

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

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### CONSPIRACY AND WORLD DOMINATION

“Let us consider the views of Mr Douglas Reed, whom we believe to be both well-informed and courageous. Writing in *London Tidings* of 14th September, 1946, he observes ‘Is there an organised power in the world which pursues some world-wide aim and is powerful enough to promote, manipulate and prolong wars between nations in the pursuit of this aim? Is there a super-national conspiracy, directed against the freedom of *all* peoples which uses such men as Hitler as its servants?’ The strongest evidence in favour of this theory seems to us to be that there is a powerful ban, in practice, on the very suggestion; the word ‘conspiracy’ is taboo. Politicians and newspapers shun it. Yet we have had abundant recent proofs that a conspiracy is a very real and living thing in the world. The essence of conspiracy is secrecy. To our mind, that is why all attempts to penetrate the secrecy are so severely repressed. But they are also proof that powerful conspiracy exists; they would not otherwise be necessary.”

In quoting the above in the From Week to Week column of *The Social Crediter* of 17th July, 1948, C. H. Douglas commented “Ideas and even whole paragraphs (but never those relating to a conspiracy) which first saw the light in *The Social Crediter* can be read in increasing numbers in various reviews and periodicals, and with the exception of journals carefully branded as crankish (i.e., courageous), almost invariably without acknowledgement. So far from objecting to this, we welcome it; but that does not alter the confirmation the procedure gives to Mr Reed’s thesis, which is also ours.”

In 1972, in *Alternative to Disaster*, Bryan W. Monahan wrote, “This small book has been written as a sort of companion to *None Dare Call It Conspiracy*, in which Gary Allen has described what might be called the superstructure or macro-mechanics of International Conspiracy, whereas the present essay examines the economic foundations or ‘micro-mechanics’ underlying the operation of the Conspiracy. . . . Party politics, which has made nonsense of anything which could reasonably be called democracy, has degenerated into an increasingly dirty struggle for the *power* ‘to control the economy’. The end-point of this process . . . is permanent control by a single self-perpetuating group, masquerading as *the* Socialist (or Communist) Party, but controlled by a presently unidentified inner *junto* who conceive it as their mission to rule the world in perpetuity, and one of whose spokesmen — Dr Arnold Toynbee of the Royal Institute on International Affairs — has declared that nations should be reduced to public utilities.

“Political so-called democracy without *economic* democracy is dynamite. The basis of political freedom is economic independence; and it is to show that such independence is increasingly possible as an alternative to the tyranny which is overtaking us. . . .” For this reason, B. W. Monahan writes, *Alternative to Disaster* was written. This short essay will provide a companion to *Call It Conspiracy* which, though dealing with what may appear to some as of mainly American matters, is of great importance to us all. It

should be read by all who read the 1971 *None Dare Call It Conspiracy*.

Following are some quotations from *Call It Conspiracy*: “As far as Larry (Abraham) is concerned, the history of 1970-85 . . . reinforces his original thesis, not the least of which was the creation by David Rockefeller of the Trilateral Commission in 1973, and the creation by David Rockefeller of Jimmy Carter in 1976. . . . No civilisation has ever fallen to outsiders that did not first suffer a loss of faith in its first principles. *The failure of faith always precedes the failure of will.*

“The offense of *None Dare Call It Conspiracy*, and also the offense of this book, is found in the thesis that a dedicated conspiracy has quietly captured the power centers in order to further its own ends against. . . . Against what? . . . Here is where the rubber meets the road. To identify a conspiracy, you must also identify the ‘conspired against’. And the identification of the ‘conspired against’ in both versions of the book is the same: against the true *political* needs of the American people, *as revealed in the U.S. Constitution*. Both Abraham and Allen are Constitutionalists. . . . (This book) argues that what the conspirators have done is to short-circuit the true meaning, and true limitations on the federal government, of the U.S. Constitution.” (Prologue, by Gary North, Ph.D.).

