THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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THE MONOPOLY CLUB

In *The Social Crediter,* 22nd April, 1950, Major C. H. Douglas wrote:

"There are three economic systems. The first is genuine Capitalism; the second genuine Socialism; the third Monopoly.

In the first, the producer meets the wishes of the consumer or goes out of business; in the second, the producer takes his orders from an omnipotent bureaucracy, and the consumer takes what is allowed to him; in the third, the producer serves the policy of a small omnipotent clique.

All three are still in operation; but the third is for the moment eliminating the other two."

Social Credit has directed attention (with what success we do not know) to national and global Monopoly in all its forms, and particularly to the monopoly of credit which preceded the present stage of centralisation. Recently the financial markets of the world have quite openly shown the connection between finance, monopoly and political centralisation and world Government.

The merger of two or more industrial undertakings MAY have real advantages in production, research and development etc., but once optimum size has been achieved by any undertaking, these advantages cease to be generated. Yet vast mergers and 'takeovers' continue apace, of a size financially that only an indoctrinated community would countenance. We are asked to accept that individuals, often starting from nothing, now command billions in currency and are thus entitled to use the power that gives, to destroy or control the enterprise of others. The source of these billions is known. The Banks can and do create the means of payment out of nothing but what matters about money and credit is who gets it when it has been created. Why are certain individuals chosen and so vested by the financiers, and does it matter who are chosen? A study of the origins of these individuals would doubtless throw up some answers to these questions, indicating, as we think it would, that the long term objectives of the financiers behind the scene are known, understood and shared by such individuals. But the obvious is probably just as likely; that these individuals have shown themselves willing and capable of achieving what the financiers wish to accomplish. Certain it is that these "kings of industry" are no more sovereign in the choice of the objective than is a locomotive in relation to its destination. The financial power does the driving and operates the points. The destination is centralisation leading to global monopoly.

We have noted that this creates a difficulty for some of our "kings of industry" who have to do the explaining and the justifying when objectives become clear (usually when it is too late) to the general public. Either they espouse the Socialists' philosophy and seek openly to pursue centralisation under this banner or, while running with the hare (centralisation), they pretend to chase with the hounds. Both types are Leftists and expect to be at the apex of the pyramid of power and for that prize accept that their power is limited to the pursuit of an objective already decided by others. The financiers sit out of sight and need give no justification for the results produced by their puppets.

Food, clothing and shelter have long been priorities for national monopoly and a glance at the high street stores plus a knowledge of "who owns who" provides evidence enough of this. Now the conglomerate, stretching across national boundaries, is accepted as a natural extension of the national merger or "take-over". Investing overseas and expansion into overseas markets is put forward as an objective in itself, with much the same false arguments as accompany "export or die". This development would seem to indicate that in the area of these essentials for life, centralised control of access to them is for all practical purposes, complete.

It is, however, in the vital realm of raw materials, particularly those affecting defence and heavy industry that the greatest danger remains as yet unresolved. Herein is a threat to national sovereignty. Without elaborating on this, for much has already been written on the subject, we may confidently forecast that the present activities in this area of global monopoly will lead to more and more open conflict. We cannot say whether or not open conflict is planned but we can be sure that the financial power will have its hands in the pockets of all protagonists. Possibly (and we may hope so) the conflict will make this plain for all to see in time to do something about it.

International conglomerates are outside purely national law. A profusion of international agreements is to be accepted as necessary for their regulation. These are plainly a prelude to international law requiring the sanctions imposed by a World Government. If all goes to plan, Big Business will then have served its purpose.

CFR PLAN FOR WORLD GOVERNMENT

"The author makes it clear that Communism is being used to consolidate the world for the more important of the two thrusts — the demise of our national government and its replacement by a one-world government that must necessarily include convergence with the Communist bloc. Perloff points out that numerous CFR members highly placed in government have openly advocated this amazing position. . . . It is little remembered now that, in the 1950s, the CFR's Atlantic Union . . . brought several resolutions before Congress that would have authorized a convention to lay the foundation for a political union of the United States and Europe. Although that attempt was premature and failed, we are now witnessing the economic and political consolidation of Europe in the Common Market and European Parliament."

