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"Ye shall know the truth and the truth shall make you free"

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"WHERE ANGELS FEAR TO TREAD"

There has recently unfolded in a number of English-speaking countries a development, which is long overdue — the signs of a genuine awakening in sections of the Christian Church, which is beginning to come to grips with social issues from a scriptural basis. The enormous reaction in Australia to the United Nations-derived proposal for a Bill of Rights is an example.

This awakening has begun to turn its inquiries to economics, and something of a dichotomy can be perceived between the advocacy of a return to a Gold Standard, as opposed to an increasing interest in Social Credit.

Mr. Jeremy Lee has written the following article in response to some misconceptions, which have arisen through this awakening interest.

There is, by the very nature of events in Australia and the rest of the world, a growing concern about economics, which is timely.

There is a general agreement that current economic policies are failing to deliver the results we all want.

The healthiest part of this growing concern is directed towards ascertaining whether Christianity provides solutions, which other philosophies are failing to deliver. The missionary zeal, which attended the policies of Marx, and Keynes earlier this century is flagging as the self-evident results of those policies manifest themselves in the widespread Human misery of the 1980s. Of Marx and Keynes it can truly be said:

'You cannot get figs from thistles.'

If Christian economics is to turn human misery into satisfaction, however, it must meet three criteria. It must, firstly, be in accord with Scripture. Secondly, it must be capable of practical demonstration. And, lastly, it must embrace a practical means of transition from the false path to the path of truth and righteousness.

This obviously requires faith, knowledge, wisdom, scholarship and practical experience. When these line up with the Word of God we can expect irresistible results.

Part of the growing interest has concerned the subject of Social Credit, a concept unfolded by a Scottish engineer, C.H. Douglas, between 1918, when he wrote his first article on economics, *"The Delusion of Super-Production"*, and 1952, when he died.

During those 34 years Social Credit attracted wide interest, almost entirely in Britain, Canada, Australia and New Zealand.

The 1929 Depression projected Social Credit into an arena where it attracted enormous attention and support among ordinary people, and the most extraordinary hostility - with a few exceptions - from economists and, subsequently, politicians.

Because it opened up entirely new concepts, and because there was such an intense crisis, Social Credit quickly became interpreted and advocated in almost as many ways as the Christian faith itself through the centuries. To give some idea, by 1934 there were over 160 study groups meeting weekly in Sydney alone. But the teachers themselves were often novices. The reading of *'Economic Democracy'* - Douglas's first book - was enough to project the reader out to lecture some group as an "instant expert".

Naturally enough, although many had caught a glimpse of what Douglas had to say, there was widespread confusion on details, and even more confusion on the effective action needed to achieve it.

CONFUSION

Social Credit, in consequence, began to manifest itself in all sorts of forms and guises - many bearing little relationship to what Douglas was saying himself. The name appeared over a number of new political parties and power movements. From all these Douglas, and a small number of supporters, held themselves aloof, on the grounds that Social Credit could not be imposed through such means, but must grow organically as a choice through the spread of a spiritual and philosophical acceptance that "right could not be established by might".

To counter the obvious perversions that were abounding, Douglas established a Social Credit Secretariat, under his chairmanship, which offered a certificate qualification to those who reached the necessary standards in a course of studies on the technical and philosophical elements of Social Credit, which culminated in a thesis the requirements of which were of university standard.

For these reasons, recent analyses and criticisms of Social Credit have been directed at the aberrations, rather than the substance, and are therefore meaningless.

Since World War II little has been heard of Social Credit, save in the political parties which bear that name in Alberta and British Columbia in Canada, and the late and unlamented Social Credit Political League in New Zealand. Any connection between what those organisations have postulated, and what Douglas himself put forward is entirely coincidental.

In these circumstances, the modern critic of Social Credit is in an invidious position, and too often finds himself penning objections with which true Social Crediters would agree! None of this, therefore, is very helpful.

Two recent criticisms of Social Credit have attracted some inquiry in the ranks of those interested in Christian economics, deserving of some comment. Before tackling the relationship between Christianity and Social Credit, some correction is needed to the misapprehensions in each criticism, and these notes will confine themselves to that aspect. The matter of scriptural authority and Social Credit deserves a much more extensive

coverage, and I plan to have a booklet available before long. The first criticism is contained in Gary North's book, *"An Introduction to Christian Economics"* (The Craig Press, 1976) in which he has included a chapter *"Gertrude Coogan and the Myth of Social Credit"*.

LACK OF SCHOLARSHIP

I like much of what Gary North writes. From his *"Remnant Review"* to his recent *"Backward, Christian Soldiers"*, his material is, on the whole, marked with a standard of scholarship, which is admirable.

It is disappointing, therefore, to find such a marked departure from his usual scholarship in that chapter. It can only be described as lamentable. More space than I have at my disposal would be required to deal with all his misapprehensions. Perhaps, then, I can make my point in dealing with his introductory explanation, which contains his basic premises:

"Few Christians have ever heard of either Miss Coogan or Social Credit. Yet this essay is important, if only as a kind of reference guide. For Social Credit is an enormously popular movement in the United States. The resurgence of populism is strong, heralded by journals as diverse as the sophisticated *New York* to the not very sophisticated tracts of the far Right. Social Credit is the economics of neo-populism. It has infiltrated almost every right-wing movement in this country. From dozens of little right-wing groups comes the parade of Social Credit books by authors like Wycliffe B. Vennard, H.S. Kenan, Congressman McFadden, Whitney Slocum, Major Douglas, Frederick Soddy, R. McNair Wilson. A.N. Field, Arthur Kitson, and the most famous one of all, Father Charles Coughlin. It would seem safe to classify Wright Patman, the Chairman of the House Banking Committee, as one of the Social Credit neo-populists, as well as former Congressman Jerry Voorhis. . . . Gertrude Coogan is quoted as often as any of them, so I have selected her work as representative . . . In addition almost every Anglo-Israelite writing today is a Social Credit supporter. . ."

