

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



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SOCIAL CREDIT AND MODERN MONETARY THEORY

by M. Oliver Heydorn Ph.D *(reprinted from socred.org)*

In recent years, people in the monetary and economic reform movements alongside the general public have been hearing more and more about something called “Modern Monetary Theory”. Modern Monetary Theory, or MMT for short, is a heterodox macroeconomic theory principally focused on how the financial system works and how it could be used to achieve more satisfactory economic outcomes. It seems that it has largely grown out of the tradition of chartalism and is sometimes referred to as neo-chartalism as a result. Warren Mosler appears to have served as the single greatest progenitor of the movement. Other ‘big names’ in the MMT world include: L. Randall Wray, Stephanie Kelton, Bill Mitchell, and Pavlina Tchernerva.

The *point de départ* of Modern Monetary Theory seems to be the observation that a government that exercises its monetary sovereignty by issuing its own currency can never run out of money. A chief corollary of this claim is that such governments cannot go bankrupt either so long as the debts are denominated in their own currency. Monetarily sovereign governments are typically federal or national governments. As the currency-issuers for a given political jurisdiction, they possess a natural monopoly on a nation’s currency in all of its various forms: bills, notes, and electronic central bank credit. Hence, if such governments need more money, they *can* always create more for themselves, rather than borrowing it or taxing to obtain it. That seems to be correct as far as it goes and it is something with which Social Credit would agree.

From there, MMT supporters go on to argue that in order for an economy to fully actualize its production potential, which necessarily implies a state or condition of full employment, the government should create and spend as much money as is necessary to achieve that end, while taxing or taking back the money spent at a high enough rate so that there would be no inflation. Relying on the government to do the supplementary spending would have the added advantage of ensuring that the additional production (which is required to fully utilize existing economic resources) would be composed of, presumably, much needed public goods that would benefit everyone: things like better educational services, universal high quality health care, upgraded infrastructure, and so forth.

Since MMT is receiving more and more press and would appear, in my view at any rate (and more on this shortly), to be the system’s answer to the neo-liberalism of the past 30-40 years, it is crucially important that Social Crediters become aware of what MMT claims and what it proposes and also what the due Social Credit response to MMT should be. In what follows, I will attempt to outline some of the more salient MMT propositions and policy-prescriptions and to indicate both the points of contact and commonality with Social Credit, as well as the key areas of disagreement where the two part ways. This survey does not pretend in any way to completeness. In my experience, MMT is not as clearly and as thoroughly expounded by its proponents as it presumably could and should be and thus the scope for genuine misunderstandings, obfuscation, changing goal-posts, hand-waving, and incomprehensible word salads has been enormous.

Technical Claims

That there should be no artificial financial limits or constraints on productive activity is something that both MMT and Social Credit can agree on. As an old Social Credit axiom puts it: “whatever is physically possible and desirable should be financially possible”. The real economy should be in the driver’s seat and finance or money only serving as a mere adjunct to catalyze production. When MMT proponents argue that we can or should be able to afford whatever public goods and/or social programs that are needed by the population *provided* that we have the physical economic resources to satisfy those claims, they are surely right. *(continued next page)*

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Another central pair of MMT claims is that federal taxes can only be paid with currency and that taxes are therefore what give value to currency. 'People demand currency because they need to pay taxes' or so the MMT narrative runs. These claims seem dubious for a number of reasons.

