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*"Ye shall know the truth, and the truth shall make you free" - John 8 31.*

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## DEATH OF CIVILISATION NOT INEVITABLE

*by Eric D. Butler*

The doctrine of inevitability has manifested itself in many different forms in modern times. Coming to grips with the doctrine is made difficult by the fact that competing groups, using different terminology, support the same doctrine. I well recall how in my callow youth I felt that I could demolish a Communist opponent in a public debate by attacking the evils of "monopoly capitalism". I outlined the evils of Big Business and its destructive impact on the individual. I pointed out that the worst features of Big Business were manifesting themselves in the Soviet Union.

Much to my astonishment my Communist opponent actually contradicted my attack on Monopoly Capitalism, charging that "my young friend clearly has no understanding of the real nature of Monopoly Capitalism," which is an inevitable development of the modern economic system towards a Communist economy. I was told that Big Business is a step towards greater efficiency in operating the production and distribution system. I subsequently discovered that the philosophy of Big Business and Communism were basically the same.

### **The Will-to-Power**

The state of the world cannot be understood without an understanding of how a dominant factor in the world drama is the constant Will-to-Power, irrespective of what label it operates.

The author of *Social Credit*, C.H. Douglas, dealt with the question in a series of writings following the First World War. Douglas correctly predicted that unless the financial policies, which were one of the basic causes of the First World War, were corrected, genuine world peace was impossible, and that eventually Civilisation would be threatened by growing worldwide convulsions. Now while it is true that Douglas warned about the threatened collapse of

Western Civilisation, which had grown out of the Greek and Roman Civilisations under the influence of Christianity, he did not say that such a collapse was

### **OUR POLICY**

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum cooperation between subjects of the Crown Commonwealth of Nations.

To defend the free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.

To encourage all electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

"inevitable".

The pure genius of Douglas manifested itself not only in his brilliant analysis of how the modern finance economic system works, but also in his exposure of how the system was being exploited in the drive towards World Power. Early in his works he drew attention to the historic statement of historian Professor Arnold Toynbee, on how he and his colleagues were working towards the progressive abolition of nation states. Toynbee referred to the conspiratorial nature of his activities with his famous statement: *"We are denying with our lips what we are doing with our hands."* Many who have quoted this statement have overlooked the deeper influence of Toynbee on history, with his widely accepted cyclical theory of history - that in essence the growth and death of civilisation is similar to the birth, growth and eventual death of individuals. There is a striking similarity between the Toynbee view of history and that of the great Eastern religions, which are basically religions of pessimism, with the individual unable to influence the course of events.

### **Christian civilisation**

The growth of Christianity throughout Western Europe was a major new historical development, with the individual being convinced that by observing the laws of God, he could change the course of events from what they otherwise would be. Christianity was a religion of hope, releasing the creative forces of the individual. The growth of Christian Civilisation extended over centuries and did not "just happen". It was the result of the conscious effort of millions of individuals.

A careful consideration of the time factor is essential in any realistic study of historical developments. Those pessimists who fear that Western Civilisation is doomed often paint horrendous pictures of looming cataclysms. They overlook the fact, which is clear, that it was the centralised power of debt finance, which led to the destruction and death of the Roman Empire, and that destruction was a long process of over a thousand years.

During the First World War a prominent British politician said, "The lights of Christianity are going out all over Europe." More lights have gone out since. But the great truths of Christianity remain waiting to be regenerated by the "practical Christian" mentioned by C.H. Douglas.

Douglas not only enunciated financial and economic policies of salvation, but he shed a brilliant light on world events by stressing that real history was not merely a series of disconnected episodes, but "crystallised politics". Just as the student of music knows that the melody of a piece of music is more than a meaningless jumble of notes, the equivalent of a melody can be discovered by observing apparently disconnected events over a period of time.

This approach is often dismissed as the "conspiratorial view of history". As the master of paradox, G.K. Chesterton said, "The plight of the world is the only hope for the world." The very doctrine of inevitability is, in practice, a demonstration that so far from the death of civilisation being inevitable, the devotees of the doctrine are, perhaps unconsciously, providing striking evidence that the regeneration of civilisation is possible. All that is necessary is that individuals turn back to the basic truths upon which Western Civilisation was built. A new and exciting phase in the human drama is opening up. Social Crediters are privileged to be a major factor in this drama.