It is quite clear from the above that Dr. North is completely unaware of the real nature of Social Credit, its history or its genesis. One or two of the names he mentions I do not know. To describe others as representative of Social Credit is ridiculous. Congressman McFadden was never a Social Crediter. R. McNair Wilson lived and wrote long before Social Credit was thought of. A.N. Field, a New Zealander, whose political analysis of the Great Depression was, I believe, both scholarly and accurate was, nevertheless, opposed to Douglas's proposals.

As for Miss Coogan, many of her ideas would have received an equal criticism from C.H. Douglas. By no stretch of the imagination could she be taken as a valid postulate of the Social Credit position.

SOCIAL CREDIT AND THE U.S.

Contrary to Dr. North's assertions, there never has been a valid Social Credit movement in the United States — to the regret of many Social Crediters — but, rather, a hotchpotch of "monetary reform" ideas that are entirely distinct from Social Credit, containing many of the inconsistencies, which Dr. North attributes to it.

Although he includes C.H. Douglas in his list, it seems clear that Dr. North has read none of his material. Had he done so, he would not have quoted the quite deplorable assertion by Alvin H. Hansen, that "The Douglas literature.... at no point is so shifty and uncertain as it is in the attempt to expound the flaw in the financial system. No single consistent explanation is given...."

The briefest examination of Douglas's book *"The Monopoly of Credit"*, in which, with diagrams and algebraic formulae,

he sets out a concise argument in support of his A + B theorem, makes an absolute nonsense of Dr. North's position.

What, then, are we to make of a Christian economist who sets out to criticise Social Credit in the most damning terms, without reading one word of its author's ideas? And they were damning!

Of Social Credit he concluded: "In the final analysis, Social Credit economics — the economics of nee-populism — is nothing but sheer economic quackery, a crude, pathetic imitation of economics. Its proponents are desperate little people, confused about the nature of the world they live in, clinging together in their little 'study groups' outside the dark, forbidding 'evils' of systematic scholarship."

- To which one can only reply: "A scholarly critique starts with an accurate appraisal of the subject under discussion. If it wishes to add a little charity to accuracy, it would certainly forego 'such a harsh and undeserved blanket condemnation!'"

So, in the case of Social Credit, Dr. North's criticism is of no use to us.

Nor is his attempt to link Social Credit to the British Israel position any more accurate. Had he read Douglas's views on this subject in his booklet *"The realistic position of the Church of England"* he would have foregone another gaffe.

Lastly, Dr. North reserved a particularly scathing criticism for those who believe in "conspiracy theories".

C.H. Douglas could be put in this category, although his position in this regard did not develop all at once, but only as fast as the evidence confirmed it to him.

It may be true that there are those who see everything in terms of conspiracy. It is also undoubtedly true that there are those who have so fixed a position that they discount any possibility of conspiracy, despite all evidence to the contrary.

Dr. North justifies his argument with a most specious bit of logic:

"This personalization of evil into a selected group is a denial of the basic Christian doctrine of the sinfulness of human beings as a species...."

This is the ultimate 'non-sequiter'. Original sin, evident in all human beings, is a fact. But why should recognition of this truth preclude the possibility that certain evil men should meet to conspire in pursuit of power for their own ends?

Elsewhere in his book Dr. North deprecates the Fabian Society. Is this not an association of human beings working together for an end that is anti-Christian in character? Those who have read Australian Prime Minister Bob Hawke's speech at the centenary celebration of the Fabian Society's founding would need little convincing of the reality of conspiracy.

"TRAGEDY AND HOPE"

One wonders how Dr. North would react to the revelations of one of America's best-known historians, Dr. Carroll Quigley, whose 'magnum opus' *"Tragedy and Hope"* (Mac-Millans) detailed his personal access to the private papers of a secret association of bankers conspiring for supranational power? It is a sad fact of history that unprincipled men DO conspire to gain power by immoral methods, and that their actions can accurately be called "conspiracy". A realisation of this is certainly not a denial of the existence of original sin, common to all human beings.

* * *

The second criticism of Social Credit appeared in the May 1986 issue of F.A.C.S. Report, published by Mr. Ian Hodge. Once again, I am happy to acknowledge the great contribution Ian Hodge has made in the educational field. It is therefore with reluctance that I take issue with him, and wish it could be otherwise.

His criticism was confined to one book of the several

written by C.H. Douglas, namely "*Social Credit*", and his failure to go further leads to his most glaring misapprehension — that Douglas made no attempt to prove his thesis, that a shortage of purchasing power was a feature of economies operating under existing financial rules.

It is safe to say that the critic who has not examined this proposition in detail has not grasped anything of Social Credit proposals: for it leads to the obvious conclusion that if this IS the problem, it cannot be rectified by the "redistribution" of purchasing power, which is the essence of socialism.

Like Dr. North, Ian Hodge should have read "*The Monopoly of Credit*". He may well have disagreed with it. But he might have at least avoided the mistake, which comes later in his article, of attributing to Douglas a position, which Douglas was at pains to avoid - that "robbing the rich to help the poor" was any sort of solution to the problem.

