

THE NEW TIMES

\$25 per annum.

Box 1052J, Melbourne.

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

VOL. 63, No. 7.

JULY 1999.

Australia and New Zealand edition. Published in Melbourne and Auckland.

DOUGLAS, ORAGE AND THE 'THIRD WAY'

by Jeremy Lee

The 'Third Way' is a phrase increasingly heard. It is used more by globalist-inclined socialists such as Britain's Tony Blair and Australia's Mark Latham. It acknowledges that Capitalism offers no more to humanity than Communism, and poses the suggestion that an alternative to the inflictions of both is the challenge for the Third Millennium.

So far so good. The ruins of collapsed Communism look to be overtaken by the crumbling edifice of Capitalism. The damage to suffering humanity in both cases dwarfs anything in history. A 'Third Way' is needed if a reversion to a Dark Age is to be averted.

Both the big "C's are similar. Their trade is centralisation, monopoly, compulsion and oppression. They are systems born in the minds of idealists who seek to replace reality.

The very notion of the "perfect system" is inherently dangerous. It banishes variety and discounts the uniqueness of individuals and nations. But it is an endless source of fascination to those who believe they are qualified to mind everybody else's business. It is a quest for a universal Sabbath, which, the Master taught, is there for man. Systems, where they are needed at all, should be for men, rather than man moulded for systems.

Globalism is a marriage made in Hell between Communism and Capitalism, into which bankers, politicians, commissars and directors easily accommodate themselves. It becomes the legion of the lost, seeking to 'systemise' the world.

JOBS OF OUR OWN

The matter is given some impetus by the publication of a new book by Race Mathews, *Jobs of Our Own - Building a Stake-Holder Society - Alternatives to the Market and the State*. In it he revisits the Guild Socialism of the late nineteenth and early twentieth century, the Distributive movement and some of its leading protagonists, and the re-emergence of Distributism in a contemporary setting in such examples as Spain's Mondragon and Nova Scotia's Antigonish Movement.

Mathew's book is vivid in its portrayal of the passionate search for a better way by such leading lights as the

Chestertons, the Bellocs, Henry Manning and some of the early Fabians. It majors heavily on co-operatives in their various forms and credit unions.

The book is remarkable for its painstaking research in some areas, and for its complete omission of salient history in others. Although certainly worth reading, it is not the intent of

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.

this article to offer a criticism, but to deal with one vital omission which distorts the whole and robs it of much of the contribution it might otherwise have made.

The omission concerns one of the most brilliant and imaginative characters in Mathew's history, A.R. Orage. The omission is so extraordinary as to raise the question - was Mathews aware of it, choosing to leave it alone because of its implications? Or is he, too, a victim of the "censored history" which has, in the academic world, put a blue pencil through anything concerning Douglas and the emergence of Social Credit?

TURBULENT HISTORY

Milling round, it could be said, as the nineteenth became the twentieth century, were numbers of concerned thinkers grappling with what were already immensely-damaging consequences to the Industrial Revolution. The high-degree of individual craftsmanship, which had been the hallmark of production prior to mechanisation, had given way to a different skill beginning to appear - the precision tradesman. Britain first, and then the industrial world that followed, was built round the foundry man and boilermaker; the fitter-and-turner, the welder and blacksmith - all of whom had learned their skills through painstaking apprenticeships.

The endless-belt and the division of labour was yet to be honed into the potential manifested in the Ford automobile works, which coincided with the First World War. It was to take a Depression and another World War before the factory worker was increasingly replaced by a robotic counterpart whose electronic life force could outclass humans in the field of precision.

The historical implication is obvious enough now - the job and full employment as a means of distribution was potentially obsolete. A world of self-chosen leisure activities was on the horizon. But the fog of the past had yet to clear. Slums and starvation exploded in an age of increasing plenty. Sincere and concerned thinkers looked for ways through the impasse. They focussed almost exclusively on finding a system, which 'shared' the remaining work in a way, which obviated human misery as much as possible. The producer-cooperative seemed the most likely answer.