“. . . As inflation engulfs the whole world, it is vitally important to recall the words and dreams of Montagu Norman. . . . For when the dollar does finally collapse, you can bet your last Kruggerand that the *Insiders* of World Finance will be standing in the wings with a money system that will sound the death knell of all national currencies, including the dollar. How much inflation will it take to bring this about? Frankly, I don’t know. But when it does happen, the world will rush to the ‘new money’ as a panacea, regardless of who issues it. It is my personal opinion that the source will be the World Bank or some future look-alike.

“Writing in the Fall 1984 edition of *Foreign Affairs*, the official quarterly of the Council on Foreign Relations, Richard N. Cooper outlines his views on this subject in an article entitled ‘A Monetary System for the Future’. Professor Cooper commended ‘the creation of a common currency for all of the industrial democracies, with a common monetary policy, and a joint Bank of Issue to determine that monetary policy. . . .’ Later on, he went on to point out: ‘But a single currency is possible only if there is in effect a single monetary policy, and a single authority issuing the currency and directing the monetary policy. How can independent states accomplish that? They need to turn over the determination of monetary policy to a supranational body.’

“And lest you think that these are the musings of some no-name, ivory-tower academic, let me hasten to point out that Professor Cooper is the Mauritz C. Boas Professor of International Economics at Harvard; former Under-

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## THE SOCIAL CREDITER

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## INTEGRITY AND INITIATIVE

“Why does man seek truth without method and scope? Why does he not search for the necessities of his nature that he may build upon them the enjoyment and happiness of his life? Why does he not seek such truth as gives him peace and enjoyment, which makes him content, which develops his strength, brightens his days and brings blessings upon his years?”

“Man, driven by his needs can find the road to this truth nowhere but in his own nature.

“The nursling, his hunger satisfied, learns in this way what his mother is to him; she develops in him love, the essence of gratitude, before the infant is able to utter the words ‘duty’ and ‘thank’; in the same natural way the son finds his happiness in the duties towards his father who gives him bread and a hearth to warm himself.

“Man, if you seek truth in this way of Nature you will find it as you need it according to your station and your career.

“Obedience to your nature is essential for your rest and your peace; it is your guiding star in your personal matters; it is the foundation on which your life ought to rest, and it is the spring of your happiness.

“Following the path of your nature you cannot make use of all truths. The sphere of knowledge from which man in his individual station can receive happiness is limited; its sphere begins closely around him, around his own self and his nearest relationships, from there his knowledge will expand, and while expanding it must regulate itself according to this firm centre of all the powers of truth.

“The pure feeling for truth is formed in limited circles and pure human wisdom rests upon the firm basis of man’s knowledge of his closest relationships and upon his maturity in handling his own personal matters.

“Power, strong and clear sentiments and a sense for right application is its expression.”

—J. H. Pestalozzi, in *The Evening Hour of a Hermit* (1780).

## THIN END OF THE WEDGE

As speculation mounts as to the timing of the General Election, so various planks in their electoral platforms are put into place by the competing parties. Already, both Labour and the Alliance are committed to more borrowing — “to create jobs”, “to stimulate the economy” and “to improve the infrastructure”. Thus also, inevitably, more government indebtedness and a still heavier burden of debt charges to be met from taxes (which they never are!). “Who on earth worries about the National Debt?” asks Roy Jenkins on TV, with all the gay abandon of a former Chancellor accustomed to spending other people’s money.

It is illuminating to study the relationships between the Public Sector Borrowing Requirement and some other key indicators as shown in the accompanying table. The PSBR is the amount the Chancellor has to borrow each year to bridge the gap between government revenue and expenditure. Since neither of these can be precisely calculated in advance, the PSBR is a variable figure within a “target range”. To keep it within bounds, the Chancellor has to restrict government spending and keep taxes up. The cost of the PSBR varies with the level of interest rates generally. Up to 1966, the highest coupon on any government stock was 6%. Recently, government stocks have been issued with coupons of 14% and 15%, some of it payable until 1998.

