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Economics, or Political Economy?

By C. H. DOUGLAS

An address to the Marshall Society of Cambridge (October 20th, 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 organizations 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 organization 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 skillful 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. Organizations appear to acquire a separate existence and character of their own, even temporary organizations, 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 gaol, 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 today 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.

The professional economists seem to have concentrated their energies over the past 20 years or so largely on an enquiry as to *what* goes on in the world of economics, rather than *why* it goes on, and to what it tends. There can be no discussion as to the desirability of making sure of your facts, but I am more than doubtful as to whether economists, on the whole, do make sure of their facts, or really know a fact when they see it. It is beginning to be generally recognised that mere money estimates of economic activities are almost valueless. I am inclined to think that it is not so generally recognised that you cannot place any rational interpretation on figures obtained by such methods as the census of production, or other similar returns, until you have information as to the destination of the production, the policy which was the cause of the production, and the probable short and long-range effect of this policy. For instance, Herr Hitler has been informing German people for some years past that they could not have both guns and butter. It is open to anyone to question whether Germany has been producing guns, or liabilities, looked at from the point of view of the individual.

There is one measure which is fundamental to any appreciation of the economic facts, and that is the measure of the potential rate of production and perhaps even more importantly, the change of rate, or what we engineers would call the *acceleration* of the rate of production. Now, I do not think that mere statistics of the *actual* change of rate are of very much value because the *actual* change of rate is dependent on numbers of purely artificial restrictions, such as lack of purchasing power, etc. But the *potential* rate of production is almost entirely dependent on the available amount of energy, and I do not exclude from this statement the consideration of the supply of what are called "raw materials." "Economic production" is a misnomer—there is no such thing. There is the change of form by which we make a simple thing into something more complex, and this is always accompanied by the dissipation of energy. Using this conception, we can say that there is about 4 horse-power available for every one of the population of this country, and a horse-power is commonly considered to represent the work of ten men and this energy is available for 24 hours a day instead of 8 hours, so that each of us has 120 slaves available. The potential rate of production is probably, therefore, over 100 times what it was, let us say, 150 years ago. In other words, a reasonable standard of living ought to be available for all of us, with a very trifling amount of work.

Now why do we find that economic insecurity is greater than it ever was? For myself, I have no hesitation whatever in giving you a short answer: it is the insistence upon a policy of universal employment, a policy which is pursued in flat opposition to the fundamental necessities which are revealed by the general economic position. Whereas the underlying necessities of economic production require, in fact, less and less attention by fewer and fewer of the population, we are insisting on more and more attention by more and more of the population. We are not doing it to ensure a good life, we are doing it because we pretend that our system of forced work is a "moral" system. That is a primary conception of Whig politics.

Those of you who live in the North must be familiar with a large number of farms, many of them becoming derelict, which bear the names of Manor Houses. In Cheshire, for instance, nearly every farm of any size is

called something-or-other 'Hall.' A couple of hundred years ago these represented the homes of independent, leisured families. Admittedly, there was a small (surprisingly small) portion of the population living in poverty. I doubt very much if the percentage was anything like one-tenth of the population. The rest of the population was comfortable, independent and confident. With immeasurably greater potentialities today for leisure, comfort and security, we have a larger percentage of indigence and a rapid proletarianising of an increasing portion of the population. That is not economics—it is "work" exalted to the main object of political economy. From it flow not merely the consequences upon which I have just touched, but because of the theories of the balance of trade, the necessity for international trade, and so forth, all of them emanating from Oriental ideologies, it is the primary cause of war.

