THE SOCIAL CREDITER
FOR POLITICAL AND ECONOMIC REALISM

An Enigmatic Adjunct
by Hewlett Edwards.
(Originally published in these pages eleven years ago).

Current comment not infrequently suggests that the invention of the atomic bomb marks the beginning of the end of society, or variously of humanity or of the physical structure of the earth. Francis Bacon and his contemporaries could have had no conception of such an end, yet it was they who, in the instrument of scientific precision known as the inductive system, provided the means.

The most perfect instrument may be misused, and gross subordination to political aims is evident. Beyond this, by intensive organisation research has been canalised, sectionalised and industrialised to such effect, that many engaged upon it have little knowledge of its objective; others, while disagreeing, still work towards it. Such scientists can claim no high principles about their work; they are employees, working for ends dictated by an employer. This research has little relationship to "the instinct for perfect knowledge"; indeed a science which with airy nonchalance can produce such items as "depersonalisation" by drugs—the "extinction" technique of germicidal warfare—artificial insemination—and the 'A' and 'H' bombs, would appear at best an enigmatic adjunct to society. For the common factor in such of science's services to mankind is the development of power, inevitably to be used over the minds, bodies and estates of individuals in the implementation of Machiavellian doctrine repugnant to our traditions. These results are so far removed from the benefits and conveniences which we are accustomed to receive as must elicit challenge.

Does this perversion in the use of the inductive instrument wholly account for 'advances' in such unwelcome directions? The field is wide. General Bradley, Chairman of the Joint Chiefs of Staff, speaking recently of the Hydrogen bomb remarked, "You can't stop progress, you cannot say that electricity, which has increased the horrors of war, should not have been invented." But before such universal threat, 'progress' itself will not remain exempt. As General Bradley suggests, science has a long and often respectable history, which nevertheless has resulted in the present position. It is true that, since the rise of modern science some have held that there is in the nature of things that which is inimical to man's existence, and which in the end must destroy him. And there is a sense in which scientists . . . the physical principles which they uncover . . . and the world of men into which these discoveries are launched, comprise one thing; one interaction, which now nears disaster. But scientists claim to discover truth; are we then to find that the truth is merely a short cut to inevitable death and extinction? Is scientific truth of such quality and wholeness as to enforce resignation to this conclusion? Or is there essential error—some deficiency or bias—in the approach made to it? That approach is the inductive system.

Induction is primarily an organisation of ideas, which originated from and is operated by individual human beings, in whom, as Eddington laid it down, "the purely objective sources in observational knowledge are Life, Consciousness and Spirit." Whether regarded as a privilege or as a limitation, this threefold nature is 'given' and it cannot be rejected. Each phase is readily distinguishable but they are not separable; only together can they form the whole—the individual. Induction, though pre-eminently an intellectual process, exhibits this triple theme in its three major operations. Observation is drawn from the senses looking outward; hypothesis springs from imagination within; while reason plays the major part in proof—what is observed and what is proved being fructified to growth by imagination. Pursued with vigour and within its own proper boundaries, inductive science is self-cleansing with regard to its own plane of truth. Upon this basis has been erected the vast structure of physical science, each member tested and counter-tested by innumerable proofs and counter-proofs. There are considerable spheres wherein the system is debased, as where, upon inadequate observation, vast speculation is presented as having validity. Discounting such the main structure remains, within its own frame of reference, inviolable. That is to say, subjected to its own formula of tests, it passes them, and considered within the limits of its own objectives, it works—super-abundant evidence of which exists in the backgrounds of everyday life. But a frame of reference implies limitations, and this system has them. A formula of proof does not necessarily cover everything to be proved; and objectives are still objectives though not amenable to this form of induction.

The validity of 'truth' uncovered by physical science rests upon proofs which consist of identification, measurement and number; nothing which is not subject to what Eddington calls 'pointer readings' may properly be taken into account. Dazzled by success, many exponents have claimed that truth does not exist unless is can be measured; hence the attempts to reduce life, consciousness and spirit to terms of mathematics, whereas there is no reason to

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This journal expresses and supports the policy of the Social Credit Secretariat which was founded in 1933 by Clifford Hugh Douglas. The Social Credit Secretariat 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.
Office—Business and Editorial: 9, Avenue Road, Stratford-on-Avon.
Telephone: Stratford-on-Avon 3976.
MAIN EDITORIAL OFFICES:—
Business—Box 2318V, G.P.O., Melbourne.
Editorial—Box 3266, Sydney, Australia.

