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FOR POLITICAL AND ECONOMIC REALISM

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**A Happy Christmas
and a Good New Year
to All Our Readers**

The Dilemma of Politics

by BRYAN W. MONAHAN

With time and the improvement of the productive processes, the dilemma described in this paper, which appeared fifteen years ago in the Australian Social Crediter, has greatly increased.

THE NATURE OF THE PROBLEM.

The 1914-1918 war appears to have ushered in a period in which it has become more and more widely appreciated that political activity is conditioned by economic possibilities. This recognition has been forced on us by facts, for it is evident to even casual observation that the economic boundaries of the political arena are becoming even narrower—to such an extent, indeed, that it is claimed that the politics of one country must necessarily be conditioned by the economies of another, and that therefore political autonomy is a precept outmoded in the modern world. Quite inevitably, so it appears, the politician must confine his activities to spheres designated for him by the economist. In these circumstances it is a matter of some importance to all those affected by politics to have some notion of what is implied by this situation.

On the other hand, it is not easy to disentangle the complex web of economic activity. But if the end of a thread can be found, with a little patience, it may be followed through the pattern of the scheme as a whole.

Perhaps the most easily followed thread is that of the activity in the world of the United States of America. Certain of the basic problems can be viewed there in an uncomplicated form; and if the world is one economic unit, so large a proportion of the world's economy is concentrated in that country that American solutions of American problems must condition the solutions of similar problems elsewhere and in the world as a whole.

THE AMERICAN ECONOMY

The U.S.A. is a territory remarkable for its natural resources, and for the pitch to which their exploitation has been brought. Almost all the raw materials which hitherto have been necessary to a modern industrial economy are to be found within its boundaries. Of agricultural produce there is everything available except coffee and tea; of industrial raw materials, all except tin, jute, rubber and silk.

In 1929, silk was the largest single import, its value being 9.7 per cent. of the total value of imports. This figure had fallen to 3.5 per cent. by 1937, owing largely to the increasing use of rayon—and before nylon had become a really effective competitor.

From 1918 to 1929 the ratio of the value of total imports to national income varied between 5 per cent. and 6 per cent., except for an increase to a peak of 7.5 per cent. between 1918 and 1921—a peak due to the 1914-1918 war and its immediate aftermath. From 1929 to 1934 the ratio fell to between 3 per cent. and 4 per cent., the total value increasing with a rising national income, but remaining at a lower ratio than before.*

Even 6 per cent. of the national income is only a small proportion; but since some of the imported raw material formed the basis of manufactures for exports, the strictly necessary imports must be a still smaller proportion.

Modern metallurgy and the plastics industry, however, are certain to reduce the basic necessity for imports still further. It may be said with certainty, in fact, that already the U.S.A. could maintain a comprehensive and effective industrial economy independently of any imports. It is not suggested that, anyway for the present, this would be desirable; but the possibility provides a general perspective of the economy.

THE NATURE OF TRANSITION

The next factor to be considered is the nature of the industrial process. This is a combination of intellectual processes with human labour power and machine power.

There are two aspects to the intellectual processes, of which the first may be designated as the inventive. This is cumulative. The results of invention are embodied in progressive advances in the various forms of technique, a certain stage of development forming the basis of further possibilities. This concept applies not only to the improvement of machines and processes as such: entirely new techniques become possible for the first time only as a result of already established techniques. Thus technique as a whole embodies the fruits of untold ages of inventiveness; its complexity is far beyond the grasp of any single intellect, and its growth is clearly subject to an acceleration, as must necessarily result from the continuous application of a cumulative factor.

The second aspect of the intellectual processes is that concerned with the supervision of mechanical processes. Quite apart from any physical work, in the sense of labour power,

(continued on page 4).

**The United States in the World Economy:* U.S. Department of Commerce.

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Social Credit

We repeat what we said fifteen years ago.