### Some Key Financial Indicators

Year	G.D.P. at Market prices	General Government		P.S.B.R.	Money Stock	
		Debt	Debt Charges		MO	£M3
1975	106.2	45.9	4.1	8.0	5.8	34.6
1976	126.6	56.1	5.3	10.3	6.6	40.1
1977	145.8	66.4	6.3	8.3	7.6	43.9
1978	168.1	76.9	7.1	5.3	8.7	50.6
1979	196.8	84.9	8.7	9.3	9.5	57.2
1980	230.3	93.7	10.9	10.0	10.2	67.8
1981	253.9	112.0	12.7	12.7	10.8	84.6
1982	276.2	121.6	13.3	8.6	12.0	92.1
1983	301.1	132.9	13.9	8.9	12.2	102.3
1984	320.2	150.6	14.5	9.8	12.9	112.6
1985	351.6	166.9	16.0	10.2	13.6	127.6
1986	—	—	17.7	5.8	14.2	148.2

Sources: *Financial Statistics*, Central Statistical Office, December, 1986.  
*Annual Abstract of Statistics*, Central Statistical Office, 1987 edition.

What clearly emerges from the table is that in recent years the entire PSBR has been swallowed up in meeting the debt charges on earlier government loans, while over the same period Public Sector Debt has soared from £45.9 billion in 1975 to £166.9 billion in 1985 and is still rising.

Who has the courage to call a halt to this fraud?

Some may argue that it is necessary and prudent to borrow to finance future capital development and that the debt will be serviced and eventually paid off out of future profits. The record of mounting debt provides no evidence to support that notion.

Others may say that the total of government debt remains fairly constant as a percentage of Gross Domestic Product. Even if true, that takes no account of the growing burden of servicing it — no less than one-third of the total yield from taxes on income, in 1985/86, £17.7 billion out of £52.7 billion of revenue from taxes on incomes.

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**Thin End of the Wedge** (Continued from page 2)

What is the alternative?

First, stop borrowing money from moneylenders who create it out of nothing. There is no room for doubt about this process, as numerous banking authorities have testified. When banks buy government stock, they acquire it "by the simple process of taking up Treasury Bills or bonds and crediting the Government account for the corresponding amount."

Second, instruct the Bank of England to place credits at the disposal of the Treasury, cost-free except for a commission charge, and free of the debts normally incurred by the issue of new government stock. By these means, the right to create and issue new money to mobilise the nation's resources would be restored to a Parliament exerting sovereignty over national affairs, of which none is more crucial than control over credit-creation.

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"It is sometimes said that the Government 'spend new money into existence', but before it can spend it, it has to be created. It is created by the banks by the simple process of taking up Treasury Bills or bonds, and crediting the Government account for the corresponding amount."

—*The Times*, 30th September, 1942.

"The amount of money in existence varies only with the action of the banks on increasing or diminishing deposits. . . . Every bank loan and every purchase of securities creates a deposit, and every repayment of a bank loan and every sale destroys one."

—The late Reginald McKenna, Chairman of the Midland Bank and a former Chancellor of the Exchequer, 25th January, 1924.

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It is a remarkable fact that neither Parliament nor Government are in control of the money supply and are frequently surprised by the range of its fluctuations as measured by the usual indicators. £M3, about 90% of which is bank-generated credit, is currently increasing at an annual rate of 18%, well above the Treasury's "target" of 11% to 15%. Even the Chancellor's preferred indicator MO, consisting of notes and coin, is averaging an 8.1% growth rate compared with its "target" of 2% to 6%. How can money possibly retain a stable value when the supply of it is not directly related to the creation of real wealth but is at the mercy of private institutions manipulating it for private profit?

