likely bruisers should starve or fight. Anyone who cannot see that the depression of 1929-33 is of a piece with the re-arming of 1933-1939, or who will believe the nursery tales concerning the "Men of Munich" and their efforts to defeat the promoters, can only pray that they may be preserved from foolish speaking.

But there are encouraging signs that prize fights are not taken quite so much at their face value. Without pausing to recall the various reasons which were adduced for the comparatively localised wars of the nineteenth century, and previously, it may be noticed that our wars are, if bloodier and more devastating, proportionately more high-minded and mystical. It may be remembered that the earlier, or 1914-1918, phase of the present war was fought for the purpose of making the world safe for democracy. Democracy in the abstract having been so far removed from Democrats as to be virtually unassailable, and, like a certain well-known brand of whisky, still running and ten times the price, we are now lending to defend the right to be free, thus enthroning Freedom with Democracy, while bringing Magna Carta and Regulation 18B within the orbit of the Lease-Lend Agreement. Hypocrisy being the tribute which vice pays to virtue, we

may at least hope that it shows some indication of becoming more expensive. And it will be noticed that the "B."B.C.'s strongly marked religious fervour (combined with State Socialism) has, with unerring instinct, realised that the primary British need to hear about the weather, which enabled a Hymn to be administered at 10-30 a.m. in "peace" time before the Weather Bulletin, has now been transferred to the curious craving for information as to the exact number of inhabited but unnamed localities freed by our Russian Allies. So we have our Hymn and Alleluia at 7-59—practically a certainty. You get your dose.

While there appears to be a widening comprehension that the actual labels of the contestants do not indicate the destination of the major stakes involved, it is nothing less than astounding to observe the inability (to give it the most charitable interpretation) of even the more favourably placed commentators to see the facts which are available to anyone. For instance, Mr. W. Herridge, for some time Canadian High Commissioner in Washington, is sure that we have to do thus and such, or the next war will be between Fascism and Communism. To assess the value of this prevalent idea, let us examine the origins of Fascism and Communism.

II

Most crooks in a big way are Saviours, although, through the ages, at long intervals, there have been Saviours who were not crooks. These latter can generally be identified by the fact that they are unpopular until a long time after their, in the main, violent death. But we are not now concerned with them.

Al Capone saved both the whisky business and the American sufferers from the local urge to mind other people's business and provided the excuse for setting up the American Gestapo, Herr Schickelgruber-Hitler-Rothschild is saving Europe from Bolshevism and providing the opportunity for America to reconstruct Europe and Signor Mussolini has disposed of plenty amidst poverty. The list is in no way exhaustive.

The technique of this saviour business is simple and was well understood by Robin Hood, who took all you had, and gave you back your car fare. Modern Chancellors of the Exchequer, beginning with Mr. Lloyd George who took ninence from us all and gave some of us fourpence back, subject to tax, regard it as the core of Finance. Generalised, the idea is to arrange an intolerable situation, and save you from it at the cost of accepting one barely tolerable. You are threatened with going all the way to Moscow, if you don't agree to go half way to Moscow. If you don't like Churchill, try Emmanuel Shinwell.

In considering the probable slogan for the next World War now so confidently predicted in well-informed quarters as a preliminary to giving up some more freedoms to avoid it, we shall, I think, be well advised to look at the well-tried principle just enunciated, and to consider whether any developments of the pre-1914 and pre-1939 periods are common to the "improvements" which have been introduced into civilisation, and whether they appear to follow the standard technique. Such an enquiry will be found to provide somewhat remarkable information.

Now, *once you have surrendered to materialism*, it is

quite true that economics precedes politics, and dominates it. It is not in Bolshevism, Fascism, the New Deal, and P.E.P. or the London School of Economics Fabian Society that we shall find the origins of what we are looking for. These are ostensibly political systems, and derive from, rather than give birth to economics. While this is obvious and axiomatic, it is not so obvious, although equally axiomatic that the principle works both ways. That is as much as to say, *if you can control economics, you can keep the business of getting a living the dominant factor of life, and so keep your control of politics—just that long, and no longer.*

Now let us look at the developments in economic control. Don't confuse this with technical progress, with which it has nothing whatever in common. Probably the most important aspect of this subject is one with which the general public is completely unfamiliar, although some of its component members might be interested to know that the curious, illogical, and immensely publicised attack on what is called "the profit motive" is designed to provide what Lord Stamp called suitable psychological preparation. To the small circle familiar with the subject, it is known by the innocent title of "management control."

It may perhaps be remembered by those who notice such things that one of the usual and effective replies to the complaint of oppression by large corporations, banks, railway and public utility companies, *etc.*, is that the average shareholding in them is of the order of a few hundred pounds. The personal control of the partner or majority stockholder has been replaced by the small shareholder. The argument is of course exactly the same as that which measures democracy by the percentage of the population having votes. That is easy to apprehend when your attention is drawn to it. What is not so easy, and requires a good deal of technical knowledge of a highly specialised kind, is to understand the rapid and extensive, and very silent revolution which has been taking place in the legal power of the stockholder over an undertaking for which (on the idea of the reality of money) he provided the capital. Since most of this alienation is the work of German-American-Jewish lawyers, commonly called Corporation Counsel, it had, up to the outbreak of the present hostilities, developed further in Germany and America than in Great Britain. Possibly with the able assistance of Mr. Benjamin Cohen, Jr., of the U.S.A., who has been here for some time, there are signs that we are catching up, and the organisation of the Bank of "England" is clearly devoted to it.