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Plans and Planners

There is a curious, awful, inevitability in events at the present period which, it would appear, involves the conclusion that they really are out of hand—that while they are the outcome of long-laid schemes, the schemes themselves have taken charge of affairs and we have to endure their consequences.

This conclusion is strengthened by the evidences of panic discernible in many quarters which, not so long ago, showed every sign of confidence. It may be assumed that President Truman is a fair indicator of certain policies; and his poise is not impressive.

The more deeply these matters are pondered, the more important becomes the idea embodied in Captain Durne's Experiment with Time. In one sense, of course the idea is latent in every religion; it is latent in the commonplaces of engineering and architecture. Anyone with access to the blueprints of e.g., the Sydney Bridge, could have "seen" the Sydney Bridge before even one of its girders was rolled. And anyone with experience of large undertakings knows how they acquire momentum, and after a certain point, resist innovation.

There are dozens of Plans extant in which no-one believes, not even their Planners; but they proceed to their inevitable failure.


A Free Society
by JAS. GUTHRIE

When the enthusiasts for a centrally planned society dismiss what they call a free society with the contemptuous epithet laissez-faire they do not realise that there has been no such thing as laissez-faire in any society of modern times, not even in the U.S.A.

I don't think that anyone is in the position to discuss a free economy, or any other economy, who does not face up to the central and dominating fact that in any modern society no large scale operation can take place without the use of money. Money is the starting point of every action which requires the co-operation of the community or the use of its assets. It is idle to suggest that any individual or group of individuals could start up any important organisation such as a bank, a trade union, a political party or an international news service without the permission of the central credit authorities.

Those who create and allocate credits decide not only the direction in which a country shall develop, they decide also the personnel who are to develop it; they not only decide the ideas which are to have currency, they decide the "eminent" men who are to promulgate them.

A multi-millionaire, Henry Ford, tried to "thumb his nose" at the central authorities, and did so for a time; but he and his organisation had to submit in the end. When the American trained banker Montagu Norman was placed in charge of the Bank of England all the great "capitalists", industrialists and trade unionists were quite incapable of preventing him restricting credit to the point of shutting down the chief industries of Great Britain, bankrupting many of the oldest and throwing millions of unemployed on the streets. To say that all this was a sample of laissez-faire is simply not true; this represents central planning, directed from the very apex of power.

The cities of Australia are being rapidly destroyed by modern "improvements", and are being turned into poor imitations of New York. The people are quite competent to look after the sane development of their own cities if they were given the chance, but the millions of pounds required in the last ten years to do very obvious jobs have not been available, all surplus cash being confiscated by the central government. Now, because the position is becoming hopeless, we are asked to submit to master planners who are going to organise our affairs many years too late.

Those who describe our present society under the title of laissez-faire should ask themselves what would happen to them, or their friends, if they tried to start up a bank or a trade union of their own. Let them find out what happened to the old Bolsheviks who wanted a real revolution, and not one organised from New York. Trotsky ended with an ice-axe in his skull; some of the other old Bolsheviks did not have such a comfortable end.

Let me put the position quite clearly: during the whole of this century there have been no new economic or financial experiments permitted outside Soviet Russia; every other attempt has been ruthlessly squashed. And when you consider the alleged popularity of the scientific approach in "enlightened" circles, and the fact that no experiment has been permitted in any important sphere of human activity we come face to face with something fearful. "Some of the biggest men in the U.S.A. in the field of commerce and manufacturers are afraid of somebody, are afraid of something. They know there is a power somewhere so organised, so subtle, so interlocked, so complete, so pervasive that they had better not speak above their breath when they speak in condemnation of it." (President Woodrow Wilson).

THE SOCIAL CREDITER Saturday, June 10, 1961
THE KENNEDY PLAN

Making Latin America Over
by EDNA LONIGAN

(Reprinted, with permission, from Human Events, March 31, 1961)

Suppose you are a Latin American. You have a doctor's degree in law or medicine or philosophy. Perhaps you have represented your country as an ambassador, or helped to state its firm anti-Communist position in the U.N.

You know Latin America has splendid achievements in literature, art, law, politics, philosophy. You know that civilization was flourishing for a hundred years there before the first settlements by English-speaking people in what is now the United States. You know the earliest universities in the Americas were founded in Latin America long before Harvard.

Then you read President Kennedy's message to Congress on Latin America. How would you feel?