A sovereign state must control its own money supply in order to maintain a just relationship between "money" and "goods and services". There is no shortage of the latter, quite the contrary, even despite the unused and underused capacity within the economy masquerading as "unemployment". Since money costs virtually nothing to create, there need be no shortage of it either, provided that its rate of supply and cancellation is matched to the physical facts of national production and consumption as compiled by the Central Statistical Office.

Among the foreseeable short-term benefits of replacing the PSBR by the Public Sector Credit Requirement are:

No further increase in government debt; in consequence, reduction in existing level of taxes would become possible; if some reduction were applied to VAT, a general reduction in

**Conspiracy and World Domination** (Continued from page 1)

Secretary of State for Economic Affairs during 1977-1981; and Provost of Yale University in 1972-74. He also understands perfectly well how these things are done, as evidenced by one of his closing statements in the article: 'In short, there would be an *inner club* accepting higher responsibilities . . . (emphasis added).

"Yes indeed, 'inner club' it would be! For as Bill Moyers made clear in his TV program (cited by Abraham earlier), 'The world of power operates behind closed doors . . .'" (Chapter III — The Money Manipulators — update 1985 — Larry Abraham).

From the Epilogue, by Gary North:

"Two kinds of Conspiracy.

"The average citizen knows about various conspiracies that proclaim 'unification by execution' . . . What the average citizen does not readily recognise is the existence of the other form of conspiratorial organisation, the kind described in this book. This kind bases its strategy and tactics on the principle of 'unification by manipulation' . . . Secrecy. What these manipulating conspirators need is secrecy. . . . Since 1973, the Trilateral Commission has published its intention repeatedly to create a New World Order. Doesn't this refute my contention that they are a conspiracy? Aren't all conspiracies always completely secret?"

"No, they aren't. Adam Weishaupt's Illuminati were almost entirely secret. But as time goes on, the conspirators have become more open, especially the 'conspirators by execution'. Hitler published *Mein Kampf*. Lenin published his intentions repeatedly. . . .

"But hardly anyone in power believed them. Why not? Because the 'conspirators by manipulation' always said that these were just verbal excesses. 'They really don't mean it! So let's make a deal.' . . .

"The best defense is a good offense. We must take the offensive. . . . (Larry Abraham) cites a warning attributed to Churchill: 'The hottest place in hell must be reserved for those who in the face of great moral crisis, maintain their neutrality. Now is not the time for caution: the stakes are too high, and it is too late in the conflict.'"

**Thin End of the Wedge** (Continued from previous column)

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many retail prices, and hence of the cost-of-living would ensue, and to that extent, a brake would be applied to any inflationary tendencies; Stimulation of demand in the economy to meet presently unsatisfied needs, with probable rise in employment; Additional funds for Education, Health and Social Services, Defence, etc.

In the longer term, we could look forward to progressive reductions in the levels of rates and taxes, progressive amortisation of government debt as stocks fall due for redemption, beneficial effects on industrial relations, productivity and social cohesion, and, above all, greater economic freedom for each individual.

Is that not a programme to capture electoral support?

The crucial political question in 1987 is "Who, if anyone, can summon up the courage to grasp this nettle of debt-dependence?" Or, put another way, "Does the Treasury control the Bank, or vice-versa?"

There can be no answers until these questions are clearly posed.

## LABOUR-SAVING DOES SAVE LABOUR!

The Policy Studies Institute has produced a report on *Microelectronics in Industry*. According to the summary published in *The Scotsman* of 10th February, 1987, "More than half Britain's factories are now using the microchips in products or production processes, a significant improvement even on two years ago. That's the good news. The bad is that more than 80,000 jobs disappeared as a result. By the end of next year, between 40,000 and 80,000 more are likely to go for good as manufacturing industry stops tinkering with microelectronics and starts using it seriously.

"These totals are still relatively small, but, alarmingly, the proportion of job-losses now taking the form of voluntary, or even compulsory, redundancies rather than natural wastage is rising sharply. In addition, vacancies available because of new production processes tend to be in different places and are more complex than jobs lost and are therefore not necessarily within the reach of those displaced."