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## **MIDDLE EAST DOUBLE STANDARDS**

Australian Prime Minister Howard has been recorded as saying that defence of Zionist Israel's sovereignty is a cornerstone of Australian foreign policy.

British Prime Minister Blair has willingly used British military power to join the American Zionist bombing of Iraq, further fuelling anti-British press throughout the Arab world.

These and similar developments reveal a pattern of events which like a melody add up to a dangerous symphony of global death and destruction. They lead to the inescapable conclusion that investment by international finance, dominated by International Zionism, now openly dominates the U.S.A.

According to American reports, President Clinton was instructed by Zionist leaders to refuse to resign in the face of impeachment threats, and serve out his term of office. As a result of the episodic view of history, relatively few recall that for over a decade Saddam Hussein, now the evil man of the Middle East, was militarily equipped by the very groups now demanding that Iraq be destroyed.

Clearly Saddam Hussein is an unconscious pawn in a much bigger game. Blatant double standards are applied in the Middle East, which permit Israel to possess the only weapons of mass destruction.



# SOCIAL CREDIT AND THE 'MEMORY-HOLE'

One is often brought up short when encountering the widespread lack of historical knowledge among modern generations. The fact that so much of what is happening on the economic front has happened before - the crazy roller-coaster ride of share prices, so similar to 1929 for example - condemns today's young people to all the mistakes of the past, from which they might have escaped with some rudimentary knowledge of history. We neglect to pass our history on at our peril for, as Dionysius said 2,000 years ago: "*History is philosophy from examples*". To put it another way, in E.A. Freeman's words, "*History is past politics, and politics is present history*". The clever but cynical H.G. Wells was correct in stating, "*Human history becomes more and more a race between education and catastrophe.*"

A thoughtful address by a West Australian academic, Professor John Ife, head of the University of Western Australia's school of social work and administration, indicated a historical consciousness rare these days. *The Australian Financial Review* (January 12, 1999) reported him as follows:

"An end to the global economic system - and the unhappy workplaces and communities it had created - was predicted yesterday by a senior academic and human rights advocate. Professor Ife ... said the existing social, economic and political order was unstable and unsustainable. "Can this crazy system last?" he questioned during a UWA Summer School seminar on the increasingly moot subject of the future of work.

"It seems highly unlikely the global economic system as we know it can continue into the medium-term future given its inherent instability and the evident incapacity of anyone to understand completely how the system works, let alone control it," Professor Ife said.

Under pressure from globalisation, Professor Ife said equality might be growing among nations but inequality was growing within them . . .

He said the workforce was dividing into three major groups - those who were unemployed or under-employed; those in well-paid jobs with plenty of money but little time to enjoy it; and the unskilled and casual, working long hours for low pay with little time or money. "What we are seeing belies all common-sense," he said.

"There are many people out of work who are desperate to find a job, yet those who do have jobs love to complain about them, look forward to the weekend and fantasise about retirement."

In the face of rising social problems, Professor Ife said governments were in a state of policy paralysis, unwilling to take action unacceptable to global markets even if the electorate wanted it . . ." (*end of quote*)

It seems a short step between the understanding of the problem indicated in Professor Ife's remarks and the solutions offered by C.H. Douglas almost seventy years earlier. But the 'censorship of history' is almost complete.

## DOUGLAS IN WESTERN AUSTRALIA

As this article is written it seems apt, in view of Professor Ife's remarks, to reproduce an article which appeared in *The West Australian* on January 17, 1934 - exactly 65 years ago, under the heading VISIT OF MAJOR DOUGLAS. Apart from anything else, it exhibits a standard of journalism rare these days:

"Australia Welcomes Douglas" announced a large sign held high over the heads of a crowd of people gathered on Victoria Quay yesterday morning as the liner Maloja from England swung slowly into her berth. Beneath the sign two pipers skirled Scottish airs to the accompaniment of a drummer, sticks a twirling. The pipes and drums ceased for a moment and a grey-clad figure on the promenade deck of the liner waved an encouraging helmet. The crowd clustered closer together, there was a low-voiced suggestion and three cheers were sent across the water to add to the warmth of the welcome to Australia of Major C.H. Douglas, the founder of the Douglas Social Credit Movement and the man in the forefront of the most militant of orthodox thought on economic problems.