The argument of the A + B theorem occupied so large a part in the debate about Social Credit that has raged through the years that I am somewhat at a loss to deal with a critique which does not know if its existence. The argument taxed the minds of eminent economists, from Professor Copeland, the Federal Government's economic adviser during the Depression, to Professor Belshaw, to Professor Irvine of Sydney University, to Sydney Webb, early doyen of the Fabian Society and later British Chancellor of the Exchequer, to Dean Hewlett Johnson of Canterbury Cathedral, to Keynes himself - all wrestled with Douglas's A + B theorem. Copeland once organised and addressed a packed Town Hall meeting in Sydney, with the intention of "disproving" the theorem. Reports suggest he lost more than he gained. Sydney Webb, after exhaustive discussion and analysis, conceded personally that Douglas was right, but that "he did not like his purpose". One can understand why. It demolished the socialist argument completely.

THE BIG BATTALIONS

Professor Douglas Irvine - who was a Christian — wrestled with the A + B theorem for over a year at Sydney University before concluding it was right. He was forced to leave his position in the Economics Faculty shortly afterwards for refusing to remain silent on his conclusions. He wrote afterwards that a number of his colleagues privately agreed with him, but, in his own words, had "made their peace with the big battalions."

All this debate about a financial theorem, and its social consequences, caused enormous debate in four countries; yet Ian Hodge is not only totally unaware of its existence, but does not even know of the proposition itself!

C.H. Douglas was increasingly concerned that the developing argument was becoming so technical that the spiritual principles towards which financial policy should be directed were being either flouted or lost altogether. There was cause for concern. The recently elected Adolph Hitler, in Germany, had adopted some financial techniques, which, while alleviating the Depression in Germany much earlier than elsewhere, nevertheless harnessed the German people increasingly into the service of an omniscient State. Embarrassing though it may be in the 1980s, a number of eminent British leaders, including Winston Churchill, visited Germany in the pre-war period, and returned full of praise for Hitler's financial policies. The *London Times*, shortly before the outbreak of war, published a series of articles eulogising the "economic miracle" in Germany.

At the same time, Keynes was gaining increasing attention for his "government pump-priming" ideas, which manifested themselves in the Roosevelt New Deal in the United States - a major disaster. From all of this Douglas recoiled. State direction for human purpose was anathema to him. Increasingly, his writings were devoted to philosophical matters, from constitutionalism to the rule of law.

Ian Hodge, perhaps, can be excused, if not condoned for
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his lack of knowledge, about this history. I mention it simply because it has such a bearing on two further criticisms he put forward - the allegation that Social Credit is scripturally unsound because of Douglas's views on the Old Testament; and the charge that Social Credit is socialistic.

ENGINEERING APPROACH

It is important to grasp that Douglas never set out to expound a Christian economic theory or system. He started, rather, as an engineer to examine an economic situation, which was, as early as 1918, clearly heading towards social breakdown. His criteria was that, if human satisfaction and potential was to be reached, there was a "right" way of doing things, which touched everything from building a bridge to the principles on which human associations should be based which had to be adhered to if disaster was to be averted. This "rightness", or logos, as he described it, was established by a creative wisdom past human understanding, but which nevertheless produced harmony and abundant life if it was obeyed. In seeking its definition, his approach was Baconian.

Those who knew and worked with Douglas were later to claim: "Social Credit did not set out to be Christian; it turned out to be Christian".

Obviously, from the perspective of the seeker who wants a cut and dried, scripturally authentic "blue-print" of an economic mechanism, there are large defects in such an approach. Equally, it avoids a number of dangers. The grossest errors have been perpetrated in history by those who claimed to have an infallible Christian "blue-print". The near-disaster of the Pilgrim Fathers in their first economic endeavours in America is a case in point. None of this constitutes an argument either for or against Social Credit.

The real issue is whether Social Credit principles measure up to what Christ was advocating and teaching.

While Douglas emphasised he made no claim to theological expertise, he would have rejected the all-too-glib assertion that, because Christ endorsed and confirmed the validity of the Old Testament, it is therefore legitimate to define Christian economics solely, or even mainly, from Old Testament patterns. This is not to say, as Ian Hodge imputes to Douglas, that the New Testament negates the Old. But it *does* say that the qualifications introduced by Christ were both amplification and a transcendence over the Law of Moses of such magnitude as to offer a new way of living never possible since the dominion mandate was given to Adam.

It is this promise of a new way, which is negated by those who not only attempt to *define*, but to *confine* economics — or anything else - to Old Testament limitations.

The amplifications introduced by Christ are clearly introduced in Matthew 5:12-48, and in the Parables on the Kingdom of God.

The brilliance of Christ's teaching was that, while confirming the Old Testament, He made it clear at the same time that his amplification was to result in an entirely different form of human behaviour, with regard to:

- The Law relating to Murder;
- The Law relating to Adultery;
- The Law of Perjury;
- The Law of Retaliation;
- The Law of Love.

The tragedy is that so many limit these teachings to personal behaviour.

COMMON LAW

The implications for the Social Order are seldom grasped. One example may suffice. Alfred the Great gave Britain its first legal system, based on the Ten Commandments. But it was only

Christ's teaching regarding the Old Testament "eye for an eye" which made possible the development of Canon and Common Law and such developments as "Habeus Corpus". Thus, the social behaviour resulting from Old Testament Law became something entirely different when enhanced by Christ's amplification.

Similarly, Christ's parables on the Kingdom, while never repudiating Old Testament Law, at the same time amplified them into new concepts so explosive that their potential was beyond human understanding. Christ Himself described the ultimate reconciliation as a mystery. It was to be so radically different that He did not attempt to explain it in terms of the Law, which His listeners understood, and in which they had been steeped.

Instead, He conveyed His meaning through parables.

With this in mind, is it not a mistake to attempt to define "kingdom economics" within the confines of the law? Which is not to deny their validity.

