

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### THE CRAFTSMAN

Tactics are weapons, and weapons are tools. Of tools, Major Douglas has said in a memorable phrase "A bad workman does bad work with any tools, and, in addition, spoils good tools". Dr Tudor Jones has asked, "Was it not once the last task of the apprentice to use his master's tools to make his own?"

Monetary reform, too, is a tool — the master's tool — but it is not, and never was, the *work*. So that particular tool in the hands of a bad workman, has been spoilt; and in the hands of good workmen, but on the other side, it has been used for work not ours, and even, and predominantly, to spoil our work.

What is true of monetary reform can be true of other tools — techniques. We have a work to accomplish; *to make the individual secure in his rights* (our emphasis). If, to do this, we cannot make our own tools, there is at least a way in which we can make the tools we use our own, that we may use them with respect for the master's tools, and love for the work.

It is said of Guy de Maupassant that he learnt his mastery of writing through what was essentially a series of local objective campaigns. Taking, from life, some fragment, he would write it again and again, until his words should mirror the reality, and he, through mastery in small things, could grow to be a master. The essence is in devotion to the objective, with the will to achieve it, and the integrity not to give up, or go past it, until the technique it implies is won.

All might be masters of anything, and none of all. Humanity extends along that scale. Capacity is quantitative, not qualitative, so that time enters into achievement. William James has put it well: "If he keep faithfully busy every hour of the working day, he may safely leave the final result to itself. He can with perfect certainty count on waking up some fine morning to find himself one of the competent ones of his generation, in whatever pursuit he may have singled out. Silently, between all the details of his business, *the power of judging* in all that class of matter will have built itself up within him as a possession that will never pass away."

Inseparable from mastery is obedience. The work imposes its discipline in the end. The master has learnt the discipline, and who will may learn from him; who will not, will learn the hard way. Until he learns, he will be a bad workman, and the tools he uses will suffer, and his material will be ruined. We have within us the power to incarnate the things of the Spirit in the structure of the world; and that is our task; for Social Credit is applied Christianity. But "Good will always be vanquished by evil, so long as evil understands its tools better than good; but if good can only be taught to use its tools correctly, the good will vanquish evil. And what I mean by good is something which is just as much in the nature of things, as gravity is in regard to physics."

— Bryan W. Monahan, *The Australian Social Crediter*, 15th December 1945.

### COMMUNIST CONQUEST

A document recently received from U.S.A. contains an article by Dr John Whitehall entitled "Consequences of the Communist Conquest of South Africa". Dr Whitehall speaks of the book "Africa; Progress, Problems, Prospects" by Anatoly Gromyko, head of the Soviet Academy of Sciences Institute of South Africa, published in 1983 by the official "Progress Publishers" of Moscow.

Gromyko stresses that the United States is not alone in its dependence on the strategic minerals of South Africa. All the NATO countries share this dependency. If the Soviet Union controlled South Africa, the U.S.A. would be dependent on the Soviet Union for much of the materials that are used in modern industry and defence.

Platinum . . . is a catalyst in chemical reactions that are involved in refining oil; it has a great resistance to corrosion, a very high melting point and high electrical conductivity . . . is therefore used extensively in electronics. Vanadium is added to steel to increase its strength and resistance to high temperatures. Manganese is essential to the manufacture of steel. . . . Chromium is absolutely necessary for the manufacture of stainless steel. Diamonds . . . have strategic value . . . are used industrially as cutting tools. Without an adequate supply of these materials, the United States would be unable to manufacture the steel for guns, ammunition, ships and other defensive armaments.

Control of South Africa by the Soviet Union would assure virtual control of all African countries as far north as Zaire. The economies and employment of all the countries of Southern Africa are intertwined . . . one million foreign blacks find employment in South Africa and send money home to millions of dependents.

If South Africa were to fall to the Soviet Union, it is most probable that the whole African continent would soon become subject to communist terror. The Soviet Union already has a significant military force in Ethiopia in the north and Angola and Mozambique in the south.

