

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 49 No. 5

SATURDAY, 31 MAY, 1969

1s. 3d. Fortnightly

Inside Out

Paul Einzig is a Rumanian immigrant to Britain who became a British subject after ten years' residence. From 1939 to 1956 he was Political Correspondent of "the two leading London financial newspapers". He has now published a book* on Britain's present predicament, which he attributes to "adverse changes in the British character" and to Socialist "malice and spite". And he says: "Gloomy as the picture which this book presents of Britain's prospects may be, it means to convey a faint glimmer of hope by the question mark affixed to its title." He greatly admires the lost British character, without, however, ever asking himself where it has gone, or why it has gone. He rightly attributes a great deal of damage to the Beveridge Plan. He quotes Lord Beveridge: "To those who ask me, Can we afford to have it, my answer is, Can we afford *not* to have it?" Einzig remarks: "It was largely because of this fateful formula that Britain, having been victorious in the War, was doomed to lose the peace . . . there can be no doubt that the mistaken psychology of the way in which the plan had been presented by its author . . . had an extremely demoralising effect."

But the 'Beveridge' Plan was analysed and denounced in *The Social Crediter* immediately on its publication, in an article entitled *Carthorse Conditions For All*. It was obviously not a "Beveridge" plan at all; it was the application to Britain of a scheme devised (possibly) in Germany in Bismarck's time, and incubated in Great Britain for years in the Fabian Society†. Anyone who was present in England when the Plan was promulgated should remember the extraordinary fanfare which accompanied it. The Report put to the public was the Abridged Report: the small print of the hire-purchase agreement was left out. But instantaneously the mass media, and in particular the B.B.C., obviously already briefed and alerted, praised the plan to the skies. Was this mistaken psychology, or was it suitable psychological preparation for the post-war era when it would seem natural "that Britain alone has lost the peace after having won the war" (Einzig)? Since then the B.B.C. has been increasingly notorious for its part in encouraging the permissiveness and obscenity which the implementation of the 'Beveridge' Report began. The fact of the matter is that the strategical 'Beveridge' Plan initiated the tactical assault which has since progressively eroded the British character—an erosion which Einzig perceives, but attributes as the cause of the consequences which he now deplors. *The Social Crediter* forecast these consequences. It is not the erosion, but the assault—of which the 'Beveridge' Plan was the spearhead—and beyond that, the *intent*, the conspiracy em-

bodied in the document *Freedom and Flanning*†—which accounts for Great Britain's decline and imminent fall.

The question *must* be: How did it come about that the British character which had endured for centuries, which had created the majestic structure of the Common Law, which had initiated the Industrial Revolution, which had brought into being the British Empire bringing civilisation and services (health, administration, communications) to millions of the world's inhabitants, which had maintained the *Pax Britannica*—how was this character "progressively" debased in less than a single generation? It is better to ask, How was this destruction accomplished? And then the answer appears: By the attack *from within* on the most characteristic British institutions: Common Law, family life, private schooling; by the imposition of confiscatory taxation; by Death Duties destructive of tradition. Is a decline of British character the cause of these acts of State? Or does the destruction of character make possible these Acts of State?

What happened immediately after 'victory' in war was the election of an avowedly Socialist Administration, full of P.E.P. indoctrinees, which, under cover of 'emergency' powers, carried forward the transfer, by a 'legal' process which inverted the protection (from excessive government) hitherto given by Common Law*, of privileges acquired by *individuals* to a bureaucracy subject to a junta whose primary concern was to retain power. British character was originally manifested through the personally responsible exercise of individual initiative. But individual initiative plays havoc with socialist plans, and so was smothered by a deliberately disincentive, destructive system of taxation. The progressive loss of initiative inhibited manifestations of character. Character was murdered.

There is not a word of this in Mr. Einzig's book. The British were enticed into the expectation of enjoying the fruits of victory—Full Employment and Free Social Services. But Full Employment turned out to be increased production for export; money raised by taxation was given to U.N.R.R.A. to feed refugees—but was diverted to transferring Jews to Palestine to create the Palestine 'problem' (which has now become the Middle East Crisis); food-rationing was maintained at home, and direction of Labour was threatened. In all these circumstances, what would one

(continued on page 4)

†This document, originally marked "Confidential", appeared about 1933, and was circulated privately among the inner circle of the Fabian "Political and Economic Planning" group (P.E.P.). The activities of the Attlee Administration were closely in accord with this plan.

