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## FOR POLITICAL AND ECONOMIC REALISM

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### THE SOCIAL CREDITER FOR POLITICAL AND ECONOMIC REALISM

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### From Week to Week

Lord Radcliffe: "Have we not come to a time when we must find another name for statute law itself? Para law, perhaps; or even sub-law." (*The Times*, June 10.) Why not jungle law?

"The straight forward and unblushing forms of evil are far less dangerous than those which invent a philosophy to prove that they are not evil at all." (*The Times* religious correspondent, June 11).

"It used to be the fashion to complain that the church had ignored the social teachings of Jesus. The complainers then proceeded to demonstrate that Jesus's teachings implied socialism. Now that many people are taking a second look at those teachings, they are finding that they do not imply a social message, but that message is one of individual responsibility, freedom and the right to private property.

"With a cry of alarm, ecclesiastical experts now warn that we must never seek to identify the ethic of Jesus to any civilisation. Indeed! Is it permissible to discover that Christianity produced the healthy and admirable values in our society?

"If the teachings of Jesus are not relevant to the problems of life in any age, then Christianity is indeed bankrupt. But Christianity is not bankrupt! It is socialism that is bankrupt for new ideas. The teachings of Jesus are still relevant and contain the truth that makes men free. Man is a spiritual being, not a materialistic mechanism. Man is responsible to God beyond all other authorities. As such, man has inalienable rights to life, liberty and property, which no government can give and no government should take away."—Rev. Irving E. Howard in *Human Events*.

"Before the Church of England can become what it should be, an integral, primary, and effective part of the Constitution, so that the phrase 'Christianity is part of the Law of England' may have real meaning, it is faced with

problem of restoring its *locus standi*. It must be insisted that Christianity is either something inherent in the very warp and woof of the Universe, or is just another set of interesting opinions, largely discredited, and thus doubtfully on a par with many other sets of opinions, and having neither more nor less claim to consideration."—C. H. Douglas, *The Realistic Position of the Church of England*.

"Meanwhile, the historical divorce of law from morality has left the latter the slave of the former instead of its master. No longer Olympus or Sinai but government offices are the founts of law and the seats of the guardians of order . . . the Romans distinguished *jus* from *lex* . . . *Lex* was law as decree, command or code; *jus* was the principle of right or natural justice."—Bertram Henson in *The Listener*, June 23.

"The Lower Welfare State, meaning by that a well-fed rabble ordered about by experts."—*ibid*.

In an article in *The Sunday Times* Sir David Kelly, formerly British Ambassador to Moscow and now appointed to the Chairmanship of the British Council, discusses "The Power of Ideas" without once mentioning Christianity. He concludes his article as follows: "every presentation of facts, whether it be a chairman's annual report or a report from 'our correspondent' in Washington, a travel book or a history, is and must be an arrangement of selected facts to present a point of view, and behind that point of view is an idea."

God's idea of the world is Reality.

"It is not improper to say that Christianity is *inter alia* a technique by which a man, by control of his ideation, may gain such part of the world as in the nature of things appertains to him, and there is no injunction of which I am aware against that. But there is a warning, 'What shall it profit a man, if he gain the whole world, and lose his own soul?'"—C. H. Douglas, *The Realistic Position of the Church of England*.

"Both Christianity and the Protocols recognise the primacy and formative nature of *ideas*. 'My Kingdom is not of this world.' *There is nothing more dangerous than personal initiative.*" [The pursuit of an inborn idea].—*ibid*.

"With some hesitation, I suggest that the question arising out of the Christian Church, is not the same, either in nature or degree, as that involved in the acceptance of what is vaguely called Christianity which for the most part is merely Liberal Judaism. It is the doctrine of the Incarnation."—*ibid*.

The *Bournemouth Daily Echo* of June 23 reports a speech by the Bishop of Stepney (the Rt. Rev. Joost de Blank) to the Winchester Diocesan Conference which we intend to deal with more extensively elsewhere, and from

which the following is quoted:

"That was one of the problems of the day—how to deal with those who had a private religion and who had not really begun to understand the Gospel of the Incarnation. And it was a peculiar responsibility for the Church of England, because by its study and theology it was inevitably bound up with the life of the nation as a whole."

"It was strange but true that the answer to the problem of industrial unrest might emerge from the up-to-date expression of the theology of work. Many such problems were at heart theological."

"The Church had to say what it believed in terms of family life, work, leisure and the community."

An idea is moving.

Sir Walter Puckey set the 'tone' in ideas at the Conference of the Production Engineers on automation: "Production pressure is closely connected with full employment, which I regard as one of the most desirable individual, company, and national conditions to attain and maintain." And, then, too, what about the number of hours worked per week in 1984?

