

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



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**VALE Mrs Barbara Treloar:** We recently learned of the passing of veteran activist Queenslander Mrs Barbara Treloar. Barbara was a staunch Monarchist and supporter of the Australian League of Rights and author of the booklet "Fleeced" being a report on the sell out of the Queensland wool industry. In 1978 Barbara wrote: "Already the fallibilities in global planning are becoming obvious. At least twenty great civilisations have preceded our own. Each started from a small struggling beginning, grew, flowered, prospered and produced nobility, and then began to decay. Archaeologists have unearthed enough shards of pottery and ruins to tell their history. We have enough documentation to indicate that all collapsed for the same reason; the centralisation of power and its inevitable corruption." Rest in Peace Barbara, you served your country faithfully.

## IN THE PURSUIT OF TRUTH By Betty Luks

Douglas never allowed students of his writings to go for long unreminded of his own firm conviction that the basis of all unconstitutional intrigue and revolution was the force or motive-power of cultural - more narrowly termed class - jealousy; in the jargon of modern psychology, the inferiority-complex. He saw it as an irreverent and vicious attack on Quality, as such; the satanic hatred of the naturally inferior mentality for the naturally superior.

This is the fundamental human conflict; the still-unresolved world issue, expressed symbolically in the story of the rebellion of Satan, and his expulsion from heaven, - "like lightning from the sky," - and historically typified in the circumstances of the earthly career of Jesus of Nazareth. It was the objective of this career, the function of its circumstantial events, to prove the present reality of what he called The Kingdom; showing it to be neither more nor less than an understanding of the vital importance of Truth in the absolute, objective sense - the correct facts, whatever they might be, on this relative plane of consciousness, - as an invariable priority.

And he promised his hearers, as a practical result of this understanding, faithfully followed out, that "all these things," - desirable and satisfying effects of every conceivable kind, but of a secondary nature mathematically speaking, which in their human impatience they persisted in putting first, - would follow naturally and comparatively easily, having assumed their correct relationship and sequence to Truth and to one another.

Francis Bacon, in the very first paragraph of his Great Instauration (Reform) reaffirmed exactly the same idea, to which we now give the name of Induction or the inductive method. He expressed it in rather different terms, and with less authority, as became him and the circumstances; speculating, "whether that commerce between the mind of man and the nature of things, which is more precious than anything... that is on earth, might ... be restored ..."

**The First will be last . . . Theologian William Barclay asked the question:**

"What did Jesus mean when He said the first will be last and the last will be first?"

**And answered:** Jesus made the statement "many who are first will be last, and many who are last will be first" (Matthew 19:30) in the context of His encounter with the rich young ruler (Matthew 19:16-30). After the young man turned away from Jesus, unable to give up his great wealth (verse 22), Jesus' disciples asked the Lord what reward they would have in heaven, since they had given up everything to follow Him (verses 27-30). Jesus promised them "a hundred times as much," plus eternal life (verse 29). Then He said, "But many who are first will be last, and many who are last will be first" (verse 30).

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(continued from previous page) Jesus reiterated this truth in Matthew 20:16 at the end of the parable of the labourers in the vineyard, a story designed to illustrate the last being first and the first being last. What exactly did Jesus mean when He said, “Many who are first will be last, and many who are last will be first”? First, we should eliminate what He did NOT mean. Jesus was not teaching that the way to get to heaven is to live a life of poverty in this world. Scripture is clear that salvation is by grace through faith, not of works (Ephesians 2:8–9) - and independent of one’s financial status.

**Barclay continues:** When Jesus told the disciples they would be greatly rewarded in heaven for what they had given up on earth, He was contrasting their sacrifice with the rich young ruler’s lack thereof—the young man had been unwilling to give up much of anything for Christ’s sake (Matthew 19:16–22).

God, who sees the heart, will reward accordingly. The disciples are an example of those who may be first, and they happened to be poor (but their poverty was not what makes them first in heaven). The rich young ruler is an example of those who may be last, and he happened to be rich (but his wealth was not what makes him last).

The Lord’s statement that the last would be first and the first last might also have held special meaning for Peter, who had just spoken of having “left all” (Matthew 19:27). Perhaps Jesus detected in Peter’s statement a bit of boasting—Peter was on the verge of becoming spiritually complacent—as the rich young ruler was, but for a different reason. Jesus’ response in verse 30 may have been an indirect warning to Peter to always find his sufficiency in Christ, not in his own sacrifice. After all, without love, even the greatest sacrifice is worthless (1 Corinthians 13:3).