Despite the job losses involved, the report warns against any slackening in the pace of modernisation within British industry since "falling behind in this would only lose more jobs to other countries which adopt the new technology more effectively". Britain, already behind other industrial countries, is suffering from a 40% shortfall in the numbers of microelectronic engineers required to install and maintain new equipment, and many new training courses are required to help meet this deficiency.

The high initial investment required is a further obstacle to more rapid progress. Says the report, "Faced with uncertain markets at home and overseas, many firms lack the confidence to invest in anything, let alone an unfamiliar new technique with unknown risks; and tight money and precarious cash flows make it difficult to do it even if they wish to. Many feel compelled therefore to think short and concentrate on keeping afloat in the next few months, rather than undertake investment for a more distant future they are afraid they may never survive to see."

Management and workforce opposition to the acceptance of new technology is confined to small minorities of each, but attitudes could change with continuing unemployment. "It is becoming clear," says *The Scotsman* summary, "that the jobs loss with the introduction of electronics to manufacturing processes is becoming greater, and the new jobs created will not automatically absorb those displaced. How then can electronics continue to revolutionise industry if they throw more people on the dole? No-one seems to know, but the PSI throws the whole problem back at the Government."

The report concludes: "If it turns out that the net job-shedding effects of the new technology are greater than the job-creating ones, it may be desirable also to compensate for this by macro-economic or other measures to ensure that everyone gains from the great benefits which microelectronics has the potential to provide — better goods and services, improved working conditions and enhanced leisure opportunities on a scale without precedent".

But how can "everyone gain" if jobs are constantly being lost? Only by snapping the ancient but obsolescent link between jobs and incomes by a supplementary national dividend of debt-free consumer credit on top of earnings, payable to all as a birthright of their citizenship. The products of a science-based labour-saving economy can only be distributed equitably by progressively displacing the wage and the salary by the dividend, each individual's share by right of the cultural heritage which, above all else, has made such abundance possible. In short, full enjoyment in place of full employment.

## AN OPEN LETTER TO THE ARCHBISHOP OF CANTERBURY

Your Grace,

*The Daily Telegraph* reported that you had "delivered a clear warning to the Chancellor not to cut Income Tax in next month's Budget". I share your concern for the poor and needy. But I am not in sympathy with your recommendation that they should be assisted by the taxation of those who are not so poor and needy.

It is quite wrong to think that there is only a certain amount of money in existence, and that if the poor need assistance, as they do, it is quite legitimate to rob other citizens. There is a much better solution which is quite simple.

The *Encyclopaedia Britannica* states that "banks create the means of payment out of nothing" — 13th edn., *Money*. It is instructive to remember what happened at the outbreak of war in 1939. Within minutes, Parliament voted £1,000,000,000 for war purposes. Such a sum did not exist. The Chancellor's "Ways and Means" Account with the Bank of England was simply CREDITED with that amount, i.e., an entry was made in a ledger, a mere book-keeping transaction! At the same time, another entry was made in another ledger — the National Debt — which too was increased by £1,000,000,000. The same performance took place every three months for the duration of the war.

The Bank of England claims ownership and repayment of this money which was literally "created out of nothing" on the strength of the nation's real physical resources. This is why heavy taxation continues to be imposed to this day. One-third of all the money raised by Income Taxes goes to pay interest on this National Debt, which yet gets larger year by year. Such taxation deprives us all individually of purchasing power at a time when industry and agriculture are offering an abundance of goods, not to say a superfluity. This is why we have a recession with some 3,500,000 people unemployed, and the "two-nation" society which you so rightly deplore. Yet, concurrently, the banks are making record profits.

It is this fraudulent financial system which so distorts the physical facts of existence which you should be attacking. Instead, we find you openly warning the Chancellor not to cut Income Tax, thus apparently preferring that all should be poorer rather than that none should be poor. We look forward to a recantation.