We said, with adequate foundation, that Social Credit is applied Christianity, and it is therefore especially necessary to be able to give an intelligent answer to an enquiry for a definition of Christianity in everyday life. It must be remembered that while it is so no longer, England was once a Christian country, and during that period there was evolved a system of Law, known as Common or Natural Law, which was definitely Christian in intention, and surprisingly so in achievement. It was wholly distinct from Roman Law and entirely opposed to the Legislation by Departments which is struggling to kill it.

It is in this body of Law that the most tangible structure to which Social Crediters can refer is enshrined, and it is important that Social Credit technicians should have a clear understanding, not of the details, but of the principles which are involved — principles which underlie the whole theory of private property and its corollary—the corporate nature of the family from generation to generation, which have been filched by their simulacra, the limited company and State Capitalism.

Socialism, Communism, and Atheism are all of a piece, as are Christianity, private, decentralised property, and respect for family tradition as part of respect for the individual. There is no compromise possible—either there is no Christ, or Socialism and Communism are of the Devil. The essence of them, without exception, is that the group giveth and the group taketh away; blessed be the name of the group. Anyone with experience of life knows that the group giveth; yes, in exchange for the soul.

The "World-City"

The spiritual and economic troubles from which the world is suffering react upon each other. Anxiety for self-preservation depresses the spirit, and the depressed spirit magnifies

the importance of material things. The scene where modern life is lived has been appropriately called the 'world-city,' from which leisure, silence, solitude, romance, are excluded, where there is no time for disinterested admiration of a higher soul, where money is the grand regulator in human relations. Telephones, motors, aeroplanes, wireless, machines of all kinds have annihilated distance, and man is face to face with man as never before. The result is that in 1938 persons of authority declared Europe to be in a more savage condition than for the last thousand years.

The soul needs solitude and leisure in which to grow, and both are impossible under modern conditions. The shadow of the world-city falls on the remotest country districts, and the labourer in the fields has become town-minded. Leisure may be the portion of the rich, but the different classes are now so economically united that the minds of the rich are ill at ease.

—Augustus Ralli in *Poetry and Faith*.

Romain Rolland

The following is from Romain Rolland's essay "*The Place of Music in General History*" (reprinted in his *Essays on Music*, Dover Publications Inc. New York, 1959, from "*Some Music of Former Days*," Henry Holt and Co., 1915).

"... And so it is that acquaintance with the arts enlarges and gives life to the image one has formed of a people from their literature alone . . ."

"... The thought of the eternal efflorescence of music is a comforting one, and comes like a messenger of peace in the midst of universal disturbance. Political and social history is a never-ending conflict, a thrusting of humanity forward to a doubtful issue, with obstacles at every step which have to be conquered one by one with a desperate persistence. But from the history of art we may disengage a character of fullness and peace. In art, there is no thought of progress, for however far we look behind, we see that perfection has already been attained; and that man is absurd who thinks the efforts of the centuries have advanced us a step nearer beauty since the days of St. Gregory and Palestrina.

"There is nothing sad or humiliating in the idea; on the contrary, art is humanity's dream—a dream of light and liberty and quiet power. It is a dream whose thread is never broken, and there is no fear for the future. In our anxiety and pride we tell ourselves that we have reached the pinnacle of art and are on the eve of a decline. That has been said since the beginning of the world. In every century people have sighed, 'all has been said; we have come too late.' Well, everything may have been said; yet everything is still to say. Art, like life, is inexhaustible; and nothing makes us feel the truth of this better than music's ever-welling spring, which has flowed through the centuries until it has become an ocean."

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World Domination

World conferences have been in bad odor in recent weeks, but the Treasurer, Mr. Harold Holt, returned to Canberra this week as the crusader for world government.

It is already happening, he said, despite the "circus" of the United Nations Assembly.

Mr. Holt explained that while leaders of governments were performing in the open Assembly and apparently chasing one another around the ring, representatives of the same 68 member nations, including the Soviet Union and Yugoslavia, were behaving in a world spirit, 200 miles away in Washington.

He was referring to the meetings of the International Bank and of the International Monetary Fund and the establishing of IDA (the International Development Association).

At these meetings, which handled millions for world development especially in the new nations, Mr. Holt claims that political clashes were at a minimum.

