

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 27. No. 22.

Registered at G.P.O. as a Newspaper.
Postage: home 1½d. and abroad 1d.

SATURDAY, JANUARY 26, 1952.

6d. Weekly.

From Week to Week

Look out, chaps! Mr. Ironhewer's patience is nearly up. If you don't line up under him, he'll run for President. "So teach us to number our days." The Freemasonic hand in the velvet glove of *The Times's* Text for the Day has been showing through of late. Roll out the red carpet, for the prince of this world cometh.

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Before that, The Declaration of (British) Independence. Mr. Churchill (who told you he had made his living selling words), having sold not only the word but the whole phrase to Lord Beaverbrook, returns in what looks like triumph to face the dissident members of his party in the House of Commons, supported by Mr. Austerity Butler (successor to Austerity Cripps and Austerity Gaitskell). You can't have 'Independence' without austerity—ae-tually, you can't have anything without austerity in this world bursting with un-exportable exports.

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"Take the price of motor-cars. In Britain, for example, one of the smallest mass-production models now sells at £581, which is fantastic. A pre-war car at that figure was almost hand made, and went with a chauffeur. We are reaching the point where the purchase of a car will be impossible to any except the wealthy. Yet this is the age of mobility. The price today is swollen by the two-thirds purchase-tax, which has nothing to do with motoring. It is imposed either to stop people buying or else to raise money for other purposes.

"The new car, which should now be almost a universal amenity, has once more become a luxury, even a rarity—not because it is so, in fact, but because it has been made so for financial reasons. That is crazy. . . .

"... Of course, Britain must sell as many cars as possible, because something called the dollar is more plentiful than something called the pound, which is striving desperately to look that dollar in the face. So the nation goes on devising better and better machines to turn out more and more goods. Yet the more she makes, the less she seems to have, because she must sell her products to others, who already have so many articles that they are glad to unload them elsewhere for nothing. . . .

"Such are some of the paradoxes of the Age of Unreason. Most of them can be traced to defects in the financial ordering of man's affairs. Yet the monetary system is a man-made device to lubricate the wheels of commerce. How foolish to be the helpless victims of our own invention!

"It was a good invention, though—one of the highest products of man's genius, and it ought to work. It only went wrong because we made it go wrong. Destructive wars did immense damage to the well-ordered channels of inter-

national exchange—and far too much of our substance is used in paying for wars past, present—and to come? Surely not that. A third war would ruin everything. As it is, we can surmount our money troubles if we will but arrange a long period of peace. It seems a good thing to work for in the coming year."

So a leading article in *The Daily Mail* (Continental) for January 2. Unless you consider Major Douglas's criticisms of "the well-ordered channels of international [and national] exchange" at any time during the reign of Dutch Finance, the passage may appear to be merely a rather round-about piece of peace propaganda, and fallacious at that. But we hope it isn't.

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Our enthusiasm for "Wild Life" (anywhere but in towns) is not our reason for referring to the first four paragraphs of "A Scotsman's Log" in *The Scotsman* for January 16, regretting the passing of the quarterly magazine of the Royal Zoological Society of Scotland, a victim, after a short but honourable life, of increasing costs, "flimsy rivals" and lack of public support. Someone will doubtless remark that the only flimsy rivals we have are the "Encyclopædia Britannica" and "The Decline and Fall of the Roman Empire"; but comparisons are invidious. Truly we do not seem to have any flimsy rivals. While newspapers which do not rival us in any way are troubling themselves about the increasing difficulty of distinguishing between legal and illegal crimes, e.g., crouching motorists, armed with field-glasses to inspect country hotels and mansions, and bandits or spies; B.B.C. television experts and desperadoes attacking shady individuals who are really Prime Ministers, etc.; burglars and snoopers in 'rightful prosecution of their duties'; of at least as much consequence is the creeping paralysis of the genuine services to the public mind. *The Scotsman* is right to protest. "Such lack of support," it says, is both surprising and unjust, for the magazine is excellently produced and written, and there has never been so much interest in wild life among the public. But despite efforts to publicise it the magazine's sales through trade agencies have been negligible.

"There seems to be scarcely a place now for the better informed and less highly coloured magazine in the open market. They are restricted to small circles of faithful subscribers, but such circles are now too small to provide the revenue needed to meet the very high costs of production, and the only recourse open to such publications is to rely on subsidies from the funds of the societies which issue them or to suffer reduction to mere flimsy bulletins.

"This is a distressing development, and one which has already greatly reduced both the variety and the quality of those publications catering for special interests, but of far wider potential appeal and value."

PARLIAMENT

House of Commons: November 30, 1951.

Consolidated Fund Bill

The Financial Secretary to the Treasury (Mr. John Boyd-Carpenter): I beg to move, "That the Bill be now read a Second time."

Perhaps I should explain briefly why the Bill is required. As the House is aware, we have approved in Committee, during the last week or two, four Supplementary Estimates, which have been voted by the House. As I understand the matter, those Votes authorise the departments to expend the money. The Bill completes the procedure by authorising the Treasury to issue out of the Consolidated Fund the money needed to meet this expenditure.

