

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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THE MENACE OF FEDERALISM

As the debate over the future character of the European Community heats up, so the identities and disposition of the opposing forces become clearer. The total spectrum extends on the one hand from those who wish to see Britain retrace its steps and come out of the Community altogether to those on the other hand who advocate total commitment to it, even including full acceptance of all the fundamental conditions for political, economic and monetary union spelled out in the Delors Report.¹

Mrs Thatcher's rejection at Bruges of the concept of a European superstate has both sharpened the divisions and, for the present at least, has narrowed the main issue to the retention of a Europe of sovereign states or the creation of a federal Europe with the inevitable diminution of national sovereignty implicit in that concept. At the very heart of this argument lies the question of control over monetary policy and the extent to which, *if any*, this can reside within a national government in the face of the drive by the international money power to enforce further centralisation. A good illustration of how this crucial issue cuts across party lines (with the Labour Party as yet strangely muted and divided on it) is afforded by the recent exchange in *The Independent* between Mr Alan Haselhurst and Mr William Cash, Conservative M.P.s respectively for Saffron Walden and Stafford.

Urging acquiescence in further federation, Mr Haselhurst (2nd October) declared "Proposals for economic and monetary union are just another phase of the journey. . . . In an interdependent world, the inability of a national state to exercise effective control of its own affairs has long been apparent." He continued, "Mr Cash and his Friends of Bruges seem to want to fight a battle against federalism today which may not have to be fought at all. In any case, what is inherently undemocratic about federalism? The Americans manage quite well."

Disputing this "wait and see" approach as "wholly unreal", Mr Cash replied (4th October) that "The real problem is that, unless resisted, the vigorous pressure for federalism by some leaders in Europe will become an assumed part of our involvement in the European Community. We did not agree to this on accession in 1972, nor again in 1975 in the Referendum, nor in the acceptance of the Single European Act in 1986. Mr Haselhurst claims that he is 'not aware of any preconceived plan' but seems unaware that Michael Rocard, Prime Minister of France, describes himself as 'a complete federalist', and of the recent advocacy by the five Christian Democrat leaders in Europe of a Single European Government and a Single European Parliament. That is what convinces me where they would like to take us. This would inevitably imply the end of our Westminster Parliament in any real sense and the loss of our freedom to decide our political, economic and social priorities and, with it, the loss of our hard won democratic system."

That surely is the very nub of the argument and we can bring to bear on it just two of many historical examples of centralised government exerted against the wishes of the governed.

Remember Alberta? In August 1935, the first Social Credit government in history came into being in Alberta, having won 57 of the 63 seats in the provincial legislature. Despite great difficulties, it proceeded to enact legislation designed to introduce a Social Credit system of administration for the Province. But all these necessary Acts were either disallowed by the Federal Government or declared unconstitutional by the Supreme Court of Canada. Thus the democratically expressed will of the overwhelming majority of Albertans was totally frustrated by powers enshrined in the federal constitution of Canada.²

Let us now turn to the United States of America, another federal constitution. Despite its enormous natural resources and inexhaustible reservoir of human skills, its federal government is in debt to the tune of one trillion dollars, i.e., over \$1,000,000,000,000. U.S. taxpayers have to pay over \$100,000,000,000 in annual interest charges on this debt, money "borrowed" by successive federal governments from or through the Federal Reserve Board. This official-sounding name disguises the fact that the Board is not a department of the federal government but is actually a cartel of private banks constituted by the Federal Reserve Act of 1913. This Act is now claimed by the Committee to Restore the Constitution to have been passed in violation of the Constitution of the United States. The Committee is campaigning for its repeal and the restitution to the Congress of the sole power to control and regulate the issue of American money in accordance with the original provisions of the Constitution.