Australians generally may not realise that Mr. Holt was chairman at these meetings.

Speeches were limited to 10 minutes—against the up-to-three hours at the United Nations—and decisions affecting the economic basis of all human beings were amicably achieved

—Frank Chamberlain in *The Sunday Mail*, Adelaide, October, 10th, 1960.

The article from which the above is an extract gave rise to the following correspondence between Mr. Clarence Goode and the Editor of *The Sunday Mail*:

Sir,

According to Mr. Frank Chamberlain (*The Sunday Mail*, 15/10/60) the Federal Treasurer (Mr. Holt) has returned to Canberra from Washington after presiding at meetings of The International Bank; The International Monetary Fund; and the International Development Association, as "the crusader for world government."

As a former Minister of the Crown I took an oath of allegiance to the then reigning King George V., his heirs and successors, and I presume, Mr. Holt as Federal Treasurer, has taken a similar oath to Her Majesty the Queen.

If Mr. Chamberlain's report is correct, I am at a loss to understand how Mr. Holt can reconcile his oath of allegiance to the crown, with his advocacy of world government.

Obviously a "world government" would not only destroy the sovereign status of Her Majesty the Queen, but also of what now remains of once Great Britain and her associated Nations linked together under the Crown.

I feel sure that Mr. Holt in advocating a world government would strongly resent the suggestion that he is thereby furthering the interests of Communism; but the fact remains that the essence of Communist strategy is the centralisation of power; and this is also the objective of International Finance.

World Government is the very quintessence of centralised powers; economic power; political power; financial power; and military power.

It means domination over all Nations, and world-wide slavery for all mankind;—except for those who exercise the

power and control the "World Government."

I am, etc.,

CLARENCE GOODE.

Koongarra Park,
October 19, 1960.

Sir,

On the 20th of October I personally left a letter with a member of your staff in the Editorial Department of *The Sunday Mail*.

The letter was based on a report by Mr. Frank Chamberlain published 15/10/60 to the effect that Mr. Holt the Federal Treasurer had returned to Canberra from U.S.A. "as the crusader for World Government."

This was a most serious statement to attribute to any Member of Parliament who has taken an oath of allegiance to the Crown and much more so in the case of a prominent Cabinet Minister such as Mr. Holt is.

As two editions of *The Sunday Mail* have been issued since the letter was delivered, may I ask if the letter was brought under your notice, and if so, why, (in view of the importance of the issue involved), it was not given publicity?

I am etc.,

CLARENCE GOODE.

Koongarra Park,
October 30, 1960.

Dear Mr. Goode,

Yes, I did see your letter, but I thought your interpretation of Mr. Chamberlain's story went beyond what Mr. Chamberlain intended. As I received no other letters to the editor on this subject, I feel that our readers shared my view.

Yours etc.,

K. V. PARISH.

Editor, *The Sunday Mail*.

Adelaide,
November 2, 1960.

Subject—"Crusader for World Government."

Dear Mr. Parish,

While thanking you for your courteous reply to my enquiry why my letter to *The Sunday Mail* was not published, I still think my "interpretation" of Mr. Chamberlain's article is correct.

Whatever conclusions Mr. Chamberlain "intended" his readers to draw from his statements, it is clear beyond all doubt that he represented Mr. Holt, not only as an advocate of world government, but as "the crusader" for such a monstrous institution.

If Mr. Chamberlain misrepresented Mr. Holt's views, he owes Mr. Holt an abject apology; but if his report is correct, Mr. Holt stands self-condemned as a Minister of the Crown who has taken an oath of loyalty to that Crown.

My dictionary defines "Crusader" as "A zealous under-

taking against evil," and "crusade" as "an expedition undertaken by Christians in the Middle Ages for the recovery of the Holy Land."

Nothing could be more evil or more opposed to the principles of Christianity, than the establishment of a World Government yet Mr. Holt is presented, not as a "crusader" against this evil thing, but as *the champion* of it: and *The Sunday Mail* was not prepared to publish a protest in opposition to it.

I am, etc.,

C. GOODE.

Koongarra Park,
November 6, 1960.

