

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### “CONFERENCE, INFLATION IS PARAMOUNT”\*

Conferences are presumably to consult about or to discuss — but to discuss what? Somehow and somewhere the agenda is formulated and this determines the shape of the discussion. Although party political conferences come round with regularity and some boredom, and agendas do vary from time to time, one anomaly stands out as indeed it does throughout the media as a whole (with a few courageous exceptions). What is this anomaly?

A majority of the subjects touched upon end with an expression of belief that more (or less) money should be spent in such-and-such a way by such-and-such a spending department or on such-and-such a project. This belief may be held quite independently of the realities as to whether the required physical resources are available, resources and skills that in some cases if not called into action, cannot be used for other purposes. The present response is that this situation should be dealt with by retraining. But retrain for what? The “unemployment problem” can then be discussed and another allocation of money can be demanded to be doled out.

To confuse us we are told that effective demand fuels the economy and we risk inflation, yet to discourage effective demand invites depression and slump. It is a pretence of all political parties that they and they alone have the policies to strike “the proper balance”. All this economic bantering has worn pretty thin in the eyes of the electorate, so now we are asked to accept that market forces, if left to themselves, will operate like a charm. The process of deceit is endless and step by step centralisation of power advances hand in hand with the monopoly of credit. On page 2 we draw attention to the fact that Government has allowed credit and money supply to rest in the hands of the banks and their agencies who can, and do, manipulate the money supply irrespective of actual and potential production and its counterpart, consumption. Effective demand is determined, therefore, largely by those controlling the banking system.

The anomaly then to which we refer is the complete absence of any scientific approach to an understanding of money and credit. It took years of confrontation before the bankers would admit that they did not take in deposits at one end of the counter merely to lend that money out again at the other end. Why were they so tenacious? And why are conference discussions confined to the use of money and never question the creation and ownership of credit?

The answer lies in the fact that the money system worldwide is the long term mechanism of control which enables the one-worlders to advance their aims irrespective of party politics. The reaction to any suggestion by the Prime Minister of the United Kingdom to call a halt to the loss of sovereignty by our membership of the EEC, points plainly to the direction which the one-worlders require us to take. (This in spite of the White Paper’s “there is no question of any erosion of national sovereignty”.) We must give the Prime Minister more than good wishes if she is sincerely determined to do battle with the international monetary

power for this is what would be involved.

To avert global totalitarian enslavement, the financier’s mechanism of control must be changed to reflect reality. Inflation must be seen not as an enemy (officially so often described) but as an instrument of policy. That policy is to make every important question larger and larger, eventually turning it into a “world question”, insoluble by anything less than an international conference at which the only really sovereign state is that of International Finance. Dr Bryan W. Monahan in his booklet *Freedom and Inflation* asserts that the technical solution to inflation is quite simple but is opposed in financial circles where international monetary policy originates. Little wonder that at party conferences a scientific eye is never allowed to peer into the dark secrets of the money monopoly. Too much is at stake for mere “Regional Councils” to be concerned.

\* Chancellor of the Exchequer, Brighton, 13th October, 1988.

### FATAL FEDERAL UNION versus INDIVIDUAL FREEDOM

“Under cover of war,” things may and can happen which would be impossible in peace. What is being brewed for the British people in all this chaotic tumult? One of the most alarming and sinister. . . . “The surrender of national sovereignty.” The words mean that when we have won victory on the battlefield we should accept the greatest penalty of defeat; we should hand over control of our vital affairs to some anonymous body. . . . In everyday life, men are only deprived of control over their affairs when they have been certified insane or bankrupt; this proposal means that we should be treated as insolvents or idiots at the moment of victory! — Douglas Reed, 22nd April, 1944, in *Information Booklets* published by The NeVer Again Association (V for Vigilance after Victory).

