

The SOCIAL CREDITER

For Economic Democracy

Quarterly Volume 83 No. 2 Summer 2007

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Editorial

Our China correspondent informs us that the world economy is changing the face of China.¹ Only a decade ago, most Chinese people managed with very little money. Make, do and mend was the order of the day. Now the money economy has arrived. As massive factories and huge cities are erected, farming families are swept off their land into destitution, forced to sell their labour for money. Corruption is rife. The resultant socio-environmental mayhem is nobody's responsibility. Western shops are filled with all manner of consumer goods, made 'cheaply' in China, as the mountainsides are stripped of trees, the soil blows away in the wind and rivers and the air itself are contaminated.

As the 'developed' world exports its pollution it also exports out-dated economic dogma on the relationship between work and income. Economics is a popular subject for Chinese students at UK universities, the fees paid by students from overseas being a major source of funds to maintain departments of economics. This learning of outmoded theory merely compounds the senseless practice, whereby people do things for money, and neglect doing other things for lack of money. In the meantime, young people in the 'developed' world find themselves chasing a dream of income security, while having to face the harsh reality that the best they can hope for is an income on terms dictated by a global corporatism which is quite simply wasting vast resources of human talents.

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The situation in China is as it is because citizens of the developed world are earning their 'living' by working for firms which export new technologies and infrastructure to China, import from China all manner of consumer goods, sell the products, or work in education, training employees to work in the firms. The need to obtain an income is the dominant consideration, so that social, ethical and environmental issues become at best secondary considerations. In this issue we continue to explore the potential for opening up debate on the adoption of a guaranteed income.

Calls for a guaranteed income scheme have been many and varied. They include the quest for poverty relief, economic growth, full employment or an end to the wages system. Only the latter, however, is in accord with the Douglas social credit philosophy. For this reason, Douglas social credit seemed incomprehensible to orthodox economists and the man-in-the-street alike. When poverty and unemployment appeared to be the major problems, economic growth appeared to be the logical solution. Proposals to get people back to work, to drive ahead with economic growth, seemed to make most sense.

However, as Vic Bridger observes, a National Dividend based on Social Credit principles is not at all the same thing as a Basic Income funded through the tax system. Often the latter includes a workfare element.

For Douglas over-production, or 'super-production' as he termed it in 1918, led to waste, war and environmental devastation. As he observed in the early decades of the

20th century, citizens were increasingly allowing finance to dominate decision-making in all aspects of their lives. As individual households, producers of goods and services and organisers of social and caring provision, people increasingly looked to finance to determine their policy decisions. A guaranteed income for all would offer the potential for individuals to jump off the finance-driven treadmill, so that non-financial considerations could be prioritized.

Time has in no way lessened the force of Douglas' main argument. However many fairly traded products individuals may decide to buy on ethical grounds, all are inextricably interlinked with the massive network which is the global economy. Today, Douglas would doubtless argue that a guaranteed income, paid on the philosophical basis of a National Dividend² but initially introduced as a Basic Income, would enable an increasing number of individuals, firms and educational establishments to reconsider their relationship with finance-driven employment. It can be argued that working for money is degrading to the human soul. If this is a possibility, it is worthy of serious debate, since it has major implications for the conduct of all aspects of human affairs from local to global levels.

¹ On concern re the impact of economic activity upon the Chinese, see article "China's Environmental Suicide, Andreas Lorez, <http://www.opendemocracy.net/debates/article-3-83-2407.jsp> originally published in the English edition of *Der Spiegel*.

² See Hutchinson, Frances and Brian Burkitt, *The Political Economy of Social Credit and Guild Socialism*, Jon Carpenter 2005.

The Basic Income Guarantee (BIG) and Monetary Reform: A Tale of Two Ideas

Richard C. Cook

While I am new to the US BIG Network, my interest goes back a long time. When I worked at the Carter White House, I was organizing a study group on monetary reform, which was to include income policy, when Carter was voted out of office in favor of Ronald Reagan in 1980.

The election of 1980 was a watershed in US history. It was a takeover of the policy apparatus of government by the political right-wing, and it affected every aspect of American politics and culture. Those of us who remained in government but still believed we had a positive role to play in supporting the progressive aspirations of the American people thereafter kept a low profile. Even the Clinton administration made many accommodations to the conservative attitudes which had entered public life with the Reaganites and again with the Republican takeover of Congress in 1984. Democrats tend to romanticize the Clinton years, forgetting that the economic recovery of the 90s was fueled by foreign capital and ended with the bursting of the dot.com bubble and a stock market crash. From the standpoint of overall government policies, we have now lived in an atmosphere dominated by the conservative ideology for a full generation.

This period has been difficult for me personally because I would call myself a Jeffersonian-FDR democrat. But I believe we are beginning to see the pendulum swinging back in the direction of more progressive policies as the conservative ideology runs out of steam. What it has left

us with are economic, ethical, and fiscal disasters, along with a state of perpetual warfare in the Middle East.

My experience long ago led me to the conclusion that the most important economic issue facing our nation and the world today is income security and that it is the job of the federal government, acting as the custodian of the commonwealth of Americans as defined in the preamble of our Constitution, to do something about it.

I said income security, not job security. People in this room know the world of difference between the two, as few others do. As many have come to realize, real job security is extremely difficult to achieve in an era where technology has made so many jobs obsolete and where the rapid pace of change has destroyed the typical career patterns of a generation ago. Lately I have been reading articles by a man named Marshall Brain who says that by 2030 robots will take over fifty percent of the jobs in the US economy, and I agree that the potential is certainly there.

So a basic human right to income security cannot and should not be linked with an imperative that everyone be engaged in earning a living all the time. While more can always be done to foster job creation, it will never entirely solve the income security problem. Welfare-to-work is not the answer.

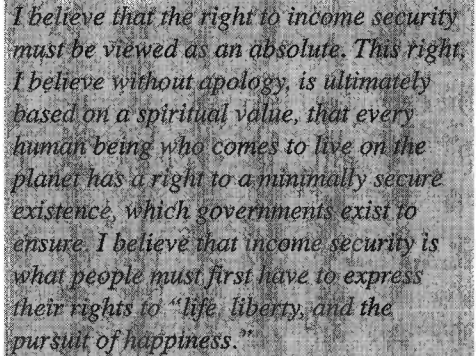
I believe that the right to income security

must be viewed as an absolute. This right, I believe without apology, is ultimately based on a spiritual value, that every human being who comes to live on the planet has a right to a minimally secure existence, which governments exist to ensure. I believe that income security is what people must first have to express their rights to “life, liberty, and the pursuit of happiness.”

