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FOR POLITICAL AND ECONOMIC REALISM

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## An Introduction to Social Credit\*

By BRYAN W. MONAHAN

### Part 1.—PHYSICS.

Most Social Crediters must have been asked the question from time to time: "What is Social Credit?" There is no short answer. Social Credit is a way of looking at things, a point of view that seems to bring every branch of knowledge into a new and more clear perspective. Equally, all knowledge is relevant to Social Credit.

In his *Introduction to Mathematics*, A. N. Whitehead writes: "We have thus arrived at a position where we can effect a complete interchange in ideas and results between the two sciences. Each science throws light on the other, and itself gains immeasurably in power. It is impossible not to feel stirred at the thought of the emotions of men at certain historic moments of adventure and discovery. . . . Such moments are also granted to students in the abstract regions of thought, and high among them must be placed the morning when Descartes lay in bed and invented the method of coordinate geometry."

Whitehead refers here to Descartes's revelation of the relation between the hitherto separate sciences of algebra and geometry. Such a revelation commonly comes in a flash; its recipient knows instantaneously that contained in that revelation is the solution, beyond any doubt, of previously insoluble problems. It is not the specific solution of a specific problem that is known; it is the certainty that a solution will be found in the new method of approach made possible. Actual solutions of given problems will be the work of many men in many years.

Social Credit is just such a revelation. It is a method which comprehends the relation between physical and industrial science, economics, and politics. A knowledge of Social Credit pre-supposes an awareness of the problems of those subjects, and a knowledge of the problems lying between them. Thus, in co-ordinate geometry, "the immediate question which starts to the mind is, What sort of loci correspond to the well-known algebraic forms?" This is a question that can be put only from the point of view of co-ordinate geometry, while at the same time it is put with the certain knowledge that a useful answer can be found. So, with Social Credit, we can ask certain sociological questions with the knowledge that to posit the problem implies the answer.

It is a matter of great importance to understand to what an extent progress in any subject depends on a correct positioning of the problem. A classic example is the problem of Achilles and the tortoise. In its classical form, with the classical pre-suppositions, the problem is insoluble. As stated

by William James, the problem, or paradox as it is usually known, runs: "Give that reptile ever so small an advance and the swift runner Achilles can never overtake him, much less get ahead of him; for if space and time are infinitely divisible (as our intellects tell us they must be), by the time Achilles reaches the tortoise's starting-point, the tortoise has already got ahead of *that* starting-point, and so on *ad infinitum*, the interval between the pursuer and the pursued growing endlessly minuter, but never becoming wholly obliterated." The modern mind can "see through" this problem at once—because we are the possessors of new points of view to encompass such paradoxes; the problem has in fact vanished, and we concern ourselves with the more practical problem: "Given that the tortoise and Achilles have such and such speeds, and start with such and such a distance between them, *how long* will it take Achilles to overtake the tortoise?" The technique of algebra brings the solution within the competence of a child.

Yet behind the simplest algebraic technique lies a vast domain of abstract knowledge, whose nature makes a short answer to the question "What is algebra?" as impossible as in the case of Social Credit. One might say "Algebra is the technique of a mathematical conception," and that would be a correct and penetrating answer. Similarly, Social Credit has been described by Major C. H. Douglas, its originator, as "The policy of a philosophy." And just as algebra enables us to give a short answer to a particular mathematical problem, so Social Credit enables us to give a short answer to a particular problem of political economy. But neither the answer, nor the technique by which it is found, is algebra or Social Credit as such. Social Credit possesses its appropriate techniques, but stands to them exactly as does mathematical philosophy to its prosaic calculations, transcending them, and reaching back to what we call Reality. Social Credit does indeed enable us to grasp an aspect of Reality, and it surely belongs among the great historic insights.

By the accidents and necessities of its development as a social dynamic, Social Credit has come to be widely and superficially identified with monetary reform until recently. Now, however, a renewed interest and great curiosity concerning the fundamental ideas of Social Credit is becoming apparent as never before. The materialistic delirium is passing; everywhere men are looking for a re-birth of those spiritual realities which underlay the great achievements of civilisation in other epochs. Though much can delay, or even set-back still further, that re-birth, nothing except utter destruction can prevent it. What form it will take none can say. But it is to that re-birth, and a fresh expansion of the achievements of the Spirit incarnated in Man, that Social Credit belongs. Just as mathematical philosophy has entered into the being of civilisation, so does Social Credit. What forms and developments this living force will take are

\* Now appearing in *The Australian Social Crediter*.

essentially unpredictable, but we may be sure that as the tide of our disasters is turned, the great conceptions embodied in Social Credit will come to fruition.