*See T.S.C. May 17, 1969.

*Decline and Fall?: Macmillan: London 1969.

†See *Fabian Freeway*, by Rose L. Martin.

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which was founded in 1933 by Clifford Hugh Douglas. The Social Credit Secretariat 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 45/-; Six months 22/6; Three months 11/6.
Offices: Business: 245 Cann Hall Road, Leytonstone, London E.11.

Telephone: 01-534 7395

Editorial: Penrhyn Lodge, Gloucester Gate, London NW1

Telephone: 01-387 3893

IN AUSTRALIA—

Business: Box 2318V, G.P.O., Melbourne, Victoria 3001

Editorial: Box 3266, G.P.O., Sydney, N.S.W. 2001

(Editorial Head Office).

THE SOCIAL CREDIT SECRETARIAT

Personnel—Chairman: Dr. B. W. Monahan, 4 Torres Street, Red Hill, Canberra, Australia 2603. Deputy Chairman: British Isles: Dr. Basil L. Steele, Penrhyn Lodge, Gloucester Gate, London, N.W.1. Telephone: 01-387 3893. Liaison Officer for Canada: Monsieur Louis Even, Maison Saint-Michel, Rougemont, P.Q. Secretary: H. A. Scoular, Box 3266, G.P.O., Sydney, N.S.W. 2001

FROM WEEK TO WEEK

What is the "trap" in which Britain is caught?*

Mr. Peregrine Worsthorpe unerringly hit the mark when he identified it as "the international financial context". Perhaps the shortest way to describe that context is to regard the British as a wealthy family whose Estate is represented almost entirely by capital assets, but which is required by "law" to pay massive Death Duties *in cash*, i.e., in "money"†. The only source of 'cash' is the 'profit' in terms of 'hard' currency, derived from a 'balance of payments surplus'. The alternative to this is 'breaking-up'—i.e., selling for international cash—the Estate. In real terms, this means handing over, permanently, control over the Estate to whoever is at present collecting the 'Duties'; perhaps, as an intermediate step, to the European Economic Commission acting as agent for the beneficiaries to whom the Death Duties are at present being paid.

These 'Death Duties' had their origin in the purchase by Great Britain *on credit* during the 1914-1918 war of *expendables* necessary to conduct the war against Germany. Great Britain did not receive *cash* from 'America'; she received munitions, food-stuffs, raw materials, etc., and 'spent' them on Germany. At the end of the war (Great) Britain had neither the expendables, nor the cash; she had only a War Debt, which had to be 'repaid' in cash. This was the penalty of winning the war to save the world from domination by Germany, as well as making the world safe for democracy (how else could we have had Harold Wilson?). The position is worsened cumulatively, but not fundamentally altered, by the obligation to pay interest on unrepaid 'loans'; this is a sort of international income tax, again payable in 'cash'—'hard' currency. Of course the countries (such as Germany) possessing 'hard' currencies are the very ones who do not want British manufactures. If Britain could sell the whole of her industrial output to Germany for several decades for Deutsche Marks (par value = DM 4 to

*See T.S.C., May 17, 1969.

†The exact predicament of an individual faced by Death Duties is well described by A. G. Elliot in *The Guilty Madmen of Whitehall*: Elliot Right Way Books, Kingswood, Surrey, 3/6 Paperfront.

\$1 or DM 9.60 = £1 sterling B.D.‡—you do the arithmetic—) she might get out of the trap. But it might be necessary to go to war with Germany to force her to buy the goods (we could borrow more money from the IMF to carry on the war, and more still to have a go at South Africa; easy).

If by some miracle of transmutation iron could be inexpensively transformed to gold by a process exclusive to Britain, it is practically certain that rather than have the debts repaid, the owners of the debts would promptly 'demonetise' gold. It is external control over British internal policy — the break-up of the British Estate — which is 'valuable' to the overseas 'beneficiaries'—hence the periodic visits to Britain of Inspectors from the IMF. So long as this fact can be concealed behind the facade of 'inexorable economic necessities', 'streamlining the economy', the 'benefits of joining the Common Market' (you name them, we've got them) the present financial arrangements suit the purpose admirably. However, there are already signs that national currencies are to be superseded: national currency and national sovereignty are too closely allied to suit the internationalists. Sterling would be an anachronism in a fully integrated Common Market; how could such a matter as devaluing sterling be left in the hands of Mr. Wilson? Or any other financial tricks he might think of getting up to?