It is, in fact, the historic grant of Ways and Means, and is required formally to implement the decisions which the House has already taken. . . .

Mr. Norman Smith (Nottingham, South): . . . We are concerned with Supplementary Estimates, that is to say, with the expenditure in the current financial year, the contribution of which has to terminate according to the terms of this Bill on 31st March next. I really take exception to something which the Financial Secretary described as conventional and traditional—I concede it is conventional and it is traditional—which is provided in this Bill but which I think ought not to be in the Bill because, in my submission, it is contrary to the public interest. I refer to Clause 2 (1) which says,

"The Treasury may borrow from any person by the issue of Treasury Bills or otherwise . . ."

That is the procedure to which I take exception.

It always seems to me unreasonable, when we are confronted with expenditure of this sort, that the Treasury should be authorised, by this Bill, to borrow by means of Treasury Bills. I should like to quote a very respectable witness to the submission I make. Here is money which has to be spent; and if the Treasury are going to put out Treasury Bills, most of which will be taken up by commercial banks, we are in the position that the actual original lender in this case is a privileged person who is permitted by what the Financial Secretary would call convention and tradition, to bring into existence money which was not there before.

I am glad to see the Home Secretary present. He will know that there are ways of bringing money into existence and that some of those ways are tolerated by the law while others are not. It does not say in Clause 2 that the Treasury may consult forgers or coiners, because the Home Secretary would have something to say about that. But when it is said that the Treasury may borrow by the issue of Treasury Bills, I am going to call a very respectable witness, namely, "The Times" newspaper, to testify that what really happens is this. The Government have not the right to create this money. In that respect the Treasury are classified by the Home Secretary with coiners and forgers. The Treasury are not permitted to create money, but they go to people who are allowed, not by law curiously enough, but by convention and tradition, to create money, namely, the commercial banks.

"The Times" said on 30th September, 1942:

"It is sometimes said that the Government spends new money into existence, but before it can be spent it has to be created. It

is created by the banks, by the simple process of taking up Treasury Bills or bonds and crediting the Government's account for the corresponding amount."

I used to learn as a boy something about the house that Jack built:

"This is the house that Jack built. This is the man who lived in the house that Jack built."

and so on. Here is a similar case. This is the bank which created the money and bought the Treasury Bill so that the Treasury got the money.

Why should not the Treasury create their own money? The curious thing is that it can be done without legislation, by means of the existing procedure. This money required under this Bill—a sum of approximately £88,421,000—the Treasury could get themselves without benefit of money-lenders' interest. If the commercial banks confine themselves to the traditional practice of borrowing short and lending long, one could understand it; but when they enter into the realms of coiners and forgers and the late Mr. Clarence Hatry—

Sir Herbert Williams (Croydon, East): He is not late. He is a bookseller now.

Mr. Smith: He was punished very severely for expanding the basis of credit in the country by methods the Home Secretary would not approve. But the banks do the same thing, and tradition and convention allow them to do it. It would be far better if the Financial Secretary took that sentence out of this Bill and proceeded under the Bank of England Act, 1946.

All the Financial Secretary need do is to go to the Bank of England and ask their issue department to increase the item on the right-hand side of their account—Government loans—which is now, I believe, £11 million. There is no reason why that item should not be £99 million. The issue department would have to make another entry on the left-hand side of their account to make the thing balance. They would have to increase the note issue. That is only a matter of getting authority, which is purely a routine business, to increase the Fiduciary Issue. There would be a secondary entry lower down in the Bank of England Banking Department balance sheet. There would have to be on the right-hand side of their account so many more notes in their banking department.

I suppose that the notes would have to be printed, but they would probably never go out of the Bank of England banking department. There would be no benefit of private moneylenders. I cannot for the life of me see why this business of the monetary system in this country should be confined to the people who are privileged and permitted by convention and tradition to do what the coiner is not allowed to do and would be harshly punished for doing. I am not even advocating the nationalisation of the commercial banks. I think it would be out of order to do so. No question of such legislation can arise on this Bill.

I am only pointing out that the Home Secretary can save whatever charges there are on Treasury Bills by proceeding to the Bank of England in the way I suggested. I submit that is a reasonable and proper thing to do. There is far too much convention and tradition about this Bill. It has not even been thought out.

In Clause 2 (3) the Bill says:

"Any money borrowed otherwise than on Treasury Bills shall

be repaid, with interest not exceeding three pounds per cent. per annum, . . ."

If that is not a farrago of nonsense, I do not know what is. Here we are concerned with short-term borrowing. The Bill says over and over again that this borrowing is up to not later than 31st March, 1952; so it is only for about four months at the most. Nobody in his senses would think of paying anything like 3 per cent. for accommodation for four months.

