

INTRODUCTORY SOCIAL CREDIT TRAINING COURSE - LECTURE 3
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Having examined organisation and the difference between policy and administration, we now turn to a more detailed study of the different aspects of society.

In his "*Nature of Social Credit*", L.D. Byrne writes:

"There are broadly three separate aspects of social life: although distinct, each influences the others. They are (1) the house-keeping or economic, (2) the legislative or governmental, and (3) the cultural or spiritual....

The Economic (or Social House-keeping) system has to do with providing the material wants of the people. Therefore its purpose is to deliver goods and services as and when and where they are required. Nothing else. That is the sole function of the economic system.

The legislative or Governmental system has to do with the rights of individual members of society and their relationship to one another. Its function is to ensure that the collective will of the people prevails in all matters affecting the rights of individual members of society, their relations with each other, and the relations of the group with other groups. Within this function is included what is broadly termed the "maintenance of law and order."

In analysing the economic system, Byrne points out that "Money is a man-devised system for facilitating the production and distribution of goods and services. It is an elaborate ticket system for keeping the nation's book-keeping accounts. It is one of the most ingenious inventions of the human mind. By placing prices on goods and distributing money, people are enabled to present their claims for the particular goods they want. Money is thus ... a method by which people are able to choose what they want. In this way money is also a voting system - it gives people an economic vote."

Dealing with the Governmental system, Byrne writes: "In the sphere of economic democracy we considered how the mechanism of money can be used as a voting system whereby the dynamic of the collective will of the democracy at the circumference can be effective in deciding who shall be the administrators at the centre, and in ensuring that administration shall conform to the demands of democracy - that is, give democracy what it wants.

The money vote is used to demand results - a particular kind of food, a particular form of car and so on. In the economic sphere democracy is concerned only with what shall be done and who shall do it ... If democracy wants a particular type of car - that is, a particular result - and if Mr. Spink undertakes to provide it, then Mr. Spink is responsible to democracy for producing what it wants. The method he employs to get the result is his personal responsibility.

"...just as in economic democracy people are provided, through money with an effective voting system to enforce their will in regard to economic matters, so it is necessary in political democracy that they should have an effective voting system to enforce their will in the domain of government.

Such a system confers upon the members of the community - the people - sovereign power in all matters concerning the social life of the community, for it is in the sphere of government that all questions effecting the rights of the members of the community are dealt with. And if the social body has such an effective mechanism for ensuring that the dynamic of its collective will prevails within the sphere of government, there will be effective administration of the entire social organisation - in accordance with the will of the people.... This would constitute a true democracy.

"It should be clear that a question of priority arises. The Social Credit order can be described as true democracy in all aspects of social life by the organisation of society in accordance with the principles of Social Dynamics. The purpose of the organisation is to enable society to gain its objective. First and foremost in order of priority, its objective is personal security and freedom for its individual members. While the reality of this personal security and freedom can be established only in the domain of the economic system, the right of the individual members of the community to this can be established only in the domain of the governmental system. Thus political democracy must be established as a means of securing economic democracy."

Now, in the light of our investigations of the two types of organisations, we can see that the economic vote is the most important vote for getting the individual what he wants. That is, his every day wants. It is quite impossible for the political vote to be used to decide such matters. It is the wrong use of the political vote that has resulted in the increasing destruction of the value of the economic or money vote. All socialisation schemes, whatever their label, are an attack upon the economic vote.

Whereas the economic vote, under a system of free, competitive enterprise is a flexible device permitting the individual to have an "election" every five minutes of the day if he so desires, the political vote can only be used for laying down general rules under which the economic vote can be the most effective. We might say that the true function of the political vote is the laying down of a Rule of Law which permits the individual the greatest possible freedom to look after his own affairs - so long as he does not interfere with the legitimate rights of other individuals.

In his great book, "*The Road to Serfdom*", Professor Hayek defines the Rule of Law as follows:

It means that the government in all its actions is bound by rules fixed and announced beforehand - rules which make it possible to foresee with fair certainty how the authority will use its coercive powers in given circumstances, and to plan one's individual affairs on the basis of such knowledge.... Within the known rules of the game the individual is free to pursue his personal ends and desires."

Let us take one excellent example of the Rule of Law. We all know and understand our road laws - travel must be on the left-hand side of the road etc. There are lights at certain cross roads. Sign-boards indicate where different roads go. Every individual is free to go where he likes on the roads so long as he obeys the rules laid down. He knows that if he crosses a main intersection against a red light, he will have action taken against him. It will be noted that this Rule of Law is not restrictive. It is designed to protect every individual. It increases his freedom of action and makes for greater individual security. Now it is obviously quite legitimate for individuals to use their political system to obtain a Rule of Law for their roads - but it would be an interference with the individual's rights if the political system were used to try and compel individuals to travel on the roads only at a certain time, to lay down where the individual could go, and what route he could take. This would be what is often described as Arbitrary Law.