### **The Divided Brain: The Meaning of Depth and Breadth in Education**

The following comes from the work of a retired teacher who also is interested in Iain McGilchrist’s book “The Master and his Emissary”. I am of the firm opinion that early social crediters already understood most of the problems McGilchrist brings into focus in his book, but the social crediters saw further than McGilchrist – and just on a hundred years before him too!

#### **Jenny Mackness writes:**

“Depth is another theme from Iain McGilchrist’s book that I am currently exploring...McGilchrist doesn’t write about this in relation to education. Rather, in his book, *The Master and his Emissary: The Divided Brain and the Making of the Western World*, he examines the ways in which the two hemispheres of the brain attend to the world, both attending to everything, but each attending differently. Through extensive research and presentation of evidence he makes the case that we live in a world increasingly dominated by a left hemisphere perspective. In relation to the topic of ‘depth’, this is the hemisphere

that views the world as a two-dimensional representation from the perspective of a spectator, whereas it is the right hemisphere that has a three-dimensional perspective and appreciates depth. For McGilchrist depth is related to perception and a world that has depth involves seeing beyond the plane of vision (p.300).

McGilchrist also believes that it is the right hemisphere that underwrites ‘breadth and flexibility, whereas ‘the left hemisphere brings to bear focussed attention’ (p.27). Here, McGilchrist is referring to the breadth and flexibility of attention, rather than of the curriculum. What does this mean and why might it be significant for education?

**Breadth:** McGilchrist relates breadth to types of attention; the neuropsychological literature has distinguished five types of attention: vigilance, sustained attention, alertness, focussed attention and divided attention. McGilchrist writes: ‘The right hemisphere is responsible for every type of attention except focussed attention’ (p.39) i.e. a broad, flexible and global (world is the word McGilchrist uses in this context... ed) attention. What might it mean to think of breadth in education, not in terms of curriculum coverage, but in terms of flexibly using different types of attention to open ourselves up to understanding the world? McGilchrist has said that how we choose to attend to the world determines what we see. From this it follows that a broad, flexible and global attention is required for a broad perspective.

#### **Depth:**

McGilchrist, like Merleau-Ponty, believes that ‘Depth is the necessary condition for embodied existence’ (p.149). For McGilchrist depth is related to the importance of context, and an understanding of spatial depth is essential to knowing how we stand in relation to others. He writes: Depth is the sense of a something lying beyond. Another way of thinking of this would be more generally in terms of the ultimate importance of context. Context is that ‘something’ (in reality nothing less than a world) in which whatever is seen inheres, and in which its being lies, and in references to which alone it can be understood, lying both beyond and around it. (p.181).

For McGilchrist (p.183): Depth, as opposed to distance from a surface, never implies detachment. Depth brings us into a relationship, whatever the distance involved, with the other, and allows us to ‘feel across’ the intervening space.

#### **Breadth and depth in education**

Whilst educators may be familiar with the idea that depth refers deeper thinking and to digging deeper into a subject with the aim of gaining deeper knowledge, we may not be so familiar with the idea that ‘A sense of depth is intrinsic to seeing things in context’ (p.300).

More commonly, in education, depth in learning is often counterpoised with breadth.

(continued from previous page) How to balance depth and breadth of learning and the curriculum has long been a concern of teachers and curriculum designers. To what extent should students cover a broad range of subjects as opposed to covering fewer subjects in depth, and which subjects merit being studied in depth? At what point in a student's education should specialisation be introduced? As one blogger has put it, 'The exact mix between coverage and depth is elusive...' and these questions continue to be difficult to answer, particularly in the current age when specialisation may be regarded as counter-productive given the changing job market and uncertainty about the future of work.

In *Times Higher Education* (March 7, 2019) Anna McKie asks: In a rapidly changing world, is a broader approach to the university curriculum needed to develop the critical thinking and creativity increasingly sought after by employers. It is not hard to find similar reports pushing for more diversity in the curriculum. For example a recent article questions whether the Bachelor's degree is fit for purpose in the twenty-first century and concludes that there is a need for universities to 'shift their models to accommodate the lifelong learning needs of students for whom breadth of knowledge, rather than just depth, is key to a successful future.'

