

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

Vol. 22. No. 13.

Registered at G.P.O. as a Newspaper.  
Postage (home and abroad) 1d.

SATURDAY, MAY 28, 1949.

6d. Weekly.

### Agents of "the Political"

By BORGE JENSEN

"It is probable that no Administration in these islands, with the possible exception of that of Cromwell, has ever been so fundamentally immoral and unjust as that of this, the first declared Socialist Government. Its ideology, to use the current term, is that of the *Protocols of Zion*: 'by the law of Nature, right lies in force . . . we must know how to apply . . . an idea whenever it appears necessary to attract the masses of the people to one's party for the purpose of crushing another who is in authority.'"—*The Social Crediter*, April 23, 1949.

"There are two words in this translation which are unusual, the word 'Agentur' and 'Political' used as a substantive. Agentur appears to be a word adopted from the original and it means the whole body of agents and agencies made use of by the Elders, whether members of the tribe or their Gentile tools. By 'the Political' Mr. Marsden means not exactly the 'body politic,' but the entire machinery of politics."—Publisher's note (1922) to the British edition of *The Protocols of the Learned Elders of Zion*.

The clue to most of the political contradictions, puzzles and 'mysteries' which crowd the world political stage is, according to Mr. Douglas Reed, to be found in the Palestine Affair. The clue to the conundrum, for instance, of why the majority of British journals during our century have misled the British public with regard to the true nature of first the 'German' peril, then the 'Soviet' threat and finally the 'Zionist' menace: at the turn of the century the Protocolists (the Elders of *Zion*) informed their agents of their plans for muzzling the Daily Press of every country: "We shall saddle and bridle it (The Press) with a tight curb." But they were not to stop there; reading-matter of every description must be brought under control: "We shall do the same also with all productions of the printing press, for where would be the sense of getting rid of the attacks of the [Daily] Press, if we remain targets for pamphlets and books?"

We recall the eagerness with which Mr. Emanuel Shinwell\* of the Chemical World Empire ("British" Fuel and Power subdivision) used the 1947 "coal" crisis to extinguish what remained of the genuinely British periodical Press.

\* When in 1929 he was Financial Secretary to the War Office, Mr. Shinwell made the following statement at the annual dinner of B'nai B'rith: "The Jews in the House of Commons, whatever their political opinions may be, will always stand in that assembly for the rights of the Jewish Community. It has been said that they must emphasize the fact of their Judaism before the fact of citizenship." He held that they must regard themselves as Jews and citizens equally.

In April, 1949, Mr. Shinwell, now promoted to Minister of War, spoke at a Jewish function at Grosvenor House: "If we believe in our mission as a race or as a religion, let us stand steadfast by our convictions . . . John Bright once said: 'Force cannot produce a remedy'; but if ever evidence were needed that force could produce a remedy, it was in the readiness of Jewry to fight for what it thought worth while."

Mr. Shinwell's efforts were only partly successful: while some of the periodicals of the Right succumbed, either then, or shortly afterwards, enough patriotically-edited weeklies and monthlies have survived the many trials of the intervening years to give to the sayings and the doings of the race to which Mr. Shinwell belongs some of the careful attention they deserve. One of the significant by-results of this survival is that the many semi-government journals of the Left appear increasingly lifeless and are all but unreadable to an ever larger number of alert British readers.

The chief characteristic of the Socialist Press is, as everybody will agree, its obstinate refusal to recognise that the abstractionist, episodic treatment of history is not only *démodé*, but debunked. When therefore, we find the editor of a widely but privately circulated monthly digest addicted to a profuse use of sentences like "Russia thinks this" and "American Public Opinion commits itself to that", one feels inclined to doubt the soundness of his claim to be, politically, of the Right: Walsingham, founder of the British Secret Service, is the hero of Mr. Kenneth de Courcy, the producer of the periodical, which was formerly known as the *Review of World Affairs* but now answers to the more modest title of *Intelligence Digest*. Among the host of competent observers who assist Mr. de Courcy in his global fact-gathering we notice the names of such typical 'Americans' as Cushman, Freeman, Halpin, Leverone, etc., and this may explain why Mr. de Courcy can divulge the inner secrets (including their bodily ailments) of so many political persons of renown throughout the world and also, maybe, the fact that his monthly 'searching analyses' of the world political events are as innocent of any mention of the evil influence wielded by the Master-builders of Judaism and Masonry as a university student's historical essay. Perhaps Walsingham was equally discreet.

"For reasons of security" Mr. de Courcy seldom quotes his authorities and for reasons, no doubt, of diplomacy he allows to be un-named the Ambassador "representing a world power" who writes to congratulate him (May issue, 1949) on the honesty of his presentations and general accuracy of his journal's facts saying: "Even when its opinions are original and startling (as a few most certainly are; witness the recent one about Israel and Christianity) I feel that there must be something behind its assertions."

There may be "something" behind Mr. de Courcy's statements but there is, in fact, nothing either original or startling about his views about Israel. He proves himself (February issue, 1949) as good a 'Judao-Christian,' as anxious for the recognition of the Judao-Communist Revolutionaries (the 'Israeli' 'Government') in Palestine as did the vast majority of British editors, from Messrs. Ian Micardo of *Forward* and 'Dick' Crossman of *The New Statesman* to their 'opposite' numbers of the respectable mass-circulated 'Tory' journals, during the fateful weeks which preceded the collapse of the Bevin-Foreign Office resistance to the blackmail of the International 'Recognitionists.' Mr. de Courcy thought Mr. Bevin "played a dangerous game" when

he for so long hesitated to follow the wise advice of Mr. Eden to give Israel "a *de facto* recognition of an inescapable and unalterable situation."