Well, there is the trap. Repaying international debt means unrequited exports (if markets can be found where 'hard' currency is to be found) into the indefinite future; these unrequited exports mean added debts for raw materials. Keeping these debts down means restricting home consumption; but the wages paid for producing unrequited exports mean "too much money chasing too few goods", and this means increased taxation to control inflation, and streamlining the economy by such means as Selective Employment Taxation; if these stringent measures fail, and the pound is threatened with collapse, well, negotiate a short-term loan. If this fails, let the pound collapse just a little bit, which will stimulate the economy, make it more competitive (. . . you name 'em, we've got 'em; Mr. Heath may have a few more than we have, but he might give earnest consideration to naming the new international monetary unit the Esperanto*, which would give the peoples of the world new hope of abolishing national languages: has anyone ever contemplated the appalling inefficiency and waste of having hundreds and hundreds of languages and dialects when one would do? A great sweep of a ruler across the maps of continents might do away with trade gaps altogether. At the very least, Mr Heath, as incoming Prime Minister, might pledge his Party to give priority to the appointment of a Royal Commission to investigate the problem. After all, Mr. Wilson made promises, and another election is another day . . .).

Is the trap of Mr. Wilson's construction (Harold, not Woodrow; that is another question)? Of course not. The question is, on whose side is Mr. Wilson: on the side of the beneficiaries, or of the victims? Is his "a ruthless, bloody-minded exertion of the national interest" (Worsthorpe), or a ruthless, bloody-minded exertion of the *international in-*

‡Before Devaluation. The arithmetic refers to the effect on the Death Duties payable B.D. and A.D.

*This would avoid the necessity of decimalising sterling. (Pat. applied for.)

terest? Is he a Death Duties-before-butter merchant? If neither, what is he selling, purchase tax added? Is he a "Bank of England and the Treasury" man (E. Powell), or Trustee and Executor for the *British* beneficiaries of the Great British Estate? What is he doing with the money he is saving on lack of defence? Adding to the "vast bureaucracy"? Is he obtaining short-term loans from those convenient Gnomes of Zurich to pay off the denizens of Wall St., N.Y., or to delay the next instalment of devaluation? We may be doing him an injustice; he might actually be building secret defences to defend sterling when the franc falls.

Still, the way to find out is to impeach him. It appears that a good many people are in favour of this; their objection is that it cannot be done. But if a 'majority' of the people wanted it done, some one would find a way—like finding a way to the moon, but much less expensive. The re-activation of the process of impeachment does not appeal to politicians, most of whom, no doubt, have at least half an eye on the possibility of becoming Prime Minister; after all, look what happened to Harry Truman; look what might happen to Mr. Spiro T. Agnew if someone shoots President Nixon (unless Mr. Nixon shoots first); look what might happen if Mr. Wilson dropped . . . No, don't look yet. Mr. Wilson is the Prime Minister, very busy presiding over the penultimate stages of the liquidation of the British Empire. He is also very much concerned with Rhodesia, pre-occupied with Anguilla, engaged in Nigeria, and attempting to restrain South Africa from defending the Cape shipping route even if this does mean losing valuable British markets. No, no, Mr. Wilson, both tigerish and fearless, is full of international concerns and responsibilities, all of which would fall on the shoulders of his successor if . . . No, don't look now, but . . . if anything *should* happen . . . who . . . will be . . . the next . . . ?

It does not really matter whether Mr. Wilson actually is impeached, if enough people think he *ought* to be. If, as seems all too possible, there is anarchy and economic breakdown in France, and the Russians send volunteers to help the French Communists restore order, they will be only a hop from Britain, where they may be needed to help restore order if the pound follows the franc; and then there will probably be a lot of people who wish Mr. Wilson *had* been impeached. (Remember, the Home Defence organisation has been destroyed.)

To use an expression much in favour with commentators, especially those associated with the London School of Economics, home of Planning, "whether we like it or not" serious trouble lies ahead. If it does not lead to a military confrontation, it will end in a walk-over. We *are* in a trap, not so much "struggling to survive" as being prevented by the traitors in our midst from dismantling the trap.

Just published—

The Moving Storm

Contemporaneous commentaries on linked events of 1964-1968, with an Introduction on historical significance.

By Bryan W. Monahan

A selection of notes from *The Social Crediter* with an Introduction and an Index.

