

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 34. No. 7.

SATURDAY, APRIL 14, 1956.

6d. Fortnightly.

Economics, or Political Economy?

by C. H. DOUGLAS.

An Address to the Marshall Society of Cambridge
(October 20, 1938).

In those far distant days when it was my painful duty to sit for that charming examination known as the "Little-Go" Greek was compulsory. I believe wiser counsels have since prevailed. I knew about as much Greek as some of my critics think I know about economics, so there was only one thing to do, and that was to learn, by heart, the two books which were set for the examination, together with a convenient 'crib.' To dispose of this particular aspect of the crime-wave which overtook me at that time, I obtained 87 per cent. in Greek, which shows what a really useful thing some examinations are. I might mention that the feature in the situation which kept me awake at night was whether I should translate several sentences more than the examination paper required, since I was not quite sure where any particular sentence began or ended! However, all went well.

But there is good in everything. The two set books were the Gospel of St. Matthew and a little volume by Xenophon called "Oeconomicus," which, as I feel sure I need not tell you, does not mean "economics" but "household management." You will no doubt be surprised to hear that in my opinion, however, both of these are treatises on political economy, although, no doubt, from widely different points of view.

In regard to the first, it must surely have occurred to many of you that the explanation given of the persecution of early Christianity as having a religious basis, is incredibly thin, when you consider the tolerance of the Roman Empire of that day in regard to what are so amusingly called "pagan sects" at the present time. Without wishing to trench on a subject which is not mine, it has always been my view (perhaps derived from the intensive study of St. Matthew just mentioned) that the four Gospels contain an economic and political philosophy which was immediately apprehended by the ruling powers of those times, and actively disliked, and I believe that the difficulties and dangers with which the world is faced today arise out of exactly the same conflict.

As usual, the issues are not so clearly defined in Great Britain as elsewhere. *Ars est celare artem* is highly developed in this country. We find the real objective disclosed in a cruder form in the totalitarian States, such as Russia, Italy, Germany, in regard to which, in this particular matter, I make no special distinction. Put shortly, it is the exaltation of organisations over individuals. The glorification of the State in the first place, and of such things

as Law, or the instruments of State sanctions, such as the Army, *etc.*, is a corollary.

The antithesis to this is the conception that any organisation is merely a convenience for collective action which, both to retain its essential nature and its virility, must be based on the assumption that everyone who joins it is free to leave if they find that it is disappointing. I have frequently suggested that the difference is the difference between compulsory cricket and Saturday afternoon cricket. In no case does it mean that the society holds a committee meeting every five minutes to alter the rules, but in one case it does mean that an individual who does not like the rules can play golf, whereas in the other he has to "grin and bear it."

We are supposed to be a democracy in this country, we are, of course, nothing of the kind. We are a skilful and not very scrupulous oligarchy, tending rapidly to a financial dictatorship, with an administrative dictatorship in the background. We have become infected with Oriental ideas, and all the forces of education and propaganda are enlisted in their service.

At this point it may easily occur to anyone to ask "To what does this tend? What is the objective?"

It is not very easy to answer this question concisely, but probably the nearest approximation to a correct short answer would be "The perpetuation of the Slave State." I may shock you by saying that I believe that the Slave State was necessary to enable some people to have leisure to think, but it is not necessary now.

There is, I think, more to it even than that. Organisations appear to acquire a separate existence and character of their own, even temporary organisations, such as mobs. It is well-known that a mob will commit and endorse sentiments for which no single individual in the mob, if approached separately, would take responsibility. The relations between nations are on an immeasurably lower level than those which would be tolerated between individuals, yet Governmental bodies pretend to impose their policies in the name of morality. A Government Department will act officially in a way which would land an individual in goal, as well as incurring for him complete social ostracism, yet we are asked to regard them as the fine flower of Socialist ideals.

It seems, therefore, taking all these matters into consideration, that the problem which the world has to face to-day is only secondarily a problem of economics, but is primarily one of political economy. In other words, an appreciation and rectification of the use which is made of economic realities is required, rather than to modify very seriously the facts of those economic realities themselves.

(To be concluded.)

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: *Home and abroad, post free*:*
 One year 30/-; Six months 15/-; Three months 7s. 6d.
 Offices—*Business and Editorial*: 11, GARFIELD STREET, BELFAST.
 Telephone: Belfast 27810.

*Note: The above rates cover subscription to *Voice*, appearing fortnightly in alternate weeks with *The Social Crediter*.