#### **McGilchrist has been quoted by Richard Lagemaat on Twitter as saying:**

"Our educational system .... has become specialised in such a way that it is now quite possible to become a scientist with only the most rudimentary acquaintance with the history of cultures and ideas. This is regrettable, but it is a fact."

But when McGilchrist writes about depth he is not thinking of depth solely in relation to specialisation or how this should be balanced with breadth, and he is not thinking about breadth solely in terms of curriculum diversity and coverage. Rather, he is thinking about how we attend to the world and he is concerned that in a world that is increasingly viewed from a left-hemisphere perspective, we fail to see things in context.

McGilchrist's belief is that everything is interconnected; everything is in relation to everything else. 'One must never lose sight of the interconnected nature of things' (p.154), i.e. we must not lose sight of the whole. But the thrust of McGilchrist's book is that, if the left-hemisphere's view is now the dominant view of the world (and there is plenty of evidence in his book to support this claim), this is exactly what we are losing sight of. We are losing the ability to see beyond and around the object of our attention, to see it in its full context. We are increasingly seeing it in two dimensions or even in one plane as a schematic, abstract, geometric representation of the visual world, with a lack of realistic detail. This loss of a sense of depth alienates us from the world.

We need to see through the eye, through the image, past the surface: there is a fatal tendency for the eye to replace the depth of reality – a depth which implies the vitality, the corporeality and the empathic resonance of the world – with a planar re-presentation, that is a picture. In doing so, the sublime becomes merely the picturesque. (p.373)

#### **Depth is related to the profound**

Do McGilchrist's ideas about breadth and depth have implications for education? They seem to offer the possibility of a different perspective on the meaning of breadth and depth. There will always need to be choices made about which subjects should be included in the curriculum, and whether and when students need to specialise in specific subjects. But perhaps thinking about breadth in terms of flexibility (i.e. flexibility of attention) instead of coverage, and thinking about depth in relation to the need for an appreciation of context offers an alternative perspective. Breadth and depth do not need to be opposed or even thought of in terms of balance. They are both integral to counteracting a view of the world which is dominated by the left-hemisphere's perspective, a world which we see from the perspective of a spectator as a two-dimensional representation. Instead more focus on breadth and depth, as understood in McGilchrist's terms, would encourage a view of the world as a connected whole, where everything is seen in context and there would be increased insight into the nature of complexity.

We now live in an age where we are told that 4-year old children need to learn about relationships so that they can grow up healthier and happier; that screen addicted children spend just 16 minutes a day playing outside; and that 75% of UK kids spend less time outdoors than prison inmates. Whether or not these reports are accurate, they do reflect, to some degree, McGilchrist's concerns that we need more experience of the lived world, viewing it from a broad, global perspective and experiencing it in context in three dimensions through first-hand experience, rather than through a two-dimensional screen.

McGilchrist's explanation of the meaning of breadth and depth offers an alternative perspective which could bring new insight into these issues."

Source: <https://jennymackness.wordpress.com/tag/iain-mcgilchrist/>, March 7, 2019

#### **Mackness continues:**

"It's important to stress that I am not suggesting that there is never any need for 'either/or' thinking, nor that a right hemisphere view of the world, which seems to embrace a 'both/and' approach, is the only view. As McGilchrist stresses 'Both hemispheres clearly play crucial roles in the experience of each human individual, and...both have contributed importantly to our culture. Each needs the other.' (p.6, *The Master and his Emissary*).

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(continued from previous page) We need 'either/or' and 'both/and' thinking, but these are currently out of balance.

We seem to live in a world dominated by 'either/or' thinking. The question is how to promote more 'both/and' thinking and how to acknowledge 'betweenness' as a way of being in the world."

I was intrigued by McGilchrist's statement about 'processes' and that there are 'no things' – until I searched a little further. First I learned of the way Christian theologians once wrote of their understanding of the Ultimate and Holy Trinity and His Creation.

### **BOTH/AND -- EITHER/OR**

Early social creditors well understood the importance and difference between "both/and" and "either/or" terms. The following explanation is from a business

## **THE GREAT BOTH/AND OF CATHOLIC SOCIAL TEACHING**

Father Barron displays his lack of understanding of the vital role social mechanisms play in this modern world.