However that may be, it is patent that the separation of ownership from control, which is a feature of stock dispersal and legal devices such as voting trusts (one of which has just been constituted by Sir Stafford Cripps, Minister of Aircraft Production, in respect of the arbitrary acquisition of Messrs. Short Bros.), proxies, and other devices, is being pursued systematically in regard to industrial property, just as it is, under the agitation for "nationalisation," in regard to land and credit.

It would take us much too far afield to pursue this aspect of the policy into its amazing ramifications. But two results are significant. The first is that the shareholder is at the mercy of the stock-market. His connection with what was originally his property is little more than the loose expectation that a group of men, who have nothing to expect from him and little to fear, will consider his interests, which they are continually told by the "B."B.C. and the Archbishops, are dubiously moral. Most shareholders would agree

that they don't get much consideration and will get less. If his stock is not exchangeable for valuable considerations (and who controls the Stock-Market?) he is expropriated.

The second is that he can have no say in the use that is made of "his" property. It becomes, in theory, the tool of a neutral technocracy, but anyone of ordinary common sense knows that it obeys the policy of whoever appoints the management. Let us say, capturing export trade. It is the International Banks who appoint the management.

This systematic separation of control from ownership and responsibility began in Germany during the days of Ballin, Rathenau, Bleichroeder, Deutsch and others of the Jewish ring of bankers and industrialists who surrounded the Kaiser. It was transferred to the United States by the Warburgs, Schiffs and Strausses with such lawyers as Felix Frankfurter assisting. The core of the idea is power without responsibility. You cannot effectively punish a corporation or sue a Government Department.

It should be noted that this technique was highly developed many years before either Bolshevism, Fascism, the New Deal, or P.E.P. were heard of. Bearing this in mind, we are in a position to follow the technique into governmental systems, and to consider the activities of various contemporary (if temporary) celebrities.

(to be continued)

Booklet available price 75p posted from:
26 Meadow Lane, Sudbury, Suffolk.

The Question

The following letter was addressed to the Editor by Mr. John Mitchell, 10 Dippenhall Street, Crondall, Farnham, Surrey GU10 5NX.

The attached "THE QUESTION" is related to two articles which are, I understand, to be published in the September and October issues of *Liverpool Newsletter*.

The articles centre on a forecast of the late C.H. Douglas made forty years ago: "Events will defeat them . . . The time would come when the Government would be faced with a 'super crisis', and would have to choose irretrievably between such intense centralisation as it would wish to escape and decentralisation of policy. The acceptance of the need for this policy would be the beginning . . ."

Just such a 'super crisis' confronts a British Government today. Judged 'by appearances' many people would reject as absurd the idea that the present Government could react in that way. Appearances can be deceptive.

The best way to assist a Government to take such a decision is to put up a crystal clear statement which anyone can follow, supported, not by technical argument which few can follow and which is divisive, but by indisputable *authoritative* assertion. Then to demonstrate that it is unanswerable by issuing a challenge to Government and MPs which they cannot answer.

To be effective that challenge needs to be widespread. This is an invitation to you to help make it so.

• • •

THE QUESTION FOR MRS. THATCHER TO ANSWER

TEXT OF LETTER TO SIR RAYMOND PENNOCK,
PRESIDENT OF THE CONFEDERATION OF BRITISH
INDUSTRY CONCERNING LETTER FROM HIM PUBLISHED

IN THE DAILY TELEGRAPH ON 11th OF SEPTEMBER, 1981:-

'Successive governments have said that high wage rises have been paid with what they call "confetti" or "suitcase" money, meaning financial credit created by the banks ("Every loan creates a deposit" - R. McKenna, former chairman, Midland Bank). The important point is that this money is already being used.

'At present it is issued as a loan. What would happen if it was issued as non-repayable credit at cost price? There are two possible objections:-

1. "It would raise costs, and so prices." This objection has been disposed of by our survey of firms of chartered accountants: it is *the repayment* of bank credit loans which creates the financial costs which necessitate price rises, not the money per se. Out of one hundred firms* we have asked about this we have not found even one who will deny that this is correct.
2. "The goods and services will not be available to absorb the extra purchasing power." You, Sir, who as President of the C.B.I. are in a position to know, have disposed of this objection by saying: "Industry has sufficient capacity to absorb a very substantial increase in demand. Volume is presently 15 per cent lower than it was two years ago."

'In our covering note to the attached letter (see overleaf) [†] to the accountants we said: "The same, or a smaller, amount of bank credit than is at present being used on wage rises, if issued on a non-repayable basis to pay for Government expenditure in lieu of, say VAT, would result in:-

- 1) A greater increase in consumer purchasing power than wage rises (which are cancelled out eventually by price rises).
- 2) An actual lowering of prices.
- 3) The elimination of pressure for wage rises.

'THE QUESTION: Can you give me a good reason why non-repayable bank credit should not be used in this way?

Yours faithfully,

John Mitchell

(Chairman, National Campaign Against Inflation and Chief Executive Member, The 'Our Country, Our Credit' Group)

THE QUESTION: Sir Raymond Pennock has given no reason at all.

Action Recommended: Write to Mrs. Thatcher and press her to reply to THE QUESTION; ask your MP to press her; ask your MP for his reply; ask local political and other bodies to press for a reply.

The Mystique of Inflation

It would, we think, be fairly obvious that the approximate figures given for average household incomes in the middle of the second column of page 2 of our last issue were per person.

* A list of these one hundred firms, with addresses, can be obtained from Mr. Mitchell for 40p including postage.

[†] This letter is not published here but should be available from Mr. Mitchell. — Ed. T.S.C.