So we see that Mr. de Courcy's "Rightism" is of the fashionable Churchill-Eden-Butler-Macmillan brand which consists in admitting the inevitability of the Government's collectivist-might-is-right legislation and only criticising the manner and the timing of their introduction. In his May issue, printed in 150,000 copies, Mr. de Courcy briefly lists as one of several "favourable factors" that "Peace (as our observers forecast) has been restored in Palestine." It all depends, of course, as Dr. Joad would say, upon what you understand by "Peace." There are, fortunately, still some Christian statesmen who cannot bring themselves to refer to the cultural desert created in Palestine by the ruthless ejection of almost a million Arabs and the wholesale expropriation of their homes, as a "favourable factor" making for the peace of the world. Before he addresses his next Albert Hall meeting as leader of the "Christian Statesmanship movement," Mr. de Courcy might do worse than study the recent speech made by the Archbishop of York on the Palestine situation.

Dr. Garbett's warning (*Hansard*, April 30) that unless the Israelis adopted a more conciliatory attitude to their neighbours they "might in years to come be surrounded by tens of thousands of Arabs filled with a passionate desire for revenge," is both timely and in the best tradition of Christian Statesmanship (*vide* the Papal pronouncements relating to Jewry down through the ages.)

Before proceeding to examine the question of the "something" or somebody responsible for the continuous political conflict in the world which International political observers erroneously refer to now as "war" and now as "peace," we must mention his reference to the existence of "a small minority in Britain . . . very slowly moving towards the beginning of great philosophical changes which may later develop and prove most important."

Although the reader is left in the dark as to the names and addresses of the individuals composing the group referred to, this is an admission (or would be, if the terms 'great' and 'philosophical' mean anything at all) that there is "something" or somebody in the world outside the Masonic-Ghetto-Zionist-dominated 'parties' and 'nations' of the 'Left-Right' and the 'East-West', an admission that the small and highly integrated minority which for centuries has wrought its dark will on the peoples of earth is genuinely opposed by another small minority, equally determined to see the fight through, equally convinced that they "know what to do and how to do it."

The most urgent question for the members of that other minority must surely be how best to make use of the remaining time. How can its ideas best be brought to impinge on the Agents of "the Political" who, so far, have been in the habit of automatically yielding to pressure from the wrong quarter? How can they best gauge the degree of 'indebtedness' of the individual politician to the Judaic Oligarchy?

Once again, the clue to a politician's future usefulness, the touchstone of his sincerity would seem to lie in his attitude to the Palestine Affair. It must at once be conceded that not all the "builders" who, during these fateful years, have been engaged in erecting the Judaeo-Masonic Temple of Solomon, I mean the Great-Universal-(Chain Stores)-Slave-"Labour" Republic, are equally guilty. The average Trade Union "Labour" M.P. who supported the various measures

leading up to the culminating 'blunder' of recognising Soviet Palestine with the same docility and ignorance with which he voted us into Wall Street Bondage moves in a world apart from the highly trained lawyer-builder of the "Labour" intelligentsia. But between the lawyer-mason of the 'Right' and the mason-lawyer of the 'Left' (I think about a third of the "Labour" representatives in Parliament belong to the legal profession) there seems very little to choose. Let us begin with the 'Right':

Sir David Maxwell Fyfe (Chairman of the "Conservative" Party Committee of Post-War Reconstruction, 1943; "National" Government Solicitor-General, 1942-45; Attorney-General, 1945, *etc.*) has told the world that his country "has been sacrificed to Socialism and crucified on a cross of dogma." The world may still recall that Sir David Maxwell Fyfe was a member of the British prosecuting team at the International War Criminals Trials which were staged in American-occupied territory on American (*i.e.* Roosevelt-Rosenman) initiative and to which Jewish sources furnished an essential part of the testimony. Neither Sir David nor his political 'opponent' Sir Hartley Shawcross, the "Labour" Attorney-General, experienced on that occasion any difficulty in associating on terms of cordiality with their Soviet fellow-legalists, the representatives of a nation which had committed, on a larger scale as befitted its larger size, every one of the crimes for which the "Nazi" officials were brought into the dock. The comment of the *Jewish Chronicle* is significant (October 7, 1946):—

"The Great Nuremberg trial has fulfilled its twin task of meting out justice . . . *but something more is left to Jewry*—to impress on the short-lived memory of men, with the help and the strength of the Nuremberg sentences and records, what Jews suffered during the darkest period of modern history."

Speaking at a meeting presided over by Mr. S. S. Silverman at the Adelphi Theatre, London, April 1949, in commemoration of the sixth anniversary of the Warsaw Ghetto Rising, Sir David Maxwell Fyfe said: "It was easy to pay lip-service to co-operation between peoples. That would not do unless each of us started again and pledged and dedicated himself to world co-operation."

Since his return from Nuremberg Sir David Maxwell Fyfe has won the admiration of the Party's Supreme Leadership (Woolton, of Lewis's Ltd.; Amery, of the Balfour Declaration and Marks and Spencers Ltd., *etc.*) for his efforts to gear the machinery of the 'Conservative' Party to the task of 'fighting Socialism.' His preoccupation with the mechanics of the task of ousting parliamentary "Labour" was so great that he completely overlooked the violation of Conservative principles contained in the Legal Aid and Advice Bill moved by his 'Labour' 'opponent' Sir Hartley Shawcross\* towards the close of 1948. It has to be recorded that Sir David, in fact, gave the Bill his blessing and led the English Conservatives in the applause that greeted Sir Hartley's efforts to make "Legal Aid available to the Common Man of Britain."