The visitor was received enthusiastically as he hurried down the gangway to meet his local supporters. Among the crowd were a politician, a doctor, a solicitor, a prominent Perth accountant, several well-known businessmen, an engineer, a few civil servants, and a member of the committee of the Fremantle Lumpers Union. To meet their leader, a party from Collie had made a long night ride in a bus, picking up other enthusiasts at Harvey and Yarloop. Motor car loads had come from Merredin, Manjimup, Calingiri and Wongan Hills and other representatives from most of the remainder of the 46 branches of the Douglas Credit Movement spread throughout the State had made the journey by train. Their other differences forgotten, with common accord, they surged round the man they had never seen but whose teachings they had embraced.

A few words with the local leaders of the movement, an interchange of the names of birthplaces with the pipers, then Major Douglas turned to return to the ship. Three more cheers were given him and one added for his wife. As the major mounted the gangway, from the outskirts of the crowd a voice demandingly inquired: "Whom do we want?" Full-throated came the reply: "Douglas!"

Later, in the quiet of his cabin, Major Douglas was interviewed. Stocky in build and ruddy of complexion, he might have been an English squire of a few hundred acres, content to live in conservative peace, and be intensely

British. His speech has none of the fire of the fanatic, but rather the patient deliberativeness of the practised debater. His military training is reflected in a soldierly bearing, an ease of acquaintanceship and his close clipped words.

This man, who is being regarded by many as a revolutionary in economics and by others as the standard bearer of economic democracy, lives the simple life of an English gentleman, royalties from his inventions providing him with a comfortable income. On board the liner on which he travelled to Australia, he was barely known, his reception at Fremantle revealing his identity to most of his fellow passengers.

### **A PRODUCT OF WAR**

A graduate of Cambridge, his career began in India where his ability as an engineer early earned him recognition. Before the war broke out he returned to England to continue his engineering work. During the war he gained a military title as assistant director of the Royal Aircraft Works. His thoughts on economics, he said, were a product of the war. Bringing to bear on the subject the mathematical precision of an engineer and the creative capacity of an inventor, in 1918 he began writing in the British Press attacking what he considered to be the fallacy of super-production and arguing that the real wealth of England, based on her physical endowments, was still great.

Propounding a system of social credit he secured some support, and from 1919 to 1922 sought wider recognition of his ideas. A stagnant period following an adverse report from a committee appointed by the British Labour Party, which heard evidence in the absence of the principals, was succeeded by years of considerable gains for the movement. Under the enthusiastic leadership of the Marquis of Tavistock, the ideas of a number of different thinkers on economics have been amalgamated into the Social Credit Movement. Particularly strong support has been given the movement in New Zealand, where there are 16 "social credit" members of Parliament, South Africa, Canada and Australia.

### **A PLUS B THEOREM**

"This A plus B theorem, so often quoted, is quite simple in its broadest issues, but, of a necessity, most complicated in its details," Major Douglas told the interviewer. "It is really putting into a statement that the processes of industry create more debts than the sale of the goods can liquidate. It is a fact hardly disputed by the most orthodox authorities that the present situation is what is, in some quarters, termed a crisis of over-production. That is another way of saying that more goods are being produced than can be bought, since it is obvious that there can be no over-production so long as there is a real need for goods. There can be only two possible explanations for such a situation.

One is that the poor are poor because the rich are rich. In other words, the economic distress of the world is due to the maldistribution of money. This is the orthodox view. But if this were so, it is obvious that steeply graded taxation would remedy the position, since it would enable the maldistribution of money to be corrected. The fact, which is beyond contradiction, is that never have taxes been so steeply graded in the whole history of taxation as they have been during the past few years and never has the economic system worked so badly.