It is altogether erroneous to define the capitalist system in terms of biblical laws relating to private property and the market place as though a return to those principles can measure up to full restoration.

Both Ian Hodge and Gary North appear to take an oversimplified position on an issue which has taxed theologians for nearly 2000 years and which, after centuries of debate, produced this definition in the seventh of the Church of England's Thirty Nine Articles:

"The Old Testament is not contrary to the New; for both in the Old and New Testaments everlasting life is offered to mankind by Christ, who is the only mediator between God and Man, being both God and Man. Wherefore, they are not to be heard which feign that the old Fathers did look only for transitory promises. Although the Law given by God through Moses, as touching Ceremonies and Rites, do not bind Christian men/nor the Civil precepts thereof ought of necessity to be received in any commonwealth; not withstanding, no Christian man whatsoever is free from the obedience of the Commandments which are called Moral.'

Douglas, therefore, was right in suggesting that human behaviour expressed simply in observance of Old Testament Law is vastly different to that which is amplified by the teachings of Christ.

One can see those differences working out today, in the fierce vengeance motive of Jewish organisations still hunting down war criminals 40 years after the last war ended; as contrasted with Australian soldiers who suffered horribly on the Burma railway and in Changhi at the hands of the Japanese, but who have long since forgiven — even though they may not have forgotten. These were the end results of two vastly different approaches — one motivated by the spirit of retribution; the other by the law of Love.

It was to these differences that Douglas addressed himself, believing that the same amplification lay waiting to be discovered in the field of economics.

THE FIG TREE

To suggest that Douglas opposed the Old Testament in any other sense is not true. The Social Credit Secretariat, under his chairmanship, called its literary magazine "*The Fig Tree*", and carried on its cover each issue the text of Micah 4:4 — hardly the action of one who opposed the Old Testament.

Mr. Hodge followed his reasoning on theology by plucking a few quotes, apparently at random, from "*Social Credit*" to justify his supposition that Social Credit is socialistic; and in doing so, he has rendered the opposite meaning of the larger context from which they were drawn.

For example, he gives this damning example:

"...."What do we find in Major Douglas's book *Social*

***Credit?* Statements like this, "But just as it is the nature of things that ownership and finance are indissoluble, so, while emphasising the sphere of the technical in production, it is equally certain that his product belongs not to himself, but to the community from which he derives his financial energy." In other words, what a person produces does not belong to him personally but to the community as a whole.. Major Douglas, in other words, does not know the meaning of the eighth commandment, forbidding theft...."**

Taken at its face value, such a statement would lead the non-socialist to tremble. But what was the context? The quotation was from a chapter dealing with supply and demand. Douglas made the orthodox point that in a market situation the supply of goods is governed by effective demand, which in a money economy is expressed in financial terms. Thus, to "derive financial energy" the technician exchanges his product for the community's credit. At that point, "his product belongs not to himself, but to the community *from which he draws his financial energy*". There is nothing in this argument to suggest that, if a producer wishes to keep his product for himself he may not do so, which is what Ian Hodge has deduced. Douglas was simply making the point, with which I'm sure Ian Hodge really agrees if he did a little more than pluck extracts from thin air, that an effective productive system depends on an exchange between producers and consumers. Quite contrary to Mr. Hodge's suggestion, Douglas was a fierce defender of private property, condemning any form of theft, particularly by the State.

It's rather like the new Christian who, reading Luke 6:30, which reads (NIV) ". . .If anyone takes what belongs to you, do not demand it back . . ." took it to mean that Christ endorsed the practice of stealing!

What, then, were Douglas's views on socialism?

Writing in *The Social Crediter*, July 19, 1947 Douglas wrote:

"There is not room in the Universe, not to mention the planet Earth, for Commu-socialism and Christianity. There can be no more fatal mistake than to suppose that socialism is merely an economic system — it is, in its materialistic aspect, the policy of a philosophy. The war between socialism and Social Credit is only an earthly simulacrum of a War in Heaven."

DRAFT SCHEME FOR SCOTLAND

Nevertheless, spurred on by one misinterpretation, Ian Hodge pounced like a terrier on his next discovery, in the "*Draft Scheme for Scotland*". Douglas had written herein that those selling property could only do so to the State, which would then re-sell it to suitable applicants. Here was the dreaded sell-out to socialism, which he had feared all along! Had he looked a little further, he might have modified his conclusions. The draft scheme for Scotland was written during the last Depression, when three disastrous features among many prevailed: Over 20 percent of the workforce was unemployed, and many were starving; the failure rate in farms and industry was extraordinarily high; there was a rate of speculation and exploitation of property and land which had placed private ownership completely out of reach of those who needed it. The scheme was put forward as a transition scheme for an emergency, and its true context will at once be seen by those who have also read what Douglas had to say about economic arrangements in a less drastic situation.

His point is complicated further by his failure to discern that, under the British system, the "State" was no monolithic entity as under a unitary system, but included the reserve powers of the Crown, whose role spanned a gap between things "temporal and spiritual". Those holding freehold property, for instance, did so under the sanction of the Crown, and transfer of titles took place through that institution. For centuries, this

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guaranteed, sooner than compromised private property.

Furthermore, it was through the Crown and Law Offices that conditions for the proper use of property were established. These were in no way a threat to sanctity of tenure, as Ian Hodge would have us believe; but were, instead, concerned with those areas of property usage which had a wider aspect than the personal whims of the owner. It had to do with fencing, for example, where responsibilities affected adjoining neighbours. A farmer could not pollute, or withhold the water, which flowed in a stream from his property to those of others.