The First Proposition

The first proposition on which the theory of Social Credit is based is that we passed out of a condition of more or less modified economic scarcity into one of either actual or immediate potential abundance when we passed out of the era of economic production by hand labour into the age of economic production by solar energy.

Please notice that I do not say production by machines. Machines are not the point.

The point is that we have obtained control of the transforming mechanism of the universe and we can change practically any form of matter into any other form of matter by applying energy to it. The machine is only an incident.

If this postulate of potential economic abundance is not true, then nothing that I, or anyone else, can have to say about monetary reform is of any serious consequence.

There are really only three alternative policies in respect to a world economic organisation:

The first is that it is the end in itself for which man exists.

The second is that while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do, *e.g.*, it is a system of government. This implies a fixed ideal of what the world ought to be.

And the third is that the economic activity is simply a functional activity of men and women in the world, that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality and that, therefore, economic organisation is most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities.

—C. H. Douglas in *The Social Crediter*, November 12, 1938.

Acrobatics

If we can believe a report in *The Argus*, Melbourne, February 29, 1956, Mr. K. W. Magee, Managing Director of Austronic Laboratories Pty., Ltd., in addressing the Annual Convention of Australian industrial officers said: "We must anticipate that manual labourers—even in semi-skilled occupations—will be needed less and less," and also made the prediction that employment opportunity will increase.

Freemasonry

Addressed to The Editor, the following letter appeared in *The Australian Church Standard*, January 19, 1956:

Dear Sir,

Your decision as Editor to publish letters on "Freemasonry" is entirely right. This subject has been considered "untouchable" for too long in Australian church life. A few years ago, another church weekly closed its correspondence on Freemasonry on the flimsiest of pretexts.

As a non-Mason, but a seeker after Truth I consider Walton Hannah's book *Darkness Visible* as the most formidable challenge to intellectual honesty that our church has had to face in a hundred years. It asks, "Is the Church of England so involved in Freemasonry that it cannot extricate itself from the cult?" (My paraphrasing.)

Whatever the desirable elements of Freemasonry may be, these propositions are unassailable:

1. The Name of Christ is deliberately deleted from the ritual.
2. Its "prayers" are Christ-less (thereby ineffectual).
3. It gives men a false sense of spiritual security—thereby robbing thousands of eternal life through our Lord.
4. It is Deistic (not Theistic)—completely ignoring the Divinity of our Lord, who is the Logos-Creator of the Universe.
5. It is the power responsible for our shrinking congregations. (I will probably "lose" a few men if they read this letter!) How often is a minister told—"My lodge is my church."

6. Freemasonry is a religion (contrary to its own teaching) where the square and compasses replace the Cross; with its Altar, prayers, hymns, chaplains, scriptures—not necessarily Christian—ritual, ceremonial initiation, *etc.*, *etc.*

My prayer is that devout laymen and clergy may ponder on these thoughts, and bring before the Synods of our dioceses motions for the introduction of committees to investigate the claims of Freemasonry and the effect of the "Craft" upon the Church.

Yours, *etc.*,

(Rev.) NORMAN L. HILL, Rector.

St. Mark's, Fitzroy, Melbourne.

The New Despotism

The following letter, to The Editor, is from *The Observer*, Cronulla, N.S.W., March 8, 1956:

Sir,

The course of events since the last war has shown again and again that our institutions of State Government have been secretly assailed and undermined by a process of "legalism." This term, "legalism" is used advisedly to indicate that though Parliament has passed many "Statutory Laws"—conferring absolute powers to departmental ministers—that process, whilst it may be legal, is not according to "Rule of Law." Lord Hewart, late Lord Chief Justice of England, explains the problem in his book, *The New Despotism* to some length. This book is not a recent work;

(Continued on page 4.)

“ . . . Neither Do They Spin . . . ”

by BRYAN W. MONAHAN

VII

I had occasion not long ago to write a letter of protest to the Headmaster of the Church school where one of my children is being educated. The boy, aged twelve, had brought home a questionnaire form seeking detailed and intimate information on the lad based on my private domestic observations of him. The form came from a State Vocation Guidance organisation, and was to be used to assist vocational guidance officers in quizzing the child.