Under the heading "A Nation in Hock", the Bulletin of the Committee (September, 1988) lists the individual banks which hold the controlling interest in the Federal Reserve System. According to Swiss and Saudi Arabian sources, reports the Bulletin, the Class A stockholders of the Federal Reserve are: Rothschild Banks of London and Berlin; Lazard Brothers Banks of Paris; Israel Moses Sieff Banks of Italy; Warburg Bank of Hamburg and Amsterdam; Lehman Brothers Bank of New York; Kuhn, Loeb Bank of New York; Chase Manhattan Bank of New York; Goldman, Sachs Bank of New York.³

The Bulletin further names 11 States whose State Legislatures have voted for repeal of the Federal Reserve Act. Other States are also claimed to be supporting this

¹ The Delors Report on Economic and Monetary Union in the European Community. From Intelligence Publications (U.K.), 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD. Single copy £2.

² *The Big Idea*, by C. H. Douglas, from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD, £3.25 post free.

³ "A Nation in Hock," Bulletin of The Committee to Restore the Constitution, September, 1988. P.O. Box 986, Fort Collins, CO 80522.

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THE SOCIAL CREDIT SECRETARIAT

Personnel—Chairman: C. R. Preston, Meadow Cottages, Burndell Road, Yapton, Arundel, West Sussex, BN18 0HP, U.K. General Deputy Chairman: Dr Basil L. Steele, 45 Regent's Park Road, London, NW1 7SY. Deputy Chairman, Australasia: H. A. Scouler, 11 Robertson Road, North Curl Curl, N.S.W. 2099. Editor: Donald Neale, O.B.E., 21 Hawkhead Crescent, Edinburgh, EH16 6LR.

A HAPPY CHRISTMAS TO ALL OUR READERS

ON TAKING ACTION

We have recently been giving added prominence to the question of Britain's involvement with the European Community. We regard this issue as the most immediately critical in the unending battle to defend the cause of optimum freedom for the individual within the Society of which he forms a part.

The publication of the Delors Report, of which we urge every reader to obtain a copy, exposed the true nature and purpose of the financial institutions designed to establish supra-national authority over European currencies. The implementation of this Report has been blocked, at least for the time being, by Mrs Thatcher's resistance to it as expressed in her Bruges speech and her condemnation of Stages 2 and 3 as involving "a massive transfer of sovereignty which I do not believe would be acceptable to this House" (of Commons).

The battle will however undoubtedly continue and intensify, as witness the current sustained pressure on the £. But it is essential that short-term currency fluctuations and stock market manipulations are not allowed to obscure the underlying fundamental issue of Britain retaining national sovereignty over monetary policy or surrendering to further centralisation and remote control.

We have accordingly organised an extensive lobby of M.P.s and Ministers and other persons of influence, over 700 of whom are being sent a special four-page broadsheet made up of pages 1 and 2 of the last two issues of *The Social Crediter*, together with appropriate covering letters. This lobby has been made possible entirely by voluntary effort and the promise of financial support. Offers of help in furthering this initiative, either financial or practical in distributing the broadsheet, will be very welcome and should be addressed to the Editor.

The Menace of Federalism (Continued from page 1)

move. Like the Albertans, however, their wishes will be frustrated by the federal constitution of the United States unless and until they can command the assent of the majority of the 50 States in the Union.

The parallel with the recommendations of the Delors Report is too obvious to miss. Paragraph 32 of that Report postulates the establishment "in a federal form" of a European System of Central Banks (E.S.C.B.) and says "This new system would have to be given the full status of an autonomous Community institution". Its functions would include being "responsible for the formulation and implementation of monetary policy". Its "federative structure" would include "the establishment of an E.S.C.B. Council (composed of the Governors of the central banks and the members of the Board . . .)" and "national central banks which would execute operations **in accordance with the decisions taken by the E.S.C.B. Council**" (our emphasis). On the status of the E.S.C.B. Council, the Report states "the E.S.C.B. Council should be independent of instructions from national governments and Community authorities". Paragraph 33 spells out provision for the sanctions to be applied to any member State not complying with economic policy laid down by the Council of Ministers, thus "In the event of non-compliance by member states, the Commission or another appropriately delegated authority as envisaged in paragraph 31 would be responsible for taking effective action to ensure compliance; the nature of such action would have to be explored".¹

In other words, the natives might not always remain quiescent and might have to be brought to heel. Truly we have been warned.

