"All that is necessary for the triumph of evil is that good men do nothing . . ." — EDMUND BURKE.

THE NEW TIMES SURVEY

THE AUSTRALIAN LEAGUE OF RIGHTS

Vol. 17 No. 11 Registered Australia Post - Publication PP343214 / 00016 November 2016

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A SOCIAL CREDIT PROCLAMATION by M. Oliver Heydorn

The financial system, that is, the banking, cost accounting, and tax systems, can either serve the common good, or else it will serve an oligarchic elite at the expense of the common good.
The present system serves, to a greater or lesser degree, an oligarchic elite.
Ever-increasing indebtedness, the rising cost of living, heavy taxation, environmental damage and decay, lack of leisure, poverty and social unrest, physical and psychological ill-health, and incremental totalitarianism are the price we pay for running the financial system as a privately owned, self-serving monopoly.
In order to restore the financial system to its proper place as a humble servant of the genuine interests of the common citizens, it is not necessary to nationalize the banks nor to alter, in substance, the nature of their day-to-day operations.
All that is needed is to prohibit the banks from filling, as they do at present, the economy's underlying price-income gap with additional debt-money and to fill that gap instead with 'debt-free' credit issued directly (in the form of a National Dividend distributed independently of work status) and indirectly (in the form of a National Discount on retail prices) for the benefit of each citizen.
To this end, Social Credit proposes the establishment of a National Credit Office, free from political manipulation, to monitor and regulate a country's financial system in line with what would be a truly common and mutually supportive monetary policy.

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SOCIAL CREDIT CALLS FOR A NATIONAL DIVIDEND by Betty Luks

First it needs to be made clear Social Credit does not support any proposal funded by taxation or further government debt. Social Credit calls for another way.

Elizabeth Holter set out for her readers a primer on Social Credit: "*The A.B.C. of Social Credit*" (first printing September, 1934).

The Purpose Of Social Credit
An ancient rule reads, "Give to him that asketh." Social Credit is the fulfilment of that law.
Most thoughtful people are agreed that the root of our economic troubles today is under-consumption— not inability to produce, but inability to consume.
Our factories and farms are equipped and ready to turn out in profusion the things that we need and want.

But mere capacity to produce is not enough. Actual production is halted because producers are waiting for orders. The consumer is not at fault. He is anxious and willing to buy, but he lacks the purchasing power, in the form of money which is necessary to make his demand effective. The result is, that while producers' shelves are overflowing with unsold stock, and farmers' produce is going to rot, we all have to go without what we want, and many people are being deprived of even the necessaries of life.

The purpose of Social Credit is to supply this shortage of purchasing power which is holding up industry, thereby securing economic independence for every one of us, through enabling the community for the first time to make use of the great resources which have been provided by nature and science, but of which we are not availing ourselves at the present time.

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This is indeed a high aim, but by no means one that is impracticable or even difficult of achievement when the existing physical possibilities of abundance are taken into consideration.

The Past And The Present

The last 150 years (remember this was written over 80 years ago…ed) have transformed the world. Before James Watt, in 1774, invented the first practical steam engine, the struggle for existence required all man's time and energies. In the days of individual production, implemented only by hand labour, scarcity was never far removed, and always to be reckoned with. Today, as countless statistics have shown, many of our machines can do the work of ten men, many the work of ten times that number, and the problem of satisfying material wants in abundance is definitely solved. And yet the phantom of scarcity stalks the land, a terrifyingly real flesh and blood creature to the deluded millions who can never be certain of their next meal.

"The conditions of poverty which people were once prepared to accept as the natural order of things are completely intolerable in a world where wealth is daily destroyed because its distribution does not pay its owners."*

* *New Statesman and Nation —February 24, 1934.*

The Method Of Social Credit

The problem today is no longer then the age old one of how to produce enough, but the comparatively new one, namely, the distribution of plenty. It is with this new problem that Social Credit deals.

Recognizing that under our present economic regime, money is the exclusive medium of distribution, Social Credit proposes to make the necessary changes in our financial system which will enable it to function as an effective agency of distribution. This, and the other Social Credit proposals while undoubtedly far reaching in their effect on many features of our present day economic structure, nevertheless avoid all necessity for the abolition of private ownership, the destruction of the price system, the suppression of individual initiative, the nationalization of industry, or the imposition of any form of regimentation, whether soviet or fascist.*

**What is Social Credit?* Published by the New Economics Group of New York.

A system adapted to the purposes of Social Credit would reflect the true facts of this country's actual and potential wealth, available to all, instead of, as at present, mysteriously obscuring them by the abracadabra of high finance.