THE INCISIVE A.R. ORAGE

Mathews records, among a host of socialist movements and newsletters of the time, "A.R. Orage and Holbrook Jackson of *The New Age*". (p. 26)

He added "The originators of guild socialism, A.R. Orage and A.J. Penty were younger Fabians who met round the turn of the century in Leeds, where Orage was a primary teacher ... *The Restoration of the Gild System* argued.... that there had been a decline in the spiritual well-being of the community, stemming from the replacement of individual craftsmanship by the use of machines and the division of labour." (p. 37)

Orage was to write to H.G. Wells in 1906 that the aim of the Guilds Restoration League was:

"... to bring about a union between the economic aims of

the Trades Unionists and the aesthetic aims of the craftsman. Hitherto, the collectivist proposals have been designed solely to make economic poverty impossible; it is necessary to design them not only to make economic but also aesthetic poverty impossible. This, of course, would involve a considerable modification of the usual collectivist formulas. As a member of the Fabian Society, I should have been glad to see the Society take up the present propaganda; but I am afraid the major part of the Fabians is too rigidly bound to the collectivist formulas to make such a hope practicable..." (p.3 8)

There seems little doubt that Orage was regarded as one of the finest and most incorruptible writers of his day. Mathews draws attention to his reputation:

"... In Shaw's view, Orage was the most brilliant editor England had had in a century. T.S. Eliot sees him as having been 'the finest critical intelligence of our day'. 'Under his editorship', writes the American scholar Jay P. Corrin, 'The New Age quickly became one of the premier cultural and political journals of the first two decades of the twentieth century.' Belloc describes it as 'for many years the only newspaper in England at once intelligent and uncorrupt'." (p. 390)

NEW LIGHT

Of Orage's *New Age* Mathews points out: "... it attracted writers from a broad range of opinions, and was soon the major vehicle for the exchange of ideas between more orthodox socialists of the Fabian and SDF stamp and those who were exploring alternatives such as the guild socialist model."

Despite the brilliance of those who gathered round Orage's guild socialist explorations, and the production of "The Storrington Document" heralding a National Guilds League in 1915, the idea foundered within less than a decade. Mathews explains:

"... What appeared in the years immediately before and during the First World War, to be a tide favourable to guild socialism ebbed rapidly in the postwar period. By the middle 1920s, the guildsmen, as the league's members and supporter had become widely known, were in disarray. It remained for desperation born of the Great Depression of the 1930s to complete the debacle, by confirming in the view of the labour movement that only through parliamentary socialism, on the statutory corporation and command economy model favoured by the Fabian 'Old Gang' could a future free from want and insecurity be assured. . ." (ps. 40, 41)

The results, tragically, can now be seen in the corporatist model, which flowered under Bob Hawke and Paul Keating. Indeed, at the Fabian Centenary dinner in 1984. Hawke confirmed his government's programme was based on the "Old Gang" Fabian model.

And that is all Mathews had to say about A.R. Orage!

What had happened to the man described by George Bernard Shaw as the most brilliant editor England had had in a century?

The following article, which appeared in *The New Economics*, September 28, 1934, may help explain:

EARLY DAYS OF SOCIAL CREDIT

"Early in 1919, at the ABC Restaurant on the west side of Chancery Lane (London), gathered a choice selection of Guild Socialists. There A.R. Orage came to tell the company how Major C.H. Douglas had pricked their balloon; but not unkindly, for he offered them in exchange a vehicle, guaranteed to be shock-proof and warranted to carry us to the Millennium. The new machine was Social Credit.

The sheep and the goats were mixed that afternoon. Who could tell which were which - the new covenanters or the old? The reactions to this bombshell were curiously characteristic of each man. Some were vociferous, some sceptical, some frankly bewildered. A few had a flash of intuition, plus faith, in A.R.O. and believed, without fully understanding.

Nearby was Ezra Pound. He possessed a fine air of detachment, as one that felt this sordid talk of a watertight technique had nothing to do with the things that are. His manner seemed to say, "I live in a finer air". Indeed, his appearance, as always, asks for a medieval costume and setting. How easily he would fill the picture of Francois Villon telling King Louis where he got off. "Well, right now, I'll tell the world that Kid. E.P. ain't no goat." There are tougher and more elusive Kings to deal with now, for now they live on a Financial Olympus.

Close at hand was S.G. Hobson. so sure, so cock-sure, so pleased with all he had on board. Indeed did he not later in Manchester, as it was reported put Guild Socialism to the test, and was routed by those who held the moneybags? But was that a reason to become a sheep? Perish the thought. Have respect for your enemy if he be the stronger.

After the statement, questions were fired at A.R.O. He often countered by questioning the questioner.

Something was asked about wealth. "What is wealth?" was the answer, and there was silence. Again. "What is credit?" "What is the difference between real credit and financial credit?"

We Guild Socialists had been hopeful of putting the industrial world to rights, and we did not know the difference between the real and the unreal. Something of a jolt.