Why is it in the Bill? I suggest it is because either the Government do not know what they are doing, or they have put in all this nonsense to conceal from the man in the street, or perhaps it would be better to say the man in the "pub," the fact that money is created out of nothing. I know how this thing got into the Bill. It was moved by an hon. Member who is no longer with us. He might as well have moved reference in the Bill to the Island of Spitzbergen or anything else equally irrelevant.

I draw attention to the slipshodness, the carelessness, the irrelevance and total neglect of the public interest which characterised the drafting of a Bill which the Financial Secretary himself admits is a matter of convention and tradition. I beg that when the Financial Secretary comes to reply he should explain to the House why the service of the Bank of England, which is our bank after all, cannot be utilised in the way I suggest.

Sir Herbert Williams (Croydon, East): I had no intention of joining in this debate until I heard the hon. Member for Nottingham, South (Mr. Norman Smith). What he said was perfectly true. The Treasury Bill is a pure manufacture of credit, and, therefore, is an undesirable thing. That is why Sir Stafford Cripps was dishonest enough to call deflation disinflation; it was one of those dishonest inventions, because you either inflate or deflate or stay where you are.

The hon. Gentleman asked, why not use the instrument of the Bank of England for this purpose? The Bank of England is now the slave of the Chancellor of the Exchequer. It is supposed to be our Bank; however, I had better not go into that now. He suggested that we should print more Bank of England notes and get the credit in that way. He knows perfectly well that the £ note today is the cash of all the banks. It is not coin any more, and, by tradition, the banks work on a credit ratio of about 10 to one. Every additional £ note which is put into the till of the commercial banks will create credit 10 times.

Mr. Norman Smith indicated dissent—

Sir H. Williams: It is no good the hon. Gentleman shaking his head. That is the whole basis. They work roughly on that basis. In deploring this creation of credit the hon. Gentleman wants an authoritative method which will create 10 times the credit and do 10 times the amount of damage which he suggested. I hope he never becomes Chancellor of the Exchequer. I believe that Louis XIV or XV of France had a Scotsman as his guide, who invented those pieces of paper based upon the security of the land of France, and he said, "This is a marvellous device." What did he do? Indirectly he chopped off the head of Louis XVI.

Mr. Smith: The hon. Member has got his history all wrong. The Scotsman's name was John Law, and he went to the Court of Louis XV in the early part of the 18th Century. The notes issued on the Security of the Church

lands shortly before the head of Louis XVI fell came three-quarters of a century later. The hon. Member has got it all wrong, and he is wrong on his other point, too. I am not proposing that £ notes should be circulated. In any case they would only substitute Treasury Bills which themselves give rise to increased accounts in the commercial banks, which themselves again form the basis for multiplying by 10. There is no difference, except that there would be no benefit of interest at all to bankers.

Sir H. Williams: . . . When the hon. Gentleman says that the Treasury should create these £ notes and keep them in the Bank of England—well, if they did they would not have any spending money, because unless they spend it directly or indirectly this borrowing is of no use to them. The moment they spend in the form of drawing on their account in the Bank of England and paying a citizen who has an account in the joint stock bank, automatically the joint stock bank has a claim on those £ notes in the Bank of England. It is suggested that they can be imprisoned in the Bank of England; that is pure and unadulterated nonsense.

My history may not be perfect, but the hon. Gentleman's logic is deplorable. He has only to sit down in the Library with the Weekly Return of the Bank of England, and if he wants some assistance I will go with him. But that would take two Members out of the Chamber and would possibly bring the debate to an early close. The hon. Member must not let this bee buzz round his head all day and all night, and particularly on a Friday morning.

Mr. Boyd-Carpenter: . . . The other matter that the right hon. Gentleman [Mr. Gaitskell] went into was the subject of the Treasury Bill rate. For reasons which I think he understands, except in the narrowest and most technical sense that does not arise on this Bill. The borrowings authorised by this Bill are Ways and Means borrowings, and the right hon. Gentleman knows that though, technically, power is taken in an emergency to use the Treasury Bill system of borrowing, in fact this borrowing, which represents a very small proportion of Government borrowing, is effected in the first place by loans from balances available to the other Departments of State, and secondly, if necessary, from the Bank. Therefore, as the question of the Treasury Bill rate can have very little bearing indeed, however indirectly, upon the money provided in these particular Estimates, I must ask him to allow us to reserve argument on this interesting issue to what may be perhaps a more appropriate occasion. . . .

. . . The hon. Member for Nottingham, South (Mr. Norman Smith) was unique in that he was the only hon. Member, as far as I can recall, to refer to the Bill in the course of this debate. He is always stimulating and interesting in the economic theories which he puts forward, although perhaps they are not always acceptable on either side of the House. They are always put forward with great humour and candour.

The hon. Gentleman was, however, a little misled—and these matters are very technical—in what he said on the subject of interest rates. In the first place, as I said in reply to the right hon. Gentleman, we are only theoretically concerned with the Treasury bill rate. We are not concerned with general borrowing rates at all, because the Ways and Means borrowing which is authorised by this Bill is a very

(Continued on page 8).