(To be continued).

### "Ten Years of Broadcasts"

(By James Guthrie, over 7HO, December 1, 1946).

This broadcast brings to an end the session sponsored by the Electoral Campaign which has been on the air regularly for the past ten years. As we said last Sunday, we have attempted to bring before you the realities of the political situation. Under any conditions, this is not an easy task, but a ten minutes weekly session over the air is quite inadequate to deal with the vast stream of events which flow by us and over us in these hectic days of world political upheaval.

Because of this our broadcasts have had to be highly selective; we could only speak on certain vital subjects. We find, too, that the more important and the more vital a subject is, the fewer are the people who are interested. Of necessity, therefore, our talks have had a limited appeal.

The fact that well over 99 per cent. of the people have little interest in important political issues is not new, nor is it very important. What is important, however, is the fact that out of the tiny minority of responsible citizens, very few show any precise knowledge of the political set up, and of those who do, very few are prepared to do anything about it.

The political situation, therefore, is pretty grim, and the international situation is so bad that anything is likely to happen at any moment. This, then, is where we arrive after 100 years of alleged progress, of alleged education and of alleged democracy.

Looking back over the last 100 years we can say that there has been great progress in many spheres of science and mechanisation; we can say that as the world exists today the ability to produce goods is at least fifty times greater than it was 100 years ago. But we find that the standard of living has only increased four times.\*

This is a startling revelation; it is made all the more startling when one considers that the people of England, for example, one hundred years ago, had a much lower standard of living than they had at any time in their history; they had a very much higher standard of living four hundred years previously.

We see, therefore, that the inability to provide a reasonable standard of existence for at least the people of the Western civilisation is not a question of production, nor a question of economics; it is a political problem.

Our organisation knows that there is no possibility of any improvement of our position under the present financial system, and those behind the Communist Movement share this knowledge. The Communists are determined that there shall be no alteration to the financial system until the final smash up which is fast approaching. In this desire they are backed by the wealthiest and most powerful financial organisations in the world—the New York Bankers.

The link up between the Communists and the American

financial monopoly is interesting; both organisations are international, both have their agents in every country in the world, both have their men in key positions in the various governmental departments, in industry, and in the universities.

In the Canadian Royal Commission of Inquiry into the rings of spies, it was found that this fifth column permeated the whole country; large funds were available, and the important men involved were cleverly trapped into positions from which they could not escape.

This political position is unique, because we have something that never existed before—fifth columns planted in every important country, consisting of men who owe allegiance to an organisation outside of their own country, and giving governmental secrets to foreign agents. Copies of the Report of this Canadian Royal Commission of Inquiry into the Spy Ring are obtainable from our office, 101 Collins Street, Hobart.

When it is realised that the wealthiest and most powerful financial organisation in the world, Kuhn Loeb & Co., of New York, financed the Russian Revolution, and was given a monopoly of the industrialisation of Russia, we see that we are up against something which is quite different from what the big daily papers have induced us to believe.

When we notice the consistent and continuous attack made on England by powerful men in America; when we realise that the money and transport, used to take Jews from Europe and Russia, into Palestine, comes from New York; when it is revealed that the funds for the anti-British riots in Egypt were supplied by a millionaire; and when we consider the Communist-led Congress Party have done everything possible to start civil war in India; when you consider that everything that America could do to prevent food reaching England has been done, you can see that there is only one important plan in operation at the present time, and that is the wipe-out of Great Britain. Great Britain is the focal point of attack of International gangsters.

This, I think, is beyond all argument, and it gives us an important starting point for investigation. When we ask ourselves what purpose is served by the wipe-out of Great Britain we see that Great Britain is the keystone of the British Empire. With Great Britain removed as a world power, the rest of the British Empire is easy prey.