It was after the remedy was outlined that the best fun began. Of course, we soon had the query, "Where is the money to come from?" Answer, "Where does it come from now?"

We did not know: the dark secret of the creation of money by banking institutions was a surprise and a shock. Remember, this was in 1919, and before McKenna had spilled the beans.

It was to be noticed that "money" was the term mostly used in our kindergarten. "Purchasing power" is apt to be puzzling to the young.

Someone feared the evils of inflation, and we then learned the effect of the automatic price adjustment.

The question soon followed: "Is there enough money without large creations of credit for these - (no, you won't have the word 'subsidies') - er - adjustments of prices?"

The answer was to the effect: "Suppose capital values are monetised, would you consider that enormous sum enough for all purposes?"

The moral side was not neglected. What about the ill effects of an increase of prosperity on the many?

The reply was to the effect that if the speaker considered himself to be one of the many, would he think an added prosperity bad for him? If not, did he think the leisured classes had a larger share of immorality than the others? To those afraid of prosperity and leisure for the many, communism might be their refuge.

Some sat frowning and silent. It was tempting to guess their thoughts. This was a hard road we were offered. It brought our feet to the earth, and apparently led through the wilderness. There were dragons on the path, the most powerful ever known. An intellectual concept is difficult to part with; it is so easy to live in the clouds, for the powers that be will help you to be comfortable there.

Others remained frankly puzzled. That is the worst of these reformers who are not engineers. Still, they were not shamed when it was known that A.R.O had taken a year to master the concept. Again, a few were of the opinion that A.R.O. had a bee in his bonnet, and put it down to the occult influence of Ouspensky

Thus was Social Credit given its first airing. None of us could have realised how momentous was the occasion, nor can we yet know the heights to which we are climbing."

(The foregoing article was attributed to "D.V.", in *The New Age*". Whether this was the journal originally under Orage's editorship, or a subsequent *New Age* published in Australia is not known. The context suggests the former.)

QUANTUM LEAP

Alfred Richard Orage had, in fact, met Clifford Hugh Douglas one year prior to the Guild Socialist meeting described - in 1918. It was in the same year that Douglas had published *The Delusion of Super-production*, the first analysis of the fact that productive capacity had divorced itself from human labour through the marriage of mechanisation and solar-energy. His steady stream of writings from then on showed how human beings could be progressively freed from the "Curse of Adam", offering in exchange the pursuit of self-chosen activities.

This must have been a difficult challenge for one such as Orage, whose best efforts had been devoted to devising a system, which would alleviate suffering. True freedom, the new challenge posed, included emancipation from the imposition of systems. It was a jump at which many of his colleagues fell, the most obvious examples being Sydney and Beatrice Webb among the founders of the Fabian Society. The Webbs acknowledged Douglas's financial proposals to be sound, but said they "did not like his purpose". As his proposals would have freed men and women from reformers as well as oppressors, it is clear that the shackles binding the 'do-gooder' are as embracing as those motivating the autocrat. Perhaps they are the same.

Orage's columns in *The New Age* turned from Guild Socialism to Social Credit. As the old socialist stars dropped away, new ones appeared - Professor Walter Murdoch, The Marquis of Tavistock, Hendrick van Loon, Inigo Jones, Beverly Nicholls, Storm Jamieson, Maurice Colborne, as

well as a small sprinkling of churchmen - Bishop Moyes of Armidale. W.R. Matthews, Dean of Exeter, and the controversial Hewlett Johnson, the "Red" Dean of Canterbury - an engineer in his own right who, after initially accepting the Social Credit idea, relapsed into collectivism with his unfortunate endorsement of Stalin's Soviet.

DIFFICULT TRANSITION

The quantum leap between Distributism and Social Credit is well described by Miss E.S. Holter in her *ABC of Social Credit*:

"Social Credit is not solely an economic solution to the present crisis - it has a profounder philosophical basis, rooted in human nature itself. Its vital aim is not merely to establish economic security without destroying individual initiative. It is interested in economic security for the very purpose of establishing individual freedom in order that man may develop according to his own initiative and capacity. The possibilities implicit in our age of plenty go much further than the problem of distribution or any other economic consideration. The struggle for physical maintenance becomes incidental. Man is at last freed to devote himself to those intellectual, emotional and creative pursuits, which alone can make life something more than mere vegetation. The expression of individuality is essential to the happiness of man."