\* At the Adelphi meeting to commemorate the Warsaw Ghetto Rising, mentioned above, Sir Hartley Shawcross said: "Hitler failed to exterminate the Jewish race. But what he did gave the final impetus to the movement for the establishment of the Jewish State. That State is now established. We wish it well. We hope that in peaceful and tolerant co-operation with the peoples of the Middle East and with the whole world it will assist the culture and talent of the Jewish people to make their fullest contribution to the world."

It was left to the Scottish representatives, spurred on by the group led by Mr. J. J. Campbell to suggest that the "Aid" Bill was a barely camouflaged attempt to tie British lawyers to the wheels of the Almighty State, that the Bill was, in fact, the embodiment of the principles found in a booklet *Soviet Justice* prefaced by Mr. D. N. Pritt, K.C., and published by the Haldane Society in the year 1943 when Sir David Maxwell Fyfe was busy producing blueprints for a Reconstructed Britain and Soviet Russia was our Glorious Ally and everything seemed possible of the Agents of the Political Extreme Left. The Scottish attack caused quite a flutter in the Westminster dovecote and for a brief moment something approaching consternation reigned amongst the 'builders' of the Left-Right. Scottish lawyer-"Labour"-ers referred their misguided fellow-Scots of the Right to the undeniable fact that their "Conservative" colleagues across the border had 'seen no harm in it.' But the situation was, at least partly, saved, and the bad impression created by Major Guy Lloyd's blunt enunciation of basic principles almost dispelled by the dialectical artistry of Mr. Walter Elliot, a "Conservative" frontbencher who was defeated in the General Election but brought back into the Political Fold *via* the Scottish Universities. Mr. Elliot, who has been connected with Fabian activities but has denied any connection with Political and Economic Planning, began his winding-up-for-the-opposition speech by identifying himself, in a measure, with the spreading Scottish revolt and then by imperceptible steps lifted the argument into the rarified atmosphere of High and Technical Administration: "I am not at all sure that some new body should not re-define the position of our great (Law) Officers . . . etc." after which the "Labour" Lord Advocate, Mr. John Wheatley, whose Roman Catholic upbringing should have enabled him to perceive the dangers of erecting 'new' political institutions on the sandy foundations of Sovietism, appeared somewhat justified in claiming that the "moderate and more responsible (!) members of the Opposition" have indicated that "there is more or less general approval for the underlying principles of the Bill."

(When a few weeks later the Government was urged by the 'Opposition' to hasten its preparations for the 'recognition' of 'Israel' Mr. Elliot was unable to give expression to the views of Scottish Universities on this all important issue: a picture in *The Scotsman* of those days portrays him in earnest conversation with Dr. Herzog, Chief Rabbi of Palestine, with whom he was taking tea at the Grand-Rabbinical Palace in Jerusalem. In April, 1947, Mr. Elliot's host had declared that "as a man of religion, I believe the misfortunes befalling Britain are heavenly punishments for her treatment of Jewish refugees reaching the shores of their homeland," and towards the close of that year, after 'Partition' had been 'agreed to' at Lake Success, Dr. Herzog wrote a letter to an Irish correspondent, Mr. Arthur Newman (published in the *Irish Independent* for January 6, 1948), in which he stated that "to me it is as clear as daylight that Providence is now re-shaping history, and that out of this small beginning of Jewish Statehood, something exceedingly great will evolve, D.V., within the none too distant future. Eventually it will lead to the inauguration of that true union of the nations through which will be fulfilled the eternal message to mankind of our immortal prophets.")

As, however, the Scottish rebels continued their fight and it became clear to many members of the Legal Profession whose routine duties do not leave them much leisure to scrutinize the products of the Westminster law-factory

that the "Aid" Bill did, in fact, contain ominous features, it was, apparently, decided by the Inner Circle that something more than Parliamentary 'explanations' was necessary to allay the fears of the non-revolutionary section of the Legal Profession and it was intimated to the legal agents of Political "Labour" that their connection with the Haldane Society must be severed. A mass-resignation took place in consequence: Sir Stafford Cripps (Fabian Society; Indian "Independence"; British austerity *etc.*); Sir Hartley Shawcross ("Nuremberg"; "Keep Left Group"; Lynskey Tribunal, *etc.*) and their colleagues abandoned the Haldane Society to join a new association of "Labour" lawyers on whose provisional Committee is Sir Frank Soskice, "Labour" solicitor-general, who is the son of a Russian Jew who served as secretary to Kerenski, the half-Jewish leader of the Provisional phase of the "Russian" Revolution of 1917. The provisional secretary of the provisional Committee of this as yet un-named legal "Labour" organisation is Mr. J. Caplan.

To sum up: the 'respectable' 'non-Communist' section of the "Labour" legalists have abandoned one trench and ensconced themselves in another from which they will continue to 'democratise' the law of the land, or to put it bluntly, to undermine the foundations of a fundamental threefold British institution, thus preparing the way (whether they know it or not) for the kind of justice which reigns in the countries inside, and in some countries outside, the Iron Curtain, and an outstanding feature of which is that "anti-semitism" is punishable by law.