In contradistinction to the conservative or orthodox point of view, Social Credit follows the principle that progress is achieved through a constant departure from precedent, or more accurately, that the means of dealing with circumstances must be adapted to the change in circumstances. It is the natural course of evolution to apply new methods to new situations…

Read in full - https://www.alor.org/Library/Holter%20ES%20-%20The%20Abc%20Of%20Social%20Credit.pdf

Social Credit table talk: https://youtu.be/aUN_1mhXNLo

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LEST WE FORGET: REMEMBRANCE DAY 11 NOVEMBER 1918

As Australians take a minute to remember those who have paid the ultimate sacrifice in two world wars it is important that the Causes of War are brought to our attention. After all, it is our young men and women who have been maimed and wounded, who have given their lives.

WAS DOUGLAS WRONG IN 1943?

In *Programme for the Third World War* (XI), (The Social Crediter Vol10, No.15 June 1943) C.H. Douglas wrote of his BBC "Causes of War" broadcast experience:

"About four years before the outbreak of the second world war, seven broadcasts on "The Causes of War" were delivered from London, one of which it was my fate to give…

I suppose two thousand millions of individuals are affected by the present war. I should place the number of individuals who would be quite unable to say with approximate accuracy what it is about at roughly nineteen hundred millions, so we are left with this simple alternative.

Either the total population of the world likes war without knowing what it is about; in which case it is obviously absurd to do anything to abolish it, or, on the other hand, we can find the causes of war if we examine the actions of a minority hidden amongst less than a million individuals….

It appears to me (but, of course I may be wrong) to be elementary and incontestable that it wouldn't really matter much what this minority did or thought, if they were not in control of mechanisms which enabled them to force the other nineteen-hundred millions to take part in a war they didn't understand and didn't want. If I am not wrong in this, it appears equally incontestable, that you can prevent war amongst the nineteen (million-ed) if you destroy the power of the small minority over them.

For my own part, there is no spectacle I should applaud more heartily than the outbreak of war amongst the minority, and I should do everything to see that it lasted as long as possible and broke out again with the shortest possible intervals.

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Now it is equally incontestable that every effort possible is being made to increase, and in fact, render impregnable, the power of this minority over the majority.

Unless there is some flaw in the argument which has escaped me, war is even more certain to be universal and devastating, as a result of this increased concentration of control, than it was in 1939…. As Lionel Gerber says in his book, *Peace by Power*, "Power never vanishes. If you do not wish to retain or wield it, somebody else will. You may feel the effects of power as a passive recipient; you may deal with it as an acting agent. There is no escape, no immunity - none so far above the battle that by it he, too, is untouched".

And to interpolate one word into Lord Acton's famous observation, "All (delegated) power corrupts, and absolute Power corrupts absolutely." To which the Chatham House gang would no doubt reply, "So what?"

Really, this matter is quite simple if we can convalesce to even a moderate extant from our "education". It is not necessary to rely upon such statements as that of M. Francois Coty, "that the world is governed by less than four hundred men, every one of whom knows all the others." Such a statement has its value, because it suggests a source from which to obtain the names of the specific four hundred.

But the general fact is observable by anyone. Take the "fetish of efficiency" to give it a technical name, and put it alongside "the problem of full employment," to give that another. Take the "peace comes from Law backed by overwhelming force" racket, and put it alongside our declaration of war to preserve the sovereignty of Poland.

Take the statement of the Secretary of the Royal Institute of International Affairs (Chatham House), Dr. Arnold Toynbee, at Copenhagen in I931, that "we are working discretely but with all our might to undermine the sovereignty of our respective nations," and consider that this egregious collection of pink intriguers was carefully evacuated to Oxford at the beginning of the war, and its staff is being paid by the British public, which is spending fourteen million pounds a day and has already had a million casualties to preserve that sovereignty which Dr. Toynbee boasted of attempts to destroy…"

Read in full here…..
The Social Crediter -Vol.10 No.15 19 June 1943
http://alor.org/The%20Social%20Crediter/Volume%2010/The%20Social%20Crediter%20Vol%2010%20No%2015%20June%2019%201943.pdf

Hands up those who are for sending our party politicians, big business leaders and big bankers to fight the next world war? And, just like the "egregious collection of pink intriguers" of the 20th century, we the people in the 21st century want to be transported to safe havens while this world-planning gang do all the fighting!