First off, virtually no one, no worker, consumer, or businessman literally pays taxes in bills and coins (central bank reserves are not part of the money supply, but count as part of the monetary base), but in bank credit. People go into the market as workers or investors or speculators to obtain money, any kind of money, and that money is usually received in the form of commercial bank credit (because the vast majority of the money supply exists in the form of bank credit). They do this for many different reasons, not just to be able to pay taxes (more on this in a moment). But even when it comes to paying taxes, no one seeks out currency in particular to pay federal taxes. In fact, the vast majority of people would be surprised by the MMT claim that federal taxes have to be paid in currency; they would not have been aware of any such stipulation. If it is indeed true that federal taxes must be paid in currency, MMT proponents are going to have to do a much better job of explaining how the mechanism actually works and proving that it does, in fact, work in the manner described. [1]

As far as what makes currency acceptable or accepted by people, I think there is a simpler explanation in any case than that currency is special and must be obtained for the purpose of meeting tax obligations: currency is legal tender. People have to accept bills and coins, for example, in exchange for their goods and services because the state has, by fiat, decreed that these bills and coins are money and must be accepted in payment of debts.

Finally, from a Social Credit point of view, what ultimately gives value to money, whether in the form of currency or credit, is not that people need money to pay taxes, but rather the fact that there is real wealth in existence (potential or actual) that can be claimed by the money tokens. It's the existence of real goods and services with costs and prices attached to them, or the raw capacity to produce such real wealth, that ultimately gives value to money. This can be proved quite easily by a thought experiment: if no taxes were levied and the regular flow of production were unimpeded, there would be still be a demand for money in order to obtain goods and services in exchange for it. Closely connected with the idea that taxes give value to the currency or money in general, is the MMT claim that, contrary to the common perceptions of politicians and of the public at large, taxes don't fund federal government spending. What they mean to say with this is that it is not the case that the government first collects taxes and then spends money

into the economy on this programme or that one. Rather, the government spends first and then re-collects some of the money it has spent in taxation. This, I think, is true. The government first obtains the money it needs to spend from the banking system before it charges consumers for it in taxation. [2] However, this time sequence does not obviate the fact that consumers still pay for government goods and services in their taxes. Taxes merely serve the role that prices serve in the private sector, where the private provision of goods and services are concerned. That taxes don't fund the government upfront does not mean that they don't fund the government after the fact; we pay for government goods and services just as we pay for private goods and services. Government production does not cost nothing; it is not for 'free'. [3]

Besides this disingenuous attempt to demystify taxation, MMT actually goes a step further and asserts that borrowing does not fund federal spending either. MMT basically says that whenever a monetarily sovereign government spends it creates the money that it spends through the balance sheet operations of the central bank. This claim is more problematic. Firstly, it is not always clear just what is being affirmed. It is undoubtedly true and it is contested, I believe, by virtually no one that the central banks can create money in the form of electronic central bank credit for a monetarily sovereign government. But saying that something can be the case is not saying that it *always is* or *must be* the case. MMT proponents often seem to give the impression that we are dealing here with a strict necessity of the system and that every dollar of federal spending involves money creation, first by the central bank on behalf of the government and then, presumably, by commercial banks who receive the corresponding reserves from the government when the government wishes to spend.

In a very important research paper available on the Canadian Library of Parliament website that was published in 2011, Penny Becklumb and Mathieu Frigon, researchers from the Economics, Resources, and International Affairs Division of the Parliamentary Information and Research Service, unequivocally state that, as far as Canadian federal government operations are concerned, only a small portion of the federal government's money is created by the central bank and very often it is held on reserve in view of contingencies and not spent into the economy at all. The rest of the governments bonds and treasury bills are purchased by commercial banks (which create the money with which they effect said purchases), brokers, and investment dealers. I will quote all the relevant parts of this document in full as this issue is such a bone of contention and this paper quite conveniently and clearly contradicts the standard MMT position in multiple places (emphasis in bold is mine):

“This paper explores the operational and legal aspects of how, by buying newly issued federal government bonds and treasury bills, the Bank of Canada creates money for the federal government. Information about how private commercial banks create money is also provided. “In June 2011, as part of the debt management strategy included in its 2011 Budget, the Government of Canada announced its intention to borrow \$35 billion over the next three years in order to increase its deposits with financial institutions and the Bank of Canada by about \$25 billion and to increase liquid foreign exchange reserves by US\$10 billion. The intention of this "prudential liquidity plan," as it is known, is to ensure that there are sufficient liquid assets to cover at least one month of the federal government's net projected cash flows, including interest payments and debt refinancing needs.