As Thomas Robertson explained in *Human Ecology*:

*"No section of the organised Christian church has grasped the vital fact that men's mutual relations are no longer direct and personal, but are conditioned by the interposition of social mechanisms; and therefore all, even Christians, automatically serve the ends towards which these mechanisms operate, no matter whether these ends are known or otherwise, and no matter what the moral or spiritual status of those who use them."*

It is because of the explanation of the 'both/and' and 'first things first' terms that this article is included in TSC, but I do think it is time the good Father Barron and the Church entered the 21st century and took into account Thomas Robertson's observations.

**Father Barron writes:** "Paul Ryan, a devout Catholic, has claimed the social doctrine of the Church as the principal inspiration for his policies. For many on the left, Paul Ryan is a menace, the very embodiment of cold, indifferent Republicanism, and for many on the right, he is a knight in shining armour, a God-fearing advocate of a principled conservatism. Mitt Romney's choice of Ryan as running mate has already triggered the worst kind of exaggerated hoo-hah on both sides of the political debate. What is most interesting, from my perspective, is that Ryan, a devout Catholic, has claimed the social doctrine of the Church as the principal inspiration for his policies. Whether you stand with "First Things" and affirm that such a claim is coherent or with "Commonweal" and affirm that it is absurd, Ryan's assertion prompts a healthy thinking-through of Catholic social teaching in the present economic and political context.

Ryan himself has correctly identified two principles as foundational for Catholic social thought, namely **subsidiarity** and **solidarity**. The first, implied throughout the whole of Catholic social theory but given clearest expression in Pope Pius XI's encyclical

perspective, showing the terms are well understood by businessmen/women.

"A type of logic used in decision making that allows for a greater variety and scope of outcomes than a rigid either/or decision-making process. This approach is useful when comparing two or more possible tracks or outcomes in a real world setting."

Source: <http://www.businessdictionary.com/definition/both-and.html>

### **THERE ARE NO 'THINGS', ONLY PROCESSES**

"I think that everything is a process. There are patterns"

- *Iain McGilchrist.*

Iain McGilchrist and Jordan Peterson beautifully discuss the way in which nature and reality are constantly working in concert to create the world around us. WATCH: <https://www.youtube.com/watch?v=azB8Z1JOaWo>

*Quadragesimo Anno*, is that in the adjudication of matters political and economic, a preferential option should be given to the more **local level** of authority. For example, when seeking to solve a traffic flow issue in a suburb, appeal should be made to the municipal authority and not to the governor, even less to the Congress or the President. Only when a satisfactory solution is not achieved by the local government should one move to the next highest level of authority, etc. This principle by no means calls into question the legitimacy of an overarching federal power (something you sense in the more extreme advocates of the Tea Party), but it does indeed involve a prejudice in favour of the local. The principle of subsidiarity is implied in much of the "small is beautiful" movement as well as in Tolkien's *Lord of the Rings*, which exhibits a steady mistrust of imperial power and a steady sympathy for the local, the neighbourhood, the small business.

Now in Catholic social theory, subsidiarity is balanced by solidarity, which is to say, a keen sense of the common good, of the natural and supernatural connections that bind us to one another, of our responsibility for each other. I vividly remember former New York Gov. Mario Cuomo's speech before the Democratic National Convention in San Francisco in 1984, in the course of which he effectively lampooned the idea that individual self-interest set utterly free would automatically redound to the general welfare. Catholic social thought does indeed stand athwart such "invisible hand" theorizing. It also recognizes that, always in accord with subsidiarity, sometimes the federal and state governments are the legitimate vehicles by which social solidarity is achieved. Does anyone today, outside of the most extreme circles, really advocate the repeal of Social Security, unemployment compensation, medical benefits for the elderly, food stamp programs, etc.? Solidarity without subsidiarity can easily devolve into a kind of totalitarianism whereby "justice" is achieved either through outright... (continued next page)

(continued from previous page) ...manipulation and intimidation or through more subtle forms of social engineering. But subsidiarity without solidarity can result in a society marked by rampant individualism, a Gordon Gekko “greed is good” mentality, and an Ayn Rand/Nietzschean “objectivism” that positively celebrates the powerful person’s dominance of the weak. Catholic social theory involves the subtle balancing of these two great principles so as to avoid these two characteristic pitfalls. It does, for example, consistently advocate the free market, entrepreneurial enterprise, profit-making; and it holds out against all forms of Marxism and extreme socialism.