In the aftermath of the Alberta experience, C. H. Douglas made the following comment: "If the Social Credit Government of Alberta had done nothing — and it has done many things — to justify its existence, the demonstration afforded by its enemies of one fundamental factor in the world situation would still have made it a landmark in human history. That factor, completely demonstrated by the actions of the Canadian Federal Government in disallowing every Act of the Provincial Legislature directed to the inauguration of Social Credit, is that the Secret Government is determined to keep the world in turmoil until its own rule is supreme, so that one uninformed mob may be mobilised against another should either become dangerous. I do not think that anyone who will take the trouble to consider the actions of the Canadian Federal Government can fail to apprehend exactly why centralisation, Federal Union, and other 'Bigger and Better' governments are the most deadly menace with which humanity is faced today. . . ."²

We are convinced that Mrs Thatcher's resistance to surrendering further control over Britain's future destiny reflects the views of the great majority of the British people. Effectively enunciated, this issue could prove decisive in the next general election. Meantime, Social Crediters should leave their M.P.s in no doubt of their views on this crucial subject.

¹ The Delors Report on Economic and Monetary Union in the European Community. From Intelligence Publications (U.K.), 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD. Single copy £2.

² *The Big Idea*, by C. H. Douglas, from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD, £3.25 post free.

THE CONTINUATION OF POLICY

We are sure that readers will not fail to see the connections between the current drive for closer "European Unity" and the following exposé by C. H. Douglas, extracted from *The Big Idea* and first published in *The Social Crediter* between January and May, 1942. Editor.

I think that there are two simple concepts which it is essential to grasp in considering the nature of the conspiracy against the individual. The first is that bureaucratic Socialism is probably the most inefficient method of conducting an economic system which has ever been devised. The second is, that a reasonably efficient economic system, such as *Laissez Faire* combined with a sane financial system, would make "employment" ineffective as a means of Government. Having thoroughly grasped these ideas, it is well to remind oneself that wisdom was not born with us, and is unlikely to die with us. In other words, others have grasped these simple facts, probably some time ago.

From the purely economic point of view as distinct from the destruction of war, efficiency of the scientific management type is completely unnecessary. There is no necessity for cut-throat competition, and it is not "natural." There is no genuine scarcity which is not consciously produced, and I am beginning to disbelieve in the idea that there ever was any genuine unavoidable scarcity.

What is quite clear is that every advance in productive capacity with diminishing human labour effort, has been nullified, and even more than nullified, so that economic life is less secure, and, in relation to possibilities, less widely civilised, than it was 500 years ago. And that this situation has been used with Satanic cleverness to transfer more and more power to those who have caused it.

Socialism, or to give it its correct name, Monopoly, is not a *production* system, which is exactly what one would expect from its origins. That this is a simple statement of fact is being demonstrated in this country at the moment. It is a legalistic system based on a power complex supported by a set of abstract slogans which its policies and results contradict, where these have any concrete meaning. The idea so skilfully inculcated that confiscation of property will assist in the distribution of wealth is, of course, completely without foundation. Socialism is a restriction system, as any examination of Socialistic practice in the Trades Unions will confirm, and it has two well defined fundamental principles — centralisation of power, both economic and political, and espionage.

That is to say, every advance towards Socialism is an advance towards the Police State. Five minutes' attention to the increase in the number of licenses he now requires in this country (which even yet is less completely enslaved than Russia and Germany) and anyone can see that for himself. And if anyone supposes that the licensing system is purely a war expedient, then I can only envy his optimism.