#### African Suffering

The prospect of Soviet conquest of South Africa is of enormous strategic importance to the U.S.A. and its western allies; it would be of great human importance to all Africans. It is not unreasonable to fear that the inefficiency, corruption and genocide that characterise Ethiopia would be experienced throughout the continent and thereby the suffering that is already so prevalent would be increased.

Communism has not produced abundance and liberty in any country. On the contrary, it has produced scarcity of food, characterised by rationing, scarcity of intellectual freedom characterised by censorship, and universal imprisonment characterised by inability to emigrate. Above all, it has produced massive regimentation and militarisation.

The Soviet conquest of South Africa would cause a major tilt in the balance of world power in favour of the Soviet Union. The stakes are high.

— Newsletter, 1st July 1986, from "Christian Anti-Communist Crusade", Long Beach.

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## SINGLESTICKS

We need not question whether it is possible that after more than seven years in office, a Prime Minister of Great Britain can remain ignorant of the "effective power" operating world-wide to impose an invulnerable World Government on the nations of the earth and, furthermore, fail to have discovered the identity of that power grouping, the immediate objective of which is control of the world's raw materials. Documentary evidence for this exists in such volume that further elaboration here is unnecessary.

It is an obvious next step to investigate and enquire into the mechanisms that keep everything in place for the "effective power" to ensure ever more centralisation of the world's affairs. But what action can then be taken? If Prime Ministers are not to be reduced to office boys (and girls) the nation must be asked by someone whether ultimate centralisation in World Government is what is wanted and, disclosure of the facts as known by the British Government must be made so that alternative proposals are put to a sovereign people to decide. The mechanisms referred to must be altered.

When we witness the immense power being mobilised against South Africa we can appreciate that the "effective power" will not find it difficult to eliminate mere politicians who step out of line, whether they be Prime Ministers or Presidents. But politicians and especially Prime Ministers are in peril in any case for sooner or later they answer for the economic and other consequences of imposed policies, the direct cause of our distress these past decades.

We can but trust, therefore, in such qualities as integrity and patriotism and make our appeal to those we consider have such qualities. And what appeal? We know that physical resources are more than adequate to "GIVE us our daily bread" and our appeal should be just that, as many of us pray to our Maker. The Prime Minister must dare to challenge the "effective power" for Britain's sake and for the sake of Britons. But we too must each play our part and let it be known that money must be our servant and not our master.

## THE ALTERNATIVE FINANCING

### The Public Sector Borrowing Requirement and Value Added Tax

For most goods and services other than food, Value Added Tax adds a premium to prices at the point of sale, i.e., a "National Premium" which is the direct opposite of a National Discount. All the administrative machinery for operating V.A.T. (*or any reduction in the rate*) has been established by statute and is in being and functioning. In 1984 (latest figures available) V.A.T. at 15% raised £18 billion of revenue. In other words, retail prices and hence the Retail Prices Index were *inflated* to that extent. In 1984, the National Debt increased from £122 billion to £133 billion (up £11 billion) and the debt charges rose from £11 billion to £12 billion. (Source: Annual Abstract of Statistics 1985. Figures rounded up or down for simplicity).

On the basis of these figures:

1. If the current level of the Public Sector Borrowing Requirement of approximately £8 billion were to be alternatively financed by debt-free "Treasury Credits" (the Public Sector *Credit* Requirement), the total planned Government expenditure of £144 billion would not thereby be increased, but £8 billion of additional National Debt would be avoided and interest charges of approximately £800 million *per annum* (@ 10%) would be saved to the taxpayer. That is the equivalent of 0.75% of V.A.T. The crucial point is that the all-important precedent of debt-free money *created on Government account* would have been established.
2. Thereafter, by extension of the principle, additional debt-free Government credits would enable V.A.T. to be progressively reduced and eventually transformed into a National Discount. The cost of abolishing V.A.T. is £18 billion approximately, the equivalent of its "take" in 1984 plus subsequent increases. Its reduction to zero would be accompanied by progressive price reductions as the tax on sales was reduced with corresponding reductions in the Retail Prices Index. Hence also (other factors remaining equal) the rate of inflation would fall steadily to zero and then to a negative value, reflecting the increasing value of the £ sterling. Lest it be thought that the additional £18 billion to the money supply would itself necessarily be inflationary, it is pointed out that the money supply as measured by M3 increased by £14 billion between 1982 and 1983 and by a further £15 billion between 1983 and 1984 while the rate of inflation remained stable at about 5%. It has since dropped further, showing that money supply, which has continued to increase, is only one factor in the equation.
3. It will be obvious that amending the V.A.T. rate from zero to a negative value would in fact establish a National Discount on all goods and services now subject to tax, which could be extended without difficulty to items at present untaxed, such as food.

### SUMMARY — The Limited Objective

Can we inject the concept of debt-free money into the thinking of the Government? The Conservative Party is reported as being addicted to "sound money". Can it be demonstrated to a sufficient number of key personnel that their present concentration on limited borrowing is misplaced zeal and is a self-inflicted handicap on their other policies of reducing taxation, reducing so-called "unemployment", improving social services, etc. Can we

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## FROM DAY TO DAY

### “Effective Measures”

Sunday, 20th July, 1986: Searching the *Sunday Telegraph* one did not today find the references to “sanctions” etc. which have recently been reaching us like minute guns, our enemies trying to wear down any minds which still need it with an unflinching flow of brainwash.

However, on 8th July, we had been given a surprising glimpse of TRUTH by the *Telegraph*. Under the heading “Reprisal fears over minerals” a number of valuable facts appeared. The first section was concerned with the stockpile of “strategic minerals” built up during Mrs Thatcher’s first term as Prime Minister, but which the Government had been planning to sell off. So far, a quarter of the original stockpile has been sold but in March a halt was ordered to further disposals “because of the growing uncertainty over South Africa”.

Then comes this passage, headed “Vital Importance”:

“The fear that South Africa could cut off the supply of strategic raw materials to the west if sanctions are imposed has been one of the major reasons why the British Government has resisted an all-out trade and economic embargo on Pretoria.

“South Africa is well aware of its vital importance as a supplier of strategic minerals. A recent briefing prepared by the South African government pointed out that it controlled Western resources of ‘three or four crucial minerals’ — 89 per cent of platinum, 84 per cent of chrome ore, and 93 per cent of manganese ore, as well as being an important supplier of cobalt and vanadium.

“Without these minerals it is not possible to make a modern motor car or jet engine, run a train or construct a power plant, build a computer, have a clean hospital operating room, process food or ensure pollution-free air and water,” claimed the South Africans.

“In the Commons last week, Mrs Thatcher underlined the importance of South Africa as a supplier of raw materials. She told M.P.s: ‘If there were any question of going for total economic sanctions, such measures would cause much more unemployment here and in South Africa as well as other fundamental strategic problems, putting the supply of raw materials into the hands of the Soviet Union and causing strategic defence problems.’”

Ironically enough, the next item in the column is headed “BIG CHURCH VOTE FOR SANCTIONS” and tells us: “The Church of England’s General Synod at York yesterday voted 394 to 21 in favour of economic sanctions against South Africa.” How many of the 394 voting thus could have been intelligently aware of the above?

Today’s *Telegraph* featured Sir Geoffrey Howe’s “‘wind of change’ warning”: “The question was not whether, but how far and how fast, would South Africa change.” . . . “Although Sir Geoffrey denied it, President Reagan’s statement on South Africa on Tuesday cut some of the ground from under his feet.

“Mr Reagan said the South African government was under no obligation to negotiate the country’s future with an organisation that proclaimed a goal of creating a communist state. That was a reference to the African National Congress, envisaged by the E.E.C. as the main party on the black side to the dialogue which Sir Geoffrey is trying to persuade Mr Botha to engage in.”