“The government justified this plan by stating that liquid financial assets "safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed," and that this "supports investor confidence in Canadian government debt." In response to the government's June announcement, **in October 2011 the Bank of Canada announced its intention to increase from 15% to 20% its minimum purchases of federal government bonds. As explained in this paper, the Bank of Canada's purchase of federal government bonds is a means by which the Bank creates money for the Government of Canada. The Government of Canada may elect, as it did in the context of the prudential liquidity plan, to keep this money in its deposit account with the Bank rather than spend it.**

2 How the Bank of Canada Creates Money for the Federal Government

“The Bank of Canada helps the Government of Canada to borrow money by holding auctions throughout the year **at which new federal securities (bonds and treasury bills) are sold to government securities distributors, such as banks, brokers and investment dealers.** However, the Bank of Canada itself typically purchases 20% of newly issued bonds and a sufficient amount of treasury bills to meet the Bank's needs at the time of each auction. These purchases are made on a non-competitive basis, meaning that the Bank of Canada does not compete with the distributors at auctions. Rather, it is allotted a specific amount of securities to buy at each auction.

“In practical terms, the Bank of Canada's purchase of government securities at auction means that the Bank records the value of the securities as a new asset on its balance sheet, and it simultaneously records the proceeds of sale of the securities as a deposit in the Government of Canada's account at the Bank –

a liability on the Bank's balance sheet (see Appendix A). “By recording new and equal amounts on the asset and liability sides of its balance sheet, the Bank of Canada creates money through a few keystrokes. The federal government can spend the newly created bank deposits in the Canadian economy if it wishes.

3 Money Creation in the Private Banking System

“Private commercial banks also create money – when they purchase newly issued government securities as primary dealers at auctions – by making digital accounting entries on their own balance sheets. The asset side is augmented to reflect the purchase of new securities, and the liability side is augmented to reflect a new deposit in the federal government's account with the bank.

“However, it is important to note that money is also created within the private banking system every time the banks extend a new loan, such as a home mortgage or a business loan. Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower's bank account, thereby creating new money (see Appendix B). Most of the money in the economy is, in fact, created within the private banking system.

“A key similarity between money creation in the private banking system and money creation by the Bank of Canada is that both are realized through loans to the Government of Canada and, in the case of private banks, loans to the general public.” [4]

Finally, while there is no explicit acknowledgment in MMT of a price-income gap or the discrepancy between the flow of costs/prices in the economy vs. the flow of consumer incomes, with the former surpassing the latter (and therefore no attempt to investigate its various causes), there is an implicit recognition of the Social Credit gap insofar as government deficits are seen as necessary for maintaining economic functionality (equilibrium) and the avoidance of recessions. But, as I have tried to show elsewhere: <https://www.socred.org/s-c-action/social-credit-views/living-beyond-your-means>, it is not just the government that is or must be in deficit to maintain equilibrium, consumers and businesses are also not running balanced budgets by spending more than they receive in income or revenue and borrowing the difference.

Philosophical and Policy Claims

It is in the realm of ‘philosophy’ and policy that the greatest differences emerge between MMT and Douglas Social Credit. The contrast is so stark that MMT, like Keynesianism before it, can rightly be described as an inversion of Douglas Social Credit, as if it were an attempt to stand Social Credit on its head in the service of increasing centralized power.

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Whereas MMT appears to stand for the full actualization of the economy's productive potential as an end in itself, as if the purpose of the economy were simply to produce as much as we can, Social Credit stands for the full actualization of the economy's *useful* productive capacity, i.e., production which answers to *bona fide* human needs, which is a very different thing. The objective of economic life as MMT perceives it necessitates a policy of full employment. In order to achieve that end, MMT proposes the introduction of a federal job guarantee so that anyone who needs work can be put to work on public production by the government at minimum wage. Social Credit, by contrast, says that if we can actualize the useful productive capacity with only a minority of the workforce actually being employed in production (which is undoubtedly the case in any first-world, industrialized nation), then that is a good thing because it means that we can start distributing increased leisure. Thus, over and against MMT's policy of full employment, Social Credit champions a policy of the minimum employment necessary.