A man selling property, if the Old Testament laws on the Jubilee and restoration of inheritance were to be honoured, had to fulfill, and be seen to fulfill his obligations. Further, there is scriptural authority for the teaching that while a man could sell property, it was not a commodity for monopolisation and speculation. The requirement that land should be sold at a fair price to both buyer and seller is no intrusion into the sanctity of private property once ownership has been consummated and title established.

From this came the differentiation between "unimproved" and "improved" values for property, allowing a man to realise both the original value of his land, and the value of the improvements he had made, in the event of selling. It is highly questionable that he could or should go further than this. The hideous and exorbitant speculation in land today, where quarter-acre blocks are sold on terms that keep young homeowners in the mortgage belt for the greater part of their lives is, I would have thought, a form of unlawful gain which equates with usury, and should have no place in a Christian society. Is it really an attack on private property to suggest that the authority of the Crown be used both to defend title deeds and prevent their misuse?

'COUP DE GRACE!'

Ian Hodge then strays from the sublime to the ridiculous. His final point, a 'coup de grace' that is in reality a debacle, reads as follows:

"The whole idea of Social Credit is this: the total wealth of the nation will be calculated in money terms. That amount will then be divided amongst the total population. Whatever that amount comes to, each person will be entitled to the money equivalent of their portion, not by borrowing and incurring debt, but by free grant of the government. Having denied the idea of rewards and punishment, Major Douglas will distribute the national wealth on the basis of community goods or communism. Each is entitled to his portion because he exists. Gone is the idea that those who work should keep the fruit of their labours. No, the productive in society will subsidise the lazy and inefficient. "No payments of the national dividend will be made except to individuals, and such payments will not be made where the net income of the individual for personal use, from other sources, is more than four times that receivable in respect of the national dividend". But now the wealth is not to be given to all indiscriminately. No, only the poor will receive the "credits". In other words, there is going to be a massive redistribution of wealth from the rich to the poor. Does that idea sound familiar?"

There's only one problem with Mr. Hodge's analysis. It is a complete flight of fancy. One all-important slip has led him into "never-never-land". That which was to be distributed in the form of a national dividend - and, remember, this was in the special circumstances prevailing in the Scotland of the Great Depression was ONE PERCENT of the estimated CAPITAL VALUE of the nation, calculated by normal accountancy procedures. Not one jot or tittle of this was to be done by taxation, removal of property or anything similar. It was to be done by the monetisation of a purchasing-power deficiency, which Douglas had elsewhere shown to be an

actuality, on debt and interest free terms.

LABOUR THEORY OF VALUE

So Ian Hodge is ninety-nine percent wrong. There is only one argument of any substance in this regard - which Ian Hodge failed to raise due to the short-comings in his own analysis.

While holding the principles of private property, supply and demand and the right to buy and sell without government control to be proper and scripturally valid, is it true that the total wealth - or even the productive capacity — of any community is solely the product of human labour and only measurable in those terms from a financial point of view?

If so, this would seem to verify the "labour theory of value", largely held to be true by Marxist and capitalist alike? If there is one thing both Marxists and capitalists agree on, it is the well-worn cliché that "there's no such thing as a free lunch."

How about this, then, as an economic statement so brilliant it pales all the "isms" into insignificance?

"If God so clothes the grass of the field, which today is, and tomorrow is cast into the oven, shall He not much more clothe you, O ye of little faith? Therefore, take no thought saying, what shall we eat? Or what shall we drink? Or Wherewithal shall we be clothed? (For all these things do the Gentiles seek) for your heavenly Father knoweth ye have need of all these things. But seek first the Kingdom of God, and His righteousness; and all these things shall be added unto you..."

If we add "Kingdom economics" to our seeking after the Kingdom of God we can expect, through His grace, the "free lunches" which both communist and capitalist say is unobtainable save through human labour.

GRACE AND THE KINGDOM

Herein lies the answer to Ian Hodge's main criticism of Douglas's views of the Old Testament. As Mr. Hodge rightly insists, the feature of the Old Testament was the "rewards and punishments" instituted by God through Moses. The institution was the result of the entrance of sin, through Adam. The "curse of Adam" and the rewards and punishments which went with it, were the pre-condition for the long historical journey, guided by the Prophets, towards the most staggering moment in time - the New Covenant of life, fulfilment and restoration, through God made Man. The Law was not done away with; but the accompanying "rewards and punishments" gave way to the grace, which was to be the only way into the Kingdom.

In the field of economics, this adds a dimension to the rewards and punishments of human effort, however valid the latter might be. It is an ever-expanding component of inheritance, reflected in the cultural heritage of those who grasp and apply the principles of the Kingdom of God.

We can conclude, then, with some considerations of money, and money systems. It must be stressed that money is a man-made system. An improper money system has more potential for human misery than any other single factor. Scripture concludes that the love of money is the root — not a peripheral branch, twig or leaf but the root itself — of all evil. Its danger lies in the ability of its controllers to distort reality, or truth, into its own image.

A proper money system, on the other hand, must be aimed to accurately reflect reality rather than to change it.

Therefore, any discussion about money should only follow the most exhaustive appraisal of economic reality. From a Christian perspective, this means a faithful identification of the

economic rules which God has established for human satisfaction:

"Why do the nations say, "Where is their God?"
Our God is in heaven; He does whatever pleases Him.
But their idols are silver and gold, made by the hands
of men ..."
Psalms 115: 2,3 & 4.

"... O Lord, your law is being broken,
Because I love your commands more than gold.....
and because
I consider all your precepts right, I hate every wrong
path ____"
Psalms 119:126, 127, 128.

"You blind fools! For which is the greater,
the gold or the temple that has made the gold sacred?.."
Matthew 23:17

TRINITARIAN NATURE

A money system, then, is to reflect accurately the nature of God's creation, and our economic activity within its laws.