The political system can, for example, be used to get a reduction in taxation, but it cannot be used to decide how the individual's increased purchasing power which might result from reduced taxation, can be spent, as it is impossible for any planning board or other group to decide in advance all the detailed desires of other individuals.

The result can only be serfdom. It is the manipulation of the political vote that is being used to introduce serfdom today. And the tragedy is that it is being done in the name of democracy. We have therefore got to use the political vote - i.e. obtain genuine political democracy - to ensure that we preserve the degree of economic democracy we still possess and to expand it. Once we realise the comparatively restricted use we can make of the political vote as - compared with the economic vote, we can see why so many people say it is very hard to get the people united on any political issue, as different people want different things. It will generally be found that the different results people want are not capable of being provided by the political system, but only by the economic system. The genuine function of Government is not to pass a never-ending stream of laws for the purpose of controlling individuals, but to lay down general simple rules under which individuals can live their own lives - so long as they do not interfere with other individuals.

Dr. Monahan writes in his *"Introduction to Social Credit"*:

"The more important aspect of government is that of a general committee. It is concerned with the general framework within which the multitudinous functional activities of Society are conducted.

The first consequence of this position is that the emphasis immediately passes from law-making. No club committee is forever adding to the number of rules. Now Society in the course of some thousands of years has evolved a quite sufficient number of laws to provide for the general conduct of Society. It is only when some new development, such as the introduction of some major new invention, disturbs the general equilibrium, that new laws may be necessary. The appearance of the motor car and the aircraft, for example, clearly need integrating into the existing possessions of mankind in such a way as to enhance rather than reduce the real credit. Apart from this, it is a proper function of the Government to revise the laws with a view to removing unnecessary restraints on the freedom of the individual. As the physical conditions which limit the individual are overcome, so artificial restrictions should be eased and, so far as possible, abolished."

Hewlett Edwards has summarised this matter as follows: "...in principle, the only subject matter proper for legislation is the establishment and preservation of an agreed rule of law. That is to say, law relating to the conservation of Rights and their adjustment as between individuals (JUSTICE) and provisions against external aggression (DEFENCE), for it is such law that lays down the 'rules of the game' within which 'a man is free to live, by no man's leave'".

Major Douglas has placed on record a very profound observation to the effect while the material end of man may be unknown, he will make the most rapid progress towards that end when he is allowed the greatest power of self-determination. Those people, who advocate what is termed a Planned society, take it upon themselves to say that they know the end of man and therefore plan in advance for that end. They conceive of a fixed, rigid Society, controlled by central planning authorities who know what is "good for the individual". Social Credit is opposed to the conception of rigid planning from above, planning imposed upon the individual, and conceives of life as an unfolding process - or what is termed Organic growth. The Social Crediter says that it is impossible to predict how the individual will develop, but that the rules of Society should be framed to allow him to develop organically.

It is those people who have no faith in the individual, who are apparently afraid of development which has no fixed end, who are advocates of planning of all description to fix the end of man.

These are the people who have made the political system an instrument of serfdom.

Man is a spiritual being; he possesses creative initiative and the fundamental ideas of Social Credit are concerned with a re-birth of those spiritual realities which have been the basis of our Western Christian civilization.

In "*The Tragedy of Human Effort*", C.H. Douglas writes on the question of the strategy necessary to make the political system serve the individual:

"To understand what I believe to be the only effective strategy to be pursued, we have, first of all, to recognise that though we do, beyond question, possess the rough machinery of democracy, we do not use it. It is not democracy of any conceivable kind to hold an election at regular or irregular intervals for the purpose of deciding by ballot whether you will be shot or boiled in oil. It is not democracy of any conceivable kind to hold an election upon any subject requiring technical information and education. Nothing could be more fantastic, for instance, than to hold an election on say, whether aeroplanes or airships would be better for the purpose of defence, or for any other purpose... the first requisite of a political democracy is that its operation shall be confined to objectives, not to methods."

The function of the electors is to state what results they want and to make individual members of parliament personally responsible for getting those results - or suffer the consequences. Now, it is easy to see that the party system as organised at present, is one of the major choices being used to prevent the electors from getting the results they desire from their political institutions. The modern party system merely allows the electors the choice of different roads leading to the same objective. It divides them into warring groups arguing about methods to the exclusion of results desired.

It might be pointed out here that the modern, highly centralised party system bears little resemblance to the British party system of last century.