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This journal expresses and supports the policy of the Social Credit Secretariat, which is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: *Home and abroad, post free:*
One year 30/-; Six months 15/-; Three months 7s. 6d.
 Offices: (Business) 7, VICTORIA STREET, LIVERPOOL, 2, Telephone: CENtral 8509; (Editorial) 49, PRINCE ALFRED ROAD, LIVERPOOL, 15, Telephone: SEFton Park 435.

Vol. 27. No. 22.

Saturday, January 26, 1952.

The "Receivers"

The London correspondent of the (Canadian) *Financial Post* is on holiday and "another distinguished commentator" deputises for him in the newspaper's issue of January 1.

It might be a good thing if more 'regular correspondents' in London took a holiday: good for us abroad and good for us at home.

The deputy on this occasion says:—

"Despite the rash of public relations officers, information services, propaganda machines and similar devices, these postwar years have brought, we have the impression that we were never more misunderstood by our friends abroad. If our friends cannot understand us, then there is little hope of our enemies doing so.

"There is the Abadan oil dispute, for instance. The rumour here is that American influence on the World Bank is being used against us. We take it to mean that the Americans are going to see that the Persians get all the money they need to get the refinery going again. It does not seem to us that it is sufficiently understood that Abadan is a British enterprise which has been stolen from us by the Persians. Anyone who puts up the money to subsidize it now is, in our view, a receiver of stolen goods.

"So far there has been no pronouncement from Chancellor of the Exchequer R. A. Butler on this topic. We do not yet know whether this is a strong man or not. Right wing politicians have always alleged that he is well to the left of the Conservative Party but few people really know M. Butler.

"He is reserved and modest, quiet and self-contained. Nothing extrovert about him. He has had no experience in the financial market but perhaps this is a good thing. He brings no pre-conceived notions to the job and is devoid of self-interest."

Concerning the last suggestion, it remains to be seen whether anyone can be very much to the left of the 'Conservative' Party; and we have noticed the cessation of the deep anxiety evinced by *The Times* because it could not be arranged that Mr. Gaitskell should change his party to become a 'Conservative' Chancellor of the Exchequer.

Under Fire

With the above heading, "Pendennis" writes in *The Observer* for January 20:—

"Mr. Owen Lattimore, the American Far Eastern expert

on the staff of Johns Hopkins University, has spent the last few days lecturing quietly in London and Cambridge. He used to do the same in America without attracting much attention. But two years ago Senator MacCarthy named him the 'top Russian espionage agent in the United States' and since then he has become an outpost in the American civil cold-war. If the China Lobby could prove him to have, or to have had, any affiliation with the Communist Party, it would be a terrific victory in their struggle to overthrow the whole policy he stands for, which is broadly that of playing for a Titoist China.

"As an individual, Lattimore seems orthodox and subdued, though his life story has been unorthodox. He was brought up in China and educated at St. Bees School in Cumberland. He then returned to the Far East as a business man, gradually turning into hinterland traveller and political expert.

"At Johns Hopkins, Lattimore has a small Mongol team who are helping him on a programme of Mongol studies. One wonders how far he will get with these academic projects."

Correction

THEOLOGY AND MODERN SCIENCE (*T.S.C.*, January 19): In the fifth paragraph of the translation the eighteenth line, following ". . . causality, substance—," which appears also three lines later, should be replaced by one which reads:—"all of which concepts are supremely important for the." In the last paragraph, the translation of *ego sum qui sum* appears as "I am what I am." The Douai version has correctly, "I am *who* I am."

SOCIAL CREDIT EXPANSION FUND

"The situation relatively to ourselves is like that which presents itself to a military leader when his forces, which have been pinned down by one or another of all those conditions of warfare which it is the aim of an enemy to invent or to use, are suddenly released and available for a new disposition. Such opportunities are of short duration. Whatever we may be able to do to meet this contingency, we hope and believe our readers will co-operate. The Social Credit Expansion Fund (disbursed only on the authority of Major Douglas) is an instrument which ensures one form of such potential co-operation. Trained man-power is as important, and useless without it." (*The Social Crediter*, November 3, 1951).

To the Treasurer,
 Social Credit Expansion Fund,
 c/o The Social Credit Secretariat,
 7, Victoria Street, LIVERPOOL, 2.

I enclose the sum of £ : : as a donation towards THE SOCIAL CREDIT EXPANSION FUND, to be expended by the Administrators at the sole discretion of Major C. H. Douglas.

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N.B.—Cheques should in all cases be crossed:—"A/c payee: Williams Deacon's Bank, Ltd., Exchange Flags, Liverpool, 2."

Theology and Modern Science

(Concluded.)

The following is the continuation from last week's *The Social Crediter* of the full translation of the allocution which Pope Pius XII delivered on November 22, when he attended the opening of the new academic year of the Pontifical Academy of Sciences. It was delivered in Italian. The cross-headings and the paragraphing follow the text of the *Osservatore Romano*. The Translation is *The Tablet's*, from whose pages we reproduce it by kind permission of the Editor.