These values are being threatened in today’s political, economic, and social environment as never before in US history. Since the negative income tax was proposed in 1969, our nation has marched resolutely backward in maintaining a commitment to income security due to the conservative ideology. Conservatives wanted us to believe that eliminating much of the social safety net in favor of unbridled economic license would “lift all boats” and allow individuals to prosper in ways not possible under the shelter of the welfare state. This has obviously not happened.

Instead, “trickle-down” economics has totally failed. We have more than forty-five million people without health insurance, thirty-five million without enough to eat, increasing poverty, and a declining standard of living for all but the most wealthy. After a period of decline, violent crime, especially robbery but also murder, is increasing. The housing bubble has burst, leaving millions of people facing possible loss of their homes. The federal government, with a current debt approaching \$9 trillion and \$44 trillion in unfunded liabilities, has been declared bankrupt by economists close to the Federal Reserve. Their solution? Sell more

US assets to China. In the last several years the dollar has lost a third of its value to the dismay of foreign investors like China who have funded the Treasury deficit. Meanwhile, our public infrastructure is crumbling, with a maintenance deficit approaching \$2 trillion according to the American Society of Civil Engineers.



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After a generation of conservative rule, and in spite of three years of a balanced budget at the end of the Clinton presidency, public finance in the United States today is in crisis, if not total collapse. A quarter century of politics devoted to the dismantling of social welfare programs, privatization of public assets, huge tax cuts for the wealthy, continuing export of manufacturing jobs, deregulation of the financial industry, and huge expenditures on the war machine have eroded the ability of the federal government to do anything meaningful about income security.

If you set this crippling of government against such facts as the \$53.4 million 2006 bonus given to the CEO of Goldman Sachs last December and the ongoing attempt by the Bush administration to conquer the Middle East by military force, you get a vivid impression of a society racing over a

cliff. The article by Paul Krugman, the New York Times' economics columnist, in Rolling Stone magazine last December entitled "The Great Wealth Transfer," portrays a society that has fallen from its status as the world's greatest industrial democracy to one that is beginning to resemble a banana republic oligarchy, with a ruling class that is unbelievably rich and a population that is sinking toward a state of debt slavery and economic peonage. The facts are undeniable and well-documented.

So where does the basic income guarantee fit into this gloomy picture? In the near-term, Congress, having returned to Democratic control, may raise the minimum wage a dollar or two an hour. The ongoing fall of the dollar will promote exports and so be a factor in job creation, though those jobs will be low-paying and have few benefits. If a Democrat is elected president in 2008, we may see some new federal job creation programs or tax incentives. But BIG is not on the horizon.

Yet I don't believe the situation is hopeless in the long run. We have some examples to point to that over time could get people's attention. One is the Brazilian experiment.

The other ray of hope is that the dire economic situation can act as a stimulus for progressives to begin challenging economic fundamentals. Here is where I think the BIG movement could benefit by looking at what is going on in monetary reform, because any push to enact BIG through income redistribution is likely to face insurmountable difficulties. We are simply not going to get middle-class

citizens to give up their mortgage deduction, for example, so the poor can get a break when they know that what Lou Dobbs called "the war on the middle class" is real and that it threatens their own financial existence.

Also, most Democrats are looking to the Clinton years of relative fiscal austerity as a model. The federal budget is likely to be slashed, some of the taxes on the upper brackets may be restored, and tax breaks for higher education may increase. But even if the Earned Income Tax Credit is enhanced or other types of tax credit enacted for the lower brackets, that is obviously not BIG in its full potential.

So where can the monetary reform movement enter into the picture? First, it challenges the assumption that the only ways government can get money to disburse are through taxes and borrowing. Second, it challenges the assumption that the wealth of a nation is a relatively fixed quantity—the GDP plus whatever growth rate is measured or assumed—and that the political process must decide how wealth is to be divided, with certain groups getting more and others getting less.

But it has long been recognized that fiscal and tax policies can have a profound effect on levels of investment and economic activity. It has also been understood that GDP growth can be influenced by monetary policy, interest rates, and the availability of money. What has changed since the 1980s has been that the conservative revolution has greatly limited the ability of government to apply these tools while shifting more economic power to the private financial markets.

The thrust of the monetary reform movement, at least that segment of it not devoted to the introduction of local currencies, would be to shift the power of influencing the creation of wealth back to the government. One way to do this would be to create a federal authority charged with rebuilding the nation's physical infrastructure through long-term low-interest loans. The Kucinich bill for a federal infrastructure bank similar to the New Deal Reconstruction Finance Corporation is an example. It would allow for the insertion of money and investment at the state and local levels and would also create new jobs.

On the side of money and credit, the Federal Reserve System has long operated by alternately stimulating and slowing the economy through its regulation of fractional reserve banking and through actions affecting interest rates, but never in ways that have proved truly effective. This is because attempts to use liquidity to manipulate economic growth are always tied to the creation of credit that must be repaid with interest.

In my opinion, it would be much more effective for the Federal Reserve simply to give away money, as it went a long way toward doing with the slashing of long-term interest rates leading to the recent housing bubble. Hundreds of billions of dollars were pumped into the economy, but now the bill is coming due because of the enormous inflation of housing prices that has left society as a whole much worse off than when the bubble began. But the bubble can be viewed as an income program for homeowners and speculators with a substantial multiplier effect for the

entire economy. According to investment analysts, fifty percent of US economic growth in 2005 was due to the stimulation of the housing market.

As I indicated, it would have been simpler if the Federal Reserve, or the US Treasury, simply gave away money, and what I would like to suggest is that we begin to think about issuing a BIG without charging any cost at all to the federal budget through what has been called a National Dividend.

This is not a frivolous suggestion. It was proposed by Major C H Douglas and the Social Credit theorists of the 1920s and started a political movement which has continued through to today in Great Britain, Canada, and New Zealand. This would be money creation at its simplest and most direct, similar to the Greenbacks legislated by Congress during the Civil War. Then, Congress authorized expenditures in the amount of \$450 million, and the government simply spent the money into existence.

It was a system that worked remarkably well, one which the bankers have propagandized against ever since. Greenbacks still made up a third of the US currency into the early years of the 20th century. Few people know that FDR also had Greenback authority though he never used it. It was money supposedly created out of thin air, a true fiat currency, and if people tell you that the Greenbacks caused inflation, they are wrong. What is truly inflationary is debt-based money created by the Federal Reserve. In fact, since the Federal Reserve came into existence in 1913, the dollar has lost over ninety-five percent of its value.