The usefulness of a country, in this matter of resisting "Sovietism" and all its works is best judged, as that of an individual politician, by its attitude to "Semitism." A far safer guide for ascertaining the extent to which a country is dependent on and indebted to the Soviet-Jewish world hierarchy ("Communism") that any figures the Marshall Aid-ers can provide, is its willingness to act on the kind of suggestions that delegates of the World Jewish Congress are apt to make to Agents of the Visible Political everywhere. If a country decides to underline its 'recognition' of 'Israel' by introducing group-libel (anti-anti-Semitic) legislation, and to ban allegedly 'anti-semitic' books, plays and films (*cf.* "Fagin"), Christian statesmen, if any such remain, would be justified in considering that country a doubtful member of any future alliance that might be formed against the New York-Moscow Axis. They should watch with care that some such paragraph as this does not make its appearance in their penal code:—

"To publicly threaten, slander or abuse any individual or group of people of any race or faith because of his or their racial origin or religious belief is judged as persecuting such people and is punishable by fine or imprisonment."

This was introduced into the Swedish Penal Code

(continued on page 8.)

By  
C. H. DOUGLAS:  
THE REALISTIC POSITION OF  
THE CHURCH OF ENGLAND

PRICE EIGHTPENCE. (Postage 1d.)

K.R.P. PUBLICATIONS, LIMITED, LIVERPOOL.

## THE SOCIAL CREDITER

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. 22. No. 13. Saturday, May 28, 1949.

### From Week to Week

It may be remembered that we published a document purporting to come, and bearing evidence of proceeding from, an agent of the Kremlin who is also an employee of the New York Sanhedrin, which instructed its receiver how to disrupt the British Columbia Social Credit Movement. The document had more than a local interest, and its tenour was that the Sanhedrin had been caught napping by Aberhart in Alberta, and that there must be no repetition anywhere.

We are reminded of this incident by an article in the *Daily Graphic* of May 14 entitled "Here's the Talking Point for the Week-end."

It consists of a competent description of the ballot-box procedure at the recent local elections, demonstrates conclusively that this procedure provides full information in regard to the voter's preference *to the authorities but not to the public*, states categorically that the procedure is identical with that of a parliamentary ballot, and concludes in words which we quote verbatim:

"Everybody will agree that in parliamentary elections, and in local elections run on party lines, it is essential that there should be a *secret*, not a semi-secret ballot.

"No matter how worthy the officials at these elections may be—and I do not for a moment suggest that they are anything but honourable and trustworthy men—the mere fact that they could discover the way electors vote does, to my mind, destroy the whole of the carefully planned secret ballot system on which we pride ourselves.

"I would go further and say that absolute secrecy of the ballot is the greatest safeguard of democracy.

"Lose this secrecy and you have taken the first step towards the destruction of our democratic freedom."

It is entirely possible, and we do not suggest otherwise, that the eminently respectable newspaper in which it appears, and the writer of the article, believe (a) that the secret ballot is desirable, (b) that so little importance is attached to it that the fact that it gives full information to those in power has been overlooked, (c) that the kind of democracy we now have, and the secret ballot are both interlocked and self evidently desirable (notice the careful qualification, *democratic freedom*).

The technique of this article is one which is familiar to lawyers—false emphasis. The point to which you are to devote your week-end talking, in itself a suggestion of considerable moment, is the paramount importance that the ballot should be *really* secret to the exclusion of any suggestion that it should be replaced by an open vote.

Having in view the fact that the *Daily Graphic*, with what may be by present standards, described as considerable courage, raised the real issue (see *T.S.C.*, March 26, 1949) we regard the appearance of a prominent red herring as being

a matter of considerable significance. As a practical, if merely primary step to the defeat of the Sanhedrin, which together with the Opium and Chemical Cartels, is strangling us, it is necessary to understand that a mass population entirely uninstructed in the elements of world politics and trained to loot is essential and is used as a club to batter the culture, or if you prefer it, the religion (since they are only different aspects of the same thing) which they hate so bitterly.

It is characteristic of these queer times that, while "nationality" is being invoked to break up the British Empire everywhere, our Attlees, Crippses, Baruchs and the cats chorus of the "B".B.C. continue with the globealoney hog-wash which Mr. Attlee claimed to be the creed of British Labour when, in 1934, he repudiated allegiance to this country. That North and South Ireland are on the verge of civil war (or are they?) on a nationalistic issue; that perhaps the most vicious and unjustifiable nation ever based on stolen territory is raising its head in Palestine with the aid of the same forces to which Mr. Attlee said he gave his primary allegiance; that the whole of Asia is seething as a result of "his" policy, are accepted by the British public with the same apathy as that with which they contemplate, if ever they do contemplate, events in China. This is the Age of Reason; and as a result, nothing matters. The Finance-Socialists have the answer to any problem—make it larger.

It may be fanciful, but we suspect that a dangerous and perhaps mortal, psychic wound was inflicted upon the British people by the events which culminated in the abdication of King Edward VIII. There was no apathy then; it was not a question of personalities; that curious individual, the man in the street, felt, without being able to express the idea, that a pillar of his House, to which he attributed almost mythical power and permanence, had fallen. If the King was not safe, where was he?

The man in the street made no mistake then. He was, already, in mortal danger, and marked down by his enemies.

That sane voice in a mad world, Commander Geoffrey Bowles, R.N., has a few well chosen words to say in a letter to *Truth* on the subject of leaders. (We think it was Sir Patrick Hastings who said that every great leader had been a curse to the human race).

In the course of a communication which begins: "A party led is a party dead," he proceeds: "Character has been so deliberately softened by fifty years of Stateism that most of our people neither know about, or care about, liberty, but only about loot. . . . A party should be led, not by any leader, but only by its principles." Wise, but dangerous and difficult words. Compare them with Professor Laski: "The core of the British Constitution is the supremacy of Parliament" and ponder on our destiny.