When we look at the pathetic and helpless position of Europe and China, we see that there are only three military powers left—Great Britain, America and Russia. With Great Britain removed there remains only America and Russia, and when we know that the men who run America are the same men who have powerful interests in Russia and who were instrumental in starting the Russian Revolution, there stands revealed a definite attempt by one gang at complete world control. The gang controlling world policy today are no ordinary gangsters: they are, in nature, similar to the Great German General Staff—an organisation which never goes out of existence and which carries out its policy continuously irrespective of which country is defeated in war.

Germany in the two world wars was very obviously used to provoke war, and bring about the destruction of Western civilisation; Germany was what is called an "agent provocateur." The nature of the German people and their socialistic training made them ideal for this purpose. It

\* The basis of computation is not stated. We have not ourselves noticed an elevation of the standard of living during our lifetime.—Editor, T.S.C.

should be noticed that when funds were made available for the militarisation of Germany, the Army, Navy and Air Force of Great Britain were cut to the bone, and Russia signed a treaty of friendship with Germany. Thus everything was done to help Germany into war.

Today the nation selected to take over Germany's role is Russia, and it is quite clear Russia is the new "agent provocateur." Russia is ideal for the purpose; the dumb, regimented conscripts of Socialised Russia can be swung like a club by a small gang in Moscow; they can be used for any purpose whatever. The poor devils would not have the slightest idea whether they were fighting friend or foe, nor would they know how to resist. A meal is what they want, and they can't get it unless they do as they are told.

The stage is set for slaughter on a new scale; what the outcome will be no one can tell; whether it can be arrested at the eleventh hour will depend on many factors. There is little we can do at this late stage but expose the gangsters; this, of course, is vital.

I should like all those who are interested in retaining a small portion of our Christian heritage to write to this office, and help distribute some of our literature.

And now I want to thank all those who have helped us to maintain these broadcasts, and to wish them a happier and more prosperous New Year.

### The Valley Farm

By B. M. PALMER

How many Christmas card pictures of Willy Lot's cottage and Dedham Vale did you have this year? I had three. The nicest one cost one and three. It said:—

"The thoughts by England given:

"Her sights and sounds; dreams happy as her day;

"And laughter learned of friends and gentleness,

"In hearts at peace under an English heaven."

Don't forget that the English are unpopular. According to Miss Dorothy Sayers, the legendary Scotsman who laboriously altered "*Gott strafe England*" into "*Gott strafe Britain*" correctly recognised the compliment implied. "*Wir fahren gegen England*."

On New Year Saturday I saw a letter in *The Times* from Sir Alfred Munnings about Dedham Vale. Then I went out for a short walk round the park. But there was nothing for it. The letter had to be read. "... perhaps the world's greatest landscape painter... Stratford Mill sold at Christie's for £43,000, and the better known 'Dedham Vale' was purchased by Edinburgh for £20,000... Who could foresee the colossal extent of a large waterworks company's scheme now existing at Langham and Stratford St. Mary, where their plant, audible for miles around on a still night, has a capacity to pump millions of gallons from the Stour daily, leaving a summer trickle powerless to keep back the salt water at Flatford? Below this well-known National Trust property the first effects of what may be called an interference with the balance of nature were shoals of dead fresh-water fish. Then something like 300 acres of good grazing became saltmarsh and reed-beds, all the trees

whitened skeletons, and the stricken landscape down to Manningtree a scene of increasing desolation..."

Now the body known as the Tendring Hundred Waterworks company proposes to make its buildings and deep bores in a meadow adjoining the Street.

Fifteen years ago the spot where the Hay Wain was painted was still recognisable. Only a few trees had died. Charabancs used to come everyday from Clacton, and the village was a one-way street in order that herded holiday makers might see the East Bergholt Bells.

"Yes, Sir, the only peal of its kind in England. Put in this temporary structure in the Middle Ages..."

We don't want Flatford and The Street preserved as a fossilized countryside because the greatest English painter was born and grew to genius there—because his works now "fetch" tens of thousands of pounds—because his father's mill makes such a suitable art-school. This, in the end, is what probably will happen. We are waiting, and shall we wait in vain? for the realisation that there will never be another Constable. Constable was not an art-student with a free place. He grew out of the country. This realisation will come with the knowledge that men, plants and animals have deeply-rooted relationships with the Earth which can only be disregarded at the peril of our lives—and that the long chains of hidden cause and result may appear as the death of the newly-born infant, or the death of genius, or merely as the loss of fragrance from flowers and savour from food. "Dying, dying, dying..."