The only other conceivable explanation is that the maldistribution of income has acquired an importance under the present conditions due to the fact that the total incomes are insufficient for the world's needs, even if pooled and equally divided. That is the core of the A plus B theorem. The basis of the social credit system is to put into the hands of the people sufficient credit to permit everyone to purchase things needed. The system is aimed at making figures of accounting represent true facts of production.

Having got the true facts which the present system does not give us, the constructive portions of the social credit schemes are directed to making the production system deliver the goods it is capable of producing to the consumers who, from the social credit point of view, are the sole object of the productive system."

### **SEEDS OF NEW WAR**

Major Douglas said that in addition to the obvious failure in many respects of the existing financial and economic system it was now almost generally admitted that it carried within itself rapidly germinating seeds of a new world war.

Asked where and when the crisis might be expected to develop, Major Douglas spread his hands and then gave this illustration: "If you saw a man walking around with a guttering torch among open powder barrels, it would not be difficult to predict an early explosion, but, if asked which barrel the explosive spark would fall into first, it might not be so easy to say".

Major Douglas said he was bound for Alberta, Canada, where a public inquiry was being made into the Douglas credit system. He had been invited to give evidence at that inquiry, which would be held in April. No country had yet adopted his proposals for social credit, he said, but there was no country in the world where the movement had not grown rapidly.

### **A ROUND OF ENGAGEMENTS**

During the vessel's stay in port Major Douglas had a busy time. His schedule was as follows:- 10 am: Civic reception in the Fremantle Town Hall; noon: public meeting in the Perth Town Hall; 1.05 pm: broadcast address from the national station 6WF; 1.30 pm: luncheon at Parliament House as the guest of the State Cabinet; 2.30 pm. until his departure, conference with the State council of the Douglas social credit movement of Western Australia.



# PERTH MEETING: MONETARY SYSTEM ATTACKED

Under the auspices of the Douglas Social Credit Movement of Western Australia, Major Douglas addressed a crowded meeting at the Perth Town Hall at noon yesterday. Among those on the platform were Mrs. B.M. Risehbeith (president of the Australian Federation of Women Voters), Mrs. M.B. Vallance (president of the Women's Service Guilds of Western Australia), Miss Tracey (president of the Theosophical Society of Western Australia), Professor F.R. Beasley, Mr. L.E. Green (chief president of the Australian Natives' Association of Western Australia), and Mr. R.S. Sampson, ML A. Apologies for absence were read from Mr. I.G. Boyle (president of the Wheatgrowers' Union) and Mr. A.H. Griffiths MLA.

When Major and Mrs. Douglas, accompanied by Mr. C.F.J. North MLA (State President of the Douglas Social Credit Movement of Western Australia) took their seats on the platform, cheering and hand clapping broke out and the audience sang, "For He's a Jolly Good Fellow." Two sheaves of flowers were presented to Mrs. Douglas.

## FOOD, CLOTHING AND SHELTER

Major Douglas, after opening his address by making felicitous comparisons between Perth of Scotland and Perth of Western Australia, said that before anybody could construct a new life for himself he needed to be assured of bed, board and clothes. In other words, it was useless to talk to a man about his soul when the man's mind was on the need of getting ham and eggs for breakfast. (Laughter). The need for bed, board and clothes implied production, but this term was a misnomer; what was commonly called production was the changing of something from one form to another. This process of conversion used to be brought about mainly by the application of muscular energy, but in modern times it was being done by solar energy through such things as coal, electricity and waterpower. This displacement of muscular energy by solar energy was not a financial fact, it was a physical fact, and it had changed the face of the whole situation.

The present-day world was a world of plenty. Reckoning one horsepower as being equal to 10 man-power, and dividing the available horsepower by the population, it could be said that every man, woman and child in the United States of America had 50 slaves at his or her disposal, and in Great Britain the ratio was 32 to 1. There was on the one hand great actual and potential wealth; and on the other, poverty. Besides poverty there was increasing insecurity for every section of society.