President Kennedy proposes that Congress now appropriate the sum of $600 million, which Congress authorized last September, for a new "Inter-American Fund for Social Progress."

One hundred millions is to go to Chile for long-term reconstruction after earthquakes and fire. The $500 million (and probably Chile's $100 million) is to go for a special kind of foreign spending.

This message is a frank admission that our aid is to be used to bring about revolutionary social changes within the recipient countries. These social changes will include land reform, tax reform, education, health and housing.

By what right does the United States Government propose to Congress that it appropriate an enormous sum to an international agency, to engage in internal intervention in the affairs of nations which have been our loyal allies?

Has the United States achieved complete success in taxation, housing, education, welfare, medical care, full employment and the rest? If so, the Kennedy Administration has nothing to do in domestic policy.

The justification for interference by the United States in the internal affairs of sovereign friendly nations is a specious bit of left-wing reasoning. President Kennedy says in his message: "Economic growth without social progress lets the great majority of the people remain in poverty, while a privileged few reap the benefits of rising abundance."

This statement has been repeated ad nauseam by left-wing writers who claim to be economists or historians, but there is not a shred of evidence for it. Von Hayek, von Mises, and Roepke have shown—what was obvious to any responsible student—that the benefits of the industrial revolution, as well as earlier economic progress, were gradually, inexorably distributed from the new industrial centres over the whole economy.

President Kennedy says: "The process of (economic) growth largely depends on the existence of beneficial and social conditions." This again is simply not true. Social progress is almost totally dependent on economic growth. Schools, hospitals, clinics, better housing, and greater life expectancy always appear after economic growth.

There is a sound economic reason for that inexorable law. Social progress costs money—a great deal of money. It cannot be supported by any economy until a surplus above the needs for survival is produced. The problems of economic growth must first be mastered.

If President Kennedy plans to set up a huge HEW public housing operation in the eighteen countries of Latin America, before the achievement of greater economic growth, he must know it cannot be paid for by the Latin American economy, with all his "tax reform." Presumably, then, it is to be paid for by us. In addition to our own public health, education, welfare and housing programmes, we shall have to pay for such programmes in eighteen more countries.

There is another illusion in this picture. There are many references to "tax reform" and "land reform." "Land reform" is in essence a Communist proposal, although, like all Communist propaganda, it is repeated, nine times out of ten, by people who have no idea they are helping perpetuate a Communist slogan.

Let us raise a few embarrassing questions. Does "land reform" mean cutting up large estates into smaller ones? Will we permit Latin Americans to have farms as large as those in Texas and Montana? Or are we going to give everybody just a homestead? If so, what will happen to food production? Will it go up? Or down? Food production may be much higher on large land-holdings than on smaller ones. If we insist on small holdings, will we abandon all efforts to increase the use of farm machinery? How will we persuade large numbers of small farmers to use modern, constantly changing techniques? If the planners miscalculate, as they did in Russia, will we let millions starve? Or will we ration food in the United States to make up for the deficit?

Is this "social progress" to be voluntary? The President says: "The criteria for administration of the funds by the Inter-American Development Bank and the ICA will explicitly reflect these principles." The word "explicitly" clearly reflects the principle of demanding compliance with the planners' plans before a dollar of assistance will be forthcoming.

Will the people of Latin America be consulted in this programme? No, indeed. This is a simple attempt to shift the political power within the Latin American countries from those who now govern to a new elite who are ready, willing and able to go along with the Schlesingers, Galbraiths and Keyserlings. Of course we will call any resistance in Latin America selfish, reactionary, even Fascist.

By what right do we talk of intervention in the domestic affairs of Latin America? By no right whatever. Will we win friends for Latin America? Ask the cultured, intelligent anti-Communists who have supported us in the past.

Will the new regimes be anti-Communist? We have a simple clue. President Kennedy said at his reception for the Latin American representatives, "Let us express our special friendship to the people of Cuba and the Dominican Republic."

Are the rulers of Cuba and the Dominican Republic cut from the same cloth? We do not have to be ardent admirers of the Trujillo family to know that Trujillo is not planning the conquest of America. He is not planning the conquest
of any Latin American country. He has not taken millions of dollars worth of arms from the U.S.S.R. and Czechoslovakia. He has not confiscated billions in property of our nationals, nor shut off the water to our military installations. He is simply not a threat to American military security. The Communists put Castro and Trujillo in the same bracket—but they are not foolish enough to believe it. When any American puts Castro and Trujillo in the same bracket, you have a right to ask: is he soft in the head, or is he being duped?

