

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 49 No. 16

SATURDAY, 1 NOVEMBER, 1969

1s. 3d. Fortnightly

Review of the Crisis

(Originally published in *The Australian Social Crediter* in 1947)

(Continued)

The first chairman of P.E.P. was Sir Basil Blackett, of the Bank of England, and on his death he was succeeded by Israel Moses Sieff, deputy chairman of the chain stores, Marks & Spencer Ltd., Grand Commander of the Ancient Order of Maccabees, and vice-president of the English Zionist Federation. "Mr. Kenneth Lindsay, M.P., was secretary of P.E.P. before he became, in turn, Civil Lord of the Admiralty and Parliamentary Secretary, Board of Education. He was followed as Secretary of P.E.P. first by Mr. Max Nicholson and then by Mr. David Owen, who became private secretary to Sir Stafford Cripps, and who is also the author of *Social Survey* handbooks issued to the lecturers of the Army Bureau of Current Affairs, which is responsible for discussion meetings for troops, at which attendance is compulsory." (*Our Peace Crisis*.)

At the present time, according to an article in *The Evening Standard* (June 19, 1947), "Real control is vested in a council of 13, whose chairman is Leonard Elmhirst, trustee of the progressive school at Dartington Hall and husband of wealthy Mrs. Dorothy Whitney Straight. By his marriage Mr. Elmhirst links P.E.P. with the American weekly *New Republic*, which is published by his step-son, crusading Michael Straight, and edited by Henry Wallace.

"His colleagues include Lord Simon of Wythenshawe, who recently resigned from the Royal Commission on the Press to take up the chairmanship of the B.B.C. board of governors; Mr. Lawrence Neal, formerly a high-ranking official in the Ministry of Town and Country Planning, now vice-chairman of the New Town Development Corporation for Crawley and managing director of Daniel Neal, Ltd.; Sir Arthur Salter, Independent M.P. for Oxford University; Mr. Israel Sieff, vice-chairman and assistant managing director of Marks and Spencer; and Sir George Schuster, who headed the Working Party on the Cotton Industry.

"Dr. Julian Huxley, the Secretary-General of UNESCO, is also listed as a councillor, but is not expected to take a very active part in P.E.P. affairs.

"Two ex-secretaries of P.E.P. graduated to the council. They are Kenneth Lindsay, M.P., former Parliamentary Secretary to the Minister of Education, and Max Nicholson, now head of Mr. Herbert Morrison's economic secretariat . . ."

Subsidiary organisations, linked with P.E.P., exist in connection with education, manufacturing, retailing, religion, etc., and each puts forward proposals for a planned economy

from its own point of view, but deriving the basic ideas from P.E.P.

So far as has been discovered, the original document associated with P.E.P., a secretly circulated anonymous paper entitled *Freedom and Planning*, was issued in 1931*. In 1938, immediately after Munich, *Planning* carried an article stating: "We have started from the position that only in war, or under threat of war, will a British Government embark on large-scale planning." The entry of Great Britain into war in 1939 witnessed the immediate introduction of Orders in Council, authorised under the Emergency Powers (Defence) Act and conforming to the plans of P.E.P. At the same time, an immense propaganda, conducted through the B.B.C., the Press, an amazing volume of 'Left' books, the cinema, and the Army Bureau of Current Affairs, assured the public that planning was 'inevitable', that there could not possibly be any return to the 'old' order of things, and suggested that any opposition to the uprooting of tradition, the absorption of small and independent businesses into larger units, and their linking to 'Big' business, was not only opposed to the war effort, but was 'Fascist'. Socialist members of Parliament, in particular, made every effort to have those with enough courage to call attention to such facts as are disclosed here interned under Regulation 18 B, which authorised arrest and detention without charge and without trial.

Orders in Council are government by regulation. During the war, the process was excused by its advocates chiefly as being justified by war necessities. Nevertheless, many of these orders went far beyond anything necessary for the conduct of the war, and were clearly intended to be permanent. That the war was used, exactly as *Planning* had designed, has been confirmed by subsequent developments. Since the Socialist Government came into office, the Supplies and Services (Transitional Powers) Bill has been passed. It gives the Government power to continue to govern by Regulation for five years; those powers were exercised by the War Government only for one year at a time. To see this in proper perspective, it is necessary to consider the statement, published in 1932, and made by Sir Stafford Cripps in a booklet entitled *Can Socialism Come by Constitutional Means?*: "The Government's first step will be to call Parliament together and place before it an Emergency Powers Bill, to be passed through all its stages on the first day. This bill

(continued on page 3)

*The full text of this document is given in *Waters Flowing Eastward*, by E. Fry; and extensive extracts are quoted in *Our Peace Crisis*.

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PUBLISHED FORTNIGHTLY

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 45/-; Six months 22/6. Three months 11/6.