While an intellectual appreciation of it is obviously the first step to anything practical in regard to this situation, it would be a profound mistake to assume that that is sufficient. It is my opinion that the problem which requires urgent attention beyond all others at the present time is the relationship of the individual to his institutions. At this time none of us can be unfamiliar with the fantastic lengths to which the exaltation of institutions proceeds. An institution, whether it be a nation or some constituent part of it, is, at bottom, nothing but an association of individuals for their own good, and when it ceases to be such it is a danger and not a benefit. The claim which is made that institutions are all-important and individuals have no importance is just exactly that claim which was challenged 1900 years ago and which must, as a matter of practical politics, be again challenged if civilisation is to survive. Institutions have their uses and, in fact, civilisation is probably impossible without them. They are good servants, but bad masters, and they have one very dangerous feature—a tendency to self-perpetuation. That is one reason why experts are such dangerous people. The average expert becomes so fascinated with the institution which gives rein to his expertness, that it becomes an end in itself, rather than a means.

Cambridge has a great responsibility in this matter. It is the Whig university, and the policy of this country for the last 200 years has been a Whig policy and is a Whig policy today. The first modern Dictator in Europe was the Whig idol, Cromwell. Merrie England ended with his rise.

I offer no opinion as to whether history, when it comes to be written, and if it is written truthfully, will regard the past 200 years as being an inevitable phase through which we were bound to pass, but I am quite confident that whatever virtues that period may have had, it has none now—that the hysterical cry for yet more work, yet more employment, sacrifices, higher taxes and all other corollaries of this policy, together with the bureaucracy and encroachment on elementary rights and liberties which is its accompaniment, should not only be firmly resisted, but reversed. As the rising generation of this country and members of an institution for which, in itself, we all of us have so great an affection, and whose glamour returns to me afresh as I visit it at your kind invitation, I should like to place the whole situation before you for consideration, with the earnest request that you free yourselves, as far as possible, from the idea that the object of the world and of life is the still further exaltation of the economic system, and the destruction of individual independence. If that idea is persisted in for the next five years, the future is indeed dark.

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The Moving Storm

There is higher authority than ours for the observation that though one rose from the dead, yet would they not believe. Yet, to take only the period of history covered by the three hundred years since Cromwell, the evidence for the existence of a conscious organised, Evil Purpose in the world appears so overwhelming that it would seem axiomatic that mankind could have no prior interest than to root out its Incarnations wherever found. Yet, so far as we can judge there is general though not universal apathy on the subject, and where there is not, the concern lacks focus.

It is probable that one factor in this situation is the identification of nations with the policies they appear to pursue. For nearly two hundred years, Germany has been the embodiment of this Evil Power, yet it is not intrinsically German. Russia appears to compete with the United States for possession of the Banners of Hell yet Russians, as individuals, like Americans, are no doubt good, bad, and indifferent.

The situation is in fact not greatly dissimilar to the group psychology explored by Gustave le Bon in such books as *Psychologie de Peuples*, and, recognising this, we can see that a nation considered as a group, is not rational; it is a force, not an intelligence; and therefore one nation or group after another can be used and manipulated by a concentrated Supernatural, Conscious Intelligence. The geographical shift of the Storm Centre in Europe from Spain to France, via Holland and England to Germany, and now to Russia is paralleled by the shift of certain activities, largely but not wholly Financial. This Storm Centre has, of course, its secondaries, its "Fifth Column" everywhere.

"Britain" is now apparently the target of the most venomous hatred by its manipulators, a position we have usurped from Imperial Russia; and the practical lesson to be learnt from this analysis is to direct our attention to the current Storm Centre. It is not in Russia, except as a fulcrum for Wall Street; Russia is finished; it is in New York.

—C. H. DOUGLAS (Sept. 11, 1948).



The Comte de St. Aulaire, from whose remarkable book, *Geneva versus Peace* we quoted recently, remarks "The League of Nations was conceived in Berlin. . . . We learn this fact from Von Bulow . . . it is at Berlin that the ring

is completed, after traversing Washington, Paris, London, Budapest and Petrograd. The mutual affinities of its ancestry, plutocracy, revolution, Freemasonry and Pan-Germanism, are so close that it may be wondered if there is not, beneath them all, another identity."