C. THE UNIVERSE AND ITS DEVELOPMENTS

IN THE FUTURE

"If the scientist turns his attention from the present state of the universe to the future, even the very remote future, he finds himself constrained to recognize, both in the macrocosm and in the microcosm, that the world is growing old. In the course of billions of years, even the apparently inexhaustible quantities of atomic nuclei lose utilizable energy and, so to speak, matter becomes like an extinct and scoriform volcano. And the thought comes spontaneously that if this present cosmos, today so pulsating with rhythm and life, is, as we have seen, insufficient to explain itself, with still less reason will any such explanation be forthcoming from the cosmos over which, in its own way, the shadow of death will have passed.

IN THE PAST

"Let us now turn our attention to the past. The farther back we go, the more matter presents itself as always more enriched with free energy, and as a theatre of vast cosmic disturbances. Thus everything seems to indicate that the material universe had in finite times a mighty beginning, provided, as it was, with an indescribably vast abundance of energy reserves, in virtue of which, at first rapidly, and then with increasing slowness, it evolved into its present state.

"This naturally brings to mind two questions:

"Is science in a position to state when this mighty beginning of the cosmos took place? And, secondly, what was the initial or primitive state of the universe?

"The most competent experts in atomic physics, in collaboration with astronomers and astrophysicists, have attempted to shed light on these two difficult but extremely interesting problems.

D. THE BEGINNING IN TIME

"First of all, to quote some figures—which aim at nothing else than to give an order of magnitude fixing the dawn of our universe, that is to say, to its beginning in time—science has at its disposal various means, each of which is more or less independent of the other, although all converge. We point them out briefly.

1. THE RECESSION OF THE SPIRAL NEBULAE OR GALAXIES

"The examination of various spiral nebulae, especially as carried out by Edwin W. Hubble at the Mount Wilson Observatory, has led to the significant conclusion, presented with all due reservations, that these systems of galaxies tend

to move away from one another with such velocity that, in the space of thirteen hundred million years, the distance between such spiral nebulae is doubled. If we look back into the past at the time required for this process of the 'Expanding Universe,'* it follows that, from one to ten milliard years ago, the matter of the spiral nebulae was compressed into a relatively restricted space, at the time the cosmic processes had their beginning.

2. THE AGE OF THE SOLID CRUST OF THE EARTH

"To calculate the age of original radioactive substances, very approximate data are taken from the transformation of the isotope of uranium 238 into an isotope of lead (RaG), or of an isotope of uranium 235 into actinium D (AcD), and of the isotope of thorium 232 into thorium D (ThD). The mass of the helium thereby formed can serve as a means of control. This leads to the conclusion that the average age of the oldest minerals is at the most five milliard years.

3. THE AGE OF METEORITES

"The preceding method, adopted to determine the age of meteorites, has led to practically the same figure of five milliard years. This conclusion assumes special importance from the fact that today the inter-stellar origin of meteorites is generally admitted by all.

4. THE STABILITY OF THE SYSTEMS OF DOUBLE STARS AND STARRY MASSES

"The oscillations of gravitation between these systems, as also the attrition resulting from tides, again limit their stability within a period of from five to ten milliard years.

"Although these figures may seem astounding, nevertheless, even to the simplest of the faithful, they bring no new or different concept from the one they learned in the opening words of Genesis, *In principio*—that is to say, at the beginning of things in time. The figures we have quoted clothe these words in a concrete and almost mathematical expression, while from them there springs forth a new source of consolation for those who share the esteem of the Apostle for that divinely-inspired Scripture, which is always useful 'for teaching, for reproving, for correcting, for 'instructing.' (II Tim. iii, 16.)

E. THE STATE AND QUALITY OF ORIGINAL MATTER

"In addition to the question of the age of the cosmos, scholars have, with similar earnestness and liberty of research and verification, turned their daring genius to the other problem which has already been mentioned and which is certainly more difficult, concerning the state and quality of primitive matter.

"According to the theories serving as their basis, the relative calculations differ in no small degree from one another. Nevertheless, scientists agree in holding that not only the mass, but also the density, pressure and temperature of matter must have reached absolutely enormous proportions, as can be seen from the recent work of A. Unsöld, director of the Observatory at Kiel (*Kernphysik und Kosmologie*, in the *Zeitschrift für Astrophysik* 24B, 1948, pp. 278-305). Only under such conditions can we explain the forma-

*This phrase is given in English in the original.

tion of heavy nuclei and their relative frequency in the periodic system of the elements.

"Rightly, on the other hand, does the mind in its eagerness for truth insist on asking how matter reached this state, which is so unlike anything found in our own everyday experience, and it also wants to know what went before it. In vain would we seek an answer in natural science, which declares honestly that it finds itself face to face with an insoluble enigma. It is true that such a question would demand too much of natural science as such. But it is also certain that the human mind trained in philosophical meditation penetrates more deeply into this problem.