Now, in an era of increasing automation, a federal job guarantee also bears a very sinister implication. As the private sector can meaningfully employ fewer and fewer people – it has been repeatedly predicted by several commentators, social critics, and futurists that 50% of American jobs, for example, will be automated within 20 years – the job guarantee means that the government will have to provide the work for the people who are losing their jobs due to automation. The logical endpoint of this type of progression would be for the government to serve, not merely as 'the employer of last resort', but as the main employer in society. Should the government eventually start to employ the majority of workers, all at a minimum wage, there will be very little difference between that and a communist economy in which the government owns the means of production, all economic decisions are made according to plans executed by centralized bureaucracies, and all workers are paid equally. In other words, it seems to me that the pledge of a federal job guarantee within the context of the fourth industrial revolution may very well eventuate in a communistic or communist-like economic order.

VALE ERNEST KEMPSTER

Ernest was born and bred on Eyre Peninsula. He had a background of farming and shearing. He was introduced to Social Credit in the late 1990's. He was passionate about the flag, Monarchy, debt-free money and Holden motor cars. He often said that the political parties don't

This would mean that MMT is communism through the back door. Indeed, given the current SJW political and cultural climate, one can imagine that the MMT society of tomorrow might be even worse, in certain respects, than the communism of the past. Will people be paid minimum wage by the government to, for example, dress up in drag and read stories to little children? Would "Drag Queen Story Hour" be one of the eligible activities for job guarantee recipients? Might people even be coerced into doing things of this nature if there is nothing else for them to do? ***

References:

[1] It has been suggested by certain MMT proponents that I have read more or less recently that what happens with respect to federal or national taxes is something along these lines: people pay bank credit via taxes into government accounts at commercial banks. The government then directs the bank to pay back the equivalent in central bank deposit or reserves to the central bank and both the bank credit and the reserves are cancelled out of existence. But even then it remains true that people are not paying their taxes directly in currency and thereof they would have no need to demand it. It is likewise true that government expenditures must be made in bank credit, not cash or central bank deposits, so the MMT emphasis on currency with respect to this question of money's 'value' would seem to be misplaced.

[2] But this is not exclusive to the federal or 'monetarily sovereign' government; it is probable for reasons of convenience and need that all governments spend first and then tax the money spent or some of it back.

[3] In this and a number of other ways, MMT distinctions seem to be 'distinctions without a difference' rather than novel revelations about how the financial system actually works.

[4] https://lop.parl.ca/sites/PublicWebsite/default/en_CA/ResearchPublications/201551E

Cf. also this statement from the Bank of England paper "Money Creation in the Modern Economy":

"Banks buying and selling government bonds is one particularly important way in which the purchase or sale of existing assets by banks creates and destroys money."

<https://www.bankofengland.co.uk/-/media/boe/files/quarterly-bulletin/2014/money-creation-in-the-modern-economy.pdf>

teach you anything but the *League of Rights* teaches you plenty. He had a good collection of books, cassettes and videos, and wrote plenty of letters on many issues. Vale Ernest Kempster, salt of the earth stuff. May he rest in peace.

– Tom Dolling, SA

– the spirit of man is blind and dumb except God touch him, and awake, in the winter of his flesh, the spring of his immortality. (*The Fountain* - Charles Morgan.)

The man who was scientific enough to see that the Holy Ghost is the most interesting of all the hard facts of life got easily in front of the blockhead who could only sin against it. (*Back to Methuselah* - G.B.S.)