This nature, like the Creator's, is Trinitarian in character.

Firstly, the "physical capital" - the earth itself, water, air, seeds, minerals and solar energy — are provided in gift-form by God, and are not the result of human labour.

Secondly, they are to be used properly by man within certain rules again ordained of God. These include the sanctity of private property, the forbidding of theft, and the right to enjoy without hindrance "the fruits of one's labours" within a framework of conditions that have to do with husbandry.

Thirdly, there is an inheritance factor, which expands or wanes to the degree that human beings in society comply with the principles of God's order. This inheritance factor contains a multitude of elements, from scientific discovery, to productive techniques, to the increment of both human and

technological association, to conservation, to fertility. Although real, it can often be intangible, discernable only in results obtained. Collectively, it can be called our "cultural heritage".

It is true to say that, private property and free enterprise notwithstanding, the size of this component, relative to the first two parts of an effective productive system; determine the ability of the individual to "serve God, rather than Mammon."

The discovery of the wheel is but one example. The inventor of the wheel had the right to extract from his discovery a "profit" - and it was right and proper that he should have been able to do so. His discovery, however, has long since passed into a common heritage. The user of the wheel-principle today is not required to pay a "licence-fee" to the inventor, or his descendants. Anyone can enjoy the fruits of this discovery without in any way diminishing the right to private property. The wheel-principle is, after all, part of a huge array of natural laws that are part of the universal laws of God.

The extension of these ancient discoveries, in countless forms, can be seen in mechanisation, electronics, robotics and an increasing manifestation of a "workerless productive system."

Does this mean the individual is absolved from productive effort? By no means! But it does offer him a choice to re-align his purpose from the compulsory employment of Mammon to the choice of self-employment in God's service.

Social Credit, recognising the Trinitarian nature of a God-ordained economic system, offers the only way I know of to make the transition from the economics of disaster to the economics of the Kingdom. It is not dogmatic on the substance from which money should be made. But it rejects the suggestion that gold — or anything else — contains the intrinsic or historic properties, which, in reality, reside in the make-up of a divine economy for which money should only be an accurate symbol.

In a Christian economy, money can never be a commodity. It can only be a faithful and accurate accounting mechanism for the real things it is supposed to represent.

IS SOCIAL CREDIT CHRISTIAN?

A reply to an article under this title by Ian Hodge, in the Report of the Foundation for Christian Studies (Engadine, N.S.W.) Vol. 5, No. 5., May 1986.

by

Geoffrey Dobbs

I have been asked to comment on an article by Mr. Ian Hodge called, IS SOCIAL CREDIT CHRISTIAN? In fact this author finds that Social Credit is *not* Christian and even that it is a form of socialism. The remarkable way in which he arrives at this conclusion is by having Douglas's book, SOCIAL CREDIT, open on one side and the Bible open on the other and then seeing how presumably different pages, and different bits, quoted from one, fit with different bits quoted from the other. By this means I fear that anything can be proved about anything. It is like comparing a modern picture on a sacred subject, say the Nativity, with an acknowledged Old Master by putting them side by side and selecting odd square inches of them and seeing whether they match. As a method of studying any writings, especially those of Douglas, let alone the Bible, this cannot lead to any depth of understanding at all: it can only be used to confirm a judgment already made.

The grounds on which Social Credit is judged to be un-Christian is that it is based upon the New Testament and not upon the Old, but surely Christianity is about Christ primarily - only secondarily about Moses and Abraham and the history of the Jews - so that, even if Mr. Hodge has a point to make, he cannot use the Old Testament to show that Douglas and Social Crediters are not Christian: only that they are not Jews; or

perhaps, to put it more correctly, that in his view they are in error in respect of Judaism. It is true that Christ and all the early disciples were Jews and that He said that He came to "fulfill the law", but He fulfilled it in such a radical manner, in such a stupendous and new way, that official upholders of the law, the high priests, felt it necessary to have Him crucified. Mr. Hodge tries to make out that there is no conflict here, but how can he say that there is no conflict? Think of the Jew, Jesus, weeping over Jerusalem and saying, "Oh, Jerusalem, Jerusalem! You that murdered the prophets!"

OLD TESTAMENT

All through the old Testament there is that spirit, that policy, which murdered the prophets and then ended by crucifying Christ, and all through the Old Testament there is that golden thread of the prophets themselves, which culminates in Christ; but if you just open it at random I think you will find that the vindictive and murderous spirit has an even bigger place than the other.

Douglas did not ignore the Old Testament, but he told us that much of it must be taken as a warning rather than something to be followed. He did not deny that golden thread which, seen in the light of the New Testament, can be seen to be Christian.

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Witness the fact that his quarterly journal was called THE FIG TREE, every issue carrying the quotation from Micah: "They shall sit every man under his vine and under his fig tree, and none shall make them afraid." That is Old Testament, not New, and Douglas chose it, but a Christian, that is, a follower of Christ, interprets the Old Testament in the light of the New. In recent years someone — and it is certainly not the ordinary Christian — has started calling our religion 'Judaeo-Christianity'. There never was such a religion before, and it has led many people to interpret the New Testament in the light of the Old, which cuts them off from the tremendous new message of the New Testament. That is why it is called "The New".

This can have terrible results. Take, for instance, the story of Abraham's sacrifice - or *willingness* to sacrifice - his son, Isaac, at the command of God. If the Crucifixion of Christ is seen as merely a version of that, on a cosmic scale, so to speak, the whole thing is degraded. If you look at Abraham's willingness to sacrifice Isaac in the light of the Crucifixion, yes we can see it as a brutal, primitive, distorted forerunner, which, nevertheless, demonstrates the priority of the First Commandment, to love God first. The God who is revealed by Christ would never demand that a father murder his son, even if He let him off with a ram afterwards. What is missed, of course, is the whole significance of the Incarnation and the Trinity — that the Son who submitted to brutal murder on the Cross was also God Himself.