My protest was that I had deliberately sent the boy to a Church school in the belief that its concern would be in assisting him in unfolding his personality, as opposed to the increasing concern of State schools in ‘fitting boys for employment.’ The Headmaster, after explaining that his school was not responsible for the form or the quizzing, admitted the validity of the protest, and thanked me for bringing to his attention an aspect of the matter which he had not considered.

This incident illustrates how modern education is becoming more and more simply a process of conditioning. The present policy of education is to provide the right ‘types’ in the right proportions to increase ‘production’ for export to earn the foreign exchange to buy the raw material of production for export. . . . So far from education’s seeking to bring a child’s personality to fruition, it is becoming more and more a matter of arranging curricula in accordance with the economic needs of the moment, aided by the efforts of vocational guidance experts in selecting likely candidates for specialised training in a narrowly functional activity.

But a child is someone of infinite potentialities, and to select one of the more obvious of these and develop it to the atrophy of the others, is a crime against the spirit in man. This is particularly so in the case of technical education, which is precisely where the emphasis in current education lies. Technique, the mechanical, is fundamentally simple, as is shown by the rapidity with which young children grasp the principles of “how things work”; and an education almost exclusively technical leads to simple-mindedness—not in the sense of simplicity of mind, but of shallowness. The consequence is that more and more adults are becoming carburettor or equivalent ‘experts,’ and for the rest devotees of the films and the tabloids.

Science too seems to have a stultifying effect on the development of a whole and wholesome personality, as is evidenced by the pronouncements of Famous Scientists on matters outside their specialities.

There are excellent reasons for believing that before the days of universal ‘education’ there were more men with more practical wisdom and with a more balanced outlook on life than ever there have been since.

But an educational policy of assisting the natural unfolding of a child’s and adult’s unknown potentialities as far as possible in each case might produce a very different position. The objective would be not to fit the young man for employment, but to assist every personality to find its best possible expression. To me, the most fruitful con-

ception of what one’s life is is that it is, or could be, a work of art; and this leads to a conception of education as subserving the artist’s non-material needs.

The ‘medium’ of the work of art is the vocation—vocation in the devotional sense, not that of the industrial psychologist.

VIII

Particularly since the end of the war, with the enthronement of Full Employment and the Welfare State, the fundamental relationship of the inhabitant to his country has become that of an employee. The Government has become increasingly little else but a gigantic Works Office. The ‘market’ for this sprawling factory is, of course, the international market, and ‘profit’ is international exchange (but mainly dollars or gold).

If this conception is grasped, it is fairly easy to see why the money cost of living is steadily increasing. The basic physical requirements of the population in food, clothing and shelter, and basic amenities, are, broadly, fixed, and are provided by a diminishing proportion of the population. But the total output of the Work State is constantly increasing, because of constantly expanding industrial power, and technological improvement. Now, as was observed earlier, all ‘employment’ is remunerated indifferently; but ‘costs’—*i.e.*, wages and salaries—are recovered through the prices of consumer goods, and taxation. A rising cost-of-living, therefore, in financial terms, is a correct reflection of the fact that the population gets delivery, or possession, or control, of a decreasing *proportion* of its total production.

That of employees is not, however, the only possible relationship of an inhabitant to his country; it is, in fact, only the penultimate consequence of the theory that men ought to be made to work. (The ultimate consequence is disaster.)

Fundamentally, a community is an association of members for their mutual benefit. There is an unearned increment in association; a profit. To whom does it belong? It is impossible that it could belong to anyone but the people forming the association. But as things are, the people get only a fraction of it.

If, however, we look on a country as a company, with the people as shareholders, and the Government as a Board of Directors, we have a true conception of the situation as it ought to be. It then becomes evident that the proper function of Government is to guide the affairs of the country so as to achieve the best possible ‘profit’ consistent with prudent management. And it should recommend and arrange for the distribution of a periodic cash dividend.

This is not the place to discuss the technical details of such a procedure; it is beyond question that it could be done, and equally beyond question, in my opinion, that it is not done because of the determined pursuit of the policy of employment at any cost, because it is ‘good’ for people.

IX

It is, perhaps, not very generally recognised even in responsible quarters how very costly this policy of employment for its own sake really is, or what the further consequences are likely to be.

In the first place, it is highly wasteful, and has a low efficiency. A tremendous effort goes into the production of

goods, a demand for which would not exist in the absence of skilled advertising to create it. Then there is sabotage of all descriptions, from a deliberate policy on the part of workers to go slow to make the job last, to the equally deliberate policy of manufacturing articles to wear out so that they must be replaced, again with the same end in view, even if on a different plane.