From a review in *The New American*, 7th November 1988, of "The Shadow of Power: The Council on Foreign Relations and the American Decline" by James Perloff.

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DOES ENOCH BACK MAGGIE?

Extracts from an address by the Rt. Hon. Enoch Powell, M.B.E., M.P., at Halifax on 26th September 1988.*

. . . Sixteen or seventeen years ago the Parliament of the United Kingdom disclaimed its historic powers of legislation, taxation and control over the executive in order for the United Kingdom to become part of the European Economic Community. . . . For those who wish to retain any faith in the common sense of their fellow countrymen, there is something distasteful in recording the absurdities which were once so confidently proclaimed and deafeningly applauded. The world, it used to be said, and Britain along with the rest, was threatened by famine. Our only safeguard was to penalise producers outside Europe and subsidise producers inside Europe. We do not hear much about that nowadays, least of all from British farmers who are told to scale their output down, plant forests, preserve bogland, and try their fortune in the tourist industry.

Then there was the cry that Britain as a trading nation could not "go it alone": outside the ringfence of the European Community our trade would shrivel and fail. We simply could not make a living in the cold, hard world outside. Well, we are worried now about a huge deficit on our balance of trade and the prospect of worse to come. Where are the voices to tell us that nearly all the deficit is in our trade with Europe, not our trade with the rest of the world?

Peace in Europe — that was what the Common Market used to be about, preventing France and Germany from ever getting at each other's throats again. Why Britain, which had never attacked either of them, had therefore to be amalgamated with them was never explained. But is there anybody now outside an institution who fears a Franco-German war or thinks that only the EEC is preventing it? . . .

There is a lot to be said in favour of freedom of trade, of governments not impeding the exchange of goods and services, not to mention currencies, between their own citizens and the inhabitants of other lands. The EEC however is not, and never has been, about freedom of trade: it is about, and always has been about, a closed-off internal trading system in Europe. . . . What the EEC is bent upon has nothing to do with free trade or free anything. It is a naked assertion of the will to power, the will to create a unified state to which instead of our own national organs of representations and government we are all to be subordinated. . . .

The original issue, of surrendering or retaining the sovereign Parliament of the United Kingdom, remains not so much at the head of the agenda as the only item on the agenda. Are we to retain it, or rather to recover it, or are we not? UK membership of the European Community depends upon the continuing consent of the Parliament — and thus of the people — of the United Kingdom. It is not, as pretended, permanent. . . . It is, in the words of the Rome Treaty itself, "for an unlimited period". In relation to the United Kingdom that means, in brutal fact, from "minute to minute". . . . What is not true, either in law or in practical terms, is that the UK cannot leave the EEC. . . .

Of the popularity in this country of recovering economic and political freedom lost to the EEC there can be little doubt. That is a point established adequately by the recent poll which the European Community itself carried out. There is also the tactical attraction, when all other political parties have surrendered the high ground of national sovereignty and got themselves painted into the EEC corner, of playing a political card which no other player wields. . . . When the Prime Minister uses a British chat show or a Spanish television programme to attack usurpation by the EEC of parliamentary control over taxation or economic policy, this is gratifying evidence that a savage internecine fight is being waged in government between the go-right-aheaders and the about-turners, and that the latter have got the bit between their teeth.