"It is undeniable that when a mind enlightened and enriched with modern scientific knowledge weighs this problem calmly, it feels drawn to break through the circle of completely independent or autochthonous matter, whether uncreated or self-created, and to ascend to a creating Spirit. With the same clear and critical look with which it examines and passes judgment on facts, it perceives and recognizes the work of creative omnipotence, whose power, set in motion by the mighty *Fiat* pronounced milliards of years ago by the Creating Spirit, spread out over the universe, calling into existence with a gesture of generous love matter bursting with energy. In fact, it would seem that present-day science, with one sweeping step back across millions of centuries, has succeeded in bearing witness to that primordial *Fiat lux* uttered at the moment when, along with matter, there burst forth from nothing a sea of light and radiation, while the particles of chemical elements split and formed into millions of galaxies.

"It is quite true that the facts established up to the present time are not an absolute proof of creation in time, as are the proofs drawn from metaphysics and Revelation in what concerns simple creation, or those founded on Revelation if there be question of creation in time. The pertinent facts of the natural sciences, to which We have referred, and the theories founded on them, are in need of further development and proof before they can provide a sure foundation for arguments which, of themselves, are outside the proper sphere of the natural sciences.

"This notwithstanding, it is worthy of note that modern scholars in these fields regard the idea of the creation of the universe as entirely compatible with their scientific conceptions, and that they are even led spontaneously to this conclusion by their scientific research. Only a few decades ago, any such 'hypothesis' was rejected as entirely irreconcilable with the present state of science. As late as 1911, the celebrated physicist Svante Arrhenius declared that 'the opinion that something can come from nothing is at variance with the present-day state of science, according to which matter is immutable.' (*Die Vorstellung vom Weltgebäude im Wandel der Zeiten*, 1911, p. 362). In the same vein we find the statement of Plate: 'Matter exists. Nothing can come from nothing; hence matter is eternal. We cannot admit the creation of matter.' (*Ultramontane Weltanschauung und Moderne Lebenskunde*, 1907, p. 55.)

"On the other hand, how different and much more faithful a reflection of limitless visions is the language of an outstanding modern scientist, Sir Edmund Whittaker, a member of the Pontifical Academy, when he speaks of the above-mentioned inquiries into the age of the world:

"These different estimates converge to the conclusion that there was an epoch, 10^9 or 10^{10} years ago, on the

further side of which the cosmos, if it existed at all, existed in some form totally unlike anything known to us: so that it represents the ultimate limit of science. We may perhaps without impropriety refer to it as the Creation. It supplies a concordant background to the view of the world which is suggested by the geological evidence, that every organism ever existent on the earth has had a beginning in time. If this result should be confirmed by later researches, it may well come to be regarded as the most momentous discovery of the age; for it represents a momentous change in the scientific conception of the universe, such as was effected four centuries ago by the work of Copernicus." (*Space and Spirit*, 1946, pp. 118-9.)

"What, then, is the importance of modern science for the argument for the existence of God based on the mutability of the cosmos? By means of exact and detailed research into the macrocosm and the microcosm, it has considerably broadened and deepened the empirical foundation on which this argument rests, and from which it concludes to the existence of an *Ens a se*, immutable by His very nature. It has, besides, followed the course and the direction of cosmic developments, and, just as it was able to get a glimpse of the term towards which these developments were inexorably leading, so also has it pointed to their beginning in time some five milliard years ago. Thus, with that concreteness which is characteristic of physical proofs, it has confirmed the contingency of the universe and also the well-founded deduction as to the epoch when the cosmos came forth from the Hands of the Creator.

"Hence, creation took place in time. Therefore, there is a Creator. Therefore, God exists. Although it is neither explicit nor complete, this is the reply we were awaiting from science, and which the present human generation is awaiting from it. It is a reply which bursts forth from mature and calm consideration of only one aspect of the universe, namely, its mutability. But this is already enough to make the entire human race, which is the peak and the rational expression of both the macrocosm and the microcosm, become conscious of its exalted Maker, realize that it belongs to him in space and in time and then, falling on its knees before His sovereign majesty, begin to invoke His Name:

'*Rerum Deus, tenax vigor,
Immotus in te permanens,
Lucis diurnæ tempora,
Successibus determinans.*'—Hymn ad Nonam.

"The knowledge of God as sole Creator, now shared by many modern scientists, is indeed the extreme limit to which human reason can attain. Nevertheless, as you are well aware, it does not constitute the last frontier of truth. In harmonious co-operation, because all three are instruments of Truth, like rays of the same sun, science, philosophy and, with still greater reason, Revelation, contemplate the substance of this Creator Whom science has met along its path, unveil His outlines and point out His features. Revelation, above all, makes His presence, so to speak, immediate, vitalizing and loving, like that presence of which either the simple faithful or the scientist is aware in his inner soul when he recites unhesitatingly the concise terms of the Ancient Apostles' Creed: 'I believe in God, the Father Almighty, Creator of Heaven and Earth.'

"Today, after so many centuries which were centuries of civilization because they were centuries of religion, the need is not so much to reveal God for the first time, as it is rather to recognize Him as a Father, revere Him as a Lawgiver and fear Him as a judge. If they would be saved, the nations

must adore the Son, the loving Redeemer of mankind, and bow to the loving inspirations of the Spirit, the fruitful Sanctifier of souls.