The Twentieth Century A.D. has witnessed a transformation of the world more profound and extensive than in any period in the existence of the globe. In its beginning it seemed to promise such a flowering of Christian Graeco-Roman civilisation as had never appeared possible, for now the Curse of Adam would be borne by the magnificent complex of machines, setting free the Spirit of Man.

Instead, the Twentieth Century has seen the death, despoliation and torture of hundreds of millions of men, women and children. The destruction of mankind has become a technical possibility, whose threat is employed to impose a universal slavery. The beneficial use of the miracle of modern technology has been centralised in the hands of would-be World Rulers, seeking to perpetuate a dynasty over a permanently enslaved mankind.

Just published, *The Moving Storm*, obtainable from K.R.P. Publications Ltd., 245 Cann Hall Road, London, E.11 at 13/- posted, comments on the progress of this fatal conspiracy in recent years, displaying the pattern which underlies apparently disconnected events.

Masked Words

John Ruskin complained about a hundred years ago in *Sesame and Lilies* that "there are masked words droning and skulking about us in Europe . . . which nobody understands but which everybody uses and most people will also fight for, live for, or even die for . . . There never were creatures of prey so mischievous, never diplomatists so cunning, never poisoners so deadly". He adds that modern education gives people the "faculty of thinking wrong on every conceivable subject of importance", while he holds that a state can only rightly be so called if "established and enthroned upon a foundation of eternal law which nothing can alter, nor overthrow".

Some of Ruskin's insight into the significance of words, and of their abuse, might have saved Canon Collins from his extravagancies and lately from his threat that to ignore the Black Power movement was to "court disaster". He said (*The Times*, March 31, 1969) that it should be treated with "sympathy and understanding", an attitude he certainly has never extended to white people, for he complains that the majority of the natives are "racialists without knowing it". I do not know how you can logically decry racialism and require sympathy for Black Power in the same breath. So little wonder that the Rev. A. R. G. Hawkins complains in *The Times* of the "intellectual compromise and lack of definition" as well as of the "indecisive attitudes" displayed by Anglicans on recent issues.

However, the whole communion does not suffer from this emotionally distorted complaint, for the Dean of Wellington wrote in the Wellington, New Zealand, *Evening Post* that he was "forced to admire some of the principles and the efforts being made by the white citizens of both South Africa and Rhodesia", adding that he refused to call the government of Rhodesia a rebel one. This report was broadcast by Harvey Ward, Head of Combined Services, on March 2, 1969, and Dean Hurst clearly can think and write for himself.

Moreover, Congressman John R. Rarick has just written a book called *Stand up! You are an American*, in which he shows how he has stood up to the bureaucrats on such issues as Communism and Rhodesia. And Alice Widener describes in *Human Events* (March 15, 1969) how John Braine, author of *Room at the Top*, has defected from socialism to conservatism. For after joining all the socialist-approved organisations like the Fabians, the United Nations Association, the Council for Civil Liberties and the Campaign for Nuclear Disarmament, and speaking in favour of British unilateral disarmament, Mr Braine suffered two shocks that destroyed his faith.

For when the so-called British pacifists nearly lynched Queen Frederica of Greece, he suddenly realised in his own words, that "such a demonstration could only be for the benefit of the Communist party". If the CND leaders knew this, then CND had become "yet another Communist front

organisation", while if they could not see it they were too stupid for him to follow.

Then the murder-for-fun of children turned him away from Socialism which he says "teaches that crime is an illness to be treated . . .". He concludes that the humanitarian approach to crime "has vastly increased the sum of human suffering". As Alice Widener puts it, "Here is what true Conservatives, humanitarian realists, have been waiting for". One could add that this "humanitarian" type of approach, typified in that of Canon Collins, continues to increase the sum of human misery not only in the criminal sphere but in the political world—in Africa, for instance.

—H.S.

Inside Out

(continued from page 1)

expect to happen to character? Prisoners do not show much character, and the British were, in effect, subjected to prison conditions—"austerity" was the keynote of the post-war era* Remember?

It is probably not in the British character as Mr. Einzig used to admire it to object to men becoming rich, unless they have been convinced that the rich have become rich at the expense of the poor. But it is to produce this conviction that the Fabians have been active throughout this century, and before. Envy and resentment (provoked by malice and spite) are the dynamics of revolution, cultivated by the Socialists; and revolution means the transferring of power to a small minority—the concentration of power in Government, Dictatorship over the proletariat. And as character withers in this process, the time comes when its remnants can be stamped out. Whether Mr. Einzig's character will survive this ultimate stage, we do not know. He may indeed be doomed.