Yes, Sir Walter quoted freely from the P.E.P. publication on automation.

A letter we received from an engineer at the London office of the Institution of Production Engineers, in reply to one we wrote suggesting that the true object of production was consumption, and not employment, advised us to read Sir Walter Puckey's address, in which we might find "solace!"

Something is trying to keep us concentrated on the plane of materialism.

"My Kingdom is not of this world."

This is the basic issue.

"One is justified in saying that the effects of the introduction of a guaranteed annual wage into the largest industry in the United States is incalculable, but over this industry there broods the shadow of automation. Already there is an automobile factory where engine-heads and cylinder blocks are produced without a single human worker on the assembly line, and the general introduction of automation will mean that one man will do at least the work now done by five men. But automation brings in its train problems for the whole American economy."—*The Tablet*, June 18.

### Economic Dictator

One thing is certain—that among matters incidental to the restoration of Christianity in this country, the position of the expert needs reassessment.

The more complex modern society becomes and the more specialised become the techniques upon which it is based, the more difficult it is for the non-expert—the ordinary citizen—to retain effective control of those who should be his servants. It would be not merely difficult but impossible unless he were very sure in his own mind that there were some definite limits which the expert must not transgress—fields within which "expertise" has no place, where only

the human spirit has rights. This assurance is the core of Christian belief.

The marking of such limits is an important part of the task which Social Crediters seek to perform.

The theme of a recent speech of the Chancellor of the Exchequer, at Folkstone, to the Institute of Municipal Treasurers and Accountants, was the necessity for flexibility in monetary policy, as an alternative to physical controls and rationing. Mr. Butler has the reputation of being a "strong" Chancellor. Certainly his public utterances bear the mark of an awareness that he holds in his hand a very powerful instrument which he knows how to use. The ordinary citizen—or even the ordinary Municipal Accountant—who attempted to debate with him upon such matters as the raising or lowering of the Bank Rate would probably get short shrift. And quite rightly. If Mr. Butler has assumed the role of an expert in economics let him also assume responsibility for the methods he adopts without any interference from lay meddlers.

Unfortunately he has assumed another role, too, a role which it is not within the competence of any economist, however able, to assume—that of not merely administering policy but of laying down which policy shall be administered. It is not an easy distinction to make. The utmost vigilance is required to ensure that it is observed.

Quoting briefly from *The Financial Times*: "Mr. Butler . . . emphasised that the Government's monetary policy would be quite ineffective if it did not affect all users of credit, both private and public. . . . The recent spate of industrial unrest may mean that the stricter monetary discipline now in operation may have to continue for rather longer than one had hoped."

There was nothing dramatic about this remark, no sense that it involved any new departure in the relationship between Government and people, no argument as to whether it was right or wrong. The Chancellor was quite confident that he had not only the power to "affect all users of credit, both private and public," but the right also. He was confident because it is a claim that he has made before, explicitly or implicitly, and which has never been resisted; it is a claim that his predecessors have made in at least a minor degree, and it is a claim upon which ordinary banking practice has been founded and under which it has operated with complete immunity so far.

Nonetheless, if right and wrong have any validity, if "the liberties of the subject" is not just a meaningless phrase, if the Christian affirmation of the sanctity of the human soul is founded on truth and not a lie—then neither the Chancellor nor the Government nor any other institution has the right to "affect all users of credit."

Consider what this right means. Credit has been called the life-blood of modern society, and this analogy is apt enough to convey the idea that it is by means of credit—instruments—or money—that goods and services pass from producer to manufacturer, and from manufacturer to retailer and so to the consumer, who is you or I. Because we cannot procure the necessities of life without paying for them, we must find means of access to money, which means that we must participate in some of the activities which have been deemed "credit-worthy"—i.e., which those who control credit are prepared to back.

This power to issue or withdraw credit is therefore a very great power indeed, and all the greater the more con-

centrated it is. If it should prove to be the case that such concentration has proceeded so far that it can be wielded by one man or by one body of men, then it is obvious that, irrespective of the label which society bears—that is, though it may be called a democracy—then in fact, so far as the ordinary citizen is concerned he is the subject of a totalitarian State.

If we are to take Mr. Butler's word for it, concentration of credit in this country has reached this point, or otherwise how can he speak with such assurance of the Government's power to "affect all users of credit, both private and public"?

It is difficult, without appearing to exaggerate, to indicate what this involves. The African native, when a tax was placed upon him which he was required to pay in money, was forced to work in the mines of Johannesburg in order to get money—that is, he was forced to accept certain terms of living by those who had the local monopoly of money issue. The acceptance of these terms, among others, led to the break-up of the tribal system, whence have stemmed the bitter problems of modern Africa.