I would strongly recommend that BIG proponents study the Social Credit ideas carefully. This is what first got me interested in monetary reform back in the late 1970s. What C H Douglas was saying was that in a technologically advanced economy, production is always ahead of the income available for consumption. He said that there is no way that the population of a nation can ever earn enough money to purchase what industry can produce. There is lag time and many inefficiencies in the distribution system. Also, there must be provision for household and business savings.

So in order to consume the production base and keep the nation's workforce employed, the government must introduce purchasing power. The simplest way to do it is to issue what Douglas called a National Dividend at the start of each year to everyone, without means tests, without distinction as to whether you work or not. It is a Basic Income Guarantee. Remember, this was suggested in the 1920s. In fact, Douglas had succeeded in reconciling the capitalist system to principles of economic democracy in a way that all previous European thinkers had failed to do, including Marx.

Douglas's ideas also had a strong ethical underpinning in that they postulated that the production of wealth was not just a result of the utilization of private resources or capital but of the brainpower and labor of the entire nation. People make things in a social context. All members of society contribute in some small way to the cultural fabric within which wealth is generated. So all should share in the benefits of a

National Dividend. This went well beyond Marx's labor theory of value where it was the worker who ultimately created wealth, to encompass every single person of past, present, and future generations. Of course Social Credit was opposed by conservatives of every stripe whose highest value was private property, private ownership of everything of value, and the exclusive claim to the profits from private enterprise.

As time went on and the conservative attitudes of the time resulted in the Great Depression, economists realized that somehow money had to be generated on the side of demand if nations were to survive, and this led to Keynesian economics. It was done through high taxes combined with government deficit spending. Again, to fully examine how all this worked is beyond the scope of my talk today, as is a discussion of how Keynesianism gave way to monetarism. This is the system we are all too familiar with which is basically the Federal Reserve trying to regulate the economy through raising and lowering of interest rates.

All members of society contribute in some small way to the cultural fabric within which wealth is generated. So all should share in the benefits of a National Dividend. This went well beyond Marx's labor theory of value where it was the worker who ultimately created wealth to encompass every single person of past, present, and future generations. Of course Social Credit was opposed by conservatives of every stripe whose highest value was private property, private ownership of everything of value, and the exclusive claim to the profits from private enterprise.

Suffice it to say that monetarism has failed miserably, the latest fiasco being the aforementioned housing bubble. Reagan-era supply-side tax cuts, along with those of George W Bush, were an attempt to compensate for the failure of monetarism to boost demand, but the problem again was that there has not been sufficient purchasing power except through increased household debt, a fact every economist recognizes. This is why retail sales are watched so closely at Christmastime, to be sure consumers are dutifully running up their credit card charges. It's incredible that grown-ups really seem to believe this is a sign of economic health.

So I would conclude by suggesting to the BIG community to look seriously at monetary reform, especially the Social Credit ideas, for a theoretical underpinning of BIG proposals that I believe can take us farther than any system that looks like income redistribution. Again I mention the writer Marshall Brain, who advocates a \$25,000 annual stipend for every citizen as their share of societal wealth. That would certainly be one way to do it, likely a very good way. What Douglas teaches is that such a stipend does not have to be raised through taxes or income redistribution. It can simply be issued to individuals as a credit or voucher against future production. It would be a simple, effective way to introduce liquidity into the economy, far better than the debt-based system of fractional reserve banking that leads mainly to profits for the banks at the expense of everyone else.

At the same time, it is important to keep the

pressure on Congress and the political system to think about BIG when they think about income and tax policy. Any progress in this direction is worthwhile. It is also critical to work toward making BIG part of the progressive political agenda. See, for example, an article in *The Progressive* a few months ago by editor Matthew Rothschild entitled, "Our Sinful Economy." It is essential to have workable proposals ready as our economy continues to stumble into the crises that are inevitable given the huge problems that exist with income maldistribution, the continuing decline of the social safety net, rising crime statistics, and the collapse of the ability of the federal government to meet the needs of the nation through the budget process.

What I am really trying to say is that the monetary reform movement can show that BIG is not only ethically and spiritually the correct attitude of society but that it is also an economic necessity. Two books on the subject which I strongly recommend are *The Lost Science of Money* by Stephen Zarlenga, head of the American Monetary Institute, and *The Grip of Death, a Study of Modern Money, Debt Slavery, and Destructive Economics* by the British author Michael Rowbothan.

Books such as these can provide help for the badly needed progressive consensus of what coherent alternative we can offer to the disastrous state of the nation and the world today. We are clearly witnessing a worldwide class war, where, as US billionaire Warren Buffet has said, "If there is a class war, my class is winning." I believe that BIG, combined with monetary reform, shows this war to be totally unnecessary.

Something for Nothing?

CH Douglas

I have heard innumerable cases of furious resentment against the grant of what is so improperly called 'the dole' (which is, of course, a form of contributory unemployment insurance, to which the workman himself contributes), and these denunciations, proceeding from normally kind-hearted persons of both sexes, are usually accompanied by remarks on the demoralizing effects of money received without working. If you enquire, as mildly as possible, of such people, if by chance they receive any dividends which enable them to exist without working, you will, of course, be very unpopular, and you will be told that that is different, and if you suggest that a generalization of the dividend system if it could be obtained (and it can) would be desirable, you will be called 'Socialistic', a Parliamentary epithet for dangerous. (*Warning Democracy* 7)

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One final note. You might reasonably ask why haven't such monetary reform concepts as Social Credit and the National Dividend been adopted or even seriously studied by mainstream economics? The answer is obviously political. Mainstream economics is dominated by concepts favorable to control by the private financial industry. The last thing the bankers want is money in the hands of the rank-and-file of society that is not tied in some way to a monetary debt.

There have been times in American history when people were bolder and understood much better the consequences of our being what President Martin Van Buren called a "bank-ridden society." Jefferson saw control of the economy by banks as the death-knell of freedom. During the last third of the 19th century we had the Populist and Greenback parties which focused on monetary issues. There was William Jennings Bryan's "Cross of Gold" speech when he ran for president in 1896. But with the passage of the Federal Reserve Act of 1913 the door of monetary progressive politics was slammed shut and has remained tightly fastened for almost a century. Progressives everywhere should be prising that door open again if not resolutely kicking it down.

Presented at the USBIG Network Annual Conference New York, February 23, 2007. Richard C Cook is the author of *Challenger Revealed: How the Reagan Administration Caused the Greatest Tragedy of the Space Age* (Thunder's Mouth Press). He was the NASA whistleblower who disclosed the history of the flaws in the solid rocket booster joint that were the technical cause of the disaster. We are most grateful to Bill Daly from New Zealand for bringing this speech to our attention.