In this, the gravest crisis of the world's history, it is essential to realise that the stakes which are being played for are so high that the players on one side, at least, care no more for the immolation of the peoples of a continent than for the death of a sparrow.

They have no nationality, no morals, no scruples and no regrets. The League of Nations was conceived in Berlin, yes. But it was proposed and pressed by Wilson, the representative of men who had fought (well, a little anyway) to defeat the country in which it was conceived. It is not accidental that a film, and we know who controls the films, has appeared at this time which presents Wilson as a giant among statesmen, instead of, as he was, a second-rate schoolmaster completely dominated by Schiff, Strauss, House, Baruch and Brandeis.

To a world not distracted by rocket-bombs and Ministries of Fuel and Power, it would be uniformly obvious that a manipulated clamour is being raised in favour of the scum of the underworld in each country as it is "liberated." This scum has obtained arms in large quantities under the pretext of resistance to the Germans during the occupation. How much resistance was actually offered, we may, or may not, learn at a future date. We may, or may not, also learn the principles on which the arms of the resistance movements were distributed. But we already have sufficient experience of what happened in Greece, Belgium, and parts of France (always backed by a prepared clamour from the "British" Socialist Party) to be assured that a massacre of the Right has been prepared. The text-book is available to anyone who supposes that we are alarmists. It is written by Stalin, and its title is *Problems of Leninism*. In a valuable commentary which should be read by everyone ("What are Russia's Ultimate Aims?" Price fourpence, 9 Hazlewood Road, Glasgow), Mr. H. W. Henderson remarks "No one acquainted with Communist tactics in Germany before the advent to power of Hitler, can fail to be impressed with the fact that unity between the Communist and Socialist Parties could have kept the Nazis out. This was however rendered impossible by the actions of the Communist Party, acting under instructions from Moscow." Now, the Russian Revolution, and its spate of murder, was financed from New York with the assistance of Germany by some of the richest men in the world. And these same men are those who have persistently opposed effective monetary reform with the obvious intention of retaining an army of discontent for use against the Right. That is to say, there is a working coalition between the scum of the underworld and the richest men in the world to murder those from whom alone redemption for the underworld can come, in order that any threat to the power of the financier may be removed. The underworld will be dealt with just as easily as Stalin deals with any opposition, when the underworld has done its job.

—C. H. DOUGLAS (Feb. 10, 1945).



The following letter appeared in *The Daily Telegraph*, London, December 3, 1974:

From Gen. Sir WALTER WALKER

Sir—May I sound a word of warning concerning the proposed defence cuts?

What we are witnessing today is the time-honoured Communist tactic of paralysing a country's will to resist. Then stealthily, just to make things permanent, they will destroy our ability to resist while we remain paralysed of will. The proposed defence cuts are the writing on the wall.

This country will be committing "hara kiri," it will inflict on itself what Napoleon, the Kaiser and Hitler failed to do.

The ultimate goal of the militant Marxists is to impose defence cuts that will bring about the dissolution of Nato and cause such unilateral disarmaments that the leadership of all Europe will be delivered to Russia on a plate. These men are bent on smashing democracy, our free society, our whole way of life, and turning us into a Communist State. They have four bulls-eyes, all prefixed with the letter D.

First, destroy our Naval, Army and Air Force effective strength. The one thing that Marxists fear is the efficiency and sheer professionalism of our soldiers, sailors and airmen.

Second, discredit the woefully understrength police and special constabulary and keep them under strength. The stresses and strains are such that the thin blue line is almost at breaking point, and the forces of evil realise this only too well.

Third, dismantle the already hacked and carved-up Territorial Army and similar reserves.

Fourth, demolish any form of internal security for home defence—civil defence having already been thrown overboard.

The penalty to pay would be the complete loss of our freedom, and instead we would be subjected to slavery, secret police and all that goes with the Soviet way of life. In fact we would be taken over.

—WALTER WALKER,
South Petherton, Somerset.