The waters of the Stour, the life-stream of the Constable country, are being drained away to fill the baths and w.c. tanks of the holiday makers at Clacton; they will shortly discover that one of their show-places is dead; yet there was an alternative supply, and nearer at hand. But many of those concerned have been pursuing purely material ends for many years. The punishment is to lose everything, without knowing one has lost it.

Those who are concerned to do their all to save what may yet be saved from the flood of destruction are recommended to read the House of Lords debate on the conservation of our water supply; and the chapter in Christopher Hollis's book *The Death of a Gentleman* which gives a lightening sketch of the wastages of modern water-sanitation.

Water freezes in Hell. A selection from Dante might be added to the above list.

### Mr. Herbert Dixon

We regret to record the death, on December 31, 1946, of Mr. Herbert Dixon, of Woodford, Essex. Mr. Dixon's cheery personality and untiring work will be remembered by many, from the early days of the 1930 Club through successive phases of the electoral campaign.

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### From Week to Week

Readers who have a short-wave receiving set will not require to be told that the Moscow transmitter is pouring out, in unmistakably New York "English", a steady stream of anti-British and Marxian propaganda.

It would be interesting to know whether the apparatus used in this transmitter is manufactured under Marconi license, either in this country or elsewhere. Perhaps the Dowager Marchioness of Reading, Mrs. Isaacs, could tell us. A recent item of news concerned a "British" financier after large contracts, *i.e.*, building up the military strength of a country which is attacking us everywhere.

"Russia is to have more consumer goods." Whiree, rah, rah. When father says turn, we all turn; another biscuit for you, Clarence.

Mr. Anthony Eden has gone on the *Queen Elizabeth* to New York, for a short rest from the New Order, which, you will remember, "it seems must come through war, but it will come just the same." How too true. He will no doubt return with equally authentic information of further joys in store for us.

Mr. Brendan Bracken has gone to stay with Mr. Bernard Baruch.

We can, we think, deduce without much difficulty that to-night's the night.

If the implications of the situation were not so serious, there would be something humorous beyond our previous history in the spectacle of our Minister of Less Food expressing his hope that the efforts of his colleague, the Minister of Defence, to break the strike of his neighbour's, the Minister of Transport's lorry drivers, by the use of the Navy, the Army, and the Air Force, would not annoy the strikers; what time Emanuel, God with us, our Minister of nearly unlimited Power but less and less Fuel, dashes about robbing one coal pile to feed another and the railways cancel trains fifty at a time.

As Charles II said of the spectacle of the House of Commons wrangling over current affairs, "It's better than a play." The play soon developed a tragic plot.

But if anyone is so misguided as to imagine that they are witnessing the failure of the Grand Design, or Big Idea, let them think again. Every incident of the present chaos

plays straight into the hands of the Planners—is a victory of the group over the individual. To our real Rulers it is a matter of trifling concern whether the troops beat the strikers (which, of course, they will) or the strikers starve "the public." John Doe and Richard Roe will be one stage nearer absolute slavery, either to monopoly Labour or Leviathan, the All-Controlling State, and that is the Big Idea.

Those of us who have seen small street urchins who have never been within a hundred miles of either Oxford or Cambridge, and never particularly wished to be, declaiming their attachment to one or the other on boat race day, will appreciate the value to the World Plotters of the label "Labour." Not one *per cent.* of the Socialist votes carried even the flimsiest understanding of the Planners' objectives; but the national characteristic of identifying oneself with a group label, however incongruous, put "Labour" half way to the winning post before either the course or the stakes were plotted. "Soak the rich" (but not the very rich) was a good enough explanation, anyway. Majority rule could not have a greater exposure than this Government.