HOLY TRINITY

Evidently, Mr. Hodge has not studied Douglas enough to realise what a light he threw on the Holy Trinity: on its practical application in the modern world. Christianity is the religion of the Incarnation: that is, God made man, on this earth. Oh, yes, the man was a Jew, and that is quite important, but not of primary importance, as Peter was shown in his vision, the incarnation was for all men, not only for Jews. Christianity is also the religion of the Holy Ghost, and thus of the Holy Trinity: of God Who is not only a unity but also comprises diversity; of Love that is not only love of Himself but love within the Godhead. That makes all the difference in the world; and, in that sense, Social Crediters strive to be Christians: to express that religion in practice in the current world. I dare say we go wrong: we are very far from perfect; but that is what we are attempting to do, and even if we cut out the Old Testament altogether, that would be a deficiency, but nothing compared to the other way round - trying to interpret the New Testament in the light of the Old.

The Incarnation and the Trinity are revelations about God. Therefore, they are enormously, almost infinitely, more important than anything else, including the history of the Jews, without denying that the history of the Jews is of great importance.

* * *

The book, SOCIAL CREDIT, which Mr. Hodge seems alone to have studied of Douglas, was written in 1924. There are another twenty-eight years during which Douglas grew in intellectual and spiritual magnitude. I would ask Mr. Hodge just to show a little more patience and thoroughness and to go deeper. He will discover the *spirit* of the New Testament, the spirit of the Christ Who came to bring us "life more abundant", which is what we Social Crediters are trying to apply in practice in what we call our policy, or long-term objective.

It astonishes me that anyone, at this date, should still refer to Social Credit as if it were some sort of an economic scheme or plan, which Social Crediters are trying to *impose* upon the community, considering that Douglas spent a large part of his public life in pointing out that this was *not* what he was trying to do. Oh, yes, he put forward suggestions, various schemes and plans, appropriate at various times, just as, as an

engineer, he might draw up a specification for a bridge at a particular point for a particular purpose. That did not mean that he had a universal plan for a special sort of Douglas Bridge to be imposed on the community under all circumstances.

When we come to Mr. Hodge's accusation that Social Credit is a form of socialism it is clear that he relies, as with his judgment of the Bible, on selected words or texts, drawn in the main from Douglas's scheme for Scotland, which is the appendix to the book, SOCIAL CREDIT; but he has not even taken the trouble to discover what his proposals *mean* - what they *are*. He has even ignored the whole main thesis of Douglas concerning the vast unpurchaseable surplus of productivity which is earned by past invention or technological advance and, therefore, is not specifically owing to any particular one of us; and he actually says that, "Gone is the idea that those who work should keep the fruit of their labour". This is almost incredible for anybody who pretends that he has even *glanced* at Social Credit.

It is all due to thinking in *words*, and a few words at that. He pins this idea of Douglas, of merely redistributing wealth, to what he calls his rejection of rewards and punishments; but Douglas does not reject rewards and punishments: he rejects the imposition of the Old Testament doctrine of rewards and punishments, which still has some validity, over the New Testament conception of Grace and of life more abundant. Mr. Hodge quotes the expulsion and condemnation to death of Adam and Eve for disobedience, but has he not heard that, "As in Adam all die, so in Christ shall all be made alive"? And could he not, perhaps, if he probes deeper, be able to see that modern science and technology originally arose out of Christianity, though they have long departed, for the most part, from their origin; and that this abundant plenty which they can provide if only we will use it properly is not *merited* by any one of us; and that when a man's productivity is multiplied a hundred times by devices and solar energy, then, although some men must still work to produce what we all need, an increasing number could be released, and if they are not released from useless labour to get money, then their lives are wasted?

Salvation from this fate, as well as the squandering of the earth's resources to keep them working to produce what is not wanted, is to be found in that element of Grace, of giving us what we do not merit; but which is there, and to waste it is to deny the generosity of God. Yes, this is a New Testament and not an Old Testament view; for when Christ is denied there is nothing to fall back on but rewards and punishments, and when the Trinity is denied we have nothing left but the God of the Jews, the God of rewards and punishments.

MISUNDERSTANDING SOCIAL CREDIT

As for the accusation that Social Credit is some form of socialism, it is based on a misapprehension, not only that it has anything to do with socialism but that it is any sort of economic scheme at all. Mr. Hodge would have to read more deeply in Social Credit to discover what we mean by the word 'policy', but Social Credit is a policy, an attempt to apply Christianity, by which we mean the following of Christ as prescribed in the New Testament; and from time to time, if anyone challenges us as to what we actually propose, we have proposals to *make*. This is quite another matter from having to sell a scheme.

As I hope he knows, we are not a party: we do not seek power, to implement a scheme or for any other purpose. Schemes are methods, and it is results we seek: we are not attached to methods but are prepared to design or devise methods for any particular time and occasion. Douglas's scheme for Scotland, if studied carefully, does illustrate what his objective is. It most certainly is *not* to deprive people of the reward of their labour. Obviously there would be no product at all, as the basis of the dividend, if such a thing were put into practice. It involves no interference at all with the ordinary principles of economics,

"BIG NATIONAL WEEKEND"

NEW TIMES DINNER: This historic annual event will be held on Friday, October 3, at the Victoria, Melbourne. \$20 per person, which must be sent with booking. Attendance at a New Times Dinner is an experience never to be forgotten. Guests may nominate their preferences for seating.