"This persuasion, taking its remote inspiration from science, is crowned by a faith which, being ever more deeply rooted in the consciousness of the people, will truly be able to assure basic progress for the march of civilization.

"This is a vision of the whole, of the present as of the future of matter as of the spirit, of time as of eternity, which, as it illuminates the mind, will spare to the men of today a long tempestuous night.

"It is this faith which at this moment inspires Us to raise towards Him whom we have just invoked as *Vigor*, *Immotus*, and *Pater*, a fervent prayer for all His children entrusted to Our care:

*Largire lumen vespere,
Quo vita nusquam decadat.*

"—light for the life of time, light for the life of eternity."

Transformation An Exploratory Venture.

By HEWLETT EDWARDS

Every kind of publicity clamours for the conversion of raw materials into manufactured products. This is a physical transformation to which everyone is well accustomed; but it is not so commonly realised that the essence of the process consists in the transformation of ideas into things. Therefore if we are not satisfied with what comes or does not come out of it, it is to the ideas that attention should first be paid, for it is they which decide what we are going to get. It is not a load of bricks but an idea which starts the proceedings from which a house emerges.

In the making of things, thought orders, as it were, upon our general store, the physical universe. We have as the Scot might say, *sorted* that store to some effect, therein discovering rules or 'laws' which when observed, greatly facilitate transformation. These are rules which cannot be broken with impunity; it is known, for example, that a given beam will carry such and such a load, and that if that is much exceeded it will break. The advantage gained by knowledge of such physical laws is impressive and suggests, enquiry as to whether there are metaphysical* laws which, if understood and observed, would provide means more effective than those we use, to ensure that we get what we want to get; and which if disregarded result in failure as understandable as that of a beam which collapses. It is evident that this enquiry should come first.

The present concentration upon production instead of first dealing with this pre-production problem is an order of priority which social credit reverses in assuming that society is primarily metaphysical†; that its roots are in thoughts, not things. Further, a stable society must ultimately depend upon a particular idea; the belief that society itself is worth while.

**Metaphysics*. Used in the wide sense of *other than physics*; the working of the mind: thought: ideas: belief.

†Here and elsewhere in this article quotation is made from *What is Social Credit?* diagram by C. H. Douglas.

This necessary metaphysic is threefold, holding that Truth, ascertainable, but unalterable exists: that Truth is accessible to human beings (however difficult its verbal formulation may be); and that Truth, ascertained and sustained, provides the common focus necessary to joint activity.

Without adherence to this triple belief—and 'enough' adherence to cancel out the opposing metaphysic—society must fall apart; or be held together only by some form of arbitrary tyranny. Contrasting the physical with the metaphysical:—

The production and stability of a physical structure (as a building) depend upon:—

The availability of material for construction.

Physical conditions which ensure that material will stay where it is put.

The ability to put, or build material in position.

Whereas the production and stability of a metaphysical conformation (as society) depend upon:—

Belief in Truth: the 'building material' of metaphysics.

Belief in human beings: that they are able to gain access to Truth.

Belief in society: that individuals, acting in association, are able to use this 'material,' Truth.

These beliefs, which are basic in Christian doctrine, form the prototypes of a stable society, the degree of whose stability varies directly with the presence, quality and strength of this metaphysic. Social credit holds that society must have regard for the organic relationships of its prototype. This is imperative rather than optional. As gravitation sustains the bricks and beams of a building so long as their constitution and arrangement conform to gravitation's own laws, so, inherent in the prototype there are organic relationships which govern the development and stability of society, the disregard of which carries the certainty of damage to society and the perversion of its individual members. It is thus that another prototype gains the ascendancy—one where it is believed that man may mould Truth to his own purpose: where individuals have no common focus other than strife for personal supremacy: and where belief is in domination, not association. Such a society inevitably acquires an accelerated instability, and contains the certainty of disintegration as *e.g.*, Collectivism, Dialectic Materialism, Totalitarianism and Judæo-Masonic Philosophy and Policy. These are instances of what is incompatible with and repugnant to social credit.

Out of the one prototype stability grows; an organic growth primarily intensive in respect of quality: and out of the other instability is organised; primarily an expensive organisation in respect of numbers and equality (without quality).

Many remember the time when social credit was discussed largely in terms of costs and prices, and the impossibility under the present financial system of securing consumer control of production through the operation of a 'right' flow of effective demand. The substance of this thesis is a *flow* of something which proceeds from one stage to another. But (when paid out in wages, *etc.*) costs become purchasing power and (completing the cycle) are recovered (or are supposed to be recovered) as prices. One thing with three

§*Prototype*. An original or model after which anything is formed, a pattern.

phases. At present the process is radically defective, but simple adjustment could make the 'flow' turn over from phase to phase without loss or friction. The point here is that that which flows is one thing and yet at the same time it is three things: if, consistently and always, its three parts have been adequately distinguished but never separated: have been defined and re-defined in use in accord with the passage of events, but still unceasingly welded into one and used as one—then, I think, this process could never have been perverted.