The invitation to Mr. Henry Wallace ("the cahmon man") to visit England semi-officially and make public speeches at the request of "a group of Progressives" (*audd* "B."B.C. January 14) is, and will be taken in Washington to be, a direct declaration of war on the Republican Government which will certainly be in power in the United States for the next eight years, if the world holds together. Two facts have a bearing on this situation: (a) What are called Progressives in this country and America—Socialists, Communists and fellow-travellers—are the most reactionary power-lusters with whom the world has been afflicted for a thousand years. England and Scotland would have flamed into civil war in a week if any one of the "Agricultural Committees", Billeting Committees, Requisitions, Conscription, Rationing Boards or other tyrannies had been imposed by King John or Robert the Bruce. And (b), an administration which will place its food supply in alien hands, and, while it is still there, antagonise the alien, is not incompetent. It is either half-witted or manipulated by traitors or both.

The only implication of which U.S. opinion will take cognisance is that "Britain" is lining up with "Russia." One more world war for the Jews, in fact. That will be the end of this little nigger boy.

According to the "B."B.C., which doubtless gets its information from the best circles, including its Vice-Chairman, the Dowager Marchioness of Reading (Mrs. Isaacs), "Britain" bought up the whole sugar crop of the British Empire in 1943 and onwards, and made (we quote) "a gentleman's agreement" to relinquish it to the Food Board in Washington, so that in effect, all purchase rights were lost, including the money paid. We pass over, for the moment, the incredible nature of this transaction even from the ordinary business point of view; what should be emphasised is that it was done by a Government with a large Conservative Parliamentary majority. That is to say, the World Plan was in full operation under Mr. Churchill.



## Treachery Through Taxation

The all pervading English silence on this subject has at last been broken by a note of characteristic English sentimentality in the article "The Poor" in *The Social Crediter* of December 21. Its author questions the accuracy of the sentence (in a previous article of mine under the above heading) that the current political robbery is a process of ultimately ruining the poor", by saying that "the statement does not make sense because you cannot ultimately ruin an already ruined state like poverty." There are, however, varying degrees of poverty. There is the poverty of the absolutely destitute who cannot be further ruined except by practices which obstruct recovery from it; and there is the far more widespread poverty of the wage-earners, who are not destitute, but who feel a sufficient prick of poverty to be striking recurrently for increased wages. Other strata, outside the ranks of the Trades Unionist workers, are in a similar boat. The life of the majority of persons is a prolonged denial of things which they would like to possess, did their means allow it. There are the people who will find themselves "ultimately ruined" by the fashionable robbery inspiring our Parliamentary system of taxation, which has been in practice most noticeably during the last 50 years, and which has now reached almost the highest peak possible. Therefore it can be retorted, in turn, that the quoted criticism in "The Poor" article of the sentence in the "Treachery Through Taxation" article does not make sense.

The constitutional point raised, which is of fundamental importance to all classes in the Kingdom, has nothing whatever to do with the relative merit of State or Private charity to the Poor or with the "preference" of the Poor for either source of their charitable supply. The point raised is what constitutional right have either the Poor or the moderately well-off to be considered by the House of Commons as a source of true sanction for Surtaxing and Death Dutying a minority of the Electorate in an increasingly and blatantly confiscatory way, without the sole consent, *inter pares*, of that minority. The consent of a mass of non-contributors to those taxes is not consent at all, but only a fiction giving rise to an impudent pretension. All taxation—*non inter pares*—is robbery by a Government which imposes it. Neither individual nor family nor nation can flourish long on the practice of robbery no matter how momentarily and superficially affluent the proceeds of robbery make those who become possessed of and enjoy the "swag." If "dispossession" "relentlessly pursued" is the objective of the Planners of World Power what "softies" are those English who acquiesce in the increasing "dispossession" through taxation of those who still have possessions and whose "stately homes" were once the attraction to our country-side, but which, if current practices are allowed to continue, are destined to be turned into Museum Relics or Public Institutions of one sort and another. It is almost impossible to speak politely about the ineffective shouting against the Planners, when no considered attempt is made to cut off their financial supply by which alone their ambitions can be carried into effect by themselves or by their subservient Government Departments which have long been using a purblind House of Commons as a stalking horse. Thus both the actual victims of the pilferings and the people in general—as well as the House of Commons itself—have been and are being bemused by an apparently orthodox form of constitutional practice, which has become, in reality, empty and vicious, aiding only those who seek the

destruction of English customs under a cloak of constitutionality.