An Outline of Money

For a generation of economists during the 1940s and 1950s, Geoffrey Crowther's *An Outline of Money* was the standard text on the subject. First published in 1940, it carried an Appendix on Social Credit running to 13 pages. It was reprinted in 1941, 1942, 1943, 1944 (twice), 1945 (twice), 1946 and 1947. Subsequent editions dropped the Appendix on Social Credit, indicating that by then Douglas social credit was no longer perceived as a threat to the status quo. Crowther's condescending attack on the general public for studying alternatives to the business-as-usual capitalist growth economics echoes the many similar attacks from mainstream orthodoxy (See O'Duffy's *Life and Money*, and Frances Hutchinson and Brian Burkitt *The Political Economy of Social Credit and Guild Socialism*). Crowther takes issue with the very existence of an alternative political economy.

SOCIAL CREDIT

(This Appendix reprints a series of four articles on Social Credit which appeared in the News Chronicle in May 1934. ...)

Those who take an active interest in either politics or economics have been well aware for some time past of the Social Credit movement. It has grown from a theory professed by a small band of enthusiasts into a full-fledged 'movement,' complete with its papers [meaning weekly publications, Ed.], its organizations, its uniforms and its banners.

Why it should have a particular appeal to the general public I do not know. Social Credit deals with the extremely difficult and technical subject of monetary theory, which one would not expect to have a wide popular appeal. Moreover, the writings of its adherents are marked by obscurity

rather than clarity, by ambiguity rather than precision. The magnitude of its claims would be, one would think, a deterrent to many people; one is naturally suspicious of a theory which promises 'the abolition of poverty, the reduction of the likelihood of war to zero, rapidly diminishing crime, the beginning of economic freedom for the individual, and the introduction of the leisure State' – and all by means of simple bookkeeping.

As Crowther wrote the original articles, the economy was just starting to be geared up to producing the armaments necessary for phase two of the World War, as predicted by Douglas to be the direct result of orthodox economic policies. With hindsight drawn from the subsequent history of the 20th century, a study of Crowther's text on Social Credit could be most illuminating.

The Forgotten Language

Erich Fromm

If it is true that the ability to be puzzled is the beginning of wisdom, then this truth is a sad commentary on the wisdom of modern man. Whatever the merits of our high degree of literacy and universal education, we have lost the gift for being puzzled. Everything is supposed to be known – if not to ourselves then to some specialist whose business it is to know

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what we do not know. In fact, to be puzzled is embarrassing, a sign of intellectual inferiority. Even children are rarely surprised, or at least they try not to show that they are; and as we grow older we generally lose the ability to be surprised. To have the right answers seems all-important; to ask the right questions is considered insignificant by comparison.

The Difference between National Dividend & Basic Income

Vic Bridger

National Dividend

A National Dividend as proposed in Social Credit Policy has been stated as a means by which the disparity between Incomes and Prices may be equalised in part, in a given period of production.

“...without interfering with the management of industry in the country, it is possible for Great Britain Ltd, to issue purchasing power in the form of a national dividend, not by taxing its shareholders, but by creating the money in exactly in the same way that the banks create credit at the present time, and to such an amount as will ensure that all goods which are produced can be bought” (Extract from an article entitled GREAT BRITAIN LTD. By Major C.H. Douglas, in London *Daily Herald*).

The concept of the national Dividend was set out by C.H. Douglas in several of his books. It is evident to me that it is necessary to follow Douglas's suggestion for the implementation of a correct set of National Accounts as indicated in his *Monopoly of Credit* and establishing the correct relationship between Production and Consumption, Incomes and Prices and Real Credit and Financial Credit. To do so would provide the information for establishing a basis for the issue of new credit based upon the results obtained. This new credit (money) would be issued via the Reserve Bank on those accounting results but would not be subject to government interference. The new credit would be issued both in the form of a National Dividend directly to the people in a manner to be determined (*The Draft Mining*

Scheme offers one suggestion), accompanied by a distribution in the form of a Compensated Price reimbursement. This would be necessary to overcome any inflationary tendencies that may occur.

Basic Income

The use of the term basic income in conjunction with the Social Credit proposal for a National Dividend can result in endless confusion if the terminology is not thoughtfully explored.

There is no reason why, under current economic and financial conditions, there should not be a 'Basic Income' paid through taxation, i.e. as a transfer of existing incomes. A Basic Income is a recognition that people should be paid sufficient income to ensure that they are not below what may be called "The Poverty Line".

However, a further distinction must be drawn between a 'Basic Income' and a 'Basic (or Minimum) Wage'. Normally, a 'Basic Income' is defined as an unconditional payment which is not means tested and not work-related. It is payable by right of citizenship, and in this respect comes close to the notion of a National Dividend, although the accounting exercises for the introduction of the two are entirely different.

The idea of a Basic or Minimum Wage has been recognised in some countries for decades and in Australia it has been known as the "Basic Wage". It is a level below which it is illegal to pay wages.

Nevertheless this has been breached with the influx of immigrants from low wage countries who are prepared to accept a wage lower than the legal limit and of which some employers take advantage. The Basic Wage is the lowest limit and other wages are subject to awards and these vary from industry to industry and are in some cases well above the Basic Wage. Employers invariably object to increases in the Basic Wage (a recent decision by the revamped Industrial Commission increased the Basic Wage by \$27 per week).

Whilst this Basic Wage may exist it provides a problem in relation to the price structure because when there is a legal increase awarded employers increase their prices to maintain existing profits, albeit in some circumstances, particularly the banks and large corporations, which can only be described as exorbitant. Such instances add to what is referred to in orthodox circles as "Cost push inflation". The end result does not offer any increased benefit to the employee. The Basic Wage must not be confused with a National Dividend.

Outside of the industrial arena there is another type of "Basic Income". These are the Old Age, Disability and War pensions. In fact all welfare payments which are paid by the government can be included in this category. Whilst these payments do not add directly to prices they do affect the incomes of the employed and the employers through the medium of taxation. If the government were to accept the responsibility for providing a Basic Income for everybody it would still need to be financed by taxation. Financing by borrowing would not be a viable exercise. Hence it would exacerbate the situation because the debt incurred

would be to the private banking system and the capital borrowing plus the interest would be recovered through taxation. Nevertheless, the extension of pensions and welfare payments to form a Basic Income for all has been under serious consideration in Ireland and elsewhere since the 1990's.