Mr. Einzig loves Britain ("I would infinitely prefer to be doomed here than be blessed anywhere else"); but he joins the chorus of those denigrating the British, as if it were indeed true that the British have got the Government they deserve. Perhaps it *is* true, in the chicken and the egg sense; but this does not explain the existence of both chickens and eggs at the same time. He blames the people who are subjected to an imposed policy (it would be infantile to suggest that the British knew what they would get when they voted for the Attlee or the Wilson régimes, or what they will get next time they vote, if ever) for the *results* of the policy, without ever examining the true origin of the policy or the tenets on which it is based. And it can only be said that this false emphasis can contribute nothing to a rectification, but cannot but help to intensify the psychological depression and despair in which "the workers" are plunged. It is only when British initiative is set free to rebuild the typically British institutions which Socialism set out to destroy that we shall see a re-emergence of that Anglo-Saxon character which has always been recognised by our enemies as the greatest barrier to 'interdependence' under World Government—scrambled eggs cooked to a turn.

A. G. Elliot's *The Guilty Madmen of Whitehall*† presents a very different view. Mr. Elliot has been a manual worker, brain worker, timber merchant, writer, importer, publisher,

psychologist and other things. He served in the war in the R.A.F., and has travelled widely. His book is "for all those who wish to make the effort of trying to understand what our politicians are attempting, and what is possibly more important, failing to do, for Britain. It is also for those who wish to help to restore Britain's greatness". Of course, we should say that the Socialist politicians are succeeding in what they are trying to do *to* Britain—condition the British for integration into a world system, *including Russia*, with 'entry' into the Common Market as a first but vital step; while Conservative politicians for the most part do not know what to do, nor even what they really were doing while in office.

But Mr. Elliot recognises the enemy: "The theory of Socialism, and our *present* Socialism is similar to and derived from Marxist Communism, appeals to millions because the *theory* is so attractive to many people who vote Socialist. They go on believing in the theory because it is the theory that is taught in books, schools, universities, etc. The amount of propaganda, press articles and so forth in favour of Socialism, greatly exceeds that of the Conservative or Liberal Parties. I am sure it has something to do with State education . . . Similar arguments apply to the B.B.C. . . . In these and similar ways our public are brain-washed or indoctrinated."

What this book exposes by numerous examples, taken from life, is the detailed effect of Socialism on the individual. Confiscatory taxation leads to tax-evasion, a beginning of moral corruption. It produces a climate conducive to other forms of crime, and gives the predatory rogue ascendancy in the community as, for example, Professor Hayek said it would*. At the same time, permissiveness, sedulously propagated by the B.B.C. and the mass media, makes it easier to get away with crime, immorality, pornography, etc.

Despite what Mr. Einzig says about the British character's deterioration, it is probably what it always was in the average Briton. But precisely as Mr. Elliot says, "The average man feels helpless in the face of Government, Trade Union or Association action and new laws and taxes, even although these may affect him adversely". But the new generations are no longer the average Britons; they are increasingly the brain-washed deformities of Socialist policy which is Marxist inspired. It is important to realise that because of this, there will be no hope of revival when the old generation is completely replaced by the new.

In a short foreword to Mr. Elliot's book, Mr. Enoch Powell writes: "These are some of the notes in which the rising anger of a nation becomes audible. It is a sound I like to hear." If anger replaces the feelings of helplessness, and *demand*s a reckoning with the guilty, there will be the first glimmer of hope. Until then, an election would be a disaster. The day of accounting will come, but whether at the hands of the British or of the Communists depends on the awakening of the British as to what they are *really* up against. They are up against the International Communist Conspiracy represented, for *practical* purposes, by the incumbent Administration, for which Mr. Wilson assumes responsibility.

Extra copies of this and all recent issues are available to subscribers at a nominal charge of 4d. each posted.

**The Road to Serfdom*—1943; published 1944, before victory and the Socialist Administration.

Printed by E Fish & Co Ltd Liverpool

*For contemporary comments on that period, see *The Development of World Dominion* now being printed for Tidal Publications. The price will be \$1.40 including postage, 13/- in U.K.

†See footnote on page 2.