### Dr. Evatt and Zionism

"The United Nations cannot justify its existence by giving way to nationalist demands when it is supposed to be the upholder of a broader approach. We fear that Dr. Evatt—who has had so much to do with defeating the hopes of the Spaniards—and many of the other supporters of Israel are carried away by their conviction that it is progressive and idealistic to support Zionism, and reactionary and obscurantist to support the Arabs, and have not really examined the question on its merits."—*The Tablet*.



## PARLIAMENT

(Six pages of extracts from the House of Commons Debate on the Ireland Bill, especially interesting to us because of the Constitutional implications of the Bill, had not reached the printers on Monday evening last, although posted in the country on the previous Thursday. While search for the missing packet is being made, the paper cannot conveniently await the result, and we publish below a part of Dr. Bryan W. Monahan's *An Introduction to Social Credit* which we did not publish at the time of the original issue of his articles. Dealing with the economics of Social Credit, the section stands by itself. Publication will be completed in *The Social Crediter* later.)

### An Introduction to Social Credit

By BRYAN W. MONAHAN

#### ECONOMICS

(1)

It is undoubtedly significant that most of the controversies about Social Credit have raged round the subject of Major Douglas's analysis of the costing of industry. There appears to be a large proportion of people who are quite unable to grasp the solution to the old twister "Brothers and sisters have I none, yet this man's father is my father's son." The answer for many is in the category of "now I see it, now I don't."

Major Douglas's analysis shows why it is impossible for the purchasing-power (income) distributed in connection with production over any given period of time to buy the whole of that production. In order to see exactly what it is which is asserted in this proposition, let us put it in simplified particular form; let us say that for one year Mankind produces nothing but bread, and that the cost-price of that bread works out at one million pounds: the assertion is that Mankind's income is something less than one million pounds—let us say, quite arbitrarily, half a million pounds. Then we say that there is a *gap* between Mankind's purchasing power, and the cost of the production which he has to buy; in technical terms we say that the income cannot liquidate the cost; and, since the income, or purchasing-power, and the bread derive from the same process—the making of bread—we say that the process is not "self-liquidating."

Note: We are not concerned at this point with whether the assertion is true or false, or with whether the example is sufficient or insufficient; we merely seek to make plain the sense in which our terms are used. Now, the bread stands for *all* production—shoes and ships and sealing wax, and cabbages and Kings, and much more besides—bureaucrats and beauty creams, and factories and things;—and purchasing-power in respect of this production is the money paid out as wages and salaries in the course of it. The proposition is that the total money paid out and constituting purchasing-power—*i.e.*, ability to buy the production is always less than the cost-price of the whole of production as assessed by standard methods of accounting.

As Major Douglas has observed, there are endless inductive proofs of this proposition. That is to say, without concerning ourselves with the logical proof of the proposition, we can accept it as provisionally true, and see how it applies in practice. This is exactly the method, known as "the scientific method," employed in the natural sciences. The scientist forms what he calls a "hypothesis"—a provisional

explanation of a certain course of events; he says that if the hypothesis is true, it should be possible to predict certain events, and if the prediction proves in practice correct, the hypothesis is confirmed—not proved, but strengthened. Every such confirmation strengthens the hypothesis; on the other hand, a single instance where the hypothesis proves incorrect rules it out. Short of this, the inductive proof approaches certainty the greater the number of instances where it is confirmed. A favourite example is the inductive proof that the sun will rise tomorrow; the certainty most people feel about this is derived inductively from the number of instances where it has been confirmed, without its ever having failed.

The other type of proof is the deductive proof—the sort of proof which is employed in geometry. It is a logical argument built up from given facts or premises—the data. Its weakness is that the premises may be false, in which case strict logic will lead to a false conclusion—but a conclusion which is logically "true" in relation to the premises.

Where the inductive and the deductive proofs agree, we have the strongest reason for believing a proposition to be objectively true. Granted certain premises, we can prove deductively that the sun will rise tomorrow. (Granted other premises, we can equally prove that the sun will *not* rise tomorrow!). Undoubtedly, most people attach the greater weight to inductive proofs; they do this unconsciously, for the most part, in exactly the same way as they expect the sunrise; and they distrust "logic," or the deductive method, just because they are aware that someone may "prove" that there will be no sunrise tomorrow.

In response to the Social Credit analysis, orthodox economists have spent a good deal of ingenuity in "proving" that the industrial process is self-liquidating, and Social Crediters in "proving" that it is not; and for many people this is too abstract and altogether confusing. In the controversy, the fact that we are dealing with real processes in the real world is commonly lost to sight.

The first consequence of the proposition that costs exceed purchasing power should be that there accumulates a surplus of goods unsaleable within the area which produced them, and the obvious thing to do then is to sell them outside that area. And at once we observe in confirmation that a ruling axiom of economics is that there should be a "favourable balance of trade." A "favourable" trade-balance is one where exports exceed imports, and money is obtained for the difference. If there is a deficiency of purchasing within the producing area, then this "balance" is indeed favourable; for some of the previously unsaleable surplus is exchanged for extra money—purchasing-power—and this can be used to buy what is left of the "surplus."

What is really happening in this case is that a community suffers a real physical loss. Physically, the balance of trade is *unfavourable*, because the community parts with more goods than it receives in return. It is not until money is included in the transaction that there can be the slightest doubt about that. Now, millions of people accept it as axiomatic that an excess of exports over imports is favourable; and they have inductive support for their belief. That is, actual prosperity is experienced in association with a booming export trade, and "depression" accompanies a decline in that trade. This, of course, is exactly what should happen if it is the case that costs of production exceed purchasing power.