- Major C.H. Douglas on "Causes of War" - part 1 - YouTube
- Major C.H. Douglas on 'The Causes of War' - part 2 - YouTube
- http://social-credit.com/index.html

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GOOD – BETTER – BEST - NEVER LET IT REST TILL…by Betty Luks

Following a discussion thread by Social Crediters can at times prove very enlightening and this proved so with a chap named Greg and others.

Wallace Klinck had posted a comment to the *Distributive Review* website 23 August 2016 :http://distrbutistreview.com/productivity/comment which he also shared with the discussion group:

Return to Order: Metaphysical and Philosophical Aspects of Social Credit

There appear to be some very serious misconceptions about the nature of our financial and economic system. From a metaphysical or philosophical aspect the problem arises from an erroneous assumption that salvation is to be found in work - an assumption diametrically opposed to the Christian Doctrine of Salvation through Grace, which is not earned but a Gift. Our financial and economic system is firmly based upon the false Doctrine of Salvation through Works. It is technically and mathematically defective and as has been said, even an army of angels could not administer it successfully.
In order to achieve a balanced society it is necessary to have a balanced price-system.

(1) The purpose of a rational economy is not to create work, i.e., "jobs", but rather to produce goods and services for society as, when and where required with maximum efficiency and an absolute minimum of inconvenience for all concerned. Perverting the economy to create work, rather than eliminate it, is irrational, entrenches inefficiency and derives from the false and domineering philosophy known as "Puritanism", i.e., the desire for power over individual human activity. At worst it is the basis of tyranny; at best it is pure superstition.

(2) It is sometimes wrongly implied that profit is the source of our problems and that a form of profit-sharing from the proceeds of industrial sales under existing conventions of price-making will ensure that labour derives its "fair" recompense for effort expended on the manufacture of goods or provision of services.

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This a major and fatal error insofar as it is based upon the false assumption that the price-system is essentially balanced, i.e., that the act of production distributes in each costing cycle sufficient consumer income to liquidate the financial costs of that cycle. This is a scientific, technical or analytic error.

The financial price-system is not only not self-liquidating but increasingly not so as the economy is made more efficient by means of labour-saving and eliminating technology and improved "tools" or real capital. The rate of flow of industrial costs and prices increasingly exceeds the rate of flow of consumer incomes which are required to liquidate the costs of production. **Re-distribution of an increasing insufficiency cannot make a sufficiency.**

(3) Labour does not create all wealth and works with tools originating in past discovery and development to create both more consumer wealth and real capital or "tools". Indeed, in the modern economy labour or human energy plays an increasingly diminishing role in production, *per se*. The notion that all wealth derives from labour is grossly in error and is Marxist in nature. The production of consumer and capital goods derives from the interplay of energy provided by nature, materials provided by nature, capital tools provided from past production and decreasingly from the current input of human energy. This productivity is enormously enhanced by knowledge and technique which has accumulated from the dawn of history and has become what we call the "cultural heritage", which cannot be claimed by any individuals or classes and belongs to society as a whole. **Labour from the past becomes crystallized capital which itself takes on over the passage of time a productive force of its own and becomes a much greater factor in production relative to human labour.**

(4) The assumed fact that "labour" is insufficiently rewarded is true only insofar as it is true also of all citizens which are entitled in aggregate to access the full flow of consumer goods as these emerge from the production line. Labour deserves it own remuneration but all citizens including labour are entitled to an inalienable and equal share or inheritance in the wealth that has been made possible by the "cultural heritage". **The existing financial methods of industrial costing and national accountancy have no mechanisms by which to deliver this inheritance or what we might call the "wages of the machine" to the community at large.**

(5) Currently, distribution is partially effected by means of earned incomes which are grossly and increasingly insufficient to purchase the product of industry in any given costing cycle. Costs and prices continue to spiral in excess of wages, salaries and dividends. We endeavour to overcome this difficulty by creating new purchasing-power in the form of bank loans extended to consumers, by increasingly irrelevant, wasteful and even destructive production such as war materials and excess real capital and for promoting exports in excess of imports. While loans allow goods to be claimed, being a debt they do not finally liquidate the costs of production but merely transfer these as an increasing and inflationary mortgage on future production, which is no liquidation at all.
The fundamental economic flaw is that the financial price-system is not self-liquidating and every genuine advance in efficiency which increases the capital component of cost and prices relative to labour costs make it evermore non-self-liquidating.