Yet, even so, fully industrialised countries like the U.S.A., where the physical standard of living for practically everybody is very high, are faced with an immense surplus of production, both primary and secondary, which can be disposed of only by, in effect, giving it away, even if the process is disguised as "aid to underdeveloped countries," and insurance against Communism.

To other countries some of this aid and insurance is 'dumping,' or unfair trade practice.

In any case, the more power is harnessed and applied to the processes of production, the more technology advances—and it is advancing at an accelerating rate—the greater becomes the difficulty of disposing of the output; and the greater the absolute waste of mineral and biological resources. Except that human life is merely wasted instead of destroyed, the effect is the same as war; and, of course, trade competition leads to war.

(To be concluded.)

THE NEW DESPOTISM— (continued from page 2.)

and without doubt the noble lord did not leave his judicial bench to write and inform "public opinion." He wrote pre-eminently to instruct the members of his own profession—the Judiciary. Events that have and are taking place would indicate either of two alternatives: (a) that our Common Law, which hitherto fused our society together is not worth to trouble of preserving. (b) That the Constitution (unwritten) is no concern of the judges. For it is hardly comprehensible that a Lord Chief Justice of England could write observations, indicating a *de facto* attack upon the rule of law, which would not be studied by his Judicial associates.

There has never been any lack of loud advocates for the delegation of parliament's power to a centralised bureaucracy of executives. Clearly, those who have already largely benefited by the success of this policy have also gained the "power" (from society) to encourage its propagation; and in proportion to the policy of centralising power in a few hands; so the individuals comprising society lose power.

In this way it happens—and whilst your neighbour, ten or even a hundred of your neighbours, has not the right under the rule of law to deprive you of your savings, your property rights or any rights pertaining to your person, yet an omnipotent "Bureaucrat" or "planner" stationed in some irresponsible institution, does exercise such power, without even the risk of a minor kick in the shins. This is "Despotism" and as Socrates said: It is the worst disorder of the State. Not only is it an affront to the individual sense of justice, it also is a great evil for the despot himself.

The public can do little else but protest against such iniquity. The Judiciary, however, are in a more formidable position and not so impotent. "If it be asked what is to

be done with all this, is it too much to ask firstly that the most offending sections of the Acts be repealed," and that such enactments be not made in future.

Dolan's Bay.

John W. Stirling.

Institutions Filching Security

I do not propose this evening to go over the well-known fact of the startling increase in productivity per unit of human labour during the past 150 years. I am going to ask you to take it from me that it is only the diversion of a very large percentage of human activity to ends which either do not conduce to its health and happiness, or are even a direct threat to those desirable ends, which prevent us from supporting ourselves in great comfort and security with the accompaniment of an amount of leisure which would enable us to make the fullest use of our opportunities.

Employment as an end in itself is a concerted policy to be found in practically every country. It is an international policy, and it proceeds from the great international power in the world—the power of finance. It is conscious, and it is sustained by every argument and force at the disposal of that great international power, because it is the means by which mankind is kept in continual, if concealed, slavery.

May I ask you to divest your minds as far as possible of every political preoccupation and to consider whether the fundamental policy of Fascist Italy, so-called Communist Russia, the United States, Germany, and Great Britain is not identical, and that it is, by varying methods but with identical objectives, to force people to subordinate themselves, for a number of hours per day greatly in excess of those really necessary, to a work system?

It is a matter of common observation that this full employment becomes increasingly difficult to insure in respect of what is called the home market; therefore, foreign markets, which it must be remembered are equally desired, under this insane system, by every country and, therefore, are matters for fierce competition, are stated by our bank chairmen to be essential to our prosperity.

Since these foreign markets are equally matters for the competition of every country, sooner or later this competition leads to friction, and from friction to the threat of war, with the result, which is very much to the advantage of our lords and masters, that we have to build large and expensive navies and air forces to deal with the situation which our competition for foreign markets has brought about. Of course the building of these fleets provides more employment, and therefore the system is carried on a little further towards the inevitable catastrophe.

If you have followed me so far, you will begin to see that all the efforts which we make towards so-called security at present are merely action taken to preserve, for a little longer, institutions, and notably the financial and industrial institutions, and that in working to preserve these we only insure ourselves, as individuals, further hardship and anxiety and eventual catastrophe.—C. H. Douglas in an address "Security—Institutional and Personal" delivered on March 9, 1937.