Counter Offensive

In welcoming a document from the Vatican on the year of Reconciliation, the *Catholic Herald* (Jan. 10, 1975) notes the strong tradition that arose "from the original Hellenization of the Church" and complains that spurious theological support invested "the resulting de-Judaizing process." But then, it claims, came the Dead Sea Scrolls, "a shift in biblical research towards semitic studies, and a final scholarly de-Hellenization of Christianity, resulting in a process still going on, indeed only in its early stages, namely re-Judaization of the Church."

Only the other day, various priests were insisting on dialogue with Marxism as the new direction for Christianity, and the World Council of Churches is still engaged in the "Marxianisation" of the Church. And now it seems that the good ship *Unam Sanctam* is to lurch violently in yet another direction, the route apparently of Oliver Cromwell and Praise-God Barebones.

However, Dr. Rudolf Graber, Roman Catholic Bishop of Regensburg, celebrated the 1600th anniversary of the death of Athanasius with a book that partially explains the reckless changes of direction recommended to the Church. He recalls words addressed to Athanasius in a letter, "The whole Church is in dissolution." (*Athanasius and the Church of our Time*, 1973; English edn. 1974.)

Dr. Graber deals with Secret Societies in a notable chapter, saying that the Freemasons were founded in London in 1717 and the Illuminati were founded in 1776 in Ingolstadt by Adam Weishaupt, their aim being *synarchy*, "a centralised world state with a centralised government planned as an anti-church." The secret societies have joined together "to set up an invisible world government," aiming to integrate "all the financial and social forces which the world government, under socialist leadership naturally, has to support and promote." The enemy camp uses the method of infiltration into the church, what Rosenberg the Swiss called "a careful sifting by the theologians and pastorate."

The bishop relies on Pierre Virion for some of his information, and refers to ex-canon Roca (died 1893) for whom "the word *reform* means *revolution*," and he wrote eighty years before Dr. Potter of W.C.C. The person, continues Dr. Graber, is now "blotted out in the collective . . . nothing is left of the individual." Conferences, committees, commissions and meetings proliferate. Roca wrote in 1891, "Pure Christianity is Socialism." A secret directive of 1839 (reported by Franquerie) ran, "let us popularize vice among the masses."

The author has other fine chapters on Modernism and the Second Vatican Council, for the Secret Societies had wished for a council and the communists welcomed it, saying, "Never was the situation so favourable to us." He anticipates the Christian Affirmation Campaign in quoting the Old Lutheran theologian, Dr. von Heyl, who said that Catholicism ought by rights to be more akin "to the Old Lutheran, Old Reformed and sections of the Anglican Churches." And his dislike of mixed religion leads him to complain in a note of the little impression made "by the anonymous pamphlet distributed only to the members of the Council *L'azione Giudaico-Massonica nel Concilio*."

From the *Church Times* (Feb. 7, 1975) we learn that Dr. Graber is, together with another Roman Catholic, two Lutherans and the Anglican Francis Moss, a member of the European Liaison Committee of the International Network of Confessing Christians. Dr. Graber will have much to contribute to the Network. The constitution of this body, adopted at Regensburg last December, states that it is "a world-wide fellowship of concerned Christians from various ecclesiastical traditions who are determined to uphold unfalsified Christian standards of doctrine, ethics and Church order over against anti-Christian currents both inside and outside the Churches, especially the Ecumenical Movement." Its members pledge loyalty to the traditions of their own Churches, but unite with those of other confessions against "theological rationalism, modernism, Marxism, false ecumenism, syncretism and pseudo-Christian spiritualism."

The Rev. Francis Moss, Rector of Kemerton, Gloucestershire, one of the founders of the Anglican Association and of the Christian Affirmation Campaign, is to edit a newsletter which will be sent out through supporting groups in Europe, Canada, U.S.A., South Africa and New Zealand for the International Network of Confessing Christians.

—H.S.

R.I.P.

The gracious life of Beatrice Geraldine Starky has now ended. She was for many years a member of the Social Credit Secretariat.