Orage himself described the difficulty of the transition through which he travelled in the year prior to the historic Guild Socialist meeting in 1919:

"The subject itself, even in the hands of a master, is not exactly easy; and, in fact, it compares in economics with, let us say time and space in physics. By the same token, Douglas is the Einstein of Economics; and, in my judgment, as little likely to be comprehended practically.

In other words, a good deal of sweat is necessary to understand Douglas, and with our absurd modern habit of assuming that any theory, clearly stated, must be immediately intelligible to the meanest and laziest intellect, very few will be the minds to devote the necessary time and labour to the matter.

I was in all respects exceptionally favourably placed to make a fairly quick response. I had time, and from long, long experience of literary geniuses, almost illimitable patience. I was vitally interested in the subject having not only exhausted every other, but being convinced that the key to my difficulties lay in it; and above all, Douglas himself was actively interested in my instruction. He said many things in our first talk that blinded me with light; and thereafter I lost no opportunity of talking with him, listening to him talk, reading new and old works on finance, with all the zest of an enthusiastic pupil. Even with these advantages it was a slowish business, and my reflections on the stupidity of the present day student of Douglas are generously tempered by the recollection of my own. It was a full year from beginning to study his ideas before I arrived at a complete understanding. Then all my time and labour were justified " (A.R.O. in *The New English Weekly*, which he edited between 1932 and his death in 1934)

THE PASSING OF A.R. ORAGE

The Depression misery of 1934 propelled Douglas and Social Credit onto the world stage. In the first half of the year

he toured the English-speaking world, received with enormous interest and little understanding by huge crowds in Australia, New Zealand and Canada. He was feted by dignitaries and ordinary people alike. His conclusion at the end of his tour was that there was a vested interest in the maintenance and enhancement of the monopoly idea that would thwart his proposals if possible.

The end of Orage's life is recorded in these words by L.D. Byrne, former British High Commissioner to Canada:

"It was with pleasure and astonishment that English Social Crediters heard the news that Orage was to broadcast on the B.B.C series "Poverty in Plenty," on November 5th, 1934. Following that historic broadcast, Orage retired to his rooms after partaking of some refreshment at the B.B.C. studio. He appeared to be in good spirits and good health. However, he died in his sleep during the night. Thus the text of that broadcast . . . was the parting message of a great man to a wider audience than he had previously touched."

His passing was marked in the following tribute by C.H. Douglas in Orage's journal *The New English Weekly*:

"It is not so fashionable as it was but it is equally true, to say that history is the biography of the world's Great Men. No one who had the privilege of knowing Alfred Richard Orage intimately and had any sense of real values (and though Orage suffered fools gladly he did not suffer them at length) could be in doubt that he was privileged to know one of the world's Great Men.

It is possible that there still lives someone who may possess those technical abilities of his which struck everyone, but on which I am not competent to dilate. His limpid prose style - the perfection of the art which conceals art - his competence as a literary critic, his brilliant, sometimes dazzling conversational manner, might conceivably be found elsewhere although I should not myself know where to look for them. But it is on none of these things that I like to dwell in thinking of my fifteen years' association with him. The quality which raises Orage, I think, clear out of the ranks of the talented into those of the Great, is that possessing all these qualities, in themselves so easily marketable, he was essentially incorruptible, and in consequence, possessed that only form of humility which is a virtue - constant readiness to do reverence to truth.

Some years ago the devil took him up into a high mountain and showed to him the Seats of the Mighty; but he remained the editor of "The New Age", a little paper for those who write the others.

To say that it is drama at its highest that he should write an epitome of his final social belief, expressed in words of unequalled simplicity, broadcast it to the largest audience, so far as I am aware, he had ever addressed, and then quietly die, is to state the obvious. But even the dullest must see, if they stop a moment to consider that with the death of Alfred Richard Orage a page is turned. I do not think it could have been better written, and those of us who are left are responsible only for the writing of one, which is new. *Ave atque vale*"

In conclusion, it seems to me astonishing that, in a book dealing with the history of Guild Socialism and Distributism, in which A.R. Orage is acknowledged not only as founder, but as one of the most brilliant and incorruptible stars of its formative years, the history above - surely a startling climax - should be

missing. Can history be so selective? To be sure, we look at historical facts through our own spectacles. But this bit of history belongs to A.R. Orage - not us. Whether or not the Guild Socialists agreed with his change of direction - and some did - it deserves acknowledgment.