“To assert that peace can only be secured by the common surrender of their sovereign independence by all nations is to pose as essential a condition which no nation has ever yet admitted, or is ever likely to accept unless under compulsion and as the consequence of defeat.” — Sir Austen Chamberlain. Quoted from Chapter 13, *Our Money*, by Peta, Bristol, 1944.

“There is no doubt what the Community’s founders intended. The Treaty of Rome is a charter for economic liberty, which they knew was the essential condition for personal and political liberty. Today that founding concept is under attack from those who see European unity as a vehicle for spreading socialism. We haven’t worked all these years to free Britain from the paralysis of socialism only to see it creep in through the back door of central control and bureaucracy from Brussels.” — Mrs Margaret Thatcher, Brighton, 14th October, 1988.

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## ANTISOCIAL CREDIT

The consumer credit boom in the United Kingdom continues virtually unchecked despite higher interest rates which, according to a writer in *The Scotsman*, "have already robbed the average home-owner of two and a half times the tax benefits received in the Budget". Retail sales remain buoyant, some 7 per cent up on the previous year. New consumer credit granted in July dipped to £3.36 billions compared with £3.67 billions in June but rose to £4.17 billions in August. The amount of consumer credit outstanding rose by £400 millions in June, by £313 millions in July, and by £530 millions in August to reach a total of £25.91 billions.

Roughly half of the new consumer credit emanated from banks, a third from finance houses, and the remainder from retailers' in-store credit cards. Currently, take-home pay increases exceed price rises by 4-5 per cent, although the level of private savings averages only 3.5 per cent of incomes and is the lowest since 1958. Moreover, the rise in property values has created a reservoir of valuable collateral for home-owners who may wish to borrow yet more spending money.

But there is a dismal side to this booming economy — the plight of people trapped in hopelessly irredeemable debt. Local authorities and Citizen Advice Bureaux report sharp rises in the numbers of people caught in the debt trap, particularly by credit card and store card debt. One network of 64 bureaux in Scotland dealt with 54,000 cases of multiple debt last year. Says the information officer, "Typically, someone will come to a CAB as a last resort. He can be expected to be in debt to anything up to 11 or 12 different creditors including banks, credit companies, fuel boards, his landlord or building society, and catalogue and department stores. Nowadays, credit is just too easy to get. People are bombarded with hard-sell advertising morning, noon and night to take out loans, apply for credit cards and buy things that they simply can't afford. The day of reckoning arrives weeks or months later. . . ." — *The Scotsman*, 31st August, 1988.

Not surprisingly, the problem is widespread in the more "advanced" economies. An international conference on consumer credit in Iowa in August was told that in Japan, where the law on debt and bankruptcy is similar to Scotland

and where the lending/borrowing boom has followed a similar pattern, family suicides in which the lives of every member are lost are now running at 150 each month.

Predictably, politicians differ about ways and means of controlling the surge in consumer credit. The Chancellor of the Exchequer rejects IMF recommendations of increased taxes and continues to rely on the crude mechanism of higher interest rates which hurt responsible and irresponsible borrowers alike. To stop some people overeating, everyone has to suffer a stomach-ache. The Labour Shadow Chancellor advocates credit controls because they do not raise the tax burden, do not add to the cost of living, and worked well in earlier years when finance houses handling hire purchase observed official guidelines on minimum levels of deposits and maximum time limits for repayment. But trying to restore such credit controls now, it is said, would prove to be an administrative nightmare, and the Economic Secretary to the Treasury rejects them as unworkable and unfair. Perhaps the real reason is that the "booming economy" would soon cease to boom.

So the banks and other credit brokers who would most certainly suffer severe punishment if they were to counterfeit notes and coins, retain a free hand to create new money as credits which serve precisely the same function as notes and coins. Thus the total money supply continues to grow despite the higher interest rates which appear to have little deterrent effect on the demand for credit, with borrowers paying 25 per cent a year on credit cards and 20 per cent on personal loans.