Now, it is commonly supposed by those who have not devoted much attention to the subject that the German-Jew, Karl Marx, is the father of modern Socialism. This is incorrect. There is not a single original idea in Marx. "He found everything that his system contains in the British Museum. His Communism was that of Babeuf, his theory of wage slavery was current during the French Revolution, his idea of the class war had originated with Weishaupt, the Illuminist, his theory that labour produces all wealth had

been formulated by Robert Owen and the Chartists, his theory of surplus value had also been proclaimed by the Chartists." — Webster.¹

What is much more important is that at the time that Marx was practically living in the British Museum, supported by the German, Engels (who had made an immense fortune by exploiting Lancashire child labour), the whole country was ringing with attacks on the financial system, Cobbett was attacking the Bank of "England" and the Jews, Atwood was writing on currency, and the disorganisation and distress which culminated in the "Hungry Forties" were only kept from assuming the proportions of a panic by the employment provided by railway and canal development on privately subscribed funds. There is not a word about the dominant position and responsibility of finance to be found in Marx, and Socialism has attacked every form of property, and at this moment is attacking every form of property, except that which is the monopoly of the international financier, and has steadfastly refused to have anything to do with financial reform. Practically every one of the theories which Marx had welded into the Communist Manifesto had been tried out experimentally and all, with the exception of the Co-Operative Movement, which is mainly the child of Robert Owen, whose psychology was correct, had failed completely. Had, of course, the Co-Operative Movement obtained control of its own credit, which it never did, and never tried to do, it would inevitably have developed into a completely successful social and economic system.

By 1848, Socialism, as it had been attempted, was dead.

"It is evident that at that date, some pact was formed between German Imperialism and the Jews of Germany. . . . Socialism, a derelict concern, was now taken over by a Company. That Company was the German-Jewish band of 'Social Democrats'" — Webster.¹ Bismarck, it will be remembered, speaking of these people 30 years afterwards, said, "we march separately, but we fight together". This statement seems to close any discussion as to the relation between Marxian Socialism and the constant state of war and threat of war which has been existent since the inception of the Bismarckian Reich.

Now, the policy of the Bismarckian Reich was the policy of Anacharsis Clootz the Freemason, and the same policy which "Hitler" is pursuing at this moment — the United States of Europe, dominated by Germany; and the monopolistic trust, first developed in Germany, and controlled by a great Bank of the type which the Bank of "England" has now become, was the perfect complement to the propaganda of the Social Democrats. The Jews at the head of the *Deutsche Bank*, the *Dresdner Bank*, and the *Disconto Gesellschaft* were in constant contact with the German Socialists, and regarded them simply as part of the bureaucratic organisation of European States otherwise insulated from German-Jewish influence.

To what extent Marxian Socialism was a genuine workers' movement, or had as its object the real good of the underprivileged can be gathered from his published corres-

¹ Nesta H. Webster, *World Revolution: The Plot against Civilisation*, Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD. £8.00 post free.

pondence, in which he refers to the French as “Parisian chatterboxes” and to “the English Trades Union *schweinhunde*” (pig-dogs). Marx worked for Bismarck, tried to paralyse the resistance of the French to Prussia before 1870, just as the Socialist movement in Great Britain has worked for the 15 years from 1920 to 1935 to make a German victory certain, and was stated to have received £10,000 from Bismarck for his services, and did not deny it.

His gratitude to this country for having sheltered him can be gathered from his message to the Internationale in 1870: “The English are incapable of making a socialist revolution, therefore foreigners must make it for them. The point to strike at first is Ireland, and in Ireland they are ready to begin their work.”

Events, however, were against Pan-Germanism and the bureaucratic State. The latter half of the 19th century saw the tremendous rise in the power of the British Empire, and the comparative prosperity of a mercantilist system during a period of rapid expansion. Socialism languished.

The United States of America began to come into the picture, and the Big Idea had to ensure that there was no complication from that quarter. William Jennings Bryan and his bi-metallist campaign were more menacing to the money-power than anything in Europe, and Max and Paul Warburg left the inner circles of German-Jewish finance in the flesh only, to become “Americans”.

THE ART OF GOVERNMENT

The Arts of Government are known to and practised by some *individuals*: that is to say, they are not known to and practised by “Allah” or “Fate” or “*Die Gestalt*”. The Art of Government includes the Arts of Government, and may be defined as the means whereby all the members of a community (in the result) are constrained to accept an objective entertained by less than the whole number. . . .