On the other hand, it is easy to see that not all pro-

ducing areas can have this favourable balance; and hence we have the expressions "competing in the world's markets," "trade wars," "most favoured nations" and so on. We have the drive for "self-sufficiency" to reduce the necessity for imports, combined with national organisation in order to achieve "prosperity" by developing an expanding export trade.

Economically, military war is only an extension of trade war. Shells and ships and tanks and bombs delivered to the enemy are a specialised form of export. True, they are delivered "on credit"; but the credit operates in the producing country as immediate purchasing power; there is a rising "national income," which is reflected in the early stages of the war by the buying of stored products, and a consequent general prosperity. So great is the productive capacity of America that prosperity lasted throughout the war, special shortages of some commodities being offset by expanded production of others.

Theoretically, at the conclusion of the war, the loser pays the winner monetary "reparations" which repay the "credit" extended to him throughout the conflict. Then the old problem of finding markets returns; so that it is quite in accordance with the necessities of the case that we find the belligerents preparing for post-war exports before the war's conclusion. Thus Mr. Harry Hopkins said in effect that after the war, if America was to maintain her prosperity, she would have to export on an unprecedented scale; and before the American entry into the war, President Roosevelt stated that one of the reasons why America could not stand aside from the conflict was that a German victory would destroy American markets. Since America is so very nearly entirely self-sufficient physically, the relation of deficient internal purchasing-power to the "dumping" of surplus production abroad is seen in a particularly clear light.

(2)

At this point it is worth analysing in greater detail the American economy. The primary economic fact about America is that it is in nearly every respect physically self-sufficient. Practically every raw material required for modern industry is available within its boundaries, and it possesses a range of soils and climates which enables it to grow produce of nearly every description.\* Some of the few deficiencies can be made good by synthetic substitutes, but in any case the amount of necessary raw materials required to complete the full range is less than 3% of the economy, and can easily be obtained in exchange for a few American goods and materials such as oil. To simplify the discussion, let us suppose that the real deficiencies have been made good by barter, and consider the economy from that point on.

The second point is that America is technically self-sufficient; overall industrial technique has been brought to a higher stage of development there than anywhere else.

Now the spokesmen for America are protagonists of the policy that America must "trade" on an increasing scale; and more specifically, they say that if the people previously engaged in munition production and the armed forces are to

\*The Times, March 29, 1947, reported Mr. William Clayton, Under-Secretary of State for Economic Affairs, as disclosing to the House of Representatives Ways and Means Committee that last year the United States exported over 3,000,000,000 dollars worth of farm products, which represented an average income of 500 dollars for every farm family in the country. "Wheat production in 1947 was expected to be more than 1,200,000,000 bushels—and we can eat only half of it."

be absorbed in peace-time industry, expanding export markets are essential.†

How is America to be paid for her exports? If the payment is by an import of goods, then those goods replace an equivalent quantity of American-made goods, and thereby unemploy the men who might have made them.

The payment might be made by gold or other form of "hard" currency. In this case, the currency could only be spent, by hypothesis, on existing American production; but it is realistically unnecessary to import money to buy your own production.

Thirdly, the exports may be financed by credit: America lends dollars to the importing country which uses them to buy the American goods; or, what actually happens, the dollars never leave America, but are paid to the producer of the exported goods. And just as in the case of gold, these dollars can only be spent on existing American goods.

During the war, an article in an American magazine prophesied great difficulties in the post-war period for America. The argument was that the requirements of war production had resulted in a very great expansion of industry on the west coast of America, and the difficulty that was foreseen was that the West would not need to import so much from the industrial East. This is just the same argument as the one we have been considering. America, in fact, poses within itself the economic problems of the whole world's economy.

If it is the case, however, that industry is not self-liquidating, that incomes distributed in the course of production are not sufficient to buy that production, then the problematical features of the export policy disappear. Then it is necessary to import money to buy American production; then exporting on credit *does* solve the difficulty (although, of course, it solves it only for the time being), by exporting the problem with the goods.

But what is true of America is true of the world as a

†The following extract from the well-informed, but financially orthodox weekly newspaper, *The Tablet*, of June 4, 1947, is specially revealing:

"The fact is that the agricultural and industrial capacity of the United States increased so greatly during the war period that full employment for the Americans, the avoidance of a new depression, depends upon making dollars, to purchase its products and to build up economies that will redress the transatlantic balance of trade, available to the world in far greater amounts than have ever been contemplated in the past; even though there is room for disagreement about how that can be done. American foreign policy is hardly less conditioned by economic necessities than is British, although in an opposite sense. Each nation has an extremely anxious eye to the balance sheet of its foreign trade. Where the circumscribing factor in foreign policy in this country is diminished wealth, in the United States it is increased wealth, in the form of an immensely increased production for which markets must be found . . . American exports of goods and services are today four times what they were before the war. The volume of commodities being exported from the Atlantic ports is twice the war-time maximum, which included not only the immense supplies of the United States forces in the Western theatres, but also all the lend-lease shipments taking the Atlantic routes. This vast outpouring, largely towards Europe, cannot now be halted, and cannot even be substantially decreased, simply because those receiving it are only in a position to pay in goods and services for about half of it. The wheels cannot stop going round; the crops cannot stop ripening. The fruits of the vast productive power with which the end of the war left the United States would still have to be disposed of somehow even if needs in other parts of the world were not so desperately acute as in fact they are. . . ."

whole, just as it is true of a part of America. Great Britain certainly has to *import* considerable quantities of goods, particularly of foods, and these have to be paid for by exports; but when this essential barter has been effected, there is a surplus for export: a "favourable trade balance" is a fundamental British policy. Again, this is a perfectly natural consequence of a deficiency of purchasing power.