The thing that stood between production and consumption was money. Until recently it had been assumed that wealth and money were synonymous, but economic developments had compelled a revision of that opinion. Orthodox bankers and socialists held the view still, however, that "the poor were poor because the rich were rich". The rich were supposed to have too much, and the poor too little. If that theory were sound, it would be possible to put the world into balance by increasing and steeply grading taxation, but this had been tried during the past decade. Taxation was heavier and more steeply graded than at any other time in the history of taxation, yet at no time had the economic system worked so badly. Taxation had in fact been levied to such an extent that Governments had about come to

the limit of it; taxation had now reached the stage of "diminishing returns", which meant that the more you taxed the community the less you got from them.

## LACK OF PURCHASING POWER

The alternative to the theory, which attributed the wealth of the rich to the poverty of the poor, was that of a general lack of purchasing power. If the whole of the money of a community were pooled and equally divided, there would not be enough of it to buy the goods that were for sale. If there were a very rich man in a community of very poor people he would have enormous power, but if the people were furnished with tickets so that they could buy what goods they needed, the rich man would not have any less wealth but his power to command the services of the poor would be gone. (Applause.)

The speaker said he was not there to represent any class or party, but in the interests of social justice he preferred to see the poor made rich, than to see the rich deprived of what they owned. A readjustment could be brought about without a bloody revolution. Such was the policy of members of the social credit movement. Anybody prepared to resist a policy of that kind could be written down as fundamentally a scoundrel. (Applause.)

The present economic crisis was being described as an unemployment crisis. He did not agree with that, he said. The world was merely achieving what it had been working for during the last 200 years - production without work. He regretted that the world had not sufficient sense to see the fruits of its policy. What was lacking were the tickets by which people could obtain the goods that were produced. Unless this were soon realised and steps taken to adjust it, a cataclysm might easily take place in the future that would destroy the physical basis of real wealth. The world was running this risk rather than making an attempt to understand a ticket system.

He did not know, but supposed that in Australia there was a section of the public that looked to nationalisation as a remedy. But nationalisation was simply an administrative reform. At no time would he ever commit himself to a flat statement of opinion as to whether one thing or another should be nationalised. Nationalisation did not get to the root of present-day troubles. The problem was to get enough money to buy the necessities of life, whether they came out of a Government shop or a private shop. Only by a reform of the technique of finance could such a problem be solved.

## MONEY A SYSTEM OF MONOPOLY

The world had allowed its money system to become a monopoly, he continued, and the monopolists were administering the system chiefly in their own interests. It was not true to say that all bankers were knaves or that they were fools, but he would say, and say definitely, that the bankers had, either by accident or design, evolved a money system that was not in the public interest. That was the core of the case, which the social credit movement was placing before the public. He did not wish, however, to displace bankers from the banks. He thought they were pretty good people to run banks, but they

were not the right people to say what the policy of the banks should be. (Laughter and applause.)

Towards bankers, he said, his attitude was like that of the neutral American during the war who "did not care who licked Germany, so long as she was licked". He (Major Douglas) did not care who licked the financial system so long as it was licked. (Laughter.) The abolition of the system could be brought about in Anglo-Saxon countries by constitutional means. If he thought it would be really necessary to raise a fighting army to destroy the present banking system, he would try to raise an army, but he was satisfied it could not be done that way. Also, it was unnecessary to form a political party to do it. All they had to do, in his opinion, was to make the lives of existing politicians such a misery to them that they would be obliged to bring the question of social credit into the forefront of politics. (Applause.)

### HOW JERICHO'S WALLS FELL

There were formidable difficulties in the way, and they would have to be faced. The control of credit and the ability to

make money gave the bankers power over communications, publicity, and the things that were called capital. This was serious from the point of view of those who wished to overthrow the system, but not as serious as might appear. He had talked with many bankers and others who held high and important positions in the financial world, and they had confessed to him that they agreed with him, but did not know what to do about it. He felt that, as the walls of Jericho had fallen down when someone had blown a trumpet, perhaps the walls of the banking system would also fall if a trumpet were blown, because its walls were decayed through and through, and officials did not believe in the system they administered.

Concluding, Major Douglas urged those present to use their utmost endeavours to bring about the social credit system. Unless a remedy was applied soon the world might plunge into irremediable catastrophe. Millions of people throughout the world, he said, including those in China and Japan, were thinking along the same lines as they of the social credit movement, and were convinced that success would come. (Applause) The speech was broadcast through station GML.