In all the suggestions that I have seen for the implementation of a Basic Income there is never any detailed outline as to where the money would come from as distinct from the Social Credit proposals for a National Dividend. There is one exception. A recent paper entitled "A SANE Approach to Social Security", prepared by the South African New Economics (SANE) Foundation does at least mention, however inaccurately, the worldwide Social Credit movement.

I have no argument against a Basic Income under the current system because until employment under the current system is seen for what it is, it is necessary to at least attempt to raise people above the poverty line. I do not consider it will solve the problem but at least attention can be drawn to the inequities in that people are not receiving their just benefits.

Social Credit does not advocate a guaranteed level of income based upon political or theoretical economic considerations, which usually involves taxation. An income and price adjustment mechanism which recognizes the rightful inheritance due to all based upon physical reality and a correct financial system is what Social Credit proposes. This involves an understanding of the current financial system relating to debt-finance, the problems associated with cost-liquidating

income as a result of capital intensification in the production process

It is doubtful if people can be educated sufficiently to understand the problem but if it is possible to get the message through about the Monopoly of Credit creation there may be some hope. In 1942 Dr. Tudor Jones quoted Douglas in a conversation as saying, "I am always looking for someone in authority with an urgent problem, never, nowadays, for someone to convert". Perhaps this is a line we should be taking. I do not believe that we will find those people in Universities, unless there is a problem with financing but certainly not in the teaching area, or in the banking system or CEOs in large corporations, but maybe in Trade Unions, small businesses and even some politicians given the right strategy and tactics.

National Dividend – Welfare Benefits: A Right or a Privilege?

There are many obstacles with which certain individuals find themselves confronted that are associated with some aspects of Social Credit understanding. It may seem surprising to some, but it appears that there is a problem in distinguishing between numbers and things, such as financial symbols and the things that they represent. Then there is the same dilemma with the mind and things, such as ideas or thoughts and the same things in a real physical sense. It is akin to the reflection in the mirror as being as real as the object being reflected.

C.H. Douglas brought to our attention the concept of money as being psychological in the sense that if it can be "any medium...",

according to Professor Walker's definition,¹ then in that sense the only limit to the amount of money is the limit of acceptability. In reality however, the real limit on money, if it is to perform its function of facilitating exchange of goods and services is the availability of goods and services. No goods and services, no requirement for money. If there are goods and services and they have been "costed" and "priced" with money symbols, then money must be available to equate with those prices to form an effective demand.

Douglas discovered and elaborated on the flaw in the accounting system that gave priority to the concept of "scarce resources" and applied that thinking to the use of the symbols. It is the transformation of a myth into virtual reality. The question is whether or not individual members of society receive the benefits bestowed as a result of both the natural physical assets available together with those that have been obtained by their mutual association. People working together are able to achieve a greater benefit than by working alone. Add to this the benefits in knowledge that has been handed down over centuries. Although these are real benefits expressed in different real terms such as being able to produce more, increase efficiency, increase leisure time, as well as participate in the sharing of those benefits, etc., these benefits are not being received equitably.

Why is this so? Because of the neglect and in some cases an outright refusal to recognise (a) that there is a flaw in the method of accounting, and (b) the blind stumbling of politicians, economists,

business people and many others who can not or will not take the trouble to learn and understand that there is a means whereby benefits can be bestowed, (c) the general ignorance and apathy of the population to rely on those people in (b) to look after it for them. A perfect example of this apathy is in the blind acceptance of superannuation and the limited knowledge that each and every superannuant has of his or her fund, what is happening to their money and the numerous changes that take place in the rules of the game. With a properly constituted accounting system this would be a right, not subject to political or

government whims. It would not be a hand-out that has been confiscated from someone else, nor could it be changed according to the mental aberrations of some political or economic idealist. There would be no need for enforced superannuation.

¹ *Money, Trade and Industry*

Vic Bridger has been a Social Credit scholar and activist for many years. He edits *The Australasian Social Credit Journal*.

Dropped in it: The West's Debt Crisis

Ann Pettifor

Growing domestic and international debt has created the conditions for global and financial crises. And it is easy to foresee a time – in the not too distant future – when the so-called First World will be mired in debt crises like those that have wreaked havoc on so-called Third World economies since the 1980s.

These looming debt crises will affect millions of ordinary borrowers – “debt-spenders” – who are largely ignorant of the causes of the crises, and who are innocent of the responsibility for it. They will have a grievous impact on the poor, in rich countries as well as in poor countries. The dislocation caused by the coming First World debt crisis will be in need of a new, global jubilee of debt amnesty, of debt cancellation.

There are rising student debts: debts mortgaged against property and other assets: corporate debts mortgaged against future income: debts of healthcare systems, such as the NHS; vast, seemingly unpayable debts owed to future pensioners:

and sports club debts mortgaged against the gamble of future wins (for example Manchester United).

Above all, there are enormous private and governmental, domestic and foreign debts of countries considered rich: Iceland, Turkey, New Zealand, Japan, South Korea, Australia, the UK and the USA, as well as those of many low-income countries. These debts are mortgaged against the future assets, livelihoods, and lives of their people – and against the asset that is the ecosystem as a whole.

The world is truly living on “borrowed time” as the Bishop of Worcester, Dr Peter Selby, said in an address at St Francis Centre in Denver, in July 2000: “The Universe, this planet, is being used as a unique credit card which has no credit limit and no repayment date on it. And we all like credit cards like that.”

Ann Pettifor is executive director of Advocacy International and a senior associate of the New Economics Foundation. She co-founded and was director of Jubilee 2000.

A Road-Sweeper's Theology

Patrick Daly

Anybody who looks through the jobs pages of any London newspaper should be familiar with the following advertisement: "Urgently required.....Street Sweepers/ Dustcart Drivers....immediate start....all areas....good rates....telephone...." I am one of those who made the call.

A bit of my own story first. I am Irish. I came to London in July 1995 to be with my partner, a student. Previously I had worked for three years in Ireland with travellers and gypsies, helping them to develop their communities. I was influenced by liberation theology and inspired by people such as Ivan Illich, critic of centralised power and Paolo Freire, educator of the poor.

I hoped to find a similar niche for myself in London. That did not work out, however, and by October 1995 I was on the telephone enquiring about work as a street sweeper. There were a variety of reasons why I chose street sweeping, many of which I don't fully understand: a love of the outdoors, a gut feeling that it would bring me in contact with "fishermen" of this world, the space it might provide me with, and so on.

