A WEEKLY COMMENTARY

ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *To the banker, the satisfactory conditions of industry at any time are those which make the banking system work most smoothly. If it cannot be made to work smoothly, it must be made to work, even though in the process every other interest is sacrificed.*

While grave criticism of the personnel of the banking system and its prostitution to politics of a peculiarly vicious character is becoming daily more common... it is evident that the world is becoming daily less willing to trust any personnel with a system at once so powerful, irresponsible, and convulsive in its operation." – C.H. Douglas in ***"The Monopoly of Credit"***, 1931

MODERN COMMERCIAL 'CREDIT' by Betty Luks:

We have come a long way from the days when the fraudster money changers secretly issued their tickets 'redeemable in gold on demand' to the tune of nine times the amount of gold they had stored in their strong rooms; gambling on the daily chance of only one in ten people ever coming in to claim their gold. Not unlike the basis upon which the Insurance Industry must have got started, and still 'gambles'. This was in the days of 'gold backed' money systems. When the nations went off the gold standard, we were then told the fiction that they only loaned out the monies deposited with them upon which the depositors earned interest.

These days they don't even pretend they lend out only the monies (or gold) deposited with them.

Above a doorway's upper-level entrance to Moody's Investors Service, 99 Church Street, New York, stands a huge 12-square-metre relief covered in gold leaf which reads:

"Commercial credit is the invention of the modern world, and only the enlightened and best-governed nations are entitled to it. Credit is the life's breath of the free system in modern trade. It has contributed more than a thousand times as much to the wealth of the nations than all the mines in the world."

As the authors of *Global Trap: Globalisation & the Assault on Democracy & Prosperity* (1996) tell their readers: **"Beyond this gilded creed lies a domain of power and secrecy that has no peer. Nowhere else in the world are the secrets of so many governments and companies so well guarded."**

In truth, 'commercial credit' is not the invention of the modern world, this type of 'credit' (read debt...*ed*), i.e., fraudulently 'creating' money 'out of nothing', claiming it as their own 'legal currency', to be repaid – with interest, probably goes back, at least, to the Sumerian civilisation.

It was in 1694AD that the shadowy forces behind the Bank of England gained the power to create the nation's money supply 'out of nothing' – claiming it as their own, to be repaid with interest – thus usurping the prerogative of the King, and thereby becoming more powerful than the King in Parliament. In the USA the same shadowy forces took control of the nation's money supply when they set up the Federal Reserve in 1913.

The Good News: At last! The people of the world are waking up to the fact they have been defrauded of their true wealth and inheritance. Many are beginning to realise 'money' is simply another name for a national or community accounting system, and because they are tired of the fraudsters 'lording it over them', are setting up their own accounting systems!

Having been 'de-hypnotised', they have come to the realisation the banker's 'credit' is a form of "debt-black-magic", it has no real substance, it has no intrinsic value in itself, the bankers didn't earn it in the sense of payment for work done – and yet it is being used to enslave us all.

Thanks to the work of such groups as the French-Canadian "Pilgrims of St. Michael" many people of other nations are studying social credit.

And you can bet your fraudulently-created bottom dollar, the Money Power, the political parties and Governments know about social credit. Social Credit is the one thing that really worries them.

The more who understand the basics of social credit means that more and more of mankind will grasp the truth... more and more people of every nation will grasp what is the true purpose of a money system and will say to their political and financial masters: "Enough is enough of this fraudulent tyranny!"

SOCIAL CREDIT ACTIVITIES by Diane Boucher:

Diane Boucher is a French-Canadian social crediter. Because English is not Diane's native tongue we have had to make some very minor changes to her text for ease of reading. Her news is most encouraging.

Diane had the privilege of attending a conference in Poland where she spoke with representatives of the Church as well as academics, including economists, about Social Credit.

She wrote of what came out of the conference: "The subject of the conference in Zakopane was about practical ways to implement social credit policies. (The) people interested in social credit in Poland do not want to use a top-down strategy but a bottom-up one.

That is to say they choose not to implement social credit at the national level, but to create small communities using local monies. May be you know that there are now more than 3000 experiments of local monies in the world and many were supposedly inspired by the story of five men establishing a social credit system on an island after their ship sank. The story of the five men on an island was published by the Pilgrims of St. Michael in ten different languages. People in the Louis Even Institute think that the way Poland chose (to go) is a good way to begin an implementation of a social credit system."

ARGENTINIAN "CREDITO SOCIALO" by Diane Boucher:

"After the IMF destroyed completely the financial system in Argentina, people were suffering starvation. I saw a film on DVD relating that 80 children were dying each day from having no food to eat. So people began to exchange goods for goods (barter) in local markets. After a while, to alleviate the problems of barter, they printed money called "credito socialo". Yes! Yes! They used the story Louis Even wrote about establishing a social credit system on an island!

It worked well – many thousands of people used the new money printed not by the government but by the people.

Representatives from the Pilgrims of St. Michael, Canada, met the organizers in Argentina only recently.

