

INTRODUCTORY SOCIAL CREDIT TRAINING COURSE - LECTURE 7  
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In last week's lecture we dealt with the flaw in the present orthodox financial rules and the effect this flaw has upon the economy. I said last week that in the absence of any understanding of the financial and economic problem, it was impossible for any individual to obtain any comprehensive understanding of local and international politics, simply because these are largely governed by finance and economics. There is today considerable talk about Socialism and Communism, but little understanding of how present generally accepted ideas of finance and economics make Socialist policies inevitable. Irrespective of the label of Governments over the past twenty years, the policies they have imposed have become more and more Socialistic. The essence of Socialism and Communism is the centralization of power, the building of Monopoly, both economic and political.

When he was in Melbourne in 1954, Major Douglas gave a lecture in the Town Hall entitled "*The Monopolistic Idea*". Douglas pointed out how the centralized control of financial credit enabled the controllers to decide which economic organizations could obtain credit. He also said that they always favoured the larger organization at the expense of the smaller organizations. The growth of monopoly is not, as the Socialists and Communists claim, something that is inevitable, the result of what they call capitalism. Monopoly is a deliberate policy and it is most significant that the Socialists never attack the monopoly of credit, which enables the creation of other monopolies. They suggest that the monopoly of credit should be made almost impregnable by backing it with all the sanctions of the State.

Commenting upon the general policy of Socialism followed by all types of Governments, Dr. Bryan Monahan writes in his "*Introduction to Social Credit*" that "this line of policy can be seen to be derived almost entirely from financial considerations. And it is all consistent, and all represents the concentration of control over both policy and administration. Financial policy promoted monopoly developments, and did so quite explicitly, the Bank of England, the local agency of International Finance, called the policy 'rationalisation'. Such monopoly development is an almost necessary preliminary to 'nationalization'. .... Rationalisation, or monopoly control of specific industries, is a step to nationalization, where distinct industries are brought under one control. Internationalization is the next step, where nationalized industries are linked under one world control. And this is the objective of the group of men in control of the world's financial system.

It is not without significance that one of the principal architects of the Bretton Woods Financial Agreement, an agreement to try and establish a much more rigid and centrally-controlled banking system, was the American secret Communist, Mr. Harry Dexter White. Not only do present financial rules enable monopoly to be fostered, they also provide the Socialists and Communists with the necessary arguments to further the "class struggle". This is a most vital matter and it is essential that we give it our most earnest consideration.

Communism is not primarily a military threat, but a conspiracy. Soviet Russia, and other areas recently taken under Communist control, are not so much military bases, but bases from which a conspiracy is aided and assisted whenever the opportunity presents itself.

But the Communists can only keep the rest of the world in turmoil because the controllers of financial policies throughout the world impose policies which automatically produce results which appear to justify what the Socialists and Communist have to say. Communists and Socialists have always opposed Social Credit policies because they know that these policies would allow what they call the capitalist system to operate satisfactorily for the individual.

The vital and fundamental premises of the Marxist-Leninist theory is what is called "the automatic and inevitable nature of the 'contradiction' in Capitalist economy". But it is commonsense that the capitalist does not oppress and exploit the worker because he likes it, but because he cannot avoid it. He is like the worker; dominated by financial rules which he cannot avoid. As Lenin emphasized, Revolution is impossible without a general crisis. And it is present financial rules, not the evils of the capitalists, which produce the crisis. The central aspect of the Capitalist system is money. The Capitalist must "produce for profit", and profit is taken in money. In other words, the vital aspect of Capitalist economy is in its relation to the financial system and the financial system itself consists of certain so-called "principles", or rules. We often hear references to the rules of "sound finance". Thus the capitalist conducts his business and makes his profits according to the rules which govern the use of money. The Marxist-Leninist position therefore rests ultimately on the question of those rules. If the rules are regarded as something in the nature of a natural law, then the Communists are right when they claim that Socialism is "historically inevitable". But financial rules are man-made and can be altered. The fact that the international groups dominating the world financial system bitterly oppose any suggestion that the system be modified, and have financed Socialist movements, is clear evidence that, as Douglas once said, the richest men in the world are using the scum of the world to destroy private ownership and any genuine independence. Men of independence may challenge present policies.

We saw last week how present financial and economic policies make rising prices inevitable. This also helps cause social unrest. And the fact that the capitalist nations must try and export more than they import, thus leading to the clashes between the non-Communist nations to the great delight of the Communists, is also governed by present financial rules.

From whatever angle we examine the matter, it is clear that present financial and economic policies lead straight to a World Monopoly State. One of the essentials for the defeat of Communism is a drastic internal modification of present financial and economic policies.

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### QUESTIONS ON LECTURE 7

1. What would you say are the chief features of Socialism?
2. Why can Communism and Finance Capitalism be said to have common objectives?
3. What is the essential element in "capitalist" economics?
4. Describe what you would consider to be the essential modifications necessary to enable Communism to be defeated?

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### ANSWERS TO QUESTIONS ON LECTURE 7

1. The chief features of socialism are monopoly control and centralization of control in the financial, economic, and political spheres, with the ultimate aim of the control over all the necessities of life itself by a very small group of men.
2. Communism and finance capitalism have common objectives because they both inherently and irrevocably move towards total centralization of power. If they didn't they would fade out of existence. Both are equally dependent on the total control of financial credit. Finance capitalism has constantly financed socialistic movements.
3. The essential element of capitalistic economics are the false financial rules which pervert the profit principle, producing economic and political crisis inevitably.
4. One of the essentials for the defeat of Communism is a drastic internal modification of present financial and economic policies.