– it is proposed to make an endeavour to show that there is a way through, and that we may in time regain the best of the advantages on which the Medievalist rightly sets such store, retaining in addition a command over environment, which he would be the first to recognize as a real advance. (*Economic Democracy*, p. 99.)

The Middle Ages had made religion a business; the nineteenth made business a religion.
(*Christian Ethics and Modern Problems* - Dean Inge.)

In the ‘Notes of the Week’ of the *New English Weekly* for October 12, the learned and cultured writer of these Draconian comments on matters economic and political says:

“It is a reflection on the ability of the tens of thousands of professed propagandists of Social Credit that after fifteen years of effort we have totally failed to make the smallest dent in the armour of the financial monopoly that both decrees ‘Unemployment’ and prescribes the treatment to be accorded it.”

Now there is no writer in the narrow circle of the saner journalism who knows better than the framer of this sweeping indictment that if men were swayed by the dictates of pure reason Social Credit would have been in undisputed control of affairs not later than 1925, perhaps earlier; – but, alas, they are not. Such is the perversity of man, so ingrained his original sin, that he seems incapable of seeing where his true interest lies, and forgets, so lightly, how closely the things of the spirit are interwoven with his material needs and satisfactions.

May it not then be possible that the apparent failure of the apostles of Social Credit to convert the Gentiles of the City and the Treasury to a more Catholic financial faith is due to over-emphasis of the material and neglect of the spiritual factors which have played so prominent a part in the economic history of Western civilization?

If that is the case, then Fr. Demant’s book, *God, Man and Society*, makes its appearance at a most opportune moment; for, if there is, as many of the supporters of C.H. Douglas firmly believe, a “Christian Sociology,” it is essential that the Social Credit Movement should find its right place in the ranks of the great force the Church Militant is marshalling for a decisive assault on the

economic evils which make living the “good life” almost an impossibility. Incidentally, it must always be borne in mind, as Fr. Demant warns us, that “the worst evils of the world are due, not to bad men, for they cannot injure all men all the time, but to false theories of good men,” and the false theories which are working such havoc today are the outcome of a false reading of Holy Writ and are in the strictest sense – heretical. In short, the problem before the world is, in the last resort, one of theology. But let the reverend author state the case himself:

“The Christian Faith,” he says, “has been essentially a message, not only of the truth, but also of the way and the life. The Gospel is not good advice, but good news of deliverance from the obstacles which men have erected or found the realization of their deepest needs. The Christian Religion claims to offer through Jesus Christ the Way and the Life of Truth, not in any possible world, but in the world in which God has set man his task, that is, in the world where men have to act along with other men and in co-operation with the material creation.”

These are not the columns in which it would be fitting to pass judgment on Fr. Demant’s theology, neither has the writer the qualifications for the task: he would rather cordially endorse the verdict of a reviewer in a widely read Church newspaper, and “urge its careful reading and consideration by all who desire that Christian principles should increasingly direct the development of human society, and who are groping for some Christian solution of the problems of our social life in its international, political, and economic relationships.”

We can leave it at that, and get down to brass tacks. To suggest that the root of the world’s malaise is “sin” may raise a smile: sin being an archaic theological bogey long since laid to rest by the psycho-pathologists: but nevertheless let us hear a Father of the Church on the matter. Accord to St. Athanasius, “the essence of sin is the erecting of means into ends,” which is precisely what the “good men” with the false theories are doing the world over in this our day, with results which Fr. Demant sums up very concisely: –

“The nations are in suspended rivalry not because they want each other’s wealth, but because they want each other’s work. The money system which was devised as a means of exchange of goods. Politicians exhort the nations to get together, and the more the nations get together in trade, the more they do it not to enrich each other but to unload exports upon each other – an effort which, by a curious result of money mentality, is considered good for the exporter and a disaster for the importer.”