What will be the equivalent of the Johannesburg mines for Englishmen and women in this atomic age is not yet apparent. That there will be some equivalent is not in doubt. No government on earth has ever ultimately refrained from using to the full the powers vested in it though—always for excellent reasons in its own view—and extending them wherever possible. Powers assumed under wartime emergency led to the peacetime Crichton case. Regulations formulated for "the good of the people" ended in the suicide of the individual, Mr. Pilgrim.

Indeed just the day before the Chancellor's speech he announced in the House of Commons that help from the Inland Revenue would be available for any firm that wished to start a profit sharing scheme for its workers. This was headlined in the Press as "a boost for Profit-sharing," and so it was; just as big a boost as the incidence of tax levels gives to the formation of limited liability companies and the liquidation of the family business.

This is not to dispute the merits or otherwise of profit sharing. The point I wish to make is that taxation—which is a kind of negative credit-issue—is no longer merely a means of gaining revenue but is instead an instrument deliberately used to further a particular government policy. Today the encouragement of profit sharing, tomorrow the encouragement of collective (or "co-operative") farming—the break-up of the English tribal system proceeds apace. It proceeds without protest because it happens, not openly through "physical controls" but quietly, insidiously, through the control of credit (and its counterpart, taxation) which the Chancellor deems a desirable alternative; and because the people of this country are told by their experts that such control is necessary in order to ensure the stability of the monetary system.

As I said at the beginning of this article, it is necessary for the non-expert to have a very clear apprehension of what are the limits within which technical "knowhow" can legitimately claim the right to advise and direct us. In our view, so far as the field of political economy is concerned, those limits have long since been transgressed.

If economists, as personified by Mr. Butler, say that the stability of the present monetary system can only be maintained by the centralised control of credit, with all that

this means—the power to affect not only the livelihood of every man and woman in this country, but the very fabric of our society itself—then we must ask ourselves, not if they are right or wrong (which we cannot judge) but whether we are not being asked to pay too high a price for the technique in which they claim expertness.

There is nothing inherently sacred about bank credit, or the money market, or the Income Tax Acts. They are only instruments, good or bad, created by men for the sole purpose of facilitating in certain ways their relationship with other men. There is certainly nothing inherently sacred about economists who are merely men who depend for their prestige and privileges upon the continuing use of such instruments, as cobblers depend for their social standing upon the continuing popularity of leather—hence their frantic cry, "there's nothing like leather."

But by every tenet of the Christian creed there is something sacred about the right of the individual to direct his own life according to his natural gifts. Had the African in the gold mines such a right? Has the modern Englishman, forced to work in vaster and more inhuman "projects" towards ever vaguer ends, with ever decreasing powers of initiative—whether employer or employee—and under continuously more detailed and conflicting directives, such as "planning," or "exchange regulations," or "disinflationary measures," or "tax exemption benefits," such a right?

We think not. And therefore we say that if these things are the price we have to pay for economic experts and a monetary system based upon their technique of credit manipulation then the sooner we reassert our sovereignty over them and invite alternative tenders, the better.

J. BAIRD.

(In *Towards a Labour Government*, *The Freeman*, June) Donald R. Richberg subheads as follows: Leaders of labour unions, a favoured class, now seek openly to establish a compulsory society under their personal government, and goes on: The purpose of the leaders of organised labour to establish a socialist labour government of the United States was made evident in an argument made by the American Federation of Labour, in a case which I argued against it in the Supreme Court of the United States: The worker becomes a member of an economic society when he takes employment. The union is the organisation or government of this society. It has in a sense the powers and responsibilities of a government.

Obviously, to govern such an economic society you must control its political machinery. This is well understood by our labour leaders, whose immense programme to increase their political power has two principal objectives:

First, to unite all labour organisations into one federation, or at least in a concert of action, to have laws enacted which favour labour.

Second, to repeal the state laws that forbid a union closed shop, and then to force employers everywhere to agree not to hire or to retain any employee who does not join a union, pay its dues, and submit to its discipline. . . . Again I quote from the Supreme Court argument of the A.F. of L.: We can summarise the nature of union membership as a common condition of employment in an industrial society by again comparing it to citizenship in a political society. Both are compulsory upon individuals. . . . The liberty of the individual is not the right to licence, but participation in a social organisation founded upon equality,

justice and law. The union is that organisation for employees.

Accordingly, the liberty of an American worker does not include the right to refuse to join a union, but only the right to be a member of a union. Even this peculiar liberty, however, does not include a right to join any union shop agreement, he must join the particular union which has made the agreement with his employer—or lose his job.