Yours sincerely,

John M. Brummitt.

## RECOMMENDED READING

- |                   |                                                                                                                                                                                                               |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abraham, Larry    | Call It Conspiracy.                                                                                                                                                                                           |
| Allen, Gary       | None Dare Call It Conspiracy.                                                                                                                                                                                 |
| Douglas, C. H.    | The Brief for the Prosecution.<br>The Development of World Dominion.<br>Economic Democracy.<br>The Monopoly of Credit.<br>The Policy of a Philosophy.<br>Programme for the Third World War.<br>Social Credit. |
| Monahan, Bryan W. | The Moving Storm.<br>An Introduction to Social Credit.<br>The Survival of Britain.<br>Why I am a Social Creditor.                                                                                             |
| Sutton, Antony C. | National Suicide — Military Aid to the Soviet Union.<br>Wall Street and the Bolshevik Revolution.<br>Wall Street and the Rise of Hitler.                                                                      |

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Prices upon request.

## PERSONAL INITIATIVE

Subscribers to *The Social Crediter* will be aware of the gravity of the situation. Civil and international strife, poverty, famine, homelessness and mounting debt go hand-in-hand with expanding technological progress, abundance of physical and human resources, and concentration of financial and political power. All predictable under the conspiratorial plans for World Hegemony, but quite the reverse of what Social Crediters know to be possible.

We have constantly to ask ourselves "How can Social Crediters, with our unique insight into the heart of these problems, best bring to bear whatever influence we can exert?" Clearly, with limited resources, only by "a concerted effort concentrated on a narrow front and with a limited objective" (*The Social Crediter*, January/February 1986).

The Secretariat, as indicated in that issue, considers that in Great Britain, one of such "narrow fronts" should be the Public Sector Borrowing Requirement, and the "limited objective" the enlightenment of Mrs Thatcher and her closest supporters that "for a supposedly 'sovereign' state, borrowing is itself a self-inflicted handicap". Funding the Public Sector Borrowing Requirements by debt-free credits would not only ameliorate all public sector funding problems but could start the process of dismantling the fraudulent and conspiratorial financial system — in short, transforming the Public Sector Borrowing Requirement into the Public Sector Credit Requirement.

How can this message be put across? A number of readers regularly order extra copies to send, with appropriate covering letters drawing attention to marked passages, to selected recipients. These include Members of Parliament and Ministers, local Councillors, Church leaders, and others in positions of authority. Each approach is specifically an individual one, so designed as to throw light on the recipient's own problems and to point to the first steps towards disclosure and defeat of the real enemy.

There are many other potential recipients for such communications, and the covering letter need only be brief, to the point and devoid of technical details. Among the most obvious of these are leading figures in the main fields of public expenditure:

In Education — University Principals and staffs; Teachers' representatives;

In Health Services — Health administrators; doctors and nurses; and their professional organisations;

In Social Services — Local Directors of Social Work; local Directors of Housing;

In Defence — Service Chiefs.

All of these are at present facing problems of "shortage of money" at a time when ample reserves of manpower and materials are available but are largely unused.

Similarly, there must also be scope for demonstrating to some in the Revenue services — Inland Revenue, Customs and Excise, local Rating departments — that rates and taxes, so far from "paying for" public services, are actually largely swallowed up in interest charges and "repayment" of local and central government debts, which nevertheless grow inexorably larger, having in the main been created out of nothing in the first place.

It is considered particularly important that the maximum effort be made now and be continued during the run up to the General Election. The contents of *The Social Crediter* will reflect this urgency. It is a cardinal tenet of Social Credit that *individual initiative* is the essential counter to institutionalised oppression. Subscribers prepared to exert their initiative in the direction indicated are invited to apply for extra copies of recent issues, giving the number and dates of those required, to The Editor, *The Social Crediter*, 21 Hawkhead Crescent, Edinburgh, EH16 6LR. Up to four copies supplied free. Please name recipients.