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After quoting a few striking examples of the extraordinary “contradictions in the theory and practice of industrialism” too familiar to the readers of this journal to need recapitulation, this learned and discreet Minister of God’s Word adds that “they are here set out in order to ask whether the problem of restoring to society a rational theory of its own and the problem of making it subserve Christian ends may not be one and the same problem.”

It is – and how did this deplorable and dangerous situation arise? Well, let us go back a few centuries, past the dawn of the industrial revolution and beyond the rapacious days of Queen Elizabeth, when the forces that were eventually to bring civilization to the verge of ruin had got well into their stride, to All Saints’ Day, 1517, when Martin Luther, nailed his ninety-five theses to the door of the Castle Church of Wittenburg and the great upheaval known as the Reformation was inaugurated.

Then was started that disruption of Christendom – a disaster of such overwhelming magnitude that we are only now beginning to realise the measure of its malevolence – and then was sown the seed of the dreary heresy that “economic activity was a means of sanctification and success in it a sign of grace”; a perversion of Pauline ethics which has served the high-priests of Mammon so well in the blood-stained years between Luther and Lenin.

As for the vaunted liberation of the human spirit from the tyranny of an outworn ecclesiasticism, that is sheer myth. All that happened at the Reformation was a change of masters – and a change for the worse. As Max Weber in his *“Protestant Ethic and the Spirit of Capitalism”* says: - “The Reformation meant not the elimination of the Church’s control over everyday life, but the substitution of a new form of control for the previous one.”

That control has persisted through four hundred years and is perhaps more firmly established than ever in this the nth year of the Norman dispensation. That it is more skilfully disguised goes without saying. The Devil, besides being a skilful strategist, is a subtle tactician. Therefore, if it be impossible, as it seems to be, to convince the mandarins of high finance and big business that their elaborate system is contrary to right reason and its end disaster, then there is no option but to attack the philosophy on which it is based and the pseudo-religion which condones it. And how is it to be done?

Almost exactly four hundred years after the great events at Wittenberg there appeared another “thesis,” which was destined to undermine the elaborate structure which has been built up on the truculent reformer’s fissiparous heresies. It is no reflection on the author of *“Economic Democracy”* that he did not, at the time of publication, foresee ‘the tremendous consequences latent

in that slim red volume, and he might well resent being hailed as a champion of the Catholic Faith, but the fact remains that the deeper we probe into the Social Credit philosophy implicit and expressed in the writings of C.H. Douglas the nearer we get to those basic principles on which Christendom was built, and on which, in God’s good time, it will eventually be reconstructed.

Now, using the word in its strictly secular sense, there is no more “Catholic” body in the world than the cloud of witnesses assembled under the Social Credit banner. The recruits are drawn from every stratum of society and reflect every phase of thought and every creed. This wide variety of types is at once the strength and the weakness of the movement, but the plasticity of mind which has enabled so many very live men and women to sink their differences of creed and culture in the pursuit of a common ideal should have the happiest results when it dawns on them that Social Credit and the Catholic Faith are working on parallel and possibly converging lines. “Religion,” says Fr. Demant, “is the basis of civilisation, for it is the condition of a right order in the scale of human activities; and experience as well as thought shows that without a right order in these no political efficiency can for long succeed in keeping social order and peace. This is a social application of the final Christian truth about the world, that what is natural and right, when corrupted, can only be redeemed and kept true to its original purpose by a power that is more than natural and right, by a power that is supernatural and divine.”

Well, “money,” *per se*, is “natural and right” enough; it is as Douglas describes it, “probably one of the most marvellous and perfect agencies for enabling co-operation that the world has ever conceived,” but that it is hopelessly “corrupted” should be obvious to every impartial critic. We might go so far as to say that it partakes of the essence of sin inasmuch as it has ceased to be purely functional and has become an absolute end in itself.

It is from this angle that the Social Credit attack should be made, and when the Social Credit hosts add the whole armour of the Faith to their intellectual panoply the obduracy of Whitehall and Threadneedle Street, which the *New English Weekly* so justly deploras, may yield to the combined attack. Even a financier has a soul to be saved – although some doubt it.