A Challenge to Liberty. Now as a matter of fact, unions at best are simply organisations of men and women who by concerted action try to make a better living under better conditions. . . . But there is a vast difference between voluntary organisation, whose members can resign if they don't like their policies or their management, and a closed shop union whose members are compelled to support union policies and bosses or lose their livelihood. The development of societies of human beings co-operating for their mutual benefit has raised man from animalism to civilisation. But even a voluntary society must have some form of government. As long as membership of it is voluntary some restraints of individual liberty are necessary, and will be accepted, to prevent disorder and anarchy. Unfortunately, the organisation of any society develops a governing class that inevitably seeks to increase its power. Sometimes this desire for power rises from apparently laudable motives; to make people happier, more prosperous or more virtuous. Such intentions are always claimed by aspiring rulers. Sometimes power hunger is just a base desire for power itself, an ambition to rule others for personal profit or glory. These intentions are never admitted. The corrupting influence of power is one of the few positive laws of political science. . . . Here in America it seemed for many decades that this ideal (a free society for free men under controlled government) had been achieved. The only challenge to our concept of individual liberty, the only demand for unlimited government, came from a small number of ineffectual Socialists. Then came a great depression and two world wars, each contributing to the expansion of government power; the expansion was made possible by a growing acceptance of welfarism. Welfarism included a special solicitude for organised labour. Laws were passed favouring the purposes of the union leaders. Their political power increased even as did their economic power; and in time they conceived the idea of making the government subservient to big labour. The strategy of the political labourites was, first to capture the Democratic Party. But—because in some areas—particularly the South—the party was historically committed to the principle of local self-government, and was therefore opposed to the centralisation that welfarism requires, the labour leaders could not put all their eggs in this basket. Nor did they write off the Republican Party; it contained a number who had been fortuitously converted to welfare state socialism. Their support of the labourite majority in the Democratic Party was needed. So, the purpose of achieving a socialist labour government called for bipartisan activities. We now have a Republican President who, despite his earlier opposition to welfarism, has promoted many of its projects, like social insurance, public housing, federal control of education, *et al.*, deserving of more applause from labour than it has given. Eisenhower has not been adopted by the leaders because of a friendly disposition toward free enterprise. They do not trust him to go all the way with them. When his Secretary of Labour openly

advocated compulsory unionism, he said that the Secretary spoke for himself alone. . . .

. . . The repeated claim of the unions today is that labour monopolies will bring peace. The establishment of a business monopoly will likewise end competitive strife. But a labour monopoly as well as a business monopoly can bring only the peace of submission to dictatorial power. Today the union bureaucracies are plainly seeking supreme economic and political power. The union closed shop contract is a weapon of awesome force in the battle for power. The prospect of a socialist labour government is not remote. It would be clearly an early prospect except for two retarding factors. One is the rivalries and jealousies that still divide union labour and hamper the exertion of united strength. The other retarding factor is the disillusion spread among the American people, first, as to the unselfish virtue of labour unions and labour leaders, and second, disillusion as to the comfort and security in the welfare state which organised labour is prompting.

### Military Spendthrifts

On May 3, the Associated Press quoted Secretary of Defence Charles Wilson as saying: "The history of the world is that if you listen to the military people only (re: the supplies they need) they will bankrupt the nation or else create a military dictatorship. That is why our Constitution says that civilians should say how big the armed forces should be." The colossal waste of the military, as revealed by the Hoover Commission, gives point to the words of Secretary Wilson. . . .

The Defence Department now has on hand about *three billion dollars' worth* of clothing that it can't use. That is bad enough—but there is an extra bite to this waste. It is costing the government *thirty-three million dollars a year* in interest and storage charges on the excess clothing.

The Navy has a 72-year supply of canned chicken and some 60 years' supply of ketchup. The Navy's 60-year supply of hamburgers is now the gossip of school children. But there is an interesting phase of this extravagance which somehow has been lost sight of. The 60-years' supply of hamburgers was located in a supply depot, in New Orleans. An Assistant Defence Secretary, confronted with the find, replied that it must be wrong because the depot had been abolished. Apparently he did not know that there was another Army depot there which was housing the hamburgers. The second depot had simply become lost in the Pentagon records!

The gigantic scope of the present military procurement—a scope that seemingly defies even accurate inventories—recalls Kravchenko's book *I Chose Freedom*. Leaving a Russian village where the people were starving for want of grain, he observed near the railroad station a big red barn some distance down the road. Taking time to investigate he found the barn full of grain—a depot that had simply become lost in the huge bureaucratic system of Moscow.

Realists on diplomatic row think that, from the Western standpoint, Krushchev did not do so badly for himself during his visit to Tito in Belgrade. He had to eat some crow, but he got Tito to adhere to the "neutralist" line and oppose American policy in the Far East.—*Human Events*.