As has already been observed, it is the inevitable aim of every industrial country to diminish its dependence on imports—hence protective tariffs, *etc.*—and to develop its exports; and inevitably "backward" peoples are looked on as a means to prosperity. "If we can raise the standard of living of the natives in New Guinea," the argument runs, "we shall enter on an era of increasing prosperity." There is little of importance the New Guinea natives can supply to us; and that is just their virtue. Similarly, America sees prosperity in the coolies in China. And world economists generalise the proposition: Let us raise the standard of living of all the backward peoples, and we shall all be prosperous\*.

The standard of living of the backward peoples can only be raised at the physical expense of the developed peoples, since the proposition is not that the backward peoples should raise themselves. But prosperity actually does result, because purchasing power becomes equated with the cost of the goods remaining to be sold in the producing countries.

The real relationships underlying international trade would be much more apparent if national currencies circulated internationally, and national goods could be bought only with their national currency. Thus if America sold goods to Australia, America would be paid in Australian pounds; and those pounds could be employed only to purchase Australian goods; and if the pounds were imported by America, and *could not be used to buy American goods in America*, it would become clear that the export of American goods was a real loss, which could only be compensated by the import of Australian goods to exchange for the pounds.

The position is concealed by the use of gold, and by the more modern equivalent of international currency exchange transactions, and by the still more modern proposal to use an international "monetary fund"—which is simply a device to create a substitute for gold, since the natural output of gold is insufficient to meet the needs of expanding national currencies. But so long as the American exporter is paid in a medium—dollars—which has an immediate purchasing power for American goods in America, the real nature of the transaction is not apparent.

It is true that less is heard these days of the necessity for a "favourable" trade balance, and more is made of the argument that large markets mean mass-production, with a

\*The following news item, which appeared in the *Sydney Daily Telegraph* of December 19, 1946, illustrates this outlook admirably:

NEW YORK, Wed. (A.A.P.)

Mr. S. M. Bruce said today that the United States must finance a larger share of expanding world trade or face a worse depression than that of 1929.

Mr. Bruce, former Australian Prime Minister, is chairman of the United Nations Food and Agricultural Organisation's Preparatory Commission.

He said that only by expanding world trade and raising living standards everywhere could world prices be established.

The bulk of this work must be done in backward countries, like India and China, where there was never enough to eat.

Mr. Bruce said F.A.O. could not build up a healthy agriculture in a backward nation unless there was correspondingly increased industrial production.

cheapening of process. But it has to be remembered that the *whole* of the output has to be disposed of; the *total* cost has to be liquidated, and although the price of individual units of production may be less, the total price may be very great, and the liquidation of part of it by exporting a proportion of the production, and using imported currency to meet part of the bill, simply results in a loss of that much of the production. To revert to our earlier example, if we call all production bread, then although mass production results in a lower price for a loaf of bread, we find that this is achieved by making say fifteen loaves for every ten that were made previously, but only consuming twelve of them; the three wasted (exported) loaves represent the real loss; they are exchanged for money which is used to meet part of the price of the remaining twelve loaves.

(To be continued)

### "Oddly Called Democracy"

"... the Air Force's cardinal policy is strategic bombing. Therefore, it is well to report the dangers of this concept, as described by one of America's most distinguished military historians, Major Hoffman Nickerson. Nickerson shows up what he believes is the dangerous fallacy of strategic bombing in the course of an article (*Army Ordnance*, January-February); and quotes the British General J. F. C. Fuller. Fuller says that 'war is no more than a lethal argument, and, to be worth the fighting, it demands a sane and profitable end.' Its object, says Fuller, 'is not slaughter and devastation but to persuade the enemy to change his mind'; *i.e.*, to abandon the policies which on his side brought about the war. 'Strategic bombing,' Fuller insists, 'as inaugurated by Mr. Churchill, was not only morally wrong and politically suicidal—one has only to look at Central Europe today to see this.'

"Major Nickerson goes on to elaborate on the Fuller idea in a way that warms our heart. The cult of Churchill is so far advanced in this country that there are many naive souls who still believe that he made no mistakes, and even that he prevented the liquidation of the British Empire. Nickerson says, 'When at Casablanca in 1943, Churchill joined with Roosevelt in demanding unconditional surrender, he made certain that the balance of power, the necessary condition for the survival of the British Empire, would be destroyed. Strategic bombing and a war of unlimited hatred

"... Major Douglas possesses one of the most penetrating intellects of our time; he has a profound knowledge of the 'set-up' behind governments—and he is fearless—a combination of gifts most rare in a time-serving world."

—Truth.

### THE BRIEF FOR THE PROSECUTION

by C. H. DOUGLAS

8/6 NET.