Just how little control the Government is able to exert over credit creation is sharply shown up by the figures for money supply for September. M0, which measures notes and coins in circulation and is the Government's preferred indicator, was running at an annual rate of increase of 7.8 per cent, far outside the Government's target range for it of 1-5 per cent. Meanwhile M4, the measure of "broad money" which includes bank deposits, was increasing at a massive rate of 17.4 per cent per annum, the Government having abandoned some months ago its former practice of setting a target range for it.

Whether or not this inflationary "blip" will be eliminated by higher interest rates is not the issue. At issue is the fundamental absurdity of credit creation for private profit by a multitude of different agencies operating in the wholesale and retail money markets, over whom there is only remote control and that only in retrospect after their excesses come to light. Hence price inflation is up at 5.9 per cent and predicted to go to 7 per cent shortly, and wage inflation is running at over 9 per cent. On TV, the Chancellor defends higher interest rates as "the answer to inflation" and portrays the "pressures of the financial markets" as "excellent discipline". What this really means is that the elected Government of a supposedly independent and sovereign nation has to dance to the moneylenders' tune. Or, as Mrs Thatcher put it earlier, "You cannot buck the market".

This subservience to the moneylenders could and should be ended.

The inestimable benefits of stable money values and interest rates, with all that that would mean for industry and commerce, for debtors and creditors, for social cohesion, and indeed for Government itself, can be achieved, but only

(Continued on page 3)

## PHILOSOPHY, POLICY AND PRACTICE

(Continued from September-October issue)

### Pope Paul VI and Integral Humanism

Integral Humanism provided precisely the philosophic and theological justification sought for by those who wished to conciliate the Church with the modern world — and it needs to be stressed that in most cases this desire was inspired by the sincere belief that it was in the best interests both of the Church and of the world. Maritain's book, *Integral Humanism*, made a tremendous impact upon Catholic intellectuals throughout Europe despite its conflict with the insistence of Pope Pius XI that the duty of a Catholic was not to reconcile the Church with the world but to make the world accept Christian terms of reference and think with the mind of the Church. One young Italian priest who was particularly impressed with Maritain's book was Giovanni Battista Montini (later, Pope Paul VI). . . . He had been born in 1897. His father was a Catholic journalist, outstanding for his courageous opposition to liberalism. [Giovanni Montini was a delicate child and when he manifested a vocation to the priesthood he was allowed to study at home instead of training in a seminary. As a university chaplain in Rome, he showed great courage in leading his students in their defence of Catholic principles against the fascism of Mussolini.] He was so impressed by Maritain's book that he translated it into Italian himself and he remained a devoted admirer of the French philosopher until his death. By this time, of course, Maritain was aghast at the spectacle of the Church not just kneeling but grovelling at the feet of the world. Before his death he wrote *The Peasant of the Garonne*, a scathing indictment of the trends now predominating in the Church, trends which, ironically, derive in no small measure from his own teachings. Maritain, of course, had never accepted the logical implications of Integral Humanism which, if taken to their conclusion must result in a denial of the divine nature of the Church and her founder. . . .

"Pope Paul is indeed a disciple of Jacques Maritain," writes Hamish Fraser, "so much so that when one reads a typically Pauline socio-political allocution, one might well be reading Maritain. But Pope Paul is also like Maritain in his refusal to accept the logical implications of Integral Humanism. . . . For even if his social ideology is completely at variance with that of his predecessors — and of this there is no doubt whatever — like Maritain, Pope Paul has the faith of Peter. It is this which explains why the Council prompted Maritain to write *The Peasant of the Garonne* and why Pope Paul found it necessary to write *Mysterium Fidei*, the *Credo of the People of God*, and *Humanae Vitae*."

The apparent enigma of Pope Paul can thus be under-

### Antisocial Credit (Continued from page 3)

by money supply being regulated by a national authority independent of government, and determined by the production and consumption of real wealth as reflected in the Gross National Product and other indicators.