**Solidarity? The Church is all for it. Subsidiarity? The Church couldn’t be more enthusiastic about it.**

But it also insists that the market be circumscribed by clear moral imperatives and that the wealthy realize their sacred obligation to aid the less advantaged. This last point is worth developing. Thomas Aquinas teaches that ownership of private property is to be allowed but that the *usus* (the use) of that privately held wealth must be directed toward the common good. This is because all of the earth and its goods belong, finally, to God and must therefore be used according to God’s purpose. Pope Leo XIII made this principle uncomfortably concrete when he specified, in regard to wealth, that once the demands

of necessity and propriety have been met, the rest of what one owns (is that a correct adjustment? Owes to owns?) belongs to the poor. And in saying that, he was echoing an observation of John Chrysostom: “If you have two shirts in your closet, one belongs to you; the other belongs to the man who has no shirt.”

In his wonderful *Orthodoxy*, written over a hundred years ago but still remarkably relevant today, G.K. Chesterton said that Catholicism is marked through and through by the great both/and principle. Jesus is both divine and human. He is not one or the other; nor is he some bland mixture of the two; rather, he is emphatically one and emphatically the other. In a similar way, the Church is radically devoted to this world and radically devoted to the world to come. In the celibacy of its priests, it is totally against having children, and in the fruitful marriage of its lay people, it is totally for having children.

In its social teaching, this same sort of “bi-polar extremism” is on display. Solidarity? The Church is all for it. Subsidiarity? The Church couldn’t be more enthusiastic about it. Not one or the other, nor some bland compromise between the two, but both, advocated with equal vigour. I think it would be wise for everyone to keep this peculiarly Catholic balance in mind as the debate over Paul Ryan’s policies unfolds. \*\*\*

## IT WAS “FIRST THINGS FIRST” FOR C. H. DOUGLAS – AND WILLIAM COBBETT

By Betty Luks

“Douglas so often quoted, “First things first”, not however, employing the term merely as a useful sounding cliché but proceeding from that point, and with complete success at the first attempt, to prove inductively the practical effectiveness of his belief, by disclosing the entirely illusionary nature of the “so-called” problem of distribution which had baffled, and will continue to baffle, all those who persist in tackling it from the wrong, the deductive end. . .”- *The Social Crediter*: Vol.34 No.10

Under the heading of “I call that man humble who...” one of my favourite social creditor writers, Norman Webb, reviewed William Cobbett’s book “*The Progress of a Ploughboy*” (1763-1835).

English journalist, agriculturist and political reformer, Cobbett was a radical anti-Corn Law campaigner, newly returned to England from a spell of self-imposed political exile in the United States.

Webb writes (TSC, Vol.34, No. 15 August 4, 1956): “It is vigorous and tonic and entertaining, and written in a style as rough and pure as the North wind. One senses on every page that the writer was careless in the proper sense and at the same time both confident and humble. I say humble, because it is obvious that to Cobbett life was made up of its details. He believed that the structure depended on its foundations. And though his range of interests was immense, his knowledge and eye for minute perfection was equal to it.

Humility and patience are, to my mind, the prime virtues, in view of the immense problem presented by life; and they are not incompatible with the brusque, and even bigotted behaviour of a man like Cobbett. I call that man humble who is prepared to begin at the beginning - first things first. Whose desire it is to set the laws of nature in motion, not to manipulate them; to serve God, not to be God.

Cobbett was such a man. The individual was everything in his eyes. Politics to him was the preserving of the economy of the individual. Agriculture was farms, and Religion a sort of sublimated political economy. “I am no Doctor of Divinity”, he says, “and like a religion, any religion, that tends to make men innocent and benevolent and happy, by taking the best possible means of furnishing them with plenty to eat and drink and wear” . . .

And later: “A full belly to the labourer was, in my opinion, the foundation of public morals and the very source of real public peace.”

How we, in social credit, must approve these robust sentiments! Because we stand for faith in Man, which is Democracy; which is, I maintain, the only evidence that can be given of faith in God. That was Cobbett’s faith, and every act of his life reflected it. Perhaps he was guilty of the not uncommon fault of regarding all those in lowly estate as fallen angels, ... (continued next page)

(continued from previous page) ...and all those in high places as devils incarnate. But there is no doubt that he himself was morally far above most of the men of his day. It was because he was beyond bribery and corruption that he remained what he was, and always, and only wanted to be, a true democrat.