## 'BACK - TO - WORK' BLUES

**It seems incongruous that so many people are apprehensive about being out of work, yet detest it when they are employed! That Monday-morning feeling is common to millions. In villages, towns and cities across the world transport systems carry massive crowds of men and women to their work places, the majority wishing they were at home finishing the interesting things they started over the weekend. The growing millions discarded by the employment system, on the other hand, sit at home wishing they were part of the teeming hordes threading their way through traffic-jams, or standing like puppets clutching overhead straps in rocking trains on their way to work.**

Professor Ife described it nicely (see previous article): *"There are many people out of work who are desperate to find a job, yet those who do have jobs love to complain about them, look forward to the weekend and fantasise about retirement.."*

To make the whole thing more absurd, a percentage of those going to work are busily engaged on inventing and producing gadgets of one sort or another to 'save labour' - or, to put it baldly, to increase the 'unemployment problem'. As Douglas put it (previous article again): *"The world was merely achieving what it had been working for during the last 200 years -production without work.."* He was speaking in 1934, long before we'd ever heard of computers, the jet engine or industrial robots. Yet already the dilemma of 'labour-saving technology versus full employment' was staring the world in the face. He correctly predicted another World War if the issue was not faced, followed by a protracted breakdown of the social order potentially leading to a dark age.

So why do we continue to spend our lives in forms of activity we often dislike, five days a week, and enter periods of intense stress if we are precluded from doing so?

### EMPLOYMENT? OR INCOMES?

Baldly, it is in the majority of cases not the 'work' we want, but the money that goes with it. Let Tatts Lotto fulfill

our income-needs and we'd be out of work so fast you wouldn't see us for dust.

There are obvious exceptions. Blessed are those who enjoy their job and find it creative. Their work is their pleasure (which is pretty close to leisure). For leisure is that part of our lives when we apply our means to the things we *want* to do, rather than what we *have* to do.

But our politicians are determined to give us full employment. It's on every party platform - even if those who wrote it privately believe it is unattainable. Queensland Premier Peter Beattie was the subject of ribald mirth from his opponents in the last election because his major pledge was a reduction in unemployment to 5%. It was generally agreed among conservative politicians that the goal was unobtainable. Yet they themselves are ostensibly committed to full employment. And the electorate agrees. Most polls show unemployment to be the number one issue of concern. Why, then, don't we stop developing 'labour-saving' gadgets and go back to muscle power, which would ensure that everybody was gainfully employed?

Even our Reserve Bank has been charged, in its terms of reference, with the duty of ensuring full employment - from which it has obviously failed; While the United Nations, in its Charter of Human Rights, proclaims the "right to work" as an essential part of human existence. If it substituted the "right to an adequate income" it might be nearer the mark.



## MUSICAL CHAIRS

So we have turned the global employment system into a game of musical chairs, in which we run round in circles until the music stops, to find insufficient seats for those playing. Those left in after each round of the game are forced to run round more frantically, while those who have been eliminated droop like wallflowers because the 'system' has reduced the right to be involved. It would help if there were chairs for those eliminated - but this might encourage players to drop out voluntarily.

There is a certain class of observer who believes this is all justifiable so long as it is 'efficient'. Take these remarks by Terry McRann:

*"...Financial deregulation, tariff cuts, enterprise bargaining, investment in plant and equipment and infrastructure, in quantity and technological depth, help build productivity. And, absolutely crucially, destroy jobs. The best way - the only way - to create more jobs, better jobs, higher paid jobs, healthier jobs, are to destroy existing jobs. That's exactly what we've been doing for the past 2000 years, I although we've been doing it better, on and off, for the past 50...."*

McRann completely omits to say what happens to those human beings displaced in the process. Nor does he complete his description by adding that in this process several jobs are lost for every one gained. Take this description from a recent Editorial in *The Australian Financial Review*:

*"... The availability of increasingly cheap and powerful computers has wiped out hundreds of thousands of clerical and low-level administrative jobs across the economy. Improved communications have allowed white-collar keyboard-based jobs to be exported to low-income economies such as Barbados and India.*