(6) The primary cause of the economic problem is that the banking system claims ownership of the credits which they create to monetize the wealth of the nation, which wealth they do not create but will foreclose upon in the case of non-performance of a loan. The technical name for this is counterfeiting and governments legalize the process by issuing charters to the banks to create and issue the nation's money in this manner as debt only.

(7) Banks do what banks do. This results in accumulating private and public debts which increasingly burden society. What is required is that the Government must issue sufficient money without debt to bridge the widening chasm between consumer prices and incomes.

The banks are doing this all the time, although in an irregular manner which causes cumulating debt and pendulum swings in the economy wherein they make large foreclosures when they contract credit and bankrupt both producers and consumers in an alleged attempt to slow or eliminate the inflation which they have caused in the first place by their wrongful claim to ownership of the community's credit. What has happened is that the banks have appropriated the communal capital which actually belongs to society at large.

The consumer is being quite properly charged with capital depreciation but wrongfully not credited with capital appreciation, which greatly exceeds capital depreciation. **The solution to the economic conundrum lies in recovery of the communal capital and its restoration to each citizen an inalienable inheritance.**

(8) The new consumer credits must be issued without debt, merely being debited from a properly and actuarially determined National Credit Account, being an estimation of the real credit of the nation, i.e., the available natural, capital and human resources which constitute its ability to produce goods and services and which if used might result in prices.

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These consumer credits must be issued as:

1. National (Consumer) Dividends equally and unconditionally as an inalienable inheritance to all citizens, and

2. To finance Compensated (lowered) Retail Prices at point of sale. Compensated Prices would be determined by application of a universal factor applied to all consumer sales, derived from the ratio of national consumption to national production in any given accounting cycle.

(9) In this manner consumers at large would always have access to all final production as it flows from the production line, all retailers would be able to recover their costs and repay their outstanding production loans with the banks. Falling prices would reflect actual lowering of real costs through increasing efficiency. Having balanced price-systems would eliminate the need for increasing personal and public debt. Nations would no longer seek to compensate an increasing deficiency of domestic purchasing-power by producing an evermore superfluous and unnecessary volume of capital and consumer goods merely to distribute incomes available to purchase goods made in previous production cycles - nor would they be forced to compensate their internal lack of purchasing-power by engaging in futile efforts in increasingly competitive foreign markets to export more than they import – a practice which is the major cause of international friction and war.

If we want "balanced" societies and a peaceful world, we must establish balanced price-systems. "Good intentions", in and of themselves, will not suffice. Indeed, as the saying goes, they often pave the road to hell.

To Which Greg responded:

Wally contends that:
(a) The purpose of a rational economy is not to create work, i.e., "jobs", but rather to produce goods and services for society as, when and where required with maximum efficiency and an absolute minimum of inconvenience for all concerned.

In fact, work is about much more than that. Man finds dignity in work, one reason why the depression rate among the long term unemployed is about triple the general population. Dignity, status, social connections all accrue from work. Usually organized as "jobs" in our economy. Work also earns bread, and without jobs the law-abiding have no bread (literally and/or figuratively). So a just economy, one that gives each what is due, should provide work for all. The work should be, to use a Marxist phrase, "socially necessary" and justly compensated.

Speaking of Marx, is the labour theory of value really Marxist in nature. If so, Adam Smith and David Ricardo, proponents of the labour theory of value, must also be "Marxist in nature?"
Should we really believe that?..."

It eventuated that Greg was banned from contributing to the group discussion. No, the banning was not because of the above email, but that is another story. But one of his comments did send me to my copy of Owen Barfield's *Saving the Appearances* already noted on the Crossroads.blog: "Who hath ears to hear, let him hear!" Along with Owen Barfield's "Saving the Appearances" I found Verlyn Flieger's *Splintered Light* of immense help.

Flieger had studied J.R.R. Tolkien's fiction in the light of Owen Barfield's linguistic theory of the fragmentation of meaning and went on to demonstrate Tolkien's use of Barfield's linguistic theory.
In her expanded and updated edition of "*Splintered Light*" Flieger, a professor of English at the University of Maryland, showed how Tolkien's central image of primary light splintered and refracted acts as a metaphor for the languages, peoples and history of Middle-earth.