It is not surprising that all these tiresome details from day to day distract the minds of our fellow-countrymen and our statesmen from being ready to examine the key or sovereign

remedy to so many of our ills of which we know ourselves to be fortunate enough to be aware. The man whom we follow was ready to expound, in general, only when he was asked. We may be wrong in finding some of his followers so ready to bring forward his ideas that associates (privately) class them as our “King Charles’s head” (like that of Mr Dick in *David Copperfield*) so that the Social Crediter who is able to live rather than preach his Social Credit is greatly to be prized and is finally turned to more readily for advice.

Touching on such day-to-day observations, “Special Office Brief” of 10th July 1986 may be quoted: “If today Russia could walk into all Europe and the whole United States it would avail nothing. Russia could not run the necessary economies *unless* in control of the raw materials of Southern Africa. . . .

“If the public of South Africa wished to resist Russia could never gain control of those essential raw materials.” . . .

“Intelligence reports continue to say that Syria intends to attack Israel after the summer heat is over. . . .

“If Russia does go to the aid of Syria, America will find it extremely difficult to avoid intervention. . . . If the Atlantic Powers are forced to intervene, the Cape route will be crucial and the raw materials of Southern Africa will be essential. . . . Mrs Thatcher wanted to gain three months i.e. to October 1986. Why?”

This “PLAN FOR WAR” may here be noted.

“ . . . One of the most incredible publications by a foundation which professes to seek world ‘peace’ was published by the endowment” (the Carnegie Endowment) “in 1965. If the endowment’s perspective of world government as the only way to achieve the absence of war and conflict is accepted, then it would make sense that any nation which resists the world authority as presently constituted in the United Nations and related agencies is a threat to peace. And it was this internationalist view that led the Carnegie Endowment for International Peace to develop a *plan for war* (our emphasis) against the Union of South Africa.

“South Africa is not only the most advanced and affluent nation in Africa, but is also a territory in which many black Africa tribal nations live side by side. Other motivations aside, the only way the White Afrikaaner population has been able to prevent the fierce inter-tribal warfare that has so plagued other regions of the continent is the legal system of multi-national development called apartheid. Though objectionable on libertarian grounds, apartheid on the non-libertarian grounds that pervade the administration of so many major foundations, is a model for economic growth, prosperity, stability and preservation of tribal-cultural traditions. The problem from the perspective of this examination is that the legal restrictions that exist in South Africa, like those in Chile after Allende, Free China on Taiwan, Brazil, Argentina, Spain under Franco, and South Korea, have been singled out for magnification and attack, primarily because the government there has had a policy of exposing and stopping the inroads of Communist subversion and terrorism.

“In March 1965, the Carnegie Endowment published its battle plan . . . entrusted to reliable consultants of the endowment’s staff at several universities. Although Article II paragraph 7 of the United Nations Charter forbids the world body from acting on questions ‘essentially within the domestic jurisdiction’ of any nation, the endowment . . . perhaps using the United Nations attack on Katanga as an earlier model, built an ‘objective’ case for considering economic sanctions, a naval and air blockade and a direct

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## THE GREAT GOD

. . . To defer to ignorance is only to suffer the attrition of ignorance. One may pity ignorance, one may justify endeavour to instruct ignorance; but one must not temporise with ignorance. To enthrone it is to become oneself a subject. For more than a generation the competent have conspired to enthrone incompetency. If they had ideas to express, they must adjust themselves to a low, if not the lowest level of intelligence. The Confessions of St Augustine are too long, the Sermon on the Mount too short, Sir Isaac Newton too difficult and mathematical, Homer foreign, Chaucer archaic and misspelled, Christianity unsimplified and ill-adapted to the expansion of the personality of neurotic Americans, Botticelli would be O.K., if only you knew what he was driving at, God's Universe would have little amiss with it (or certainly less than there is amiss with it) if only it were compressed within the shell of a small nut which John Citizen (crackers provided *gratis*) might conveniently empty to fill a moment of boredom. And so, by attrition, the integrity of the best minds has been worn away. None dares to speak, fully, copiously emptying his mind for the enlightenment of those capable of enlightenment, lest Demos should have a headache. Is Gresham's law to govern the whole of life, and all that is good, useful, vital and indeed necessary to be driven out of circulation, or not allowed to enter it, by a debased cultural currency? If Greek or Mathematics is too "stiff", for the "new educated", and we substitute Personal Hygiene and (Modern!) Psychology, what are we doing? If writers establish a level above which no one must think, on any subject, what are we doing?