K.R.P. PUBLICATIONS LTD., 7, VICTORIA STREET,  
LIVERPOOL, 2.

interlocked as perfectly as the parts of a picture puzzle.' But wasn't Churchill's hand forced by public demand for strategic bombing, and on unconditional surrender by Roosevelt? 'If,' says Nickerson, 'Churchill did indeed see the extreme unwisdom of compelling Germany to fight to the bitter end, he certainly gave no public indication of having done so. Both unconditional surrender and strategic bombing are in full accord with the vehemence of his frequently expressed hatred for Hitlerism. If he could not have kept up British morale without initiating or consenting to policies destined to go far towards ruining his country, then most of the blame is due to what, under contemporary conditions, is oddly called democracy. At any rate, after a war throughout most of which he controlled British policies, Britain is bankrupt and the liquidation of the Empire is far advanced. In other words, the statesmanship of this magnificent inspirer of fighting men has disastrously backfired.'—Frank C. Hanighen in *Not Merely Gossip* (Washington, D.C.).

#### AGENTS OF "THE POLITICAL"

(continued from page 3.)

(Chapter 11, para. 7) on January 1, 1949.

No one in this country should be surprised if those members of the British Commonwealth who have yielded to the persuasive arguments of the anti-anti-semites, in this matter of group-libel, and thus taken a big step forward on the road to Soviet Justice, should follow the example of 'India' and Eire in choosing that *Republican* form of Government which the Secret Oligarchy of the Elders of Zion have always found so eminently suitable for the implementation of their schemes. (*Vide* the Republics of "America", "Russia" and "China").

We in this country may take comfort from the failure of the strenuous efforts of Mr. D. N. Pritt, K.C. ("Labour" politics; Member of the Committee of "Friends of the Spanish Republic" 1938; Chairman of the "Society for Cultural Relations between the Peoples of the British Commonwealth and the U.S.S.R." 1948, *etc.*) and his Jewish fellow-enthusiasts to put the notorious group-libel paragraph on the British Statute Book. But history teaches us that the Master Builders of the Great Universal Republic never acknowledge any defeat as being final, and the success of the Jewish 'partitionists' lobby at U.N.O. in November, 1947 and the triumph of the 'Israeli' 'recognitionist' pressure-groups during the latter part of 1948 revealed the strength of the 'persuasive' sanctions at the disposal of the Judaic Oligarchy. Of one thing we can be certain: the protagonists of the one-way street philosophy realize as well as ourselves that the long, essentially Constitutional battle which has been waged on many fronts and on various levels since the Amsterdam Jews in the 17th Century ordered their agents of the British Political to work for the removal of the head of King Charles of England as a first step to realizing the 'Hope of Israel' has entered its final phase and that it is now or never.\*

\* Further steps were the final liquidation of the Stuart Dynasty and the descent upon England of the leaders of Amsterdam Jewry during the Glorious Revolution of 1688; the concession giving Jews the right to become land-owners in the 18th century; the introduction in 1849 of the Parliamentary Oaths Bill which eventually enabled Baron Rothschild to take his seat in a Christian Parliament without taking the "oath of a Christian"; the Parliament Bill of 1911 (Lord Samuel) which emasculated the House of Lords and paved the way for the Parliamentary Supremacy of Professor Laski's and Lord Rothschild's "Labour" party of 1945 onward.

### REALISTIC CONSTITUTIONALISM

(Notes for an Address to the Constitutional Research Association at Brown's Hotel, Mayfair, May 8, 1947)

by C. H. DOUGLAS

K.R.P. Publications

SIXPENCE (Postage 1d.)

### SOCIAL CREDIT and CATHOLICISM

by GEORGE-HENRI LEVESQUE, O.P.,  
Professor of Economics, Laval and Montreal Universities. (Published in Australia)

PRICE 1/-

### BOOKS TO READ

By C. H. Douglas: —

The Brief for the Prosecution.....	8/6
Economic Democracy .....	(edition exhausted)
Social Credit .....	3/6
The Monopoly of Credit .....	(reprinting)
Credit Power and Democracy .....	6/6
Warning Democracy .....	(edition exhausted)
The Big Idea .....	2/6
Programme for the Third World War.....	2/-
The "Land for the (Chosen) People" Racket.....	2/-
The Realistic Position of the Church of England .....	8d.
Money and the Price System.....	7d.
The Use of Money.....	7d.
The Tragedy of Human Effort.....	7d.
The Policy of a Philosophy.....	7d.
Realistic Constitutionalism .....	6d.
Security, Institutional and Personal.....	6d.
Reconstruction .....	6d.
Social Credit Principles .....	1½d.
The Republican Victory in the U.S.A.....	1d.

#### ALSO

The New Despotism by the Right Hon. Lord Hewart...21/-	
Secret Societies and Subversive Movements	
by Nesta H. Webster .....	20/-
Sous le Signe de l'Abondance by Louis Even.....	10/-
The Surrender of an Empire by Nesta H. Webster.....	10/-
The Socialist Network by Nesta H. Webster.....	10/-
Elements of Social Credit, 6/-.....(Cloth Edition)	7/6
Report of the Royal Commission on Soviet Espionage	7/-
Does it Fit the Facts?.....	4/-
Odlum v. Stratton	
(Verbatim Report of Proceeding).....	2/6
Protocols of Zion .....	2/-
Communism in Action	
U.S.A. House Document No. 754.....	2/-
The Rulers of Russia by the Rev. Denis Fahey, C.S.Sp.	1/6
The Problem of the Medical Profession by B.M.W.	1/-
British Medicine and Alien Plans	
by Andrew Rugg-Gunn, M.B., F.R.C.S.....	1/-
Aberhart: Manning .....	9d.
Southampton Chamber of Commerce:	
Report of Economic Crisis Committee.....	9d.
This Freedom .....	9d.

From K.R.P. PUBLICATIONS LIMITED,

(Please allow for postage when remitting).

7, VICTORIA STREET, LIVERPOOL, 2.