Professor Flieger contends:
"... Barfield's theory holds that myth, language, and humanity's perception of the world are interlocked and inseparable.

The word myth in this context must be taken to mean that which describes humankind's perception of its relationship to the natural and supernatural worlds.

Words are expressed myth, the embodiments of mythic concepts and a mythic worldview. Language in its beginnings made no distinction between the literal and the metaphoric meaning of a word, as it does today. Indeed, the very concept of metaphor, or one thing described in the terms of another, was nonexistent. All diction was literal, giving direct voice to the perception of phenomena and humanity's intuitive mythic participation in them.

The modern distinction between the literal and metaphoric uses of a word suggests a separation of the abstract from the concrete, an abstracting of qualities from one thing in order to bestow them on another. This, says Barfield, must surely have been a late development in the history of language. Humankind in its beginnings had a sense of the cosmos as a whole and of itself as a part of that whole, a sense that has long since been left behind. We now perceive the cosmos as particularized, fragmented, and entirely separate from ourselves. Our consciousness and the language with which we express that consciousness have changed and splintered. In that earlier, primal worldview..."

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Good, Better, Best… Never let it rest till….

But let's go to The Mystery of the Kingdom, chapter XXV of Barfield's *Saving the Appearances*. Barfield writes:

"… It was pointed out in Chapter XXIII that the attainment by humanity of a new moral standpoint may mean doing violence to moral judgments. Some violence is inevitable when men are called on, in any sphere, not to correct their previous ideas by removing some error, but actually to move forward to a new plane that includes, rather than replaces, the old. In the moral sphere, what was until now simply 'good', is seen for the first time no longer as an absolute, but also as the enemy of a better - and yet it has still also to be grasped as good.

This 'tragedy of progress', as I called it, is the source of most of the 'hard sayings' in the Gospels. Consider for instance the parables of the labourers in the vineyard, and of the prodigal son. Our deep-rooted feeling for the goodness of justice and equity has to be outraged, because we are being beckoned towards a position directionally opposite to the usual one; because we are invited to see the earth, for a moment at all events, rather as it must look from the sun; to experience the world of man as the object of a huge, positive outpouring of love, in the flood of whose radiance such trifles as merit and recompense are mere irrelevancies…"

But it is what Barfield had to say that summed up what is a problem, not just for Greg but many another when they first approach the body of knowledge known as Social Credit. I have read that Douglas was once asked "What is moral?" To which he replied "That which works best!" And I would venture to say that this is Greg's (and many another's) problem. The whole idea of 'something for nothing' (other than the Grace of God in theological terms) just goes against his grain (his underlying theology and philosophy).

Let's repeat it: "Some violence is inevitable when men are called on, in any sphere, not to correct their previous ideas by removing some error, but actually to move forward to a new plane that includes, rather than replaces, the old. In the moral sphere, what was until now simply 'good', is seen for the first time no longer as an absolute, but also as the enemy of a better - and yet it has still also to be grasped as good. This 'tragedy of progress', as I called it, is the source of most of the 'hard sayings' in the Gospels."

What's the little verse? "Good better best. Never let it rest till your good is better and your better best!" ***

A NATIONAL DIVIDEND VS. A BASIC INCOME – SIMILARITIES AND DIFFERENCES
by M. Oliver Heydorn

Source: http://www.socred.org/index.php/blogs/view/a-national-dividend-vs-a-basic-income-similarities-and-differences

At the height of the Great Depression, the founder of the Social Credit movement, Major Clifford Hugh Douglas (1879-1952), described the proposal for a National Dividend in the following terms:

We believe that the most pressing needs of the moment could be met by means of what we call a National Dividend. This would be provided by the creation of new money – by exactly the same methods as are now used by the banking system to create new money – and its distribution as purchasing power to the whole population. Let me emphasise the fact that this is not collection-by-taxation, because in my opinion the reduction of taxation, the very rapid and drastic reduction of taxation, is vitally important. The distribution by way of dividends of a certain percentage of purchasing power, sufficient at any rate to attain a certain standard of self-respect, of health and of decency, is the first desideratum of the situation.[1]

The basic idea behind the National Dividend was this: just as a private company may distribute its profit to its shareholders in the form of dividends, so too can a nation monetize its macro-economic profit and distribute the usufruct to its citizens.[2] The issuance of such a dividend would transform the whole of society into a gigantic, profit-sharing co-operative.