(Jobs of Our Own, Race Mathews, Pluto Press Australia, 1999 ISBN 1 86403 064 X, RRP Aus. \$24.95.)
The B.B.C. Speech on Social Credit, AR. Orage, November 5, 1934 - obtainable from the Heritage Bookshop, 145 Russell St, Melbourne, 3000)

THE CHURCH AND THE DEPRESSION

With an estimated 800 million people unemployed throughout the world, one-third of the Australian population living on or below the poverty-line, and the first church movement this century aimed at alleviating Third World debt through the *Jubilee 2000* project, it is timely to consider once again the relationship between church commitment and the social order.

The following article by a Church minister, R.J.C. Butler, first appeared in *The New Economics* on January 9, 1936. The questions it poses are as relevant now - or more so - as they were during the Great Depression.

R.J.C. Butler was a committed social creditor.

The Church and the Depression is the subject of my address tonight, and I want to crowd into our few minutes my ideas, stated very frankly, and I hope kindly.

First, I agree that the question of your creed is something I have no right to discuss other than saying that I respect the beliefs of all Christians, and would not attempt to impose my particular beliefs upon any of my audience. I leave it there.

But there are fundamental principles, which must form the very basis of all Christian belief: principles about which all Christians can agree.

The sacredness of human life is an unchallenged principle of the Christian religion.

There are certain Christian commands, which are unchallenged by all Christians. "Love thy neighbour" is one of them.

LOVE THY NEIGHBOUR...

During the many years I have served the Church as a minister, it has been my plea that this command, "Love thy neighbour", is a command binding on the Church in all her branches.

The implications of this command are clear, simple and cannot be misunderstood. Backed by the evidence of the life of the Founder of Christianity, this command carries the responsibility of a deep and continued interest in the material welfare of mankind.

Personally, I plead guilty to being impatient when I'm told that the Church must not concern herself with things of the earth. The life of the Founder of Christianity surely gives the lie to such ideas.

It is common Christian history that during His brief public life He was the honoured guest at a wedding feast, indeed He supplied the best wine of the evening. He dined with His friends so that His enemies said, "He is a friend of publicans and sinners" - a great recommendation.

When I glance over the list of His friends there is much justification for thinking that He found greater pleasure in the friendship of interesting sinners than of stale saints. Lots of us have found the same.

He fed the hungry - a very material thing. He healed the sick, and on one occasion when He saw the moneychangers in the Temple robbing the poor, He strode in and drove them out of the Temple.

And during the whole time of His crowded three years He was always interested in material things.

So when I've heard certain churchmen tell me that it was not the business of the Church to interfere in matters of the earth, I always wish I could transport them back to that Temple in Jerusalem and let them see the young Nazarene dealing with those money changers.

SILLY RESOLUTIONS

Of course, the chances are that if I could my friends would not survive the shock to their respectability.

After all, it was not a very respectable thing to do, was it? We should do it differently today; we should form a "cleanse the Temple League", and pass a lot of silly resolutions; and the moneychangers would probably subscribe to the funds of the League!

Now then, here in the Church, we have an organisation, which claims to accept the undisputed leadership of the Carpenter. I wonder what He would do in the face of the facts of the poverty of today?

My mind has no doubts on the subject and if I have read and studied His life aright, He would - as He always did - cut clean through all the pious humbug and humming and ha-ing of so many church leaders and He would say this:

These people are my neighbours. They are human beings and as such have a right to life and all that means. Don't forget He is never reported as picking and choosing those whom He helped. Everybody at the wedding feast enjoyed the wine He provided. Thousands enjoyed the food He provided - all shared equally - He didn't pick out the good from the bad and bestow His gifts on the good.

So I am sure today He would say: Can this nation provide enough of what is necessary for the well being of all its people? If it can, then I demand that all its people shall be made free to enjoy the real wealth which can be produced.

Do you imagine for a moment He would remain silent while men, women and children are ruthlessly sacrificed to the god Money? Can you think so, after you have seen Him dealing with the moneychangers of His own day? And don't forget the moneychangers of His day have developed into the controllers of credit of today.

My plea tonight is the plea I've made to church conferences and to meetings of ministers. That it is the clear

duty of the Christian Church to make a real and effective challenge to the powers that be and demand that Justice be done to the people.

DEFENDER OF PRIVILEGE...

Often in history the Church has stood as the defender of privilege against the people. I have a right to speak thus. I am a child of the Church. I was trained within her fold. I have served her, perhaps not as faithfully as might have been but always according to my own vision of truth, and I sincerely believe that life would be immeasurably poorer should her influence be lost to us. But honour demands that we do not blind our eyes to her failings. And none dare deny that in the economic crisis she has not accepted the opportunity for leadership and guidance, which has been offered to her.