And that is not the whole story either. It has been well said that it is not possible to dilute the essence of the Catholic Faith with any other to make a third, and the same stricture applies to Social Credit. Any attempt to water down the definite tenets of the Social Credit creed can only play into the hands of the enemy and lead to confusion. A mere opportunist policy would be fatal, for the City could beat us, hands down, at that game.

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(continued from previous page) As for diluting Social Credit with a vague religiosity, such feeble emotionalism would make the “movement” the laughing-stock of every definite Churchman. No, only two definite uncompromising creeds, in holy alliance joined, can fight this battle to victorious finish. The mischief is that neither party to the proposed alliance has, as yet, seen how essential each is to the other. Individuals do, but not the directors of policy in ecclesiastical high places. They seem to be too intent on playing for safety and,

A PILGRIM WHO WENT THE HARD WAY IN MEMORIAM: FREDRICK TOBEN (1944-2020) by Nigel Jackson

My path crossed with that of Fredrick for the first time in 1989. I had published in *Education Age* in the Melbourne newspaper *The Age* on April 18th an ‘imaginary retirement speech of a deputy-headmaster of Melbourne Church of England Grammar School in October 2089’. No doubt it was a defence of traditional syllabi and teaching methods. A few days later I received a complimentary letter from Fredrick which I much appreciated.

It was not long before I visited him at his home in Goroke in north-west Victoria and became aware of the troubles he was having both in his marriage and in his workplace. I felt desperately sympathetic towards him, but there was nothing I could do to help him avert a double disaster. As I listened to him talk of these matters, I surmised that he had probably been ill treated in both contexts, but that a certain intransigent streak in his make-up had contributed to failures to achieve satisfactory resolutions. Distinguished journalist Frank Devine wrote a long article in *The Australian* (‘An educational experience of the worst kind’, 18 April 1991) in which he opined that Fredrick had been wrongfully treated by both Goroke Consolidated School and the Victorian Education Department.

During the next few years I saw quite a bit of Fredrick and gained some insight into his family background (farmers in Germany before the disaster of World War Two and now farmers, including his twin brother, in Edenhope). Honour, old-fashioned style and hard work were very much a part of the Toben family mode of life. They migrated to Australia from Jade when Fredrick was ten years old. On one occasion Fredrick and I were scheduled to speak at the same seminar organised by the *Australian League of Rights*. The overall topic was probably freedom. Fredrick gave a detailed and fascinating picture of his upbringing and the world in which he had grown up. He was plainly an academic by nature with a very powerful critical mind, being very proud that in the past he had studied under the distinguished Jewish professor Karl Popper. He had a B. A. from the University of Melbourne and a PhD in

alas, appear to be willing auditors of the deprecatory criticisms of Social Credit which their friends and acquaintances in the world of financial intrigue are only too eager to impart. Let us hope they will give more than passing attention to Fr. Demant’s thought-compelling book and learn from him how “the lost social tradition of Christendom is to be recovered,” and with it the solution of the social problems with which, under “sound finance,” our politicians and bureaucrats wrestle in vain.

philosophical theory from the University of Stuttgart. He also studied in Wellington, New Zealand.

Eventually I came to feel that it was a pity that Fredrick had not been born a century earlier. He would have held an academic post in some remote part of Germany and any eccentricities would never have led to the persecution he experienced in the 20th Century.

In the nineties Fredrick invented a new career for himself and became, in the public’s eye, Australia’s number one critic of the Holocaust story, somewhat supplanting John Bennett of the Australian Civil Liberties Union (they were good friends). With his face like that of a crumpled ram and his plummy, upper-class voice, Fredrick threw himself into his cause with a zeal that at times was obsessive. He developed the website of the Adelaide Institute and published much information of value, but also items in dubious taste and expressing excessive hostility towards his foes.