The focus of this post revolves around the following questions: **Is the National Dividend, as proposed by Douglas, just another version of a 'Basic Income Guarantee'? Why or why not?**

The BIG has been defined as "a government ensured guarantee that no citizen's income will fall below the level necessary to meet their basic needs for any reason."[3]

Like the Basic Income Guarantee, the dividend is universally inclusive. It covers each citizen by being distributed to each citizen.

Like the Basic Income Guarantee, the dividend has no work requirement or means test. It is issued unconditionally.

However, and this is the key difference as far as the definition of the BIG is concerned, the dividend is not guaranteed, either to sustain the income of citizens at the level that is required to meet their basic needs, or even to sustain their income at some minimum level that is fixed by government decree.

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Since one of the three conditions that are independently necessary and jointly sufficient for correctly defining the concept of a Basic Income Guarantee is not met, it should be clear that the Social Credit proposal of a National Dividend does not qualify, strictly speaking, as a genuine instance or example of the BIG. Even so, it is expected that, under normal conditions, the National Dividend would meet all of the objectives of a BIG and would do so in a better and more sustainable manner. It is for this reason that the National Dividend is worthy of the attention of BIG advocates.

In order to understand why the National Dividend is not a guaranteed income, one must first comprehend the very particular financial and economic context within which the proposal for a National Dividend was first developed. In other words, a proper understanding of the National Dividend requires a proper understanding of Social Credit.
Unlike many, or indeed most, basic income guarantee proposals, the National Dividend is inextricably linked to a programme of monetary reform and that programme serves an economic policy that would rehabilitate the entire economic and social orders.

Social Credit claims that the fundamental problem with the modern, industrialized economy is the fact that the rate at which prices are built up in the course of production is greater than the rate at which incomes are distributed to consumers. In other words, *Say's law* does not hold. Our economies are plagued by a chronic deficiency of consumer buying power.

There are many factors behind this macro-economic price-income gap, such as profit-making (including profits derived from interest payments on bank loans), net savings, the re-investment of savings, deflationary bank policies, and taxation, but the principal cause has to do with the ways in which real capital (i.e., machines and equipment) is financed and the ways in which its costs are then accounted for under the existing banking and cost accountancy conventions.

Whenever real capital is manufactured or replaced, the costs that are built up on account of capex charges (i.e., the repayment of capital loans to banks) and opex charges (i.e., charges for depreciation, obsolescence, maintenance, etc.) exceed the incomes that are simultaneously being distributed to consumers.

Naturally, this gap must be filled in one way or another if the economy's circular flow is to attain some kind of equilibrium. The failure to achieve such a balance will result in bankruptcies, forced sales, economic stagnation, or even contraction.

According to Social Credit theory, the present economic and financial systems attempt to fill the gap by relying on continual increases in public, business, and consumer debts. Additional money must be borrowed into existence from the banks (which create the bulk of the money supply *ex nihilo*) in order to increase the volume of consumer purchasing power. This leads to the build-up of an ever-increasing mountain of societal debt that, in the aggregate, can never be paid off. In the United States, for example, the total debt outstanding is estimated at 59.3 trillion dollars, while the GDP is only 17.4 trillion and the money supply (M2) is 11.8 trillion.[4] The excess of debt over money is a partial record over time of the recurring gap between prices and incomes.

Government production on things that the consumer does not buy or won't pay for in the same period of time, or business production on capital goods or goods for export can help to increase the rate of flow of consumer incomes without simultaneously increasing the rate of flow of final or consumer prices. Loans to consumers involving the creation of new debt-money from the banks increase consumer purchasing power in an even more direct manner.

Instead of filling the gap with additional debt-money, Douglas proposed that the gap be filled with 'debt-free' money and that it be distributed directly or indirectly to the citizens. The indirect payment is known as the compensated price or the National Discount in Social Credit literature, while the direct payment is the National Dividend.

Allow me to stress that unlike many, if not most, basic income proposals, the dividend is not funded via redistributive taxation or by an increase in public debts, but rather by the creation of new money entirely free of debt - or of any other costs. From a Social Credit point of view, if the main defect with the economy is that there is a chronic lack of liquidity in the form of consumer incomes, redistribution is not going to solve the problem. You do not make an insufficient flow of income larger by redistributing it. What is needed is an increase in the flow of consumer incomes.