Until about five years ago road sweepers were employed directly by councils to perform the vital work of street cleansing. In recent years, however, government policy has been pushing strongly for the "privatisation" of a variety of public services and utilities. We are all familiar with the arguments: increased efficiency; better consumer choice; more competition;

improved service; new investment, etc.

When the road sweepers started working for their privatised employers, the first change they noticed was a reduction of £50 a week in their weekly wage packet. New work practices were introduced under the watchful eye of a layer of new supervisors who had been drafted in to direct operations. By the time of my arrival in October 1995, privatised road sweeping was well established; the transition had been completed. There was little talk of the old council days; few people remained from that time.

As a privatised road sweeper my name is "mate"; I don't have an opinion, or if I do have one I had better keep it to myself; I am not responsible, and need continually to be told what to do.

I respond only to criticism; praise would be deadly poison. I am lazy and am always looking for an opportunity to "doss". I have no story that matters beyond whether I am on the right street at the right time or not. I work when I am told to, even if that is during my lunch hour or after work is supposed to end. I am not to be paid for this overtime. I am not to talk to other people about my work but I am to refer them to my responsible superiors. I will be instantly dismissed when the responsible people deem I should be and I will have no come-back because my contract says I have none.

Work stripped of dignity is what I've found in north-west London. As one person put it

to me: "They have taken the soul out of my work". That's privatisation. My friend didn't mention the £50-a-week wage reduction or the fact that there has not been a pay rise in five years (since the last pay reduction); he spoke of "the soul" — the dignity.

I have not been in Britain long, so I am in no position to judge the past. No doubt there were serious problems that needed to be addressed. I do have experience, however, of the solution adopted: principally a strategy aimed at cheapening labour by taking all responsibility away from workers. Money is only a small part of the issue; a minimum wage will address few of the problems faced by road sweepers. It will take more than money to restore the dignity to work. Workers' rights and worker representation equals unions equals trouble equals "Loony Left": that's how many people see it. When the political mud-slinging really gets under way, one side accuses the other of being "pro-union". Did the unions never have a purpose?

As Christians we need to ask ourselves: is this the road we want to travel? And the road is widening—health services, railways, water, electricity, education. Profit is becoming king, efficiency is becoming God, competition the law, consumer choice the way. Children will grow up with parents who are not being treated with dignity or respect at work, i.e. for 8-9 hours a day, 5-7 days a week. Is this the sort of society we want to create, where we work solely for the money it gives us, work having no other value?

Work is fundamental to human dignity.

Work can tap our wells of creativity; it can nourish the very depths of our being. The road sweeper, the artist and the teacher can each express their inner beauty and creativity through their work.

Lord, I was efficient when you asked me to be generous.

This article first appeared on 3 May 1997 in The Tablet www.thetablet.co.uk and is reprinted here by kind permission.

The Challenger 1935

We have recently come across copies of *The Challenger*, incorporating *The Green Shirt Review*. Published monthly, from an editorial office in Keighley, Yorkshire, UK, at a cost of 1/6 per annum, the January 1935 issue carried an extract from Douglas' *Economic Democracy* and, in the Editorial Notes, a comment on 'Japan and Yorkshire'. The two pieces are reproduced below. The copies we have are full of perceptive contemporary comment on economy and society. Although the examples may have changed with the passage of time, the basic principles remain the same. If you know of any similar local publications dating from the 1930s, we would be most interested to see copies (Contact details on back page).

Japan and Yorkshire

Not long ago we were told that Australia had recovered its prosperity because of increased sales of wool to Japan. Naturally, the banks had spread this tale, having profited by financing this trade.

In the first half of last year Japanese exports of woollen textiles increased by
(continued on page 194)

Working for Moloch

(after reading Adrienne Rich)

Note: Moloch was a deity worshipped by the people of Jordan in Old Testament times (see Leviticus 20: 2-5). The chief feature of such worship was the sacrifice of children to secure power and riches.

The cleaners are scrubbing the Institute
lavatories

because obedient young men turn into
obedient old men

because women are supposed to do that

and it's all for the good of the country
and defence funds are good for science

the girls are typing in the Institute offices
because women are dedicated and careful

and science is neutral
and no one notices Moloch

the women are assembling printed circuits
because women are good at delicate work
and women's eyes are expendable

the women bring them
clean toilets
cups of coffee
typescripts
micro circuits oh so neatly assembled
and children

the young men are doing their PhD's
because young men are obedient and
ambitious

and it's hard to see Moloch because he is
both far away

and someone wants warheads
laser rangefinders

and

hunt and destroy capabilities
multichannel night seeking radar
and science is neutral

everywhere
and no one asks to whom they are all
obedient

back home the wives of the PhD students
are having babies
because women are maternal and loving
and who else can have children but
women?

and they say, "Who's Moloch? Never heard
of him"

as out in the dark Moloch belches
and grows redder and redder
and fatter and fatter
as he eats the children

at the top of the tower the old men and the
middle aged men
and sometimes one woman professor
meet to form plans, cadge funds and run
the place

by Mary McCann, published in
Pomegranate, Women's Writing Group,
Scotland, 1992, pp. 64-65.

.....it is also senseless that people should stand by a machine and mindlessly repeat the same movement, while an old craft-like mine falls into oblivion.....it is still stupid and reprehensible to rob men of the inheritance of Prophets, and to put them in front of a machine where, day in and day out, they must perform a meaningless task. (Titus Burckhardt)

The Nature and Origin of Money

CH Douglas

Editor's Note: In the Spring 2007 issue of *The Social Crediter*, we published an extract from *The Douglas Manual* (Ed Philip Mairet, 1934) on the National Dividend. Our intention now is to reprint the whole of the book in instalments, starting with Part 1 on 'The Nature and Origin of Money'. This is central to Douglas' analysis of the relationship between the real economy of goods and services, and finance.