The end of an era is approaching. That was the era in which the British public were assured, and somnolently allowed themselves to be assured, that their parliamentary self-government was not infringed in practice by membership of the Community and that such anxieties were confined to extremist fuddy-duddies making unjustified and over-logical deductions. Once the public is told, however, by those who have hitherto deprecated alarm, that control over the things which matter to their pockets and their future — control over taxes and prices in particular — is going to be seized by external bodies and foreign politicians, the whole aspect of affairs is altered. Issues of sovereignty, once raised, are make-or-break issues; for they go to the underlying and unalterable nature of the EEC itself and to the political purpose which fuelled enthusiasm for it. If, to use words emanating from No. 10, Britain intends to be part of "a Europe of independent nation states, trading freely with one another, which take action to deal with common problems" but which have not "given up control over the future of their own country", that is something on which all but the minority still wedded to the aberration of 1972 would willingly unite. The year 1992 is not too far ahead for it to be the year in which the United Kingdom by ceasing to belong to the Community becomes an "independent nation state" again.

* Published by the Anti-Common Market League, 28 Highdown, Worcester Park, Surrey.

SOCIAL CREDIT — OBELISKS

A new volume of essays by Anthony Cooney* has been published under the above title. The title page defines "Obelisks" as a "term used by Renaissance scholars to denote interpolations in the text of Homer". There are eight Obelisks in the volume, which covers a wide field. Each is prefaced by quotations, one of which in each case is from a work by C. H. Douglas.

Obelisk Five is headed "The Bolt from the Blue? 1760-1830" and it discusses the role of credit creation in the Industrial Revolution. It is prefaced by a quotation from C. H. Douglas: "Finance, i.e. money, is the starting-point of every action which requires either the co-operation of the community or the use of its assets", (The Monopoly of Credit, 1931). The essay begins: It comes as something of a surprise to learn that the phrase "Industrial Revolution" was first used in 1914 by W. J. Ashley, who went on to argue that it came as "A Bolt from the Blue". Contemporary historians, of whom Dr Pauline Gregg may be taken as typical, now dispute the idea that the change from domestic industry to factory production was as sudden as Ashley's dramatic phrase implies. Dr Gregg for example points to the fact that in 1830 there were still an estimated 240,000 hand looms as against 60,000 power looms in use in the cotton industry, whilst the woollen industry was still largely domestic and outside the manufacture of textiles everything was made by hand. There is evidence however that the men of the time were aware of the change taking place in society. Monetary prizes were offered for new methods of spinning, should they prove successful. Advertisements appeared in newspapers for mechanics and clock-makers to meet the growing demand for looms and wheels to provide the textiles for an expanding overseas market.

The domestic system of manufacture was not, and had not been for centuries, a SUBSISTENCE activity. The phrase does not denote an economic condition in which jolly peasants spun sufficient yarn and wove sufficient cloth for the family raiment. The manufacture of cloth, from fleece to napped and sheared broadcloth, is a highly complex process, and it would be remarkable if any one person were to be master of all the inherited increments involved. The distinctive feature of the domestic system was that those who worked in it were masters, or might hope to be so, owning their own implements and supplying their own labour. It is in this sense the proper sense, not in the sentimental-idyllic sense, that it can be described as Distributist.

Historians opposed to Ashley's "Bolt from the Blue" thesis argue that the basic inventions of the Industrial Revolution had been available since 1600, or even the 14th century, and that therefore we must look beyond the inventions after 1760 and consider an evolutionary change in manufacturing. Certainly the inventions of the 14th century indicate both a sufficient mechanical insight into the problems of gears, ratios and transfer of motion, etc., and an ability to employ water power, the prime mover of the 18th century industrial revolution, for a slow process of change to have been underway prior to 1760.