Offices: Business: 245 Cann Hall Road, Leytonstone, London E.11 Tel: 01-534 7395
Editorial: Penrhyn Lodge, Gloucester Gate, London NW1 Tel: 01-387 3893

IN AUSTRALIA—

Business: Box 2318V, G.P.O., Melbourne, Victoria 3001

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Vol. 49 No. 16

Saturday, 1 November, 1969

FROM WEEK TO WEEK

The purely economic aspect of Social Credit is really quite elementary, and rests on the fundamental proposition that industrial output is proportional to applied energy and the availability of raw materials. In the early days of the modern development of physical theory, a mysterious entity, having completely contradictory qualities, was postulated as necessary, and even treated as real, to explain the transmission of light through space. It was named the aether. One of the most exact experiments ever devised demonstrated conclusively that it did not exist. Mathematicians soon devised formulae which explained the propagation of light, and even predicted its speed, without any reference to the aether. Orthodox economic theory attributes to money much the same sort of contradictory properties as physicists once attributed to aether; but of course, money does exist. The point is that money is not properly a component of basic economics; its field lies in the realm of politics. Money fundamentally is a *claim on potential* production; and politics is concerned with channelling those claims.

Thus the purely economic content of Douglas's writings is quite limited, and his major contribution was to the theory and practice of politics. He rapidly arrived at the conclusion that ballot-box democracy was the perfect swindle by which identical policies—mainly of centralisation—were presented to the electorate under the guise of alternative methods. Although his original economic proposals received some publicity, his political views to which his economic ideas were quite subordinate were completely censored by the mass media.

But the matter is on the public agenda at last, in the form of an article entitled "The Tyranny Called 'Freedom'" by Anthony Lejeune in the *Daily Telegraph Magazine*, Sept. 26, 1969. Mr. Lejeune makes many, but not all of the points Douglas has made, and in particular he seems not to see the design behind the tumult. But he exposes the chief logical fallacies of ballot-box democracy, including the disfranchisement of the electorate when the major parties have the same policy, and he recognises that democracy is not a way of making right decisions, nor is it the same thing as social egalitarianism. Having defined democracy thus negatively,

he says what there is to be said for it positively:

"It is, on the other hand, a method of choosing and changing rulers without violence: and in certain circumstances, it may be the fairest way of making a decision. These circumstances are, among others, that there should be some real need for a universally-enforced decision; that all the voters have a more or less equal grasp of the problem; that they are reasonably homogeneous and not divided into permanent and conflicting interest-groups; and that they will all be affected to a more or less equal extent by the decision.

"When these circumstances do not apply, a majority decision is merely mob rule in respectable dress, the legalised oppression of one group by another."

This is almost precisely what Douglas has said, but the probability is that Mr. Lejeune has arrived at his specification independently; and if this is the case, it bears witness to an underlying reality as opposed to a bit of mere political theory.

Douglas made a number of proposals to mitigate the evils of ballot-box democracy, including the open recorded electoral vote and secret Parliamentary vote; but in 1950 he wrote: "There can be no greater practical mistake at the present time than to suppose that Social Crediters can usefully engage in what Lord Keynes called *Essays in Persuasion* directed to the conversion of conscious opponents. The die is cast; whether the phrase 'the war between Christ and anti-Christ' is taken to be symbolical or literal, one side must win . . . our task is *not to capture politics*, but to fragment them."

Nineteen years later, the situation is incomparably graver, and more difficult to deal with. We still believe that a fragmentation bomb, in the form of the indictment of Mr. Wilson, is the last remaining hope.

Patrick Hutber, City Editor of the *Sunday Telegraph*, in the issue for Sept. 29, 1969, quotes from the Labour Party policy document, "Agenda for a Generation", the following: "The 'demise' of the shareholder, his insignificance in modern industrial management (except in the case of the financial institutions and a small number of cases where ownership of the shares and membership of the board go hand-in-hand) has raised the question of why he should be entitled to an increasing level of income as the process of capital accumulation in industry proceeds. It is time to question his claim. . . ."

Mr. Hutber comments: "With one stroke of the pen the Labour party appears to be demonstrating that it has not after all acquired the faintest understanding of how the economy works, and that its five years in office have served only to reinforce the most antediluvian of its prejudices."

The continuous accusations of stupidity and incompetence levelled against the Wilson Cabinet have probably done more than any other factor, except perhaps apathy and despair, to preserve the Socialist Government from some form of revolution. Mr. Wilson is himself a certificated economist, and is generally credited as being clever, and sometimes brilliant. The Labour Party is not *sui generis*, but an off-shoot of the Fabian Society, with its Research Bureau facilities. The policy document is a statement of intent, not a confession of ignorance. The Fabian Society envisages Communism—a

State, preferably or eventually a World State, of workers and managers, achieved by 'peaceful' and piece-meal means; and it has very nearly finally accomplished this aim. The greatest threat to its accomplishment has always been private independent incomes; and it appears the time is now judged to have arrived to abolish them by decree.