Personal prejudices led Cobbett to a number of false conclusions, but, none-the-less, his feet never left the ground, where they had been firmly planted when he first learned to walk. - He had a nose for prime causes "I set to work to read the Act of Parliament by which the Bank of England was created, and all the Acts about loans, and funds, and dividends and payings-off and sinking-funds; . . . and I soon began to perceive that the fate of the Kingdom must finally turn upon what should be done with regard to the accursed thing called the National Debt. I saw the purpose for which it had been founded; I saw how completely it had answered that purpose; . . . I saw how it had drawn the wealth of the country into masses, how it had destroyed the lower and middle classes of farmers, how it had added to the list of paupers, how it had beggared and degraded the country."

It says a good deal for Cobbett's intelligence and almost passionate commonsense that he saw as far as he did in those times, during and following the Napoleonic wars, which were in their way as bewildering as our own, and curiously like them. The centralizing process, of which we now enjoy the fine flower, was then beginning under

the system of debt accountancy, as Cobbett senses. "I liked not" he says, "the never-ending recurrence of Acts of Parliament. Something must be left and something ought to be left, to the sense and reason and morality and religion of the people. There were a set of "well-meaning" men in the country, who would have passed laws for the regulating and restraining of every feeling of the human breast."

And this has a social credit ring

"Here I found a parcel of labourers at parish-work . . .

This was a state of things where all was not in order; where self-preservation, that great law of nature, seemed to be set at defiance; for here were farmers, unable to pay men to work for them, and yet compelled to pay them for working in doing that which was really of no use to any living being . . . here were they, not actually. . . digging holes one day and filling them up the next; but to all intents and purposes, as uselessly employed.

The fact was, that, where honest and laborious men could be compelled to starve quietly, with old wheat ricks and fat cattle under their eyes, it was a mockery to talk of their 'liberty' of any sort; for, the sum total of their state was this, they had 'liberty' to choose between death by starvation (quick or slow) and death by the halter. I really was ashamed to ride a fat horse, to have a full belly, and to have a clean shirt on my back, while I looked at these wretched countrymen of mine."

Norman Webb wished ' . . . we had a few more Cobbett's in England . . . in the 1950's.' \*\*\*

## FREE MARKET FOLLIES By M. Oliver Heydorn Ph.D.

Lately I have been reflecting on the views of the conventional economic 'right-wing', as represented by 'neo-liberals', adherents of the Austrian school of economics, 'capitalists', economic libertarians, and so forth. It seems that whenever someone suggests that radical changes need to be made to the reigning financial or economic model – a suggestion which, in essence, must be a plea for some kind of intervention on the part of the public authority – those who are more or less satisfied with the existing system and find themselves on the 'right' of the economic spectrum regard the suggestion quite reflexively as an intolerable attack on the free market and an affirmation of 'socialism.' I have found this attitude, and the rhetoric which often accompanies it, curious for four major reasons, reasons which I will want to outline in this article. The fourth critique that I will present is the most significant from a Social Credit point of view, but the first three are by no means unimportant. By unnecessarily muddying the economic debate, free market rhetoric often obstructs the rectification of the economy's structural problems.

Before proceeding, I also want to make it clear that the various considerations that follow are not an attack on the free market as such, nor are they an attack on people who honestly support private property, private

initiative, and the market mechanism as generally better than government management of the economy (as I am one of them), but rather they are, more than anything else, a condemnation of the dishonesty and hypocrisy of those who uncritically and selfishly defend as 'free', the exact kind of market that really isn't.

The first thing which I find odd about the position of free-market ideologues, or 'free-marketeters' as I like to call them, is that they often defend various concrete economic models as embodying the free market ideal which, as a matter of fact, do nothing of the sort. How many times is it blithely assumed, for example, that the United States is the world's pre-eminent free market showcase, with all the associated benefits and wonders on full display?

But the reality is otherwise: America does not possess a laissez-faire economic system – however much laissez-faire attitudes abound amongst the populace and colour debate on economic matters. 35-40% of the GDP is composed of government spending.[1] Tax Freedom Day typically falls between mid and late April – that's nearly 1/3 of the year working for government at its various levels.[2] Regulations and bureaucracies abound. Even 'Economic Freedom Indices' put out by free market think-tanks have, ... (continued next page)

(continued from previous page) ...until very recently, consistently ranked the US at a lower or 'less free' position than Canada (which all American right-wingers know to be socialist).[3] The American economy, like most Western economies, is a mixed economy, more 'right-leaning' relative to a number of others, but a mixed economy nonetheless.