The fact that thousands of Australians are suffering poverty in a land of abundance creates a moral issue. It is an immoral thing that such a state of affairs exists, and if such a state of affairs is seen through Christian eyes and with a mind influenced by the teachings of the Nazarene, then it will be admitted that no greater act of blasphemy can be permitted by any nation than that a nation should permit human beings to suffer want amidst plenty.

In the face of the Depression, during all those years, the Church has done no more than pass a few resolutions. What should she do? What would she be justified in doing?

Every leader should at once say to every Australian Government - Politics are not our business. Government is not our business. But we have a big responsibility to make it our business to protect the unprotected against bad government.

Today in Australia it is clear that you, as the Government, are failing in your duty. We therefore demand that you exercise the powers of Government to effect the abolition of the false poverty which afflicts our people. It is our belief that righteousness should be the basis of all government, but you have violated every principle of righteousness in imposing upon this nation a policy dictated solely by financial considerations and without regard to the suffering thus caused to human beings.

We therefore demand that you change this policy, and if you will not we will make every church in Australia a live, organised centre which shall challenge the right of your government to live.

LIFE ABUNDANT

As an organisation, which accepts the leadership of the Carpenter who demanded for humankind life abundant, we in His name demand for the people of Australia a life as abundant and as secure as the physical wealth of our country makes possible.

We demand for Australians their God-given right to be freed from the bond slavery of financial considerations. And if you dare ignore this demand we will use our vote - accepting it as a sacred obligation - to end the life of your Government and

elect a Government, which is prepared to lay an economic foundation for our nation, which shall conform to Christian principles.

That is what I have advocated within my church - a very lone voice crying in the wilderness. I advocate it tonight to a wider world. Don't tell me the Church must not touch politics!

Let any government tax church collections and I'll guarantee a united church opinion, waiting for the polling booths to open, to send any such government to political perdition.

May I appeal to any church people listening? Archbishop Le Fanu last Monday night appealed for the building of a public opinion to influence action by our governments to abolish poverty. I appeal to you, accept the lead given by the Primate.

In your own sphere, influence your own church leaders, even if you are told, even as I have been - oh heavens, so often! - that we must not be rash, but must carefully weigh and consider every aspect, and so on ad lib ...

All of which does not alter the fact that women and children are tonight living in conditions in Sustenance Camps in W.A. which would disgrace a heathen country, and which cry aloud to High Heaven for redress in a so-called Christian country. These people, though they may not be church members, are the neighbours of the Church; they are the people whom the Master commanded to be loved. Well, I don't know what your idea of the fruits of love are, but if I saw a person being molested and said to the person: Of course, you must find it very unpleasant being molested by that ugly person. You know, I love you very much and I'll say a little prayer for you, and I hope you will suffer bravely and cling to the hope that by and by in the sky you will be very happy - I should deserve nothing but contempt from such an attitude.

AN AWAKENED CHRISTENDOM

And so, as one who only desires the best for the Church, one who holds tenaciously to the belief that life is for far more than meat and drink, I plead for an awakened Christian conscience.

Sometimes I am afraid we have allowed our minds to be drugged into a state of insensibility towards the big facts of the economic struggle for existence. Surely it is unreasonable to expect people who are harassed and hounded by debts and by a real haunting fear of the future, to be able to give the attention they should to the building of their spiritual natures.

It is impossible to separate the spiritual and material parts of life and lock each up in its own department.

Today we are faced with an economic system, which rests on wrong principles. Its mechanism is failing to meet the demands made upon it, and no amount of talk about changing hearts will avail anything. The economic breakdown is due to, not the heart of man, but to the working of rotten principles.

The duty of the Church, as I see it, is to demand that the principles be changed, and my opinion is that if the Church did this, if she would courageously fling down the challenge of Christian morality and without counting the cost do as the young Nazarene did so splendidly - become the defender of the

defenceless - and bring to bear on the economic political life of our nation the tremendous impact of an organised Christian public opinion which would stand unitedly for the abolition of

poverty - I believe by doing this the Church would again take her rightful place in the life of our nation.

THE JUSTIFICATION FOR SOCIAL CREDIT

The following article by W. Brownley appeared in *The New Economics*, December 21, 1934. It is as relevant now - or more so - as when it was written:

"Although human beings in a community are the equivalent of cells in an organism, they have achieved self-consciousness and individuality. If the repressing force upon their originating and creative powers is strong enough, these powers will die and degeneration will follow. The solution can only be found by a method which gives adequate freedom to the individual life within a large co-ordinated unit".