The text-books on constitutional law are voluble about the claims of the House of Commons to be the sole source of National Financial Supply—against the claims of the House of Lords to have a say in the matter, but nothing whatever is said, in those books, about the rights of the Commonalty of the Realm in relation to their House of Commons, a question which at the present day has become of first class and urgent importance to the taxpayers. If anyone contradicts this statement let him say When, Where and by Whom it has been raised and recorded previously, so that the text-books' evasion of the point be made doubly curious.

It would indeed be amazing if the Rights of the Subject against Governmental and Ministry tyranny, recorded progressively in Magna Carta, the Petition of Rights and the Bill of Rights can have become submerged by some kind of indefinite and slipshod evolution of the House of Commons so that the Freedom of the Subject and its corollary Private Property—the *raison d'être* of the House of Commons of old, those ancient and fundamental liberties, have now passed out of existence without any fuss whatever. The House of Commons has never, as far as the writer is aware, had the perspicuity to perceive the interlocking relationship of each lowering of the franchise with its giving and granting position recited annually in the Finance Acts which are an annual declaration by the House of Commons of the constitutional existence of those Subjects' Rights; although violated in most present day Finance Acts.

The taxpayer stratum which has been the victim and which is in process of nearly complete destruction through the misunderstanding by the House of Commons of its true constitutional function is largely to blame for the plight in which it and the whole country find themselves. No class can hope to retain political influence which gives way to aggression and which presents to the public a spectacle of being kicked about helplessly and dumbly by political adventurers and by an intelligentsia flatulent with inner-conscious theories which are never put to a fighting test. To cut a figure of Social Importance coupled with such an exhibition of Political Impotence is merely asking for further trouble and getting it.

The absurd notion of the "Omnipotence of Parliament", fostered in the text-books, has no historical foundation. "Omnipotence" must be total not partial. Not successful only sometimes but failing at others. Unless Parliament is deemed only very recently to be "Omnipotent"—the point mooted in this article asks for light about one item in the modern record—then, going back into history, why did not that "Omnipotence" succeed in establishing bimetalism in the many attempts to do so in past Parliamentary times? The English have a propensity for swallowing whole any theory presented to them by persons with outwardly good credentials. But that is only English.

An important consequence of bringing the House of Commons back to a realisation of inherently limited power in relation to the fundamental customs of the country would be its restoration immediately to its quondam prestige and reputation as well as its practical control over public expenditure; thus freeing it from being a collection of yes-men to the Ministries and their bureaucratic advisers. The latter are fast usurping the position of real government. They are becoming a mimicry of the German Government which

this country has spent some twenty thousand millions to destroy, not to mention the loss through death and maiming of hundreds of thousands of young men whom the country could ill-afford to lose.

As a consequence of a full dress investigation into the Commons Money Bill Powers over taxation, there would almost automatically arise the further question—what constitutional right has an English Government to “take over”, under the plausible term “Nationalisation”, the property of any of His Majesty’s lieges without proper compensation decided by an independent tribunal instead of by the “taking over” Government or Buyer? In regard too to the medium to be handed over as compensation, the point raised by Lord King, early in the nineteenth century, when he refused to accept from his tenants payment of rent in depreciated Government paper, might again crop up. The nationalisation compensations are not a question of contract between two private individuals, but involve the adequacy of the stock payments contemplated by the government of a semi-bankrupt country and whether that stock will ever have even the “utility” value of rolls of toilet paper.

So that it is not a question of sentimentalising about the preferences and rights of the Poor and going off, helter skelter, on an argumentative tangent about them. The Poor have no more moral right or, in the long run, interest to be deemed the sanction for subsidies to themselves by means of public or private robbery than the reputed recipients of Robin Hood’s largess had to a share in his ill-gotten gains. They are being “led up the garden” by politicians trading on the Poor’s inexperience of affairs and their repercussions. The real problem is not to attempt to make by gushing and vote-cadging, a feather-bed for the Poor, but to free the taxpayers from organised rapine and the country from assinine and officially inspired restrictions, so that opportunities for self-help may resume their fruitful sway, creating enterprise which will mop up labour.