Now, this basic fact about the American economy should not surprise because there is a more general reason why America falls short of the ideological image that is built up for it in the popular imagination: with the possible exception of Somalia, the purely 'free markets' characteristic of *laissez-faire* capitalism do not exist anywhere. All markets presuppose, as a condition of stability and long-term functionality, institutions and laws, as well as various government goods and services, and hence also taxes. There are no absolutely free markets, only relatively free markets. This observation constitutes the second major criticism that I have of run-of-the-mill 'free marketism': why do free market ideologues maintain as an ideal something which is not practicably possible or realizable? The question is not whether government intervention is justified, but what kind and/or degree of intervention. Indeed, what can explain the discrepancy, this clash between what one is actually defending (a certain type of mixed economy) vs. what one says one is defending (unfettered capitalism)? We will return to this question at the end of this article, for I believe I have uncovered an answer.

The third and the fourth objection that I would like to raise against 'free-marketism' are both directed against the notion, which is an apparently silent assumption, that free markets are a sufficient condition for a functional economic order. In the minds of most free market ideologues, functionality seems to equate with a general 'prosperity', if not for everyone, at least for the greatest number possible and it is further assumed that all you need for prosperity is some free market magic. I maintain that free markets are NOT a sufficient condition for functionality and that functionality is properly understood not as a vague and inequitably distributed 'prosperity', but as delivering the goods and services people need to survive and flourish, with the least amount of labour and resource consumption. Measured against this latter standard, all Western economies, regardless of their relative freedom or lack thereof, are dramatic failures.

The third critique points out that free markets are not a sufficient condition for functionality (whether defined in the 'free-marketist' or Social Credit sense) because free markets, the mere fact of a market being free, does not in and of itself guarantee the kind of intra-market competition between producers which is necessary to yield a variety of favourable economic outcomes. As Manuel Velazquez brilliantly explains in his magnificent textbook *Business Ethics*:

Concepts and Cases - a text I used to teach from - the economic benefits that, according to orthodox economic theory, are supposed to be derived from the market mechanism, things like an efficient allocation, use, and distribution of resources, capitalist 'justice' or a dollar paid for a dollar's worth in value, and even full respect for the freedom and rights of all market participants, etc., are only delivered to the extent that a free market is also a perfectly competitive market, or at least approaches conditions of perfect competition (rather than its being a monopoly or oligopoly market):

"If free markets are justified, it is because they allocate resources and distribute commodities in ways that are just, that maximize the economic utility of society's members, and that respect the freedom of choice of both buyers and sellers. These moral aspects of a market system depend crucially on the competitive nature of the system. If firms join together and use their combine power to fix prices, drive out competitors with unfair practices, or earn monopolistic profits at the expense of consumers, the market ceases to be competitive and the results are injustice, a decline in social utility, and a restriction of people's freedom of choice." [4]

It is not the 'free market' in isolation, therefore, which delivers the benefits which free marketers trumpet when they defend the free market, but only a certain sort of free market: the perfectly competitive free market. Indeed, as we have just seen, perfect competition is even a condition for maintaining the integrity of a market as being fully and truly 'free'. [5] Unfortunately, most of the markets in the typical Western economy fall short, in many cases woefully short, of perfect competition. Now, one of the most interesting things about perfect competition is that when you have a vast multitude of small competing firms, profits are driven towards an equilibrium point which represents costs plus the barest minimum necessary to serve as a continued inducement to production. In other words, profits are reduced to their lowest possible level. This raises an interesting question: if we actually had the type of free market which delivered efficiency, capitalist justice, and consumer choice, i.e., a perfectly competitive free market, how many ideological free marketers would still be free marketers?

The fourth and final criticism that I would like to raise against 'free-marketism' is specifically grounded in a Social Credit vision of the due relationship between the physical economy and its financial representation as mediated by the financial system. From this point of view, free markets are also not a sufficient condition for economic functionality because economic functionality is largely dependent on there being an adequate flow of both producer credit (to fully actualize a society's useful productive capacity or its real credit) and consumer credit in the form of income... (continued next page)

(continued from previous page) ... (to fully distribute the flow of consumer production and to finally liquidate all the various costs of production). Under the existing financial system, producer and consumer credit is artificially restricted or kept scarce relative to the physical realities of the production system. The capacity of the physical economy to deliver the goods and services which people need to survive and flourish with the least amount of labour and resource consumption is thereby artificially restrained by the financial system ... the presence of 'free markets' notwithstanding.