Professor W, Langdon Brown, in an address to the British Institute of Philosophy)

One of the most common objections to Social Credit is that work is good for people, and that if the Community be given a national dividend they will very soon degenerate. Strange as it may seem, the argument is generally thought to be a most telling one against Social Credit, whereas it is one of the strongest arguments in support.

It is one of the condemnations of the financial system that it prevents humanity finding outlets for its creative and competitive energy, as soon as no outlet is found for them in the industrial sphere. Less and less persons are likely in the future to find outlets for their energy in industry, though the discovery and utilisation of some outlet is essential to human well-being.

The financial system, however, by making income dependent upon industrial employment, prevents humanity from discovering or using other avenues of development. By means of the National Dividend, Social Credit would allow humanity to expend its energies in hobbies, art, research, voluntary philanthropic and civic activity, and thereby to make up for the decreasing number of outlets in economic vocations.

If the first argument tells in favour of Social Credit, what will be said of the second? The extent to which it is an argument at all depends upon how true it now is, and how true it would be under different conditions. I think it must be admitted that in the industrial world it is now largely true that if the element of compulsion was removed the immediate result would be that many people would cease to work.

But this immediate result would probably be modified as time went by. The outstanding fact about all persons, and particularly children, is their ceaseless activity. How often parents wish children would be less active! And their activity is spontaneous and free. No one compels them to play or to indulge in the thousand and one activities, which make up their days. Likewise with adults.

VOLUNTARY LABOUR

The amount of voluntary labour performed in life is amazing. In the country, all civic activities are carried on in a purely voluntary capacity. And if we removed from city life the work performed without monetary remuneration, what a little would be left. There is no reason to believe that basically people are lazy and won't work. But they most certainly object to work

in industry under present conditions. And this is the crux of the matter.

As Major Douglas says: "There is absolutely no concrete difference between work and play, unless it be in favour of the former - no one would contend that it is inherently more interesting and pleasurable to endeavour to place a small ball in an inadequate hole with inappropriate instruments, than to assist in the construction of the Quebec Bridge, or the harnessing of the Niagara. But for one object men will travel long distances at their own expense, while for the other they require payment and considerable incentive to remain at work. The whole difference is, of course, psychological; in the one case there is absolute freedom of choice, not of conditions, but as to whether those conditions are acceptable; there is some voice in control, and there is avoidance of monotony by the comparatively short period of the game, followed by occupation of an entirely different order."

And this is both the condemnation of Creditism and the Justification of Social Credit. Creditism has so demoralised humanity that it no longer gives natural and automatic responses to stimuli. Were one to attempt to introduce Social Credit it would be necessary to temporarily retain some form of compulsion, in case inducement failed to obtain the requisite production. Such necessity would die away, but the degree to which it would be necessary is the **measure of the condemnation of Creditism.**

THE RIGHTS OF MAN

"After the French Revolution, the Negroes of San Domingo claimed that the Declaration of the Rights of Man applied to them as much as to the whites. The National Assembly of France concurred with their demand, and in April 1792 decreed that 'people of colour and free Negroes in the colonies ought to enjoy equality of political rights with the whites'.

"In 1794 slavery was abolished in all French colonies. The whites of San Domingo could not permit the blacks, who greatly outnumbered them, to become their political masters, and foretold, correctly, as events proved, the total destruction of the colony. Outrage and massacre, a frenzied carnival of killing and burning, with fiendishly fantastic devices for punctuating the tale of horror, marked the risings of Negroes and mulattoes. The Rights of Man prevailed at the cost of the total extermination of the white race". ("Men and Thought in Modern Times" - Scott)

But such disasters were not a condemnation of emancipation, but of the previous slavery, which had destroyed the natural humanity of man.

As Macauley said: "There is only one cure for the evils which newly-acquired freedom produces; and that cure is freedom. When a prisoner first leaves his cell, he cannot bear the light of day - he is unable to discriminate colours or

recognise faces. But the remedy is not to remand him into his dungeon, but to accustom him to the rays of the sun. Many politicians are in the habit of laying it down as a self-evident proposition that no people ought to be free till they are fit to use their freedom. The maxim is worthy of the fool who resolved not to go into the water until he had learnt to swim. If men are to wait for liberty till they become wise and good in slavery, they may indeed wait forever".

Institutions stand condemned in direct proportion to the dissolution and savagery, which mark their departure. As Shelley says: "If the French Revolution had been in every respect prosperous then misrule and superstition would lose half their

claims in our abhorrence".