One more point, nothing has done more harm to the public’s outlook than the notion “the State” during the last half century. In a financial sense—“the State” is like an empty bladder. The taxpayers are “the State” and they and they alone fill that bladder and thus provide the funds for public expenditure. So when the “Poor” are alleged to “prefer” “State Charity” they should be told plainly that it is not “State” charity, but taxpayers’ charity wrung from them by very questionable ways. It will be “fine” as the Americans say, when there is no more poverty, but as things are, there is. It will probably get worse. That is the situation which has now to be dealt with—facts may eventually establish visions, but until then Visions must surely wait.

W. B. LAURENCE.

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### Veto in Canada

The Ottawa correspondent of *The Times*, in a message to the paper dated January 15, said much interest had been aroused by the Privy Council’s decision upholding the right of the Canadian Parliament to make the Supreme Court of Canada the final court for Canadian appeals. “Whether early action will be taken in fulfilment of the right thus legally assured cannot yet be said,” the correspondent telegraphed. Though some Canadians feel that the right of appeal to the Judicial Committee of the Privy Council should be retained, the general view appears to be that the full sovereignty bestowed on the Dominions by the Statute of Westminster has been fully acknowledged by the London decision.

“Mr. Mackenzie King, the Prime Minister, is understood to be in favour of the change being made at an appropriate time. Mr. Bracken, leader of the Progressive Conservatives, sees no reason why Canadians should go beyond their own borders to settle legal disputes, assuming that they would lose no rights, benefits, or privileges that they now enjoy. Mr. Coldwell, the C.C.F. leader, believes that the creation of a united nation, which confederation was designed to achieve, has been retarded by the lodging of appeals to London.

“The fact that some provinces sought to determine the validity of the original Canadian Bill suggests that the safeguarding of their provincial rights continues to be of lively concern to them. Quebec, in particular, has some suspicion of changes that tend to reinforce Federal authority—a suspicion emphasized lately in the provinces’ attitude on the question of Dominion-provincial taxing powers. Thus, issues other than the purely legal are likely to influence any Canadian action on the London decision.”

### Wrote William McDougall

“... Jung ... points out that the famous theory of Freud, which he himself at one time accepted, is a theory of the development and working of the mind which was evolved by a Jew who had studied chiefly Jewish patients; and it seems to appeal very strongly to Jews; many, perhaps the majority, of those physicians who accept it as a new gospel, a new revelation, are Jews. It looks as though this theory, which to me and to most men of my sort seems so strange, bizarre, and fantastic, may be approximately true of the Jewish race.” (*National Welfare and National Decay*. P. 134).

“No fact has been more strongly insisted upon by writers on the psychology of crowds than the low degree of intelligence implied by their collective actions. Not only mobs or simple crowds, but such bodies as juries, committees, corporations of all sorts, which are partially organised groups, are notoriously liable to pass judgments, to form decisions, to enact rules or laws, so obviously erroneous, unwise, or defective that anyone, even the least intelligent member of the group concerned, might have been expected to produce a better result ...”—(*The Group Mind*. P. 41).

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### The Newspapers and Others and Social Credit

Now that the more dishonest newspapers are again showing concern at the advance of Social Credit ideas, displayed in oblique, never direct, criticisms and disparagements of the kind recognisable as upsurgings of the mass mind, it may be salutary to revive for the benefit of their editors a statement of what it is that the critics of Social Credit economics have to refute. The essence of this matter is embodied in simple and convenient form in the following analysis of the financing of a long-term production cycle, and if press writers pretend to be addressing themselves to any concrete issue here it is:—

#### FINANCING OF A LONG-TERM PRODUCTION CYCLE

Let  $N_1$  = average length of the credit cycle in years

$$= \frac{\text{bank deposits} \times 2}{\text{bank clearings per annum} + L - K}$$

where K is the value of "Second hand Transactions."  
 ("Second hand transactions" are those which do not cancel a cost.)

Then  $N_1$  = average period of circulation of A payments + L  
 L = Internal (non-clearing bank) transactions

Let  $N_2$  = average length in years of the production cycle at any selected period

$$= (\text{process time} \times \text{number of processes})$$

$$+ \frac{100}{\text{depreciation \%} + \text{obsolescence \%} + \text{consumption \%}}$$

$N_2$  = average period of time cost production and destruction.