Mrs Thatcher sees the Conservative party leading Britain into the 1990s and beyond and points to new areas of social concern for them to confront. 1994 will mark the three hundredth anniversary of the usurpation of the social credit by the financiers. Will she now dare to challenge them?

stood within the context of his acceptance of Integral Humanism and the nature of the assistance given to a Pope in the exercise of the papal *office*. . . . When he teaches the entire Church, *ex cathedra Petri*, he repeats and defends the traditional teaching. When he decides upon practical policies, ranging from his Ost-politik to liturgical reform, the influence of Integral Humanism is only too apparent. . . .

Vatican II was not concerned with condemnation, but with dialogue. Hamish Fraser, who is second to none in his knowledge of the forces ranged against the Church, has correctly assessed that the error and weakness of both Vatican II and Pope Paul VI lie in their failure to appreciate the threat to the Church from the various revolutionary forces at work in the world today.

*Apropos*, No. 3 (Corpus Christi 1988), prints, under the heading "The Sickle and the Cross — Christomaxism" the translation of an extended review from the Italian contemporary *SI SI NO NO* of 31st January, 1988 (translation by Geoffrey Lawman, co-editor of *Apropos*, with an *Apropos* Editorial Postscript).

"The Sickle and the Cross" is the title of an exclusive survey carried out by the French journalist Jacques Bonomo with the collaboration of Jean-Pierre Moreau, and published in *Le Figaro-Magazine* in its issues for October 17th and 24th 1987.

The survey carries the sub-title: *These odd Christians who want to set the world on fire*. It consists of a series of direct reports, backed by striking photographs, of the spread of "Christian Marxism", particularly in countries still considered as nominally Catholic. . . .

The review contains sections on several countries in Latin America, U.S.A. and the Philippines.

The final section is headed RESPONSIBILITY. As has frequently been pointed out, particularly in Amerio's "Iota Unum", the Vatican Council "did not renew the Church's condemnation of Communism; the very word, hitherto so frequently repeated in pontifical documents, is nowhere to be found in the transactions of the Council." [This important work, first published in Italian in 1985 — its full title is "Iota Unum, a study of the changes in the Catholic Church in the XXth century" — is the fullest and most definitive critique yet to appear of Vatican II and its consequences. It does not yet exist in an English version; the quotations printed here are from the French edition, published in Paris in 1987 by the Nouvelles Editions Latines (translator's note).]

Pope John XXIII had made an agreement with the Orthodox Church "whereby the Patriarchate of Moscow accepted the Pope's invitation to send observers to the Council, and the Pope, for his part, guaranteed that the Council would avoid condemning Communism".

The negotiations took place at Metz in August, 1962, and concluded with an agreement signed by Metropolitan Nikodim for the Orthodox Church and by Cardinal Tisserant, Dean of the Sacred College, for the Holy See. This agreement was first made public by "France Nouvelle", bulletin of the French Communist Party, in its number for 16th-22nd January, 1963. It was hushed up or ignored by the press, and this was reinforced by a policy of silence willed and imposed by the Pope himself.

“But this agreement had a powerful negative effect on the course of the Council, where the appeal of a number of the Fathers for a renewal of the condemnation of Communism was rejected in line with Rome’s agreement with Moscow.

“The truth of the Metz agreement recently received striking confirmation in a letter from Msgr. Georges Roche, who for 30 years had been secretary to Cardinal Tisserant. This Roman prelate, writing to defend the papal negotiator against the charges of Jean Madiran, totally corroborates the existence of the Rome-Moscow agreement; he makes it clear that the initiative for the talks was taken by John XXIII personally on the suggestion of Cardinal Montini and ‘that Msgr. Tisserant received strict instructions to sign the agreement and to ensure total compliance with it during the Council.’” These instructions were carried out by fair means and foul. As a result of the compromise the post-conciliar period has seen, under the banner of “the Church of the poor”, Christian-Marxist priests year after year betraying Christ, betraying the Church and leading souls astray, without ever being disciplined by their bishops.