One way of measuring the degree to which the physical economy is actualized at any given moment in time is to compare the current GDP with what it would be if all the economy's productive resources were fully drawn on and all factories, farms, etc. were run at full capacity. It is probable that we only run our productive capacity at 25%, at most, of its potential – and I am happy to understate the case. In other words, GDP could be at least 4 times its current level if finance were not a limiting factor but was made available, as, when, and where required.

As a metaphor, consider a hand-operated water pump of the sort that would be found on a well. If the pump itself represents the economy's physical productive potential, the stream of water represents the actual flow of consumer goods and services, and the movement of the hand pumping represents the provision of producer and consumer credit, it is clear that the faster the hand moves the pump (i.e., the more adequate the provision of producer and consumer credit), the greater will be the actual flow of water (i.e., the greater will be the flow of consumer goods and services). In other words, an adequate flow of financial credits to catalyze production and to distribute that production to consumers (while liquidating its costs) is a necessary condition for the full actualization of the economy's productive capacity.

Now, I am not suggesting that the physical economy should be run at 100% of its total capacity. Why? Because there is a definite limit to how much consumers can meaningfully or profitably consume (another fact which free-marketeers have difficulty admitting). One can only eat so many meals, or wear so many clothes, or live in so much space, etc. To exceed the genuine needs of the consuming public via a surfeit of goods and services would be to engage in the production of waste. Indeed, even at the much lower level of capacity-utilisation at which the current economy is run, much of what is produced, and hence the activity that goes into producing it, is rightly categorized as waste because it would not be needed or desired by the independent consumer. That is, it would not be desired by the consumer who is free of the necessity of always having to produce 'more' because he is fully financially enfranchised with sufficient income to automatically offset the prices of whatever is already being produced.

In sum, it is clearly the case that free markets are not sufficient for economic functionality because, insofar as we actually have free markets, the physical economy in any Western country is only actualized to a minor proportion of its total capacity and even that which is actualized is not a fully efficient use of our productive resources (as evidenced by the sheer volume of waste that is also produced). And yet free-marketeers typically ignore the predominant role of finance and the financial system in economic outcomes. Indeed, I'd argue that liberalized finance, i.e., 'free finance', is far more important than free markets for achieving full economic functionality, but that would have to form the subject of a separate article in its own right.

The upshot of all of these considerations is this: to my mind, the rabid defence of the free market – 'rabid' because it is independent of any factual considerations regarding the resulting functionality – on the part of free-marketeers is, consciously or not, a 'bait and switch'. They use the bait of the various advantages that a market economy (under conditions of perfect competition) offers vis-à-vis a command system to garnish support for the free market Shangri-La (which no one has ever seen)... and then they switch ... and use that support to defend the status quo (which falls woefully short of both perfectly competitive markets and the free market Shangri-La) because what they really want are monopoly or oligopoly markets, markets which are so lucrative for them personally, to the precise extent that they deviate from perfect competition.

In other words, my hypothesis is that the main reason free market ideologues so vehemently support the free market ideal of the economy is that they personally are doing quite well financially out of the 'free market' as it stands, which is neither fully free, nor part of a fully functional economic order. By insisting that we already have 'freedom' and that 'freedom' is the best way to go, any and all suggestions that changes should be made to the economic system, changes which might threaten their wealth, privilege, or power, stand to be neutralized. At the same time, authentic progress in the direction of a true and full economic functionality that would be made possible by Social Credit monetary adjustments, for example, is stifled at its very conception. \*\*\*

[1] <https://data.oecd.org/gga/general-government-spending.htm>

[2] <https://taxfoundation.org/tax-freedom-day-2018/>

[3] [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_economic\\_freedom](https://en.wikipedia.org/wiki/List_of_countries_by_economic_freedom)

[4] Manuel G. Velazquez, *Business Ethics: Concepts and Cases* (Boston: Pearson, 2012), 199.

[5] Monopoly and oligopoly markets undermine the freedom of the market by artificially limiting both the conditions governing consumer choices and the range of choices themselves.

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