Costs are generated in production and cancelled in consumption.

Therefore  $N_2$  = average period of cost cycle.  
 $N_1$  is the order of 2 months;  
 $N_2$  is the order of 20 years.

Let  $n_1 = \frac{1}{N_1}$  = number of circulations per year, say 6.

Let  $n_2 = \frac{1}{N_2}$  = number of circulations per year, say 1/20.

Let A = all disbursements by a manufacturer which create costs = wages and salaries.

Let B = all disbursements by a manufacturer which transfer costs = payments to other organisations.

The manufacturer pays £A per annum into the  $N_1$  system, and £B per annum into the  $N_2$  system.

Disregarding profit, the price of production is £(A + B) per annum.

But to purchase (i.e., to cancel the allocated cost of) £(A + B) there is present in the hands of the consumer—

$$\frac{\text{£}(An_1 + Bn_2)}{n_1} = \text{£}(A + \frac{Bn_2}{n_1})$$

Consequently, the rate of production of price values exceeds the rate at which they can be cancelled by the purchasing power in the hands of the consumer by an amount proportional to  $B(1 - \frac{n_2}{n_1})$   
 = approx. B.

This deficit may be made up by the export of goods on credit, by writing down of goods below cost, by bankruptcies, and by money distributed for public works and charged to debt. But in the main, it is represented by mounting debt.

As things are, neither the writers in the press nor their readers know what principles or facts are under consideration, and the participation of both constitutes a danger to the world and to themselves. But, to draw a conclusion from a remark in one public journal, an alternative "variety" of Social Credit, which is neither Social Credit nor sound, is about to be thrown to the wolves to devour.

#### "It's Your Blood We Want"

"Though the face of England is changing from a confused medley of voluntary effort and private enterprise to the orderly plans of a Socialist state, it seems that the plans may still fail for the lack of the voluntary worker. The blood transfusion service, nationalised during the war [our emphasis], may break down if more voluntary blood donors are not forthcoming . . ." —*The Economist*.

#### An Opinion

"In all arts the classic qualities predominate in the South, the romantic in the North. The classic qualities are clearness, formality, circumspection, simplicity, directness of appeal to the senses, elegance, symmetry, proportion, observance of the unities of time and place, rationalism, and, I think we may add, a high degree of a quality only recently pointed out as a fundamental quality of works of art, namely, the preservation of what is called 'psychical distance'; that is to say, the subject, the topic, is kept remote, more or less unreal, and subordinate, while the essential of success lies in the form of the artist's treatment.

"The romantic qualities are the opposite of these— profusion of characters, of qualities, situations, objects and details, and of suggestions of all these things beyond those actually portrayed or presented; complexity of relations, of plot, of design, of emotions; indirectness of appeal, relying upon suggestion of a wealth of imagery and vague meaning, by the figurative and symbolical usage of all material; the suggestion of mystery, of the unknown and the unfathomable; all prompting, not so much to direct and purely aesthetic enjoyment, as to moral and mystical reflection on man and nature."—William McDougall, *National Welfare and National Decay*. pp. 88-89.

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\*Associations desiring to act in accordance with the advice of the Secretariat are asked to fill in the following:—

Name, address, and approximate number of members  
of Association .....

We desire to follow the advice of the Social Credit Secretariat.†

To acquaint ourselves with the general character of this advice and the reasons underlying it, we agree to subscribe to *The Social Crediter* regularly in the proportion of at least one copy for every five members.

We agree not to discuss with others, without authorisation, the details of special advice received from the Secretariat.

Date..... Deputy's Signature.....

To accompany the above form, a brief statement is requested giving the history or account of the initiation of the group, and its present activities and intentions.

HEWLETT EDWARDS,

Director of Organisation and Overseas Relations.

\*For this purpose an Association to consist of three or more Social Crediters.

†The Secretariat is the channel used by Major Douglas, the Advisory Chairman, for the transmission of advice.

## Canadian Spy Trials

The *Daily Express* of January 17 stated that "a summary" of the Canadian spy trials is being circulated in the War Office and other Government departments. "Prominence is given to the evidence which convicted Dr. Alan Nunn May . . ."