Distribution of Cooperative Production

The distinguishing feature of the modern cooperative production system, depending for its efficiency on the principle of the division of labour, is that the production of the individual is in itself of decreasing use to him, as the sub-division of labour and process is extended. A man who lives on a small farm, can live (at a very low standard of comfort and civilization) by consuming the actual products of his own industry. But a highly trained mechanic, producing some one portion of an intricate mechanism, can only live by casting his product into the common stock, and drawing from that common stock, a portion of the combined product through the agency of money. (*Social Credit 131*)

Looked at from this point of view, money is simply a ticket. A railway ticket is, in the truest sense, a limited form of money and differs from any other sort of money in that the owner of it only believes, and is only justified in believing, that he will receive in return for it a particular form of service, i.e. transportation. (*Warning Democracy 15*)

Money is only a mechanism by means of which we deal with things; it has no properties except those we choose to give to it. A phrase such as 'There is no money in the country with which to do such and so' means simply nothing, unless we are also saying 'The goods and services required to do this thing do not exist and cannot be produced, therefore it is useless

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to create the money equivalent of them.' For instance, it is simply childish to say that a country has no money for social betterment, or for any other purpose, when it has the skill, the men and the material and plant to create that betterment. The banks or the Treasury can create the money in five minutes, and are doing it every day, and have been doing it for centuries. (*Control and Distribution of Production 9-10*)

In order to meet the primal necessities, men work for money, having always at the back of their mind that so much money represents so much satisfaction of primal needs. It should be particularly observed that it is this faith, this credit, which gives money its value, and it is therefore true to say that all money is, or is fundamentally dependent upon, credit. (*These Present Discontents and the Labour Party and Social Credit 8-9*)

Definition of Money

Money in its various forms of cash and financial credit, so far as they are convertible, has been defined by Professor Walker in his *Money, Trade and Industry* as any medium which has reached such a degree of acceptability that no matter what it is made of, and no matter why people want it, no one will refuse it in exchange for his product. So long as this definition holds good, it is obvious that the possession of money, or financial credit convertible into money, establishes an absolute lien on the services of others in

direct proportion to the fraction of the whole stock controlled, and further that the whole stock of financial wealth inclusive of credit, in the world, should by the definition be sufficient to balance the aggregate book price of the world's material assets and prospective production. (*Economic Democracy* 28)

Wealth and Money Independently Produced

Having got it firmly fixed in your minds that while to the ordinary man there is no wealth without money, and yet that there exist actually or still more potentially enormous quantities of wealth, for which there is no equivalent amount of money, I should like to bring to your attention another simple, apparently obvious, but very frequently overlooked fact, and that is that you do not make money by making goods. In other words, the industrial system, which makes goods, is not to blame for poverty—it is the financial system. (*Warning Democracy* 128)

Purchasing power is not, as might be gathered from the current discussion on the subject, an emanation from the production of real commodities or services much like the scent from a rose, but on the contrary, is produced by an entirely distinct process, that is to say, the banking system. (*Monopoly of Credit* 23)

There is extant in the world, a common, if somewhat nebulous, idea that whoever, for instance, grows a ton of potatoes, grows thereby in some mysterious way, the purchasing-power equivalent to a ton of potatoes... If I grow a ton of potatoes and exchange those potatoes for five currency notes of one pound each, held at the

moment by my neighbour next door, all that has happened is that I have five pounds which he had before. My ton of potatoes has not increased the number of pounds, although it may have, but probably has not, increased the purchasing-power of each pound. If we imagine this five pounds to be the only five pounds in existence, and money to be the only effective demand for goods, no one will be able to exchange any goods until I part with, at any rate, a portion of my five pounds. (*Social Credit* 130-131)

If you will bear this simple but very important idea in your mind you will rapidly get a much clearer idea of the real nature of money, and I think that for ordinary purposes the simplest and most satisfactory conception of money is that it is simply a ticket which enables the holder to obtain goods and services upon demand. (*Warning Democracy* 129)

Money not a Measure of Value

There are few people who would claim that the money systems of the world are perfect, and the number of such persons is decreasing daily. But when asked to define the various defects in the money system, it is quite remarkable to notice with what monotonous regularity the ideas of 'justice' and 'value' are paraded. It is claimed that money is defective because it is not an accurate measure of value, or that it results in an unjust 'reward' for labour, but when such critics are asked to suggest a method by which the relative value of a sunset, and, say, the Venus de Milo might be assessed, on the one hand, or, on the other hand, what is the 'just' return for a given amount or variety of labour, their answers are not usually very helpful from a practical point

of view. (*Social Credit 60*)

Perhaps the most important fundamental idea which can be conveyed at this time, in regard to the money problem—an idea on the validity of which certainly stands or falls anything I have to say on the subject—is that it is not a problem of value-measurement. The proper function of a money-system is to control and direct the production and distribution of goods and services. It is, or should be, an ‘order’ system, not a ‘reward’ system. It is essentially a mechanism of administration, subservient to policy, and it is because it is superior to all other mechanisms of administration, that the money control of the world is so immensely important. (*Social Credit 61-62*)

Money is properly the agent of Distribution

The analogy of the ‘Limited’ railway ticket is for all practical purposes exact, a railway ticket being a limited form of money. The fact that a railway ticket has money-value attached to it is entirely subsidiary and irrelevant to its main function, which is to distribute transportation. A demand for a railway ticket furnishes to the railway management a perfect indication (subject, at present, to financial limitations) of the transportation which is required. It enables the programme of transportation to be drawn up, and the availability of a ticket issued in relation to this programme enables the railway traveller to make his plans, in the knowledge that the transportation that he desires will probably be forthcoming. (*Social Credit 62*)

The measurement of productive capacity takes place, or should take place, in regions

other than those occupied by the ticket office, or its financial equivalent, the bank; and the proper business of the ticket department and the bank is to facilitate the distribution of the product in accordance with the desires of the public and to transmit the indication of those desires to those operating the industrial organisation, to whom is committed the task of meeting them. They have no valid right to any voice in deciding either the qualifications of travellers, or the conditions under which they travel. (*Social Credit 62*)

The Remedy for Shortage of Money

We have to realise that there exists, and is being exercised for anti-social purposes, a monopoly of the ticket supply, without which distribution cannot be carried on. That monopoly has to be broken. How it is to be broken is a very serious problem, a problem which has got to be faced and solved, or the civilisation with which we are acquainted will shortly cease to exist. (*The Breakdown of the Employment System 9-10*)

You will no doubt be anxious to know the remedy for this situation. There is such a remedy. It is not the easy one which might at first occur to you of merely printing more bank notes, since unfortunately that is a method which defeats its own end. The method is a technical one. It consists in a simple adjustment, by the use of the technique of credit, of the relation between the average price level and the available purchasing power; and this, under existing conditions, the responsibility for making this adjustment most undoubtedly rests with the banking system. (*Warning Democracy 133*)