As for Rome, the Holy See’s own condemnation (one that is, moreover, not free of defects and ambiguities) of the so-called “theology of liberation”, better called “theology in the service of Marxism”, is as much use as a single drop of water when the whole house is on fire. . . .

The countries of the Third World have today become, thanks to our Christo-Marxist clergy, so many powder-kegs for the Revolution to explode, and if Rome does not interfere, as is its duty, it will be responsible before God and men for the scourge that is looming on the horizon.

BARNABA.

## THE FAMILY STORY: LORD DENNING

In his book *The Family Story* Lord Denning draws attention to the “supposed division between law on the one hand and morals on the other . . .”. A great mistake, he calls it, and continues:

### (iv) Law and religion

So is the supposed division between law and religion. I know that a great number of people today think that law and religion have nothing in common. The law, they say, governs our dealings with our fellows. It lays down rigid rules which must be obeyed without questioning whether they are right or wrong. But religion, they say, concerns our dealings with God: it is concerned with things of the next world, not with the things of this world in which we are living.

That was the philosophy of law in which I was brought up. It is a philosophy which still governs many of the lawyers of my generation. But it is a false philosophy. The truth is that although religion, law and morals can be separated, they are nevertheless very dependent on one another. Without religion there can be no morality: and without morality there can be no law.

### (v) State your case strongly

William Temple himself proclaimed on many occasions the Christian precept of love — “Thou shalt love thy neighbour as thyself” — and sought to apply it to the complexities of the modern life and he found that “love finds its primary expression through justice”. “Christian Charity”, he wrote, “manifests itself in the temporal order as a supra-natural discernment of, and adhesion to, *justice* in relation to the equilibrium of power”. He took the

instance of a dispute between employers and workers on the verge of a strike. The Committee are to be actuated by love. Oh, yes, by all means. But towards whom? Are they to love workers or employers? Of course, both. But that will not help them much to determine what terms ought to be proposed or accepted. “Love” means in practice that each side should state its case as strongly as it can before the most impartial tribunal available, with determination to accept the award of the tribunal. At least that puts the two parties on a level and is to that extent in accordance with the command “Thou shalt love thy neighbour as thyself”.

Now just see how that illustration bears on the work of the lawyer. “Each side should state its case as strongly as it can” — that is the task of the Advocate. “Before the most impartial tribunal available” — that is the task of the Judge. “With determination to accept the award of the tribunal” — that is the part of the ordinary man.

### (vii) Return to religion

So I ask you to accept with me that law is concerned with justice and that religion is concerned with justice. And hence I ask the question — What is justice? That question has been asked by many men far wiser than you or I and no one has yet found a satisfactory answer. All I would suggest is that justice is not something you can see. It is not temporal but eternal. How does man know what is justice? It is not the product of his intellect but of his spirit. Religion concerns the spirit in man whereby he is able to recognise what is justice: whereas law is only the application, however imperfectly, of justice in our everyday affairs. If religion perishes in the land, truth and justice will also. We have already strayed too far from the faith of our fathers. Let us return to it, for it is the only thing that can save us.

*The Family Story*, by Lord Denning; Butterworth & Co. (Publishers) Ltd., 86 Kingsway, London, WC2B 6AB.

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## RECOMMENDED READING

|                   |   |
|-------------------|---|
| Abraham, Larry    | Call It Conspiracy.   |
| Douglas, C. H.    | The Brief for the Prosecution.<br>The Development of World Dominion.<br>Economic Democracy.<br>The Monopoly of Credit.<br>The Policy of a Philosophy.<br>Programme for the Third World War.<br>Social Credit. |
| Monahan, Bryan W. | The Moving Storm.<br>The Survival of Britain.<br>Why I am a Social Crediter.  |
| Sutton, Antony C. | National Suicide — Military Aid to the Soviet Union.<br>Wall Street and the Bolshevik Revolution.<br>Wall Street and the Rise of Hitler.  |

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