As we have seen, in a genuine democracy, power should reside in the electors. One might, therefore, ask why the electors are not using that power to get what they want. The fact is, that the function of the elector has been entirely misunderstood. He is asked to choose between technical programmes, or, in other words, he is an arbitrator. Now, in this respect, 'one man, one vote', seems obviously absurd. It is quite ridiculous to agree that a typical waitress or a Professor of Greek can ably sum up the pros and cons of such things as 'quotas', 'nationalisation', or, for that matter, how the present obsolete monetary system could be reformed.

But, as any dictionary will indicate, democracy is the root of power, not judgment. It is power which should be drawn from the elector's will, not judgment from his intellect. That is the common ground upon which all men can meet. All of us, whether professor or waitress, business man or farmer, want the same results. We want the security and freedom which the modern world could easily give us. Obviously, then, we must use the power that we possess as electors to unite upon a demand, and tell our Members of Parliament what results we want.

It is surely obvious that there can be no genuine political democracy unless the individual Member of Parliament is personally responsible to his electors, and to no one else. This does not exclude him from being a member of a Party, but it ensures that the Party does not dictate instead of serve.

Douglas has said: "...it has been demonstrated that a different form of organisation can be brought to bear, not upon the political organisation, but upon the individuals who comprise it".

Social Crediters are concerned with creating "this different form of organisation" - that is, appropriate organisations to enable the individual to control his various political institutions.

As we saw earlier in this Course, the Social Crediter must be a Social Engineer. He must first make himself competent to give correct advice and information. He can then seek out those members of the community, particularly those holding responsible positions, who have problems and make suggestions to them as to how these problems might be tackled. The effective Social Crediter is always seeking to increase his prestige and integrity in the community in which he lives; to get himself recognised as a competent person to whom the members of the community can take their problems. As crisis follows crisis in our disintegrating civilization, every Social Crediter should be working to prove to his fellows that he can help provide them with that genuine leadership which Christ spoke about. The ineffective and dangerous Social Crediter - if he can be termed a Social Crediter - is the well known "credit-crank" who insists on ramming his monetary reform views down the throats of other people on every possible occasion. Social Credit touches every aspect of human activity, so get people interested by discussing the issues THEY are interested in.

The following are some of the basic issues upon which Social Crediters should be concentrating their attention:

1. The destruction of responsible Government by increasing political centralisation and the delegation of Parliamentary authority to an irresponsible bureaucracy which controls the individual by Regulations and decrees. It is necessary to understand clearly the process of what Lord Hewart, in his great classic "*The New Despotism*", termed "bureaucratic lawlessness". The fact that a Government has to delegate power is a clear indication that it is trying to handle matters which should be handled by local governments or which do not come under the control of the political system.
2. The destruction of the value of the economic vote by heavy taxation for increasing Government activities, compulsory "Welfare State" schemes, and the gradual elimination of free enterprise.
3. The destruction of genuine individual Rights, which have been safe-guarded by Common Law in all English speaking countries. Here in Australia we also have a written Constitution which has been a barrier to the lust for centralised power at Canberra

Unless the Social Crediter can deal effectively with all matters relating to the above issues, he cannot be termed competent.

If political democracy is to be made a reality, it is absolutely essential that the initiative in all policy-making come from the electors themselves. It is surprising what interest can be generated in an issue by only one or two electors taking action. These active electors, those who resist totalitarian policies, should be sought out by the competent Social Crediter and shown how to fight. In the last analysis, it is only that great spiritual attribute of man, the desire to be free, and individual initiative, which can result in the destruction of the great super-structure of totalitarianism that is being erected all over the world.

SOCIAL CREDIT TRAINING COURSE

QUESTIONS ON LECTURE 3

1. What is the true purpose of the free enterprise economic system?
2. What is the true purpose of the Governmental system?
3. Give examples of policies which are destroying economic democracy.
4. Do you think that centralised planning must inevitably lead to some form of tyranny?
If so, why?

ANSWERS TO QUESTIONS ON LECTURE 3

1. The true purpose of the free enterprise economic system is to provide the most flexible and automatic mechanism through or upon which the money vote can operate to assist in bringing about true economic and social democracy.

2. The true purpose of the governmental system is to establish rules that will guarantee the right of individuals, one with another, the rights of individuals in relationship to society (association) and in the relations of one group to another group.
The governmental system is, or should only be, concerned with the general framework only, within which the multitudinous activities of a genuinely free society are conducted.

3. Examples of policies which are destroying economic democracy are:
 - (1) Political centralization
 - (2) Government by regulation and decree
 - (3) Heavy taxation
 - (4) "Welfare State" schemes
 - (5) Increased government activity in detailed economic activities resulting among other things in the squeezing out of free enterprise

4. Centralized planning not only must lead to some ultimate form of tyranny but is a tyranny in itself because it suppresses freedom of individual initiative within the framework of true law.

All tyranny is that which robs the individual of power in association with others to determine policy.