Human reactions to work and activity have become unnatural, and the mere enactment of Social Credit will not undo an evil, which has been intensifying for generations. The first reaction to the freedom and leisure of Social Credit will inevitably be a degree of dissoluteness and laziness, but it will be only by striding forward to a full Social Credit civilisation, not by a relapse to Dictatorships, that such evils will be overcome.

Dictatorships, suppression and repression have perverted humanity. This is their condemnation. Social Credit will once more free men, and "naturalise" them, and this is and will be its complete justification.

A NEW MODEL FOR THE WORLD ECONOMY

When Mr. Tim Turner visited Australia at the end of 1998 he left the following article, which had appeared, shortly before his departure from Britain. Unfortunately, we have no source. It was either from the Guardian or the Spectator. The article is condensed by Michael Rowbotham from a talk by the Secretary of the Christian Council to a 'Seeds of Change' forum:

There are two powerful reasons for reopening the Social Credit debate.

First, Social Credit was one of the many "monetary reform" movements of the Thirties that questioned the role of banking in the economy. As one nation after another succumbs to the spreading global financial crisis, the claim that it is not so much that these economies suffer from occasional "weak fundamentals", but that all modern economies share a fundamental weakness in their financial system, is strong.

The second reason is that the "lost debate" of the Thirties was in fact far more wide-ranging than mere monetary reform. C.H. Douglas and his Social Credit followers warned that man was in danger of becoming a slave to his economy and made proposals - such as a basic income - that were intended not only to stabilise the financial system, but also to establish a new balance between work, leisure and economic growth.

This ultimately involved a radical decentralisation of power within society, defined as Economic Democracy.

Current statistics emphasise the astonishing exposure of modern economics to banking - even the most apparently wealthy. In the UK, outstanding mortgage debts total 420 billion pounds, commercial debts total 380 billion pounds and the National Debt stands at 400 billion pounds. As for the United States, mortgages are currently in excess of \$4.2 trillion and the national debt has reached \$5.3 trillion - doubling in the last decade.

This is hardly surprising. Under a bank-based financial system, the process of going into debt is relied upon to create money. Bank of England statistics show that a staggering 97 per cent of the entire UK money stock now consists of bank credit, created by the action of lending to borrowers. Government-created currency in the form of notes and coins, at 3 per cent of the money stock, is now so trivial that the entire economy functions on money created by bank lending. Globally, more than 90 per cent of all money is now created by the process of fractional reserve banking - paralleled by an equivalent total of debt.

This matter of supplying money in parallel with debt brings us to the reason why the monetary reform debate was brought to an end, and yet another reason for re-examining the concept of Social Credit.

The world escaped from the throes of the depression as Keynesian deficit financing was adopted. But in choosing Keynesianism the world chose yet more debt and more banking. An economy's tendency to periodic recession would be countered by recourse to the national debt, the process by which governments supply money to an economy by creating it themselves - by allowing banks to create credit against the sale of government debt bonds.

It was argued and expected by Keynes that such a government deficit would be a cyclical phenomenon - the debt would be run up during a slump and paid back during a boom. Half a century of deficit financing, during which national debts around the globe have continually escalated, has shown the terror of Keynes's monetary analysis. National debts are not cyclical; they are unrepayable.

The cost of half a century of applying Keynesian deficit financing is that nations now pay billions of dollars of interest on their national debts - sums that eat deep into tax revenues for public spending.

Clearly, we ought to be re-entering the fundamental monetary debate of the Thirties. Instead, whilst Keynes's monetary theory has been largely dismissed, his major policy is still adhered to. We therefore have a major economic policy, acknowledged as essential to maintain the function of an economy, without any rationale whatsoever. One week there can be no money; the next, Gordon Brown has 35 billion pounds of additional revenue, which, it has been "decided", can be "afforded" under the deficit that no one can explain.

The Monetary Reform debate of the Thirties involved the search for a stable financial system supporting a balanced, diverse and just economy. There were many notable figures, such as the Nobel Laureate Frederick Soddy, and the eminent American economist Irving Fisher, who made proposals for reforming the financial system. However, Social Credit was the one scheme that developed a popular following.

There are still many enthusiasts for Social Credit.

Its penetrating financial analysis, its creative welfare solutions, and the claim by its supporters that it constitutes a reconciliation between socialism and capitalism, should interest all those who are searching for a Third Way in these days of jaded political and economic aspirations.