*The same improvement in communications and a decline in transport costs have also hastened the export of blue-collar jobs. The growth of intra-industry trade has seen manufacturers become ever-more specialised, importing components in order to maximise efficiency and competitiveness..."*

Ah, well! That's the market for you, say the rationalists, as though this is the last word. But isn't the market a means, rather than an end? What is the market for, if it is not the satisfaction of human beings? It follows that, if the 'market' is to be untouched and unregulated, the 'free-fall' mechanism of supply and demand, then a free labour market is a necessary corollary. If we want 'blue-collar' jobs - or any other jobs for that matter - to remain in Australia, the worker must expect a lower wage for services delivered than his counterpart in Barbados and India. Scott Burchill, a lecturer in international relations at Deakin University, commented on this in another *AFR* article:

*"The creation of a free labour market, however, was a precondition for the rise of industrial capitalism. Common lands, customary entitlements and the poor law, which granted people a "right to live", were obstacles to its establishment, and therefore had to be swept away. Unsurprisingly, laissez-faire*

*capitalism gave birth to a new type of society - one without rights or protections for working people. Two centuries later, it is easy to forget just how the construction of the labour market early last century transformed the very nature of human existence.*

*From the moment it emerged, wage labour, or "wage slavery" as it soon became known, was identified as a form of bondage which, in some ways, was worse than slavery itself..."*

## FRACTURING THE SOCIAL ORDER

This enforcing of 'musical-chairs' employment is, by its nature, creating two entirely separate societies, not just side-by-side, but often intertwined. The gulf between an employed father and an unemployed son can divide the closest family. Stephen Long, in a major article in a third *AFR* article, gave this picture:

*"... Globalisation has fragmented the Australian labour market, dividing its cities and regions into districts of success and districts of failure. The centrifugal forces of the global economy are tearing at the ties that bind the citizenry, bestowing greater wealth and privilege on the most skilled and educated, while scuppering the job prospects and living standards of the less skilled. Some peoples' boats are rising. Some peoples' boats are sinking. And the old solutions don't work any more. We are witnessing the uneven development, the marginalisation of localities and the unequal distribution of employment opportunities that are part of the dynamics of the global city," says Mark Cole, director of employment and occupational research at the National Institute of Economic and Industry Research.*

*"The economic gap between Australians from different parts of the city has widened to an extraordinary degree," says Professor Bob Gregory, of the Australian National University, one of the country's foremost labour-market economists. "The poor are increasingly living together in one set of neighbourhoods, and the rich in another. One half of Australia does not know how the other half lives, and this is not a good thing."...."*

But what of those still working? Are they, at least, maintaining their standard of living - both materially and culturally? At the topmost managerial level this is true. They're doing better than ever before. The number of millionaires in Australia grew from 25,000 in the mid-eighties, to 188,000 in 1998.

But for the majority in employment, the fact of a job has not increased, or even maintained, a decent standard of living.

## RUNNING HARDER...

Consider this description of America by Amitai Etzioni, Director of Britain's Communitarian Network:

*"... American families ...work much more to maintain their standard of living than they did a generation ago. True, the length of the working week has barely budged. But instead of one breadwinner per family, most American families now have two, with the majority of mothers working outside the household. Individual workers do not work many more hours - the members of any one family do. People have much less time for their children, for one another, for community life and voluntary work, and for practically everything else that is not*

*work related How will Americans keep revving up their standard of living now that most adults are now in gainful employment? The answer is through increased labour among children and old people. Of high school seniors (aged 17-18) 75 percent of boys and 38 percent of girls work more than 20 hours a week in the school year, in fast-food restaurants, record stores, ice-cream parlours and other such places. Fifty-two percent of all high school students had a part-time job during the 1996-97 school year, averaging 18 hours a week. While upper-middle-class youngsters use the income mainly to buy trinkets, lower-class ones help to keep up the family's income. Some educators believe that work teaches students the importance of discipline and responsibility. Those who find their students asleep at their desks, after they worked past 11 PM the previous night, may question this assumption.....*