The Art of Government, therefore, is an art exerted to falsify the Social Credit — to substitute a false standard of satisfaction for a real standard; to represent the objective as being attained when it is not, in fact, attained; to deflect the aim of individuals in their attempts to reach their objective; to alienate policy from individuals. . . . The aim of Government is control of policy, and the Art of Government is chiefly concerned with the development of skill (exerted by individuals) in the control of policy. In a true democracy this skill would be developed and devoted solely to the end of securing that the real objective of association was correctly expressed (not necessarily in words or formulae: better still in *fact*: *factum* = the thing done).

Thus we find that those individuals in the community who may be given opportunity of displaying skill in the Arts of Government are so trained that they may develop skill and use it to the greatest advantage with the minimum of trouble to themselves. It is even more widely recognised that a requirement of successful government is the evocation of a minimum of conscious resistance in the governed. . . .

Observe that the evocation of a minimum of conscious resistance implies that the Art of Government should be, as far as possible, an art which conceals art. . . . Since the Art of Government has exercised the ingenuity of rulers throughout history, we should expect a detailed understanding of it to be hard to acquire. Modern society reveals the volume of effective knowledge in THE RESULT: namely, an association in which the associators (individuals) do not effectively determine policy.

Tudor J. Jones, Sc.D., M.D., F.R.S.E., in *Elements of Social Credit*, Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD. £5 hardback post free.

The Free Silver Campaign of William Jennings Bryan (“The coinage of silver on demand to a ratio of 16 to one”) forms a curious chapter both in United States history and that of monetary agitation. It was unsound in principle, being, in the genuine sense, currency inflation not differing very fundamentally from a bank-note printing scheme. The late Arthur Kitson, who took an active part in it, was in the habit of observing that not one in a thousand of the millions who supported it, understood it, and the man who understood it least was William Jennings Bryan.

But Bryan, known as the “silver-tongued orator”, was a spellbinder of the first rank, and in his final campaign in 1907 his speeches raised his nation-wide audiences to a condition of emotional hysteria which was of much greater value to a candidate for the Presidency than mere intellectual conviction. His famous phrase, “You shall not crucify Mankind upon a cross of gold”, is still current.

The bankers reacted to the threat of interference in the usual way. They called in overdrafts, ran a press campaign which prophesied blue ruin, and finally engineered a major business panic and depression, the repercussions of which were felt all over the world. Bryan was defeated by a nonentity, Taft, in the Presidential Election, by a narrow majority, after a Primary Poll which excelled all records of intimidation and corruption. Bi-metallism was practically never heard of again.

REVIEWS

A Zealous Pilgrimage, by Arthur Garrison; Pentland Press, Edinburgh, 1989. Arthur Garrison is a long-standing Social Crediter now into his nineties. Subtitled “One Man’s Quest for Political and Economic Realism”, Part I of this largely autobiographical work chronicles the author’s First World War service, including Gallipoli and the Royal Flying Corps, and his subsequent business career and world-wide travels. Part II covers the development of the Social Credit concepts — including the vicissitudes of the first titular Social Credit government in Alberta — against the backdrop of the determined bid by the Money Power for centralised global control of peoples and resources. Despite profligate depletion of finite resources, scientific evidence is adduced indicating that, given enlightened financial policies, limitless potentialities for material abundance are constantly emerging.

Part II constitutes an excellent introduction to Social Credit for new readers and, thanks to Arthur Garrison’s generosity, reprints of Part II are available at the nominal price of £2 post paid from CHD Associates, 4D Church Road, Tweedmouth, TD15 2AJ.

Why has the Country not been told? Commander M. J. L. Blake, R.N., and Colonel B. S. Turner, C.Eng, M.I.Mech.E., pose a number of penetrating questions bearing on Soviet strategy and tactics, all illustrating that the objective of World Communist Control is being relentlessly pursued, not only by force of arms, but also by “War beneath the level of military conflict”. Many of these questions deserve to be taken up by readers with their M.Ps. in the search for answers. From Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, CO10 6TD. One copy £2, five copies £8, 10 copies £15, post free in U.K.