IMF ordered Government – "inflate the currency": A few months ago we were told that the IMF gave orders to the government in Argentina to print a lot of "creditos socialos" to create *inflation of the "creditos socialos" and destroy the value (purchasing power...*ed*) of this money. The government acted as a "faux-monnayeur" (I don't know the English translation for the one who makes 'false' money).

It is amazing! But terribly sad to see how a government could be against its own people!

Because of (the flooding of the market) with "creditos socialos", the people abandoned them and now they use electronic money on smart cards."

Definition of *monetary* Inflation: An increase in the money supply accompanied by an equivalent rise in prices. This is equivalent to depreciation of the *purchasing power* of the *unit* of money.

Further reading: *"Freedom and Inflation"* by Bryan .W. Monahan. $2.00 posted.

The compensated discount 'price' – Diane Boucher continues: "But the correct answer to this problem of inflation of money would have been to implement the compensated discount. This is a practical way to look at the problem of whether or not to implement the discount.

In my view, in a social credit system fully implemented for many years, each one (each citizen...*ed*) in a country would receive very high dividend cheques and the biggest problem would be, as usual, keeping the value of the money stable.

The compensated discount is the reverse of the A+B Theorem (the chronic shortage of purchasing power exacerbated by the automated industrialised system...*ed*), the solution for the devil of inflation viewed as money going out of the system TOO FAST (a dynamic view!!!).

In my opinion Social Credit is basically an anti-inflation theory – **and more than that if you consider that the dividend resolves the problem of each one having enough money to buy the necessities.**"

IN REGARD TO CONSUMER DISCOUNTS OR SUBSIDIES – Jeremy Lee had this to say:
During the Second World War in Australia, the departure of about 10% of the population for wartime activity left gaping holes in the production system and shortages of essentials, from building materials to barbed wire.

Shortages threatened a spiral of prices (too much money chasing too few goods...*ed*). The wartime government tried wage and price controls. But prices continued to rise.

The government then introduced subsidies at the point of sale on essentials – bread, coal, fuel, wool and other essential foodstuffs. Although these price discounts were paid from taxes, thus postponing a later cost effect, it was a good demonstration of a technique that was successful.

The Australian Year Books for the period show three years where there was no inflationary rise at all and, in fact, costs dropped slightly. *There was no recessive side effect*. All that happened was that some money was injected into the economy in a way that countered the otherwise inevitable cost squeezes that the debt system generates.

The same system was used in New Zealand, Britain and I believe Canada.

When war ended there was immediate and shadowy pressure to dismantle the scheme. The Chifley Labor government dismantled the scheme in 1947.

The Opposition, consisting of a Liberal-Country Party Coalition, campaigned for the 1949 Federal election on the slogan "We'll put the shillings back into the pound" (modern parlance – "cents back into the dollar").

Asked how they would do this, a number of politicians including Sir Robert Menzies and Jack McEwen, said they would immediately return to the wartime consumer subsidy scheme which, they said, did not need price and wage control to work effectively. But once elected, the policy mysteriously disappeared!

When I first toured New Zealand in 1969 the scheme still applied to bread and milk. Bread was a penny a loaf and milk fourpence a quart. The poorest family could still feed itself.

In Britain the dismantling of the scheme was the price required for entry into the (then) European Common Market (now the EU).

In Indonesia they had a similar scheme under Suharto, which brought the price of rice, cooking oil and fuel within reach of all. One of the demands of the IMF when it intruded during the 1992 financial crisis was the dismantling of price subsidies. The result was the revolution which overthrew Suharto and started a period of crisis.

A consumer subsidy is different to a producer subsidy in that it is only applied to goods *actually sold*. There is no chance of subsidising an article for which there is no demand. Therefore, it allows supply and demand to work by ensuring that consumers who want something can pay for it."

Further reading: For those who want to know more about Social Credit the League's Book Services carry the story of *"The Island and the Tree"*, the 5-part series *"An Introduction to Social Credit"* which gives simply that – an introduction to the basic concepts of social credit, plus a full range of C. H. Douglas' works. Send to any of the League Book Services for a book list.

THE TRUE FUNCTION OF CREDIT IN A MODERN ECONOMY – taken from *"Economic Democracy"* by C.H. Douglas:

"There is no doubt whatever that the *first* step towards dealing with the problem is the recognition of the fact that what is commonly called credit by the banker is administered by him primarily for the purpose of private profit, whereas it is most definitely communal property. In its essence it is the estimated value of the only real capital-it is the estimate of the *potential* capacity under a given set of conditions, including plant, etc., of a society to do work.

The banking system has been allowed to become the administrator of this credit and its financial derivatives with the result that the creative energy of mankind has been subjected to fetters which have no relation whatever to the real demands of existence.

Now it cannot be too clearly emphasized that real credit is a measure of the reserve of energy belonging to a community and in consequence drafts on this reserve should be accounted for by a financial system which reflects that fact.

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