The real alternative to Socialism's proposals is the *universalisation* of dividends, which is an absolutely proper accounting of the nation's accumulation of *real* capital over the centuries. The individual share-holder has always been insignificant in industrial management which, in any case, is a matter for industrial experts.

Mr. Lejeune correctly identifies the main objective of society as freedom of the individual; and it is to this that Socialism is implacably opposed. In 1919 (*Economic Democracy*) Douglas pointed out that the basis of freedom is *economic*; and much later that political democracy without economic democracy is dynamite. The destruction of economic democracy, and the permanent enthronement of a system of rewards and punishments masquerading as Full Employment, is precisely the objective of political ballot-box democracy.

The idea of the 'necessity' for strong government is being sedulously propagated. The obverse of strong government is weak subjects. But naturally, the stronger the government and the weaker the governed, the stronger the temptation for the government to remain governor, rather than become governees. This may be accomplished for a while by devious means; but the time is sure to come—it may be very close—when "opposition" will be categorised "counter-revolution", as predicted by the late Professor Harold Laski.

Sense and Nonsense

The Bishop of Willesden, preaching at St. Paul's, corrected the exaggeration of President Nixon who declared that the week of the moon landing was the most important since the creation of the world, for said the bishop, "I do not see how any Christian could accept that statement, for he must believe that the cardinal moment of history is the Incarnation", and we may agree that the President's words "over-estimated the significance" of the event. (*Church Times*, Aug. 1, 1969.) The bishop had previously opposed a scheme for reunion based on a rather vague ceremony which most other bishops had regarded as a gigantic stride forward.

Moreover, Gen. T. H. Lane asks (*Human Events*, July 12, 1969) why President Nixon does not change his military advisers from the present Generals who "accepted without challenge the restrictions on the conduct of the war". The previous President had forbidden the invasion of North Viet Nam, the mining of Haiphong harbour and the pursuit of the enemy into Laos and Cambodia. And, says General Lane, these restrictions "assured conditions necessary for the Soviet-backed 'war of liberation' ". Meanwhile the communists approved of the revolutionary Republic of New Africa at a recent meeting of which Imari Obadele said that the "cities and industrial potential of the United States would be held hostage" to insure the safety of the organisation. He made this prophecy at Beloit College, Wisconsin, on June 27.

The Archbishop of Canterbury, despite his perverse theories on our conduct toward Rhodesia, has spoken recently "in support of the persecuted Christians of the Soviet Union" (*Church Times*, Aug. 1). Michael Bourdeaux points out that the concern felt for these Christians between the wars seems to have evaporated, but now "the sudden highlighting of this problem could well cause it to be discussed when the Central Committee of the World Council of Churches meets at Canterbury". I fear that such a body would tend to minimise rather than help mitigate these sufferings, while other 'advanced' churchmen have given the impression that they have written off the Russian faithful in contempt and prefer the fashionable Marxists.

However near reality these critics may approach, Milton Shulman (*Evening Standard*, July 30, 1969) reveals a world of illusion when he discusses the appearance of politicians on television. Senator Edward Kennedy, he says, gave a well rehearsed *performance*, "a skilled professional version of what a politician ought to look like"; when he tried to justify his conduct after a tragic accident. Next, Gerald Brooke presented a picture of himself "far different from the one we had been fed for so long from official sources". And then "David Frost caressed the Prime Minister all the way with soft soap" in their "chummy confrontation". And Mr. Shulman concludes his fine article with a warning against making decisions about character on such slim evidence. Senator Kennedy, incidentally, spoke with considerable hesitation when interviewed by a television reporter *without rehearsal* on August 9.

The charlatans need watching.

—H.S.

Review of the Crisis (continued from page 1)

will be wide enough in its terms to allow all that will be immediately necessary to be done by Ministerial orders. These orders must be incapable of challenge in the courts or in any way except in the House of Commons." This represents a marked advance of the menace to which Lord Hewart directed attention in *The New Despotism*.

The latest step in this obviously continuous policy is the passage of the new Supplies and Services (Extended Powers) Bill. This new Act makes the very extensive powers conferred on the Government by the Supplies and Services (Transitional Powers) Act, 1945, applicable for new purposes. How extremely general this application is is revealed in sub-clause (1) (c), which allows them to be applied "generally for ensuring that the whole resources of the community are available for use, and are used, in a manner best calculated to serve the interests of the community".