Hitler said it was much easier to put over a big lie than a small one. The new Latin American programme may be adopted by Congress on the same principle. It is easier to sell a programme which is totally foolish than one which is partly right.

The Kennedy-Schlesinger-Galbraith programme for Latin America is worse than a crime. It is a mistake. It is the New American Empire of the Planners. In a telecast about foreign aid on NBC's "Projection '61" on December 30, Cecil Brown said, "In some of these countries we have crooks to deal with; in some of the other countries we have incompetence. I think the time has come for us to move in with our aid programme, to administer many affairs of that country, in effect to take over the country, if the leaders... will not conduct themselves they way they think—-we think they should conduct their country." (Emphasis given by Human Events).

If Congress is ever going to separate American planning fools from their folly, the place to do it is right here, before the planners take over the one area of the world where we have friends and turn them into embittered enemies ruled by a left-wing elite kept in power with our money.

AN ENIGMATIC ADJUNCT

(continued from page 1).

suppose that mathematics exist outside the mind of the mathematician. The position is much simpler. A hungry man conceives the hypothesis that a certain root is edible. He eats, and judging by the results it seems rational to assert that or not it satisfies the requirements of his body. Einstein designs a formula into which he thinks the whole physical universe will fit; submitted to proof this formula will or will not be found to fulfill the requirements of the intellect. Whether it does or does not, the universe will not depend upon Einstein's mathematical expression of what he knows about it. "All 'laws of nature' are subjective". The intellect builds up from step to step, and whatever height is attained, stands as it were upon the apex of a pyramid of subjective abstract theory; and what it contemplates is the coherence of this structure within its own limitations.

In the search for Truth each facet of threefold personality has something to do and something to say. The Senses have their own language which must be translated into words and so become intellectual concepts. On the other hand words are the natural medium of the intellect, whose function is to reduce all with which it deals to a form which can be dealt with by reason and logic. That which takes place in the mind does not consist solely of sense impressions plus reasoning; the Spirit has the primary message yet its movement is not easily put into words, for intellectual concepts cannot properly convey it. The fundamental condition to be met is that "the objective element in our observational knowledge" cannot be communicated directly to others. The intellect has established indirect communication in the elaboration of a technique in the use of words; and this technique dominates the words which, in themselves, are attuned or biased towards it and away from the spirit. Parable and poetry or the attempt to evade this domination, as does the broadcaster who attempts to describe in some important match the transformation of spirit occasioned by a hit 'over the pavement'. His words are poor lame things, he is purposely disjointed, repetitive and exclamatory; and the wordless shout in the background conveys more than they do. The medium in which the spirit is expressed is not precisely words, not exactly action; it is in being... Induction carries all the bias words carry; towards the phase of reason and away from that which inspires reason.

In whatever direction investigation may reach, it must always begin with an axiom accepted without proof, which in this case is the equality of whatever units are to be identified, numbered and measured. Though within certain limits this assumption 'works' it has been shown to have no correspondence in reality. For investigation into the ultimate constitution of matter has disobled a limit beyond which it is not possible simultaneously to ascertain the mass velocity and position of particles. 'Equality' is found to be irrelevant, for in this analysis matter becomes non-material, the general effect of the relativistic formula being to represent the universe as immaterial unity. This indirect conclusion is drawn (by reason and mathematics) from the sources of observational knowledge—Life, Consciousness and Spirit—in which the same conclusion is directly experienced. Equality cannot exist therein, for each of the incessant succession of 'states' presented by the inner being is unique... chaos brought into unity only by that elusive entity—which nevertheless does it—the spirit. No one can simultaneously identify, measure and number his non-material 'states' as they not merely pass, but at once pass and are him.

Whether the macrocosm is examined in all the strict logic of mathematics or the microcosm by direct observation, a substratum is found which is subject to neither mathematics nor measurement. Such conventions are useful and convenient and up to a point they 'work'; beyond it they are meaningless, for they fail to connect material with spiritual truth. At that point the conventions of 'equality' must be abandoned and attention directed towards the unique nature of all phenomena, which is no convention but is reality. Thus each organism is seen to contain its own scale of measurement which connects inner with outer truth. For in ceaseless interaction with its environment, each finds life (each 'works') within the limits of a certain tolerance; between deficiency in, and excess of what is required from the world outside itself, there is an internal adjustment towards 'enough'.