THE DILEMMA OF POLITICS

(continued from page 1).

machines require varying degrees of supervision. Here again there are two aspects—the first where the function of the machine requires the co-operation of human intelligence, as, for example, when its action has to be stopped or altered at a stage which is assessed by human judgment; the second more purely supervisory with automatic machinery which, however, requires supervision to guard against faults developing.

Now, so long as the inventive faculty continues to be applied to industrial technique, this technique is bound to become more and more automatic. In fact, within the last decade a modification, of which the consequences have hardly yet begun to be appreciated, and which must proceed to unforeseeable limits, has been introduced. This derives from the science popularly known as 'electronics,' and it includes the photo-electric cell and radar within its scope. The photo-electric cell introduces an entirely new possibility into industry, and therefore effects a qualitative as well as quantitative change. It means that for certain processes the human eye, hitherto an essential component of the process, can be eliminated. For this reason, it is quite certain that the consequences of electronic science will have much the same relation to power-mechanical processes as the application of steam and other forms of non-animal power had to pre-war industry; it is the beginning of a second industrial revolution.

Human labour, apart from the intellectual functions discussed above, can be considered simply as a source of power—and this would appear to be the sense in which the term "labour" is used. But even this power has two distinct forms. In the first place human labour may be used as an original source of power; secondly it can be used as a trigger action for power derived from non-animal sources, i.e., solar energy in its varied stored forms. The former no doubt will always be necessary, as well as the latter. But the ratio of applied solar power to human power is enormous and increasing, being for the world as a whole, already more than 100-1. Within limits, this ratio is unaffected by the availability of human "trigger" power. One man can control the same type of machine made ten or a hundred times more powerful; and on the whole, as mechanical efficiency and industrial techniques improve, he does so.

The very possibility of introducing first tools, and later machines, can only possibly depend on the fact that the human animal, in common with other animals, has energy available over and above the energy necessary to do the work

involved in replacing that energy, and in growth (including reproduction). Under primitive conditions, this energy is largely spent in play, or in artistic activities. But what we regard as the progress of mankind has resulted from the application of this energy to the manufacture of tools.

The use of tools can have one of two results, or a combination of these. Either the same expenditure of energy will produce a greater (or more complicated) output; or the same output can be maintained for a smaller expenditure. If increased output includes further tools, an acceleration of the process results.

The introduction of tools involves a qualitative change in manufacture—it results in new possibilities; and in exactly the same way the introduction of energy derived from non-human sources (i.e., animal or solar) is a further qualitative change. As noted above, the application of electronics represents a third qualitative change.

Now if we regard output of production as the criterion, the process described above can be summarised as follows: the original factor in production is human energy (labour power). On this basis a linear expansion of production is only possible as a result of increased skill—i.e., the mechanical efficiency can be increased, but the limit is imposed by the total available energy. The introduction of tools, however, results in an otherwise impossible expansion, and moreover it converts a linear expansion into an acceleration. Thus an increase in skill is, in mathematical terms, a simple multiplier, whereas the introduction of tools represents the algebraic index, and subsequent qualitative changes raise the power of this index. Investigation has shown that this acceleration is proportional to the fourth power of the increment of time.

The above argument applies either to a single individual or to a group; but in the case of a group a further factor becomes operative—certain developments are only possible as a result of the co-operation of individuals—the process known as the sub-division of labour—so that output is again multiplied where this factor is operative.

Thus in the U.S.A. the industrial output is infinitely in excess of the possible total output of the sum of basic individual outputs, and while it is universally recognised that this output is made possible only by the use of power machinery, the exact *significance* of the fact is by no means widely appreciated.

Since each individual, as we have seen, is capable of producing unaided more than his own basic requirements for survival and reproduction, it is clear that the population as a whole can have its basic requirements provided for by the efforts of only a proportion of the population, and that with the introduction of the various factors discussed, this proportion can become smaller. The significance of this is most easily grasped by a consideration of the war-time economy.

(To be continued)

The Monopoly of Credit

by C. H. Douglas.

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