The first of these inventions was the steam engine of G. B. della Porta in 1601, used for pumping water from mines and perfected by Watt in 1769. However whilst steam engines were in the category of "Things known" the largest mass of iron which could be beaten was not, until the 18th century, sufficient to make an engine which could generate more power than a water wheel. In 1728 rolled sheet iron was first produced and in 1783 rolled rods and bars were available. That is, until 1728 metallurgy lagged behind thermodynamics. In 1717 John Lombe pirated the secret of the Italian silk mill and a water-powered factory was established at Derby in 1719 where it exercised a mesmeric effect upon the first machine worshippers. By 1765 there were seven such mills employing hundreds of people, mostly women and children. Lombe himself derived little benefit from his piracy. The Italian secret societies despatched a woman to Derby to win his confidence and poison him. He died a lingering death in 1723. In 1733 John Kay invented the flying shuttle which doubled the output of the weaver, dispensed with the labour of two apprentices and disrupted the equilibrium of the textile industry which had been maintained since the 14th century. The flying shuttle was hand operated and fitted to domestic looms: it played no part in moving weaving into factories. . . .

Man's first successful machine (that is a tool which incorporates some part of the skill of the operator in its mechanical operation) was the invention of an Oswaldtwistle spinner, James Hargreaves. His "Spinning Jenny" (Ingin) was based upon the spindle wheel and because of its intermittent action could not be harnessed to water power. He made his first jenny from scrap wood with a clasp knife and kept it secret until a neighbour became curious about the amount of yarn leaving the Hargreaves' cottage. Entering the cottage by surprise he saw the machine and declared that he would "Give it to the world". To protect his invention Hargreaves took out a patent in 1764 but it is only in the past two decades that Hargreaves' patent specification has been examined to discover what the first machine actually looked like. The neighbour was Robert Peel who made a fortune out of textiles and was father of Sir Robert Peel, described in Parliament as "Baronet and cotton spinner" by the redoubtable Cobbett. Hargreaves opened a factory in Derbyshire but found himself in competition with the "Waterframe" invented by Arkwright in 1769. Arkwright's machine was based upon the continuous action of the spinning wheel and could therefore be harnessed to water power. Hargreaves was eventually forced to sell his jennies and operate water-frames under licence from Arkwright. He died in penury, but Parliament voted his children a pension on behalf of a grateful nation. [One of his descendants, John Hargreaves, inventor of the "Moving Map" for aeroplane navigation, was founder of the Kindred of the Kibbo Kift, which later became the Social Credit Party of Great Britain.] Hargreaves never became rich enough to have his portrait painted, so we have no likeness of this man of that ancient pre-Celtic stock, still surviving in the High Pennines, which built Stonehenge, calculated sun rise and sun set and mapped the stars, and whose descendants, the Kays, the Hargreaves and the Arkwrights revolutionised in a single generation the manufacture of textiles from the carding of the staple to the napping of the finished cloth. . . . Crompton's "Mule" which combined the operations of both the Jenny and the Waterframe and which could spin thread fine enough for

* Social Credit — Obelisks, by Anthony Cooney, Gild of St George, 17 Hadassah Grove, Lark Lane, Liverpool, L17 8XH, £3 net.

muslin was patented in 1779. These inventions once more upset the equilibrium of textile manufacture in favour of spinning. In 1785 Cartwright patented a power loom. However, power looms remained only marginally more efficient than hand looms until about 1820. In 1825 Roberts patented the self-acting mule.

In support of Ashley's thesis it is pointed out that just as the 14th century industrial revolution followed a doubling of the population, so too the period 1760 to 1800 saw a doubling of population, with a further 100 per cent increase on the 1760 base between 1800 and 1830. It is irrelevant that the basic inventions were available during the 17th century if they were not employed because not needed to meet demand. However the view that the increased population of our period provided EFFECTIVE DEMAND can be seriously challenged when we consider the wretched condition of that part of the population in which the greatest increase took place. George Loveless of Tolpuddle in evidence at his trial asserted that although he and his fellows were shepherds they could not buy new smocks and never tasted meat. . . .