— Dr Tudor Jones, "The Organisers",  
in *The National Review*, March 1946 — quoted in  
*The Australian Social Crediter*, 20th April 1946.

### From Day To Day (continued from page 3)

invasion by a force of 100,000, with accompanying air and amphibious assaults. The costs, time and casualties of this 'peace' mission were all projected as a means of getting South Africa to submit to a world-wide police state. And the subsequent economic sanctions and political undermining of South Africa by both the United Nations and the United States State Department up to the present time have also followed this set of guide lines as closely and rapidly as possible, inhibited only by the heavy investments Americans have in South Africa and the United States government's desire to prevent a skyrocketing in the world market price of gold that would follow the destruction of the South African mines."

— The Tax-Exempt Foundations,  
William H. McIlhany II, Arlington House Publishers,  
Westport, Connecticut, 1980.

## OBLIVION

"Modern education, press, and propaganda have almost eradicated memory. If the public memory could last ten years, few ministers would hold office twice. If the public memory could last ten weeks, how many newspapers would be read for the accuracy of their news, or the consistency of their opinions?"

— The Earl of Portsmouth, from *The Australian Social Crediter*, 20th April 1946.

## METAPHYSICAL LAW

The following formed part of "From Week to Week" of *The Social Crediter* for 16th March 1946:

Perhaps the simplest method by which the fundamentals of the world crisis can be indicated — a method which is involved in the "Light Horse" exploration — is to decide whether or not there is, in the realm of metaphysics, a system of law analogous to, but not necessarily identical or even parallel with, the conception we call the scientific conception of the physical world. On this decision, we can build a framework of human rights, or the absence of them. If human rights are "real" they carry their own penalty. If there is a metaphysical law, as Christianity has always contended, then the idea that e.g., the House of Commons can pass any law of the realm without reference to metaphysical law, is simply a claim that the House of Commons has no relation to reality, and its actions must plunge its constituents into one disaster after another. The Russian thesis is that there is no boundary to the acts of the State, and therefore, no metaphysical law. As has so often been stated although with an altogether different intention, Russia is a Great Experiment. We await confidently the great Explosion.

\* \* \*

It is quite beyond dispute that, whether we prefer to use the vocabulary of the Church, and to call the present struggle the War between Christ and Anti-Christ, or to pander to that curious vogue of de-personalisation which pretends that politics can exist without politicians, and so talk of "the trend towards centralisation", "the Common Good" or other abstractionist phrases, the Thing in Itself is there for anyone to see. And, as seems always to be the case, "perversion" is the key to the understanding of it. Unless we are to adopt the Manichean Heresy, and believe that matter is in itself essentially evil, then it is tool-power politics, and not tool-power, which is threatening us with destruction. To say that this matter is of primary importance is banal. We have to make up our minds, and act upon our decisions, as to whether the world can produce tool-users whose politics are fitted to justify the possession of their tools; or whether our only hope is to break up the tools. It is along the lines of the first idea that the arguments of centralisation lie; and, like a gigantic question mark, we see in this direction the well-known words of Lord Acton: "All power tends to corrupt and absolute power corrupts absolutely".

### The Alternative Financing (continued from page 2)

mobilise Social Crediters to concentrate thought on transforming the Public Sector Borrowing Requirement and utilising the statutory V.A.T. machinery to achieve the National Discount? Party policies are already being formulated for the next General Election. There is no time to lose.

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