*All said and done, the US is heading back towards an earlier age, that of rawer capitalism, when people laboured longer and harder and the whole family worked outside the home, leaving little time or energy for other pursuits.."*

The ruthless pressure driving quality of life downwards as a measure of 'efficiency' is de-humanising individuals and all forms of association. While there may be a combination of reasons, overwhelmingly predominant is the requirement placed on people for lifetime employment at a time when technological advance is squeezing the boundaries of creative activity out of the reach of a growing number. The world now counts its unemployed in the hundreds of millions. There is enough produced for all those out of work, as well as those employed. The 'market', however, and those who control it, are still locked into the pre-industrial nostrum of manual-labour times, "He who does not work, neither shall he eat". How much longer until the United Nations adds three words to its platitude, "The right - and the duty - to work"? Another bold step for mankind would be to enforce this right on all children, and to all those past retiring age. We would really have reached the Golden Age!

It may seem repetitious to keep reminding readers that three-quarters of a century before the best modern thinkers were grappling with present symptoms, one man - C.H. Douglas - had accurately anticipated what is now happening and, what's more, had offered the only solution compatible with freedom. He foresaw disaster if any attempt was made to redistribute inadequate income by means of taxation. Australia's figures confirm his prediction. In 1985-86 total federal budget outlays were \$70.9 billion, of which \$32.6 billion, or 46% was spent on health, education and social welfare. The poverty level was just under 20 percent. In the last budget (1998-99) total outlays were \$141.6 billion, of which \$87.1 billion, or 61.5%, was allocated to health, education and social welfare. Poverty in the intervening period has climbed to over 30 percent. High taxation used to attempt to re-distribute income from the rich to the poor *does not work!* In fact, as Douglas pointed out in Perth in January 1934, it worsens the situation.

When will we ever learn?

The solution devised by Douglas was based on the fact that a compensating income supplement in addition to wages, salaries and dividends, commensurate with the change from a manual-muscle to a techno-machine age, should be distributed

to all citizens, regardless of employment status or earned income, in the form of a dividend. The dividend needed to be determined by proven accountancy rules, based on overall economic performance. A limited and incomplete version, although outstandingly effective, applies in Alaska. The source of the dividend was *not* to be taxation, but a debt-free issue of money, rather than the perennial increase in debt-money revealed in current monetary aggregates.

### **BREAKING THROUGH**

What chance of the world - or one lateral-thinking society - breaking out of bondage into the calm waters our technological advances have made possible?

It was well summarised by Scott Burchill, in the conclusion to his article quoted earlier:

*"... It appears that the discipline of economics has not progressed in more than 150 years. It assumes that wage labour is the ultimate destination for humanity - the endpoint of our economic and social development. No alternative relationships to those, which had such a devastating effect on human society, have ever been seriously considered. Economic arrangements with a short and presumably transient history are treated as timeless - as if they were the normal condition of humankind.*

*If, however, we accept that human beings have an instinct for freedom, and believe there is something degrading about the idea of bondage, the new millennium is likely to bring with it fresh opportunities for the emancipation of the species from the tyranny of wage slavery."*

## **THOUGHTS FROM DOUGLAS**

"The existing economic system ... ably backed by the Marxian Socialist takes as its motto that saying which I cannot help thinking proceeded rather from Saul of Tarsus than from the Apostle of Freedom - "If a man will not work, neither shall he eat" - defining work as something the price of which can be included in costs and recovered in price.

It completely denies all recognition to the social nature of the heritage of civilisation, and by its refusal of purchasing power, except on terms, arrogates to a few persons selected by the system, and not by humanity, the right to disinherit the indubitable heirs, the individuals who compose society."

***The Control and Distribution of Production, p. 15-16***

"Before an intelligent system of regional planning can be inaugurated with any hope of success, some agreement is necessary as to whether unemployment, in its alternative description of leisure, is a misfortune or whether it is a release. If it is a release, then obviously it must not be accompanied by economic, or rather financial, penalisation. If it is a misfortune, then clearly every effort should be directed to restraining the abilities of those engineers and organisers who are prepared to make not two, but two hundred blades of grass grow where one grew before."

***The Monopoly of Credit, p. 78***

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