The organic relationship which in the prototype supersedes all others is that laid down in the doctrine of the Trinity:* a statement of the 'structure' of metaphysical reality. Social credit must have regard for this relationship in and throughout every phase: each *drawing* Authority, *engendering* Power, and *performing* Works.

Authority is all-dimensional, immutable; distinct from yet incarnate through and in Power and Works. Humanity is finite and mutable; yet life consists in a ceaseless reply to inescapable, consecutively presented choice—to accept Authority or to deny it. It is our responsibility to make the 'right' answer, for in our own degree we are of the same order of threefold metaphysic. Everyone has *Ability to Choose* and *Power (to Act)*: to possess these is life; to lack them is death. Within us these are one: distinguishable, inseparable—but finite and mutable. How bring the all-dimensional and immutable to bear upon our practical doings? How choose 'right'? How pay attention to Authority? In making the attempt we follow the innumerable who have struggled towards the resolution of these questions; and we have the advantage of precedent, success, failure, example. The Voice of Authority is to be heard through many channels. Within us there is, in whatever degree, a canon of rightness which may be exemplified in the humblest and the highest; from a well laid hedge, laid by the authority of Tradition and with the strength of the hedger's arm, to the Quebec bridge, where a thousand possibilities existed and the right one was chosen. Outside ourselves there is sound tradition and its accretion around institutions; as in the Church, the common law and the Constitution—insofar as sound traditions are maintained therein. And we have the guidance of those whose vision *penetrates* what is contemplated, and are able to precipitate understanding in practical terms of what is required.

Authority sees: seeing is the function of the seer, recognising what is required, *e.g.*, to hold society steady, and reducing that need from the abstract to the concrete: 'responsible voting': 'integral accounting.' Flowing on out of this metaphysical grasp of reality and engendered by this vision comes Power, which again proceeding demonstrates its own transformation in the actual doings of Administration.

Philosophy is the field of gestation of ideas; the compost from which policy ("Action taken towards a recognised and conscious objective"†) may spring. There is a sense in which the beginning (policy) and the end (results) are one; for the end must be 'seen' before the objective can be stabilised. The bridge between the unseen and the seen is the means, joining metaphysics to physics, the idea to con-

*St. Athanasius. "And in this Trinity none is before or after the other; none is greater or less than another . . . neither confounding the Persons; nor dividing the Substance."

†*The Policy of a Philosophy*, C. H. Douglas.

crete objectivity. Inasmuch as policy in Spirit and in Truth proceeds from Authority, the Power engendered in its growth will bring itself (power) and all its works into accord; nor will it permit performance (in Administration) to depart from harmony with it, and therefore with Authority. So used, this tripartite structure is the vehicle for the threefold results of the *operation of Truth* in respect of policy; for every human thought which finds its issue in action has a triple effect: the impact upon the exterior environment of the doer, the impact upon his mind and its operations, and that upon the *person* who remains aloof within him; his spirit. Harmony between these is the integration of means and ends; and in it lies the social stability which is the objective of social credit.

PARLIAMENT—

(continued from page 3).

small proportion of Government borrowing, the main part of which is undertaken under the National Loans Act, 1939, with longer term borrowing, Treasury bills and so on. The hon. Gentleman's argument, though interesting, does not relate very seriously to the subject matter of the Bill.

The hon. Gentleman referred to the fact that Clause 2 (3) lays down a ceiling rate of interest. I can assure him about that. The same figure has been included in every Consolidated Fund Bill since 1942. I think the same sort of comment can be made on his remark about "slipshodness," ill-drafting and "a farrago of nonsense" contained in the Bill. If those charges be true, then they would lie against every Consolidated Fund Bill of the last 10 years, and perhaps many years before.

Mr. Norman Smith indicated assent.

Mr. Boyd-Carpenter: His comments will, of course, be carefully considered, but I do not think he need be seriously perturbed about the matter. . . .

Electricity and Gas Industries

Mr. Bossom asked the Minister of Fuel and Power the number of administrative employees and the number of operative employees engaged in the nationalised electricity industry; the amount of electricity produced for the latest convenient period; and the corresponding number so engaged and amount of electricity produced before nationalisation.

Mr. Joynson-Hicks: I would refer my hon. Friend to the information published in the Annual Reports of the British Electricity Authority and the North of Scotland Hydro-Electric Board and in the Ministry of Fuel and Power Statistical Digest.

Mr. Bossom asked the Minister of Fuel and Power the number of administrative employees and the number of operative employees engaged in the nationalised gas industry; the amount of gas produced for the latest convenient period; and the corresponding number so engaged, and amount of gas produced before nationalisation.

Mr. Joynson-Hicks: I would refer my hon. Friend to the information published in the Annual Reports of the Gas Council and Area Gas Boards and in the Ministry of Fuel and Power Statistical Digest.