As a matter of fact, the dividend allows us to kill two birds with one stone. The particular phenomenon, which, on a physical plane, is responsible for technological unemployment, i.e., the displacement of labour by machines, is the same phenomenon which, on a financial plane, generates an ever-increasing gap between the rate of flow of consumer prices and the rate of flow of incomes that are distributed in the course of their production.

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The dividend solves both problems. On the one hand, it allows us to fill the price-income gap in a way that restores a real or self-liquidating equilibrium to the circular flow. On the other hand, the dividend also ensures that all of those individuals whose labour is no longer required in the formal economy will nevertheless receive an income enabling them to have access to goods and services.

Thus, unlike the Basic Income Guarantee or the vast majority of basic income proposals, the dividend is not tied to 'full employment' as a fixed policy. If an economy is physically capable of providing everyone with all of the goods and services that they need to survive and flourish without calling on the full capacity of the available labour force, then the amount of the dividend need not be artificially restricted so as to maintain the positive incentive to work. The fewer the labour hours that are physically necessary to provide for our genuine needs, the better off we will all be because we could then enjoy the decrease in the need to work in the form of increased leisure.

But why isn't the National Dividend a guaranteed income?

Since the basic structural purpose of the dividend is to help fill the recurring price-income gap, the volume of the dividend is directly tied to the size of that gap. Large gap, large dividend. Small gap, small dividend. No gap, no dividend.

In a very primitive industrial economy, the dividend that would be necessary to help bridge the gap would be correspondingly small in terms of its buying power and would not be sufficient to meet the basic needs of citizens.
In an economy that was experiencing rapid industrialization, it is even possible that the dividend could be non-existent. If the additional incomes that were being distributed on account of ever-increasing capital production temporarily filled or even exceeded the underlying gap between consumer prices and consumer incomes, there would be no gap to bridge until the feverish level of capital production had been cut back and hence no need for the creation and issuance of 'debt-free', compensatory credit.

Now, all of that being said, it is nevertheless anticipated that, in the case of a mature, highly industrialized economy, the dividend would be sufficient on an on-going basis to meet the basic needs of every citizen. Despite being 'cabined, cribbed, and confined' by current financial policy, our true or physical productive capacity is enormous. Indeed, the purchasing power of the dividend should be continually increasing as more efficient methods of production involving the progressive replacement of labour by machines are introduced. Even in this scenario, however, the amount of the dividend could not be guaranteed in any absolute sense.

If, God forbid, a highly industrialized economy were to suffer from some kind of natural or man-made catastrophe, and much production were destroyed, the gap between total consumer prices and distributed incomes could be reduced or even eliminated. If such an unlikely event were to occur, the dividend would have to be correspondingly decreased or suspended in order to maintain a balance between the rate of flow of consumer prices and the rate of flow of consumer incomes.

It is my conviction and the conviction of Social Crediters that the National Dividend would provide basic income supporters with the result that they most desire, i.e., the abolition of poverty for all practical intents and purposes, and would achieve this without penalising anyone or increasing public indebtedness.
At one and the same time, the dividend would contribute to a number of knock-on benefits that are associated more generally with the Social Credit monetary reform. Such benefits would include the elimination of the following phenomena: the recurring cycle of boom and bust, inflation, the build-up of unrepayable debts, forced economic growth, economic inefficiency, waste, and sabotage, the centralization of wealth and power in fewer and fewer hands, social conflict, environmental degradation, aggressive trade policies leading to military war between nations, and oppressive levels of taxation alongside increasing government interference in the economy.

See also: The (Big!) Difference Between a Basic Income and the National Dividend: http://www.socred.org/index.php/blogs/view/the-big-difference-between-a-basic-income-and-the-national-dividend

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[1] C.H. Douglas, *Money and the Price System* (Vancouver: The Institute of Economic Democracy, 1978), 11.
[2] The macro-economic profit is the surplus of ultimate or consumer goods produced over the consumer goods that can be bought with the incomes that were distributed over the same period of time by all productive activities.
[3] www.usbig.net/whatisbig.php
[4] Cf. www.usdebtclock.org. M1 is around 2.9 trillion, cf. http://www.federalreserve.gov/releases/h6/current/

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PLEASE NOTE THAT NATIONAL WEEKEND DVDS WILL BE AVAILABLE IN THE NEW YEAR