The Proper Objective of Finance

CH Douglas

Now if there is any sanity left in the world at all, it should be obvious that the real demand is the proper objective of production, and that it must be met from the bottom upwards, that is to say, there must first be a production of necessities sufficient to meet universal requirements; and, secondly, an economic system must be devised to ensure their practically automatic and universal distribution; this having been achieved it may be followed to whatever extent may prove desirable by the manufacture of articles having a more limited range of usefulness. All financial questions are quite beside the point; if finance cannot meet this simple proposition then finance fails, and will be replaced. It has been estimated that two hours per week of the time of every fit adult between the ages of fifteen and forty-five would provide for a uniformly high standard of physical welfare under existing conditions, and without endorsing the exact figures it is perfectly certain that distribution and not manufacture is the real economic problem and is at present quite intolerably unsatisfactory. (from *Economic*

Democracy)

Extract from Fez: City of Islam

Titus Burckhardt

I knew a comb-maker who worked in the street of his guild, called Abd al-Aziz (slave of the Almighty). He obtained the horn for his combs from ox skulls, which he bought from butchers. He dried the horn skulls at a rented place, removed the horns, opened them lengthwise, and straightened them over a fire, a procedure that had to be done with greatest care, lest they should break. From this raw material he cut combs

and turned boxes for antimony (used as an eye decoration) on a simple lathe; this he did by manipulating with his left hand a bow which, wrapped around a spindle, caused the apparatus to rotate. In his right hand he held the knife, and with his foot he pushed against the counter-weight. As he worked he would sing the Koranic suras in a humming tone.

I learned that as a result of an eye disease which is common in Africa, he was already half blind and that, in view of long practice, he was able to 'feel' his work rather than see it. One day he complained to me that the importation of plastic combs was diminishing his business: 'It is not only a pity that today, solely on account of price, poor quality combs from a factory are being preferred to much more durable horn combs,' he said; 'it is also senseless that people should stand by a machine and mindlessly repeat the same movement, while an old craft like mine falls into oblivion. My work may seem crude to you; but it harbours a subtle meaning which cannot be explained in words. I myself acquired it only after many long years, and even if I wanted to, I could not automatically pass it on to my son, if he himself did not wish to acquire it-and I think he would rather take up another occupation. This craft can be traced back from apprentice to master until one reaches our Lord Seth, the son of Adam. It was he who first taught it to man, and what a Prophet brings-for Seth was a Prophet-must clearly have a special purpose-both outwardly and inwardly. I gradually came to understand that there is nothing fortuitous about this craft, that each movement and each procedure is a bearer of an element of wisdom. But not everyone

can understand this. But even if one does not know this, it is still stupid and reprehensible to rob men of the inheritance of Prophets, and to put them in front of a machine where, day in and day out, they must perform a meaningless task.

(continued from page 188)

100%. [emphasis original] When Japan becomes really efficient, what is going to happen to the West Riding [of Yorkshire]? Over twelve months ago we warned our readers of this danger to their livelihoods.

It is of no use complaining that it is impossible to compete against the low wages of Japanese workers. The even lower wages and much worse working conditions of the Bombay mill-workers do not enable the Indian cotton manufacturers to undersell the Japanese in India in spite of an enormously high tariff barrier.

The truth is that Japan has learnt a few things from Douglas. One is that the National Credit can be used to excuse producers from repaying bank loans. In Europe this would lead directly to an unbalanced budget and a "crisis." But the militarists rule in Japan and it would be unsafe for a financier or a politician to say that money should not be under the control of the State.

If we had Social Credit in England, all imports from Japan would be regarded as an increase in real wealth and the resultant unemployment as a welcome increase of leisure. The National Dividend for workers and unemployed would keep up the standard of living. When will the workers of the West Riding realize their danger and demand the National Dividend?

The Political Economy of Social Credit and Guild Socialism

Frances Hutchinson and Brian Burkitt

Jon Carpenter Nov 2005

£12.99 pb 212 pp

ISBN: 0-9549727-5-9

It is sixty years since Social Credit had any political significance in Britain. The movement could easily be dismissed as an inter-war curiosity with its associated "Green Shirts" and concern for monetary reform. Guild Socialism seems remoter still: a footnote to Labour party history, its mediaevalist nostalgia brushed aside by the progressive forces of Fabian collectivism.

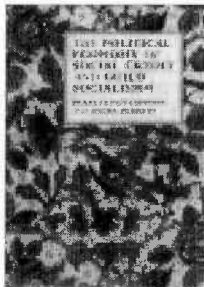
Hutchinson and Burkitt stimulatingly challenge these stereotypes, arguing that the two movements provided "an early exploration of the potential for a cooperative, local, 'steady-state' economy in which industrial production, the arts, scientists, politics, learning and the caring professions are freed from the artificial restrictions of capitalist finance." They look particularly at Social Credit's socialist context, suggesting that its monetary proposals make sense only within the Guild Socialist framework which originally encouraged their development.

The key figures in the history of these movements are Major C H Douglas, engineer and monetary theorist, and A R Orage, whose journal *The New Age* provided a forum first for Guild Socialism and subsequently for Douglas. Orage had edited *The New Age* for a decade before meeting Douglas in 1918, and during that time had formulated Guild Socialist ideas with such figures as A J Penty and the economist S G Hobson. All three were Fabians who grew disillusioned with the Webbs' utilitarian social philosophy. Their

Recommended Reading

Frances Hutchinson & Brian Burkitt

Frances Hutchinson, Mary Mellor & Wendy Olsen

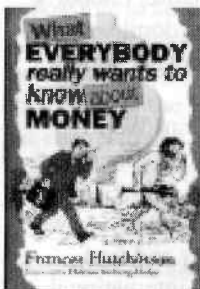


The Political Economy of Social Credit and Guild Socialism
(Jon Carpenter £12.99)

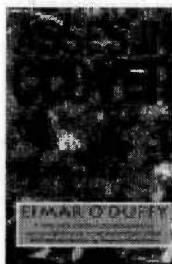
The Politics of Money: Towards Sustainability & Economic Democracy
(Pluto £16.99)



Frances Hutchinson
Social Credit? Some Questions Answered
(KRP £5.00)



Frances Hutchinson
What Everybody really wants to know about Money
(Jon Carpenter £12.00)



Eimar O'Duffy
Asses in Clover
(Jon Carpenter £5.00)

H J Massingham
The Tree of Life
(Jon Carpenter £13.99)



Books by C H Douglas
(available in the Social Credit Library)
Economic Democracy
Social Credit
The Monopoly of Credit
Warning Democracy
Credit Power and Democracy
The Control and Distribution of Production

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If you wish to comment on an article in this, or the previous issues, or discuss submission of an essay for a future issue of *The Social Crediter*, please contact the Editor, Frances Hutchinson, at the address on the left.

(It would be very helpful if material were submitted either by e-mail or on disk if at all possible).