Ideas are crucial. There is no physical change without metaphysical change. The idea which triumphed in the 18th century was INDUSTRIALISM. It may be helpful to compare this to the idea of MILITARISM. Militarism does not consist simply of maintaining an army. It is the view that society OUGHT to be organised for the purposes of war. . . . In the same way INDUSTRIALISM does not consist simply in maintaining sufficient industry to provide the population with necessary commodities. It is the view that super-production is the purpose for which men exist. Now in Britain there did grow to dominance the view that industry was the purpose of life, expressed in the image of "Britain the workshop of the world". . . . William Morris perhaps put his finger on it in his criticism of the super-production of the machine when he said that the products were not made to USE but to SELL. And sold they were, for the destination of the greater part of the new products was not the home market where the ragged needed to be clothed, but the four corners of the world.

An alternative view is proposed by H. G. Wells in his *Short History of the World.* Wells distinguishes between the "Mechanical Revolution" — the spate of inventions which came thick and fast after 1733 — and the "Industrial Revolution" — a social and economic reorganisation of production characterised by "gang labour" and the collectivisation of the factory. . . . He maintains that (the latter) development was inevitable and independent of the mechanical revolution and that the two coincided was a happy chance. . . . Belloc in "The Servile State" (argued) that if it had not been for the great accumulation of capital that had already taken place, the inventions could as well have been exploited in distributive or cooperative systems as in a capitalist system.

(Cooney later writes:) The many facts we have considered — inventions, familiar sources of power, population explosion, markets — these are but factors of an association which is greater than their sum, for all pre-existed the condition which Ashley identified as a "Bolt from the Blue" (Ashley W. J., The Economic Organisation of England, Longmans, London, 1914). The important thing is the catalyst which brought them together, for once they were brought into association, the problems of historical priority are soluble. . . .

IT SEEMS SELF-EVIDENT TO SAY THAT THE CATALYST OF A MONETARY ECONOMY IS MONEY.

The whole question of the role of money in economic history has the atmosphere of secrecy of an Italian silk mill in 1717, but it now appears evident that credit played a considerable part in the expansion of the 14th century. It has been argued that the development of a widespread credit mechanism after this time was stopped only by the "discovery" of the New World and large supplies of gold and silver which directed attention away from the pressing need for a viable credit system. It might be that the Americas were RE-DISCOVERED for precisely that purpose. . . .

Cooney quotes from *England in the 18th century* by J. H. Plumb (Pelican, London, 1950) — "Inadequate financial methods and arrangements were AS MUCH AN IMPEDIMENT TO THE EARLY INDUSTRIALISTS AS BAD TRANSPORT. In the early years of the century there were no country banks, and large-scale financial transactions could take place only through London . . . but the widespread development of country banks after the 'Fifties made the development of enterprises easier. . . . Country banks rose in number from less than three hundred to over seven hundred between 1780 and 1815 . . . they inspired confidence and there was little hoarding. Each bank ISSUED ITS OWN PAPER MONEY . . . and the country was flooded with paper money without adequate bullion backing."

Cooney concludes: What "adequate bullion backing" is and to what extent it is necessary is another question. What is beyond question is that both paper currency and credit have exactly the same function as gold — they supply EFFECTIVE DEMAND where and when it is required. In short, the great expansion of credit made possible the accumulation of capital equipment which CHARACTERISED the Industrial Revolution. . . . The many forces which had grown separately for centuries were brought together in novel association by the widespread creation of credit, and, by their coming together, they transformed both production and the organisation of production and that transformation fell upon England like a bolt from the blue.

RECOMMENDED READING

Abraham, Larry	Call It Conspiracy.
Douglas, C. H.	The Brief for the Prosecution. The Development of World Dominion. Economic Democracy. The Monopoly of Credit. The Policy of a Philosophy. Programme for the Third World War. Social Credit.
Monahan, Bryan W.	The Moving Storm. The Survival of Britain. Why I am a Social Crediter.
Reed, Douglas	The Controversy of Zion.
Social Credit Secretariat	Elements of Social Credit. Zimunism.
Sutton, Antony C.	National Suicide — Military Aid to the Soviet Union. Wall Street and the Bolshevik Revolution. Wall Street and the Rise of Hitler.

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