He achieved much publicity: jail terms in Germany and Australia and a month in London’s Brixton gaol. In this context he was something of a self-appointed sacrificial lamb. He was willing to put his head in the lion’s mouth and pay for it. On the other hand John Bennett noted in a letter in *The Australian* on 9th September 1999 that ‘All major free speech groups in Australia’ had opposed his arrest in Germany. Later he was again assailed by the German government, which failed to have him extradited to Germany on a European arrest warrant. On the other hand, spurred on by Jewish leader Jeremy Jones, the Australian Human Rights Commission eventually succeeded in having him found guilty under the nation’s questionable ‘anti-hate’ legislation. He was subsequently jailed for contempt of court, after refusing a court order to remove offending material from his website. His conduct of his own case was deficient, partly, perhaps, because he made the mistake of assuming that, because he was justified in his own eyes, the law could not or would not catch him.

He organised a revisionists’ conference in Adelaide, which I attended as a guest speaker.

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There I met – and I am most grateful to Fredrick for this - the Swiss revisionist Jurgen Graf, whose character and intelligence profoundly impressed me. Alas, he was destined before long to be forced into exile from his own country by its recently legislated 'anti-hate' laws. Fredrick also travelled to Iran to speak at the Teheran conference on the Holocaust organised by President Mahmoud Ahmadinejad. He was a contributing editor of the American journal *The Barnes Review* until his death. He spoke in Canada at conferences of the Canadian Association for Free Expression. Clearly his energy and commitment were well and truly out of the ordinary; but was his discretion, his prudence, his sense of balance? While his bold actions publicised Holocaust revisionism, they may not have made it harder for the mass media to pillory such an approach. On hearing of Fredrick's death, I felt great sorrow. Children of the same generation, we were friends at a distance and involved in the same socio-political war to protect the culture and civilisation we had inherited. He took the high road and I the low road (a more cautious way). I see his life as having had a genuinely tragic aspect, both because he took on (with painful results) one of the great evils of our time, but also because, like King Lear, to some extent he brought his own misfortunes and sufferings upon himself. ***

RELEASING REALITY by Jennifer Grundy

*I love this land Australia
Because it seems so right,
Like the picture in a painting
It can provide us what we want.*

*Natural wealth abundant
The knowledge handed down
To feed and clothe and house ourselves
What more would one desire?*

*No need for anyone
To be without these things,
No need for money debt
We need to think again.*

*Technology now abounds
Our workload much relieved,
Let us savour in this time
That culture has endowed.*

*Money is a man-made tool
Like a ticket to serve our needs,
Exchanging one thing for another
That is what it means!*

*If we can physically produce,
Then we can consume,
In the providence of abundance
Our freedom is assured.*

*Like the lilies of the valley
We can bloom and die in grace,
Let us release reality
To encompass the best; is life.*

**ONE VOICE AGAINST EVIL,
ONE VOICE FOR FREEDOM**

1pm-5pm (EST) Saturday 19th September 2020

First speaker: Douglas suggested that security in what we have is required: freedom of action, thought and speech, and a more abundant life for all is wanted.

Second speaker: The need to face up to the encroachments of bureaucracy. The business of bureaucracy is to get us what we want, not to annoy and hinder us by taking from us by taxation and irritating restrictions those facilities that we should otherwise have.

Third speaker: Douglas insisted, and most importantly, we have to obtain control of the forces of the Crown by genuine political democracy.

The battle to regain the ground lost and insist on changes to the mechanisms of society, at present being used to encroach more and more on our freedoms, is before us. Neither I nor any other individual can help you if you will not help yourselves, and neither I nor any other individual who has endeavoured to arouse you to a sense of responsibility can take that responsibility from you. You are responsible for the poverty, grinding taxation, insecurity and threat of war. Yours is the responsibility, yours can be the power. Will you, individually and collectively, assume the responsibility and the power? If not, there is no legitimate ground for hope. - CHDouglas

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