(7)

The idea of Socialism—or what is now called Socialism—to be achieved by force goes back some centuries. This is an aspect too complex to enter into here, but readers who are interested may refer to *World Revolution*, and to *Secret Societies and Subversive Movements*, both by Nesta Webster, for a detailed and carefully documented history of the matter. What is important to the present consideration is that the French Revolution of 1789 was the first culmination of the work of the secret societies involved—an aspect brilliant-

ly summarised by Lord Acton in his statement: "The appalling thing in the French Revolution is not the tumult but the design. Through all the fire and smoke we perceive the evidence of calculating organisation. The managers remain studiously concealed and masked; but there is no doubt about their presence from the first." (*Essays on the French Revolution.*)

The 'managers' wanted to achieve something that was only to be achieved by the revolutionary destruction of existing institutions; their method was to organise and inspire a mob to destruction. With the advent of Karl Marx, who himself was involved in the secret societies which were engineering the destructive outbursts, a so-called 'scientific' method of revolution was formulated, and was subsequently brought to an amazing degree of precision by Lenin.

But Marx himself remarked that the British were "too stupid" to make their own revolution, and that therefore foreigners must make it for them. It was this sentiment that gave rise to the Fabian Society, which developed the idea that the same result could be achieved by slow and constitutional methods. The fundamental objective remained the same, but the method to achieve it differed as to the Marxians and the Fabians.

Perhaps the most notorious theorist of the Fabians is Professor Harold Laski, who stated, following a visit to Stalin in 1946, that the Russian and the British Governments were following two roads to the same goal. Professor Laski is a lecturer at the London School of Economics. In the libel action which he brought against certain newspapers in 1946 he said under cross-examination: "I say that if a Labour Government is met with resistance the consequence of the resistance is government by Defence of the Realm Act, and that this exacerbates temper, which produces the *normal revolutionary situation*, or, as you like to call it, *revolution by violence*, and that then, men move by civil war." (Our emphasis.)

Other Fabian theorists made it clear that once a Socialist Government came to power, it would have to transform Parliament so that the functions of the House of Commons would be confined to debating and deciding the principles and general structure of legislation, and approving Ministerial Orders (Sir Stafford Cripps, 1934; also others). This, of course, constitutes what Lenin called "the dictatorship of the proletariat"—a technical term, defined by Stalin as meaning the *organisation* of the proletariat under an all-powerful central authority, the Government. Neither Lenin nor Stalin were so stupid as to try to contend that the proletariat itself could be a dictatorship (see Stalin: *Problems of Leninism*).

In short, both Communists and Fabians envisage substantially the same set-up, only the initial step differing—the Communists seizing power by an act of organised revolution, the Fabians by electoral methods. Once in power, their actions are in both cases governed by the concept of resistance, which is held to justify and require authoritarian methods.

The Fabians, like Stalin and Hitler, have concealed neither their aims nor the methods they proposed to pursue; but when the time came for each decisive step, all three have made use of a 'crisis', and of propaganda based on the crisis and not on the actual strategy. That is to say, at the present

time government by Ministerial Orders is held to be necessary to meet the 'dollar crisis'; but, as we have seen, government by Ministerial Orders was an integral part of the Fabian programme before the Socialists achieved power.

(8)

In its two years of office the British National Socialist Government has rushed through Parliament a number of measures which have enabled the construction of the bureaucratic apparatus of central control of various essential aspects of the country's economy; and in addition, they inherited from the preceding Coalition some other controls, notably of food. At the present time, they have central control of food, fuel, and transport, in particular. Besides this, they have the machinery of central control of the whole population, as individuals, through the National Insurance scheme. One of their first actions was to centralise control of the police, and another was enormously to extend the force of special inspectors with power to enter private homes and establishments to detect breaches of various Regulations and Orders—a force colloquially known as 'Snoopers', and clearly potentially the equivalent of Security, or Secret, Police—the Ogpu-Gestapo.

All these things are prerequisites of dictatorship. In any country as highly organised as Great Britain it would be impossible to seize power and exercise a dictatorship immediately. There are only two methods of attaining to dictatorship in such circumstances. One is by preliminary *secret* organisation (such as practised by the Communists)—the building up of an enormous secret machine—; and the other is to build the machine by 'constitutional' methods, making use of suitable pretexts and alibis. Thus food control (rationing) is necessary "because of a world 'famine'"; but since the 'dollar crisis' there have been intimations that direction of labour should be reinforced by differential rationing, and that 'spivs and drones' should be deprived of their ration books. Similarly, unemployment insurance was justified by "the threat of unemployment"; but now the suggestion is that 'unofficial' strikers should be deprived of their 'benefits'. And the 'reform' of education includes the abolition of examinations; but their place is to be taken by a State dossier, recording the performance, aptitudes and attitudes of the school-boy, and all comments, favourable or adverse, of his various teachers—a handy adjunct for the 'rational' disposition (or direction) of labour. And permanently enforced and directed labour is the essence of the Slave State.

(To be continued)

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Printed by E. Fish & Co., Ltd. Liverpool.