NATIONAL SEMINAR. Under the theme of "The Planned Destruction of Australia", the League will be assembling the most impressive panel of League speakers in the history of the League. There will be special interest in the appearance of West Australian farmer Brian Anderson, the man who caused a stir with his campaign to establish a farmers' bank. What happened is a fascinating story. Date: Saturday, October 4th, 1986.

— YMCA 489ElizabethSt —

The 1986 National weekend of the League of Rights will demonstrate that the League is well equipped to meet the challenge of the greatest crisis in the nation's history.

but it does interfere with the idea that money must be created as irredeemable debt only to be met by incurring further debt. That is why it interferes not with economics but with finance, which is a different matter.

I was interested that, at one point, Mr. Hodge referred to the economics of Adam Smith and of von Mises as being nearer, in his view, to a scriptural economics. I do not entirely disagree with him. Perhaps he may be interested to know that I had an interesting contact with what is called nowadays 'the Austrian School'. A few years ago, as a Social Creditor and follower of Douglas, I was awarded a fellowship in California at the Institute of Humane Studies, paid for by the Liberty Fund. The official title of the award was rather embarrassing: "Distinguished Visiting Scholar"; but I have to admit I was taken down a peg when my time there overlapped with that of another Distinguished Visiting Scholar who really *was* distinguished. That was Professor Friedrich von Hayek, undoubtedly the leading proponent of the Austrian (or von Mises) school of economics. He was unfailingly courteous to me as a Social Creditor, which is more than I can say for some of his younger followers. I can share Mr. Hodge's admiration for this school of thought, particularly for its main proponent, but there was one point in which we strongly disagreed, which they simply would not face.

How could they advocate a free market and ignore the fact that the proletariat had no part in it? What sort of a free bargain for his labour has a money less man entirely dependent on employment for a livelihood for himself and his family? How can a market be 'free' when a considerable part of it consists, in fact, of slaves? Previously many of these people were on the land, where they had their own livelihood, or they were small manufacturers in their own cottages — the word 'manufacturer' used to mean that — making by hand and at home. They were driven off that into the city, with no choice but to accept any sort of servitude for money that an employer offered. To call that a 'free market' is a farce! Nowadays, of course, these people, if they cannot obtain employment, receive a handout, Social Security, taken away from the earnings of those who are working.

Now, on Mr. Hodge's own argument, where is the justice in that, according to his own religion of rewards and punishments? Why punish the worker to reward the non-worker? Yet when I put this up to the proponents of the Hayek and von Mises school they deliberately chose the socialistic handout taken from the worker rather than the dividend which represents the monetised surplus of production brought into existence by the

growth of technology. Though they will not admit it, yet when it comes to it, in a choice between socialism and Social Credit, the free marketeers do not approve of welfare Statism - the grab-from-the-worker-and-handout-to-the-idle state of affairs - but they simply will not face the fact that if we can multiply a man's productivity by a hundred easily and in many ways, we have got to find an alternative to his wages to distribute the product. The difference is that *we* would say that the surplus due to past invention is owing to everybody, not only to the wage-earner or investor, and your free marketeer refuses to face the fact that our potential for production, using fewer and fewer people, now grossly exceeds any possible sane and sensible need or desire for consumption. There is simply no need for an increasing proportion of people to be employed for any reason except to get money. If, therefore, everybody is still employed, an increasing proportion of them must be employed wastefully, producing what people do not want, or producing what they do want in the most wasteful and inefficient way possible, so as to keep earning wages.

SOCIAL CREDIT MEANS FREEDOM

Ultimately the only solution is war, because war alone has a destructive potential even greater than our productive one. Or another alternative is the total, bureaucratic State, in which a vast proportion of people are controlling and interfering and lowering the efficiency of the rest. I do not suppose the free marketeers want either of those, and if they will not face them they will be unemployed, and, contrary to their religion of rewards and punishments, the people who are actually doing the work will be punished by taxation to pay for those in enforced idleness. Where is the justice in that? Where is the free market in that? That, in fact, is socialism, and the free marketeers, when it comes to it, prefer socialism and the welfare State — the handout which you must make if you are not allowed to put people to starve in face of great surplus — to the dividend which, indeed, is not merited by us personally, but which is an acceptance of the Grace of God which has enabled us to produce this enormous surplus of productivity. Any other alternative involves desperate squandering of the earth's resources, wasting energy and materials producing what nobody wants and then wasting more forcing them to buy, by brainwashing. Is that what Mr. Hodge wants? I am sure it is not, but if he will look again, and more carefully, both at the New Testament and at Social Credit, he will see what Social Crediters are at least trying to put forward, ideas which will distribute the unmerited but inherited Grace of God through technological production and will enable everybody to participate in the free market. It will also even enable the just application of the Old Testament policy of rewards and punishments in so far as the worker will no longer be punished for no fault of his own, for the failure to distribute to all the great increase in productivity so that the unemployed will not starve, so the worker will receive a full reward for his work.

At the same time he will be properly punished if his work does not meet the demand of a free market, which, for the first time, will include everybody. The transition from the bureaucratic grab and handout of the State to one in which every citizen had his independence, and, therefore, collectively could control the market, would have its dangers owing to the corruption in which we already live. Hence the interim restrictions which Douglas suggested in his scheme for Scotland in 1924 merely to tide over, to prevent people trained in idleness and greed exploiting it until they had learned otherwise; but it surprises me that anyone who is both a Christian and a follower of Adam Smith and von Mises should prefer socialism to Social Credit, and I feel sure that if he would study it a bit deeper he would soon discover where the more truly Christian policy lies.