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WHEN THE PARTY'S OVER

Should a movement become a party and what happens when the party's over? The question is raised by the appearance of a recent book from The University of Toronto Press — *The Social Credit Phenomenon in Alberta* by Alvin Finkel (list price £12.50 in U.K. available through International Book Distributors Ltd., Hemel Hempstead, Herts., HP2 4RG).

This is not a sympathetic look at 36 years of government from the thirties to 1971, it is a hard look. But we should be thankful for the attention — in these latter years of Social Credit, we can point to how the concepts were once taken seriously by the populace in various places and how their application was frustrated.

Finkel's overview is jaundiced, his own subjective distaste undermines his academic restraint and objectivity in parts but it is unlikely that we will ever have a better record or generally available guide to source material.

There is little in the chronicle to be proud about. It is a searing record of incompetence and thoughtlessness and hasty expediency; of flawed character and failed communication; of lack of integrity and loss of it. Above all, it charts betrayal of pure doctrine and wanton disregard for principle.

The main players strutting this provincial stage in the name — and largely just the name — of Social Credit were Premiers Aberhart and Manning, both populist Protestant preachers, one the protegé of the other. Neither had adequate stature. In many ways there was a pettiness and a petulance about their behaviour; a shallow mind-set and a distinct poverty in grace. Power went to their heads. They ceased being disciples of Douglas Social Credit and ended up as pawns in a game where they thought themselves masters.

Neither could deliver Douglas-directed policies for Alberta (*cf. The Big Idea*). They were ambushed by the Federal big guns protecting the banking interests; yet they rode safely over the years on the province's natural wealth.

They had little time for any of their constituents and were fortunate that the circumstances, even during the Depression, were not so desperate as to drive people to revolution. Certainly there was plenty of socialist sentiment in the air, embraced in the early days, roundly rejected in the later days. Seldom could a political party have performed such a huge U-turn within a generation as did Alberta's Social Crediters. The sorry end to the tale over the past 20 years — inglorious obscurity after fading glow — confirms that a party is no vehicle for Social Credit (as its founder always held).

In the view of C. H. Douglas, party politics inevitably corrupt principles. Parties are by their nature compromises and compromised and can never live up to the highest ideals they promulgate. A movement, however, remains accessible to all, uncontaminated by pressures beyond its philosophical control. If it becomes a party, it is embodied in oh-so-weak flesh and subject to the survival of the fittest in that flesh.

There can be no more obvious proof of this contention than what happened in Alberta. Social Credit doctrine, the result of deep thinking, was hardly understood and sloppily applied by well-intentioned but arrogant men. The movement was brought down to their level and the philosophy with it. Much of the denigration endured by Social Credit today can be traced back to the poor quality of its most prominent proponents. There is nowhere in existence a creditable critique of Social Credit, relying on scientific evidence of an inability to fulfil its promise. Social Credit has never been tried and found wanting. It has never been tried at the level of its own optimum potential — small nation-hood.

It was more than an experiment in Alberta, it was an experience. Social Credit reigned but did not rule. Federal supremacy saw to that. Although Aberhart and Manning were personally honourable and sincere and committed, their failings cancelled out our future. When they were succeeded by lesser mortals with a power-base only in politics and divorced from evangelical preaching, support for Social Credit crumbled in Alberta. Today it does not even have the majesty of ruined Athens.

Finkel sums up Social Credit as paranoid. He ridicules the founder's emphasis upon (and so our continued assertions about) the "conspiracy" of global finance and communism and the consistent participation of "Jews" at the heart of these matters.

This criticism need not be ducked. Whereas Douglas, Aberhart and Manning could make informed conjecture, we can spell it out, letter by letter, item by item. Never have the forces of the One World Order been more brazen about their endeavours, more boastful of their accomplishments. They reckon the climax is so close, they need no longer dissimulate. Douglas and his followers have had their suspicions amply upheld by the present time.

As to the Jews, there is no mystery. It is a spiritual wonder. The Jews in the One World conspiracy are those who have shed their nationalism and even their race. They have in a very real sense sold their souls to the Devil. Jesus Himself was in no doubt as to the combatants for world dominion. "You cannot serve God and Mammon" He said. It was an either-or.

Those who have opted for the latter opt out of their common humanity. "Anti-Semitism" is a baseless charge when Social Credit — in common with many other objective researches — merely records the undeniable fact that the global monetary system based on debt creation and usury was evolved and developed by such rebels from Judaic tradition who are still easily identified as supranational. They are also, of course, above and behind party politics.

I. McG.

"Democracy is in danger for the very reason that democratic government itself is subservient to sectional interests which control finance, and which have it in their power to inflict a financial crisis upon the nation should they anticipate legislation inimical to their own particular interests."

The quotation is from *Economic Tribulation* by Vincent C. Vickers (The Bodley Head, 1941), a book reviewed in *Britain and Overseas*, the journal of the Economic Research Council.[1] The author was a director of Vickers Limited for 25 years, a director of London Assurance, and for nine years a director of the Bank of England, from which he resigned in 1919.

The review goes on, "Anyone who is seriously concerned about the continuing problems of poverty, unemployment, debt and human suffering, in spite of increased knowledge and productivity, must also be concerned about the inability of experts to solve these problems, or hold serious discussions on the subject.

"We boast about our freedom of speech in Parliament, and in the press, but this is a myth, because very powerful interests are well served by the present system. Vincent Vickers had the courage to explain the truth about these matters in clear language, and reveal to future generations the way of escape from ever increasing debt, both national and international."

A parallel warning about the subversion of democratic government (so-called) is given by John Cole, the BBC's perspicacious political editor. Writing in *The Listener* for 28th June, 1990, he opines that "many politicians and economists . . . think it would be quite a good idea to bore the pants off the general public, so that they themselves can take difficult decisions without too much hassle from public opinion. Yet a decision on how our own and other currencies are handled is not just a dry matter for bankers and finance ministries around Europe. It has profound and, I think, unavoidable effects on our whole politics."

He proceeds, ". . . the creation of a common currency and its eventual — I believe inevitable — development into a single currency will have even more profound effects on how we are governed, and by whom. The issue is what it has always been: will Europe remain a loose federation of nation-states, co-operating when they can, going their own ways on anything which might adversely affect their own interests? Or will we create, probably in the early years of the 21st century, a federal Europe, a United States of Europe, democratically controlled by something that will ultimately be recognised as a government? No small technical issue, this."

John Cole's implied warning receives powerful support from the Labour Common Market Safeguards Committee. Their new pamphlet, "The E.R.M. Illusion",[2] summarises their argument as follows: "A new fallacy, however, has grown up in recent months, which needs to be exposed. This is the illusion that balance-of-payments problems can be spirited away if everyone adopts a single currency. But they cannot. A single currency does not abolish a real payments deficit. It transforms it into a different guise, in this case the transformation of the deficit country into a depressed area. If for instance under a multi-currency system, the U.K. is in deficit with Germany, balance will be achieved by the sterling rate falling against the mark. If there is a single currency, more and more U.K. enterprises will find their money costs too high to compete, and will shed labour or close down. This has been the fate of Northern Ireland over the last 50 years. If Northern Ireland had had a separate currency to depreciate against sterling, it would probably have had no higher unemployment than Scotland or Wales over that period. Naturally, a strong-currency country like Germany likes to manoeuvre its weaker competitors into this awkward corner, by political propaganda if necessary."

OUR BEST

After arguing that the U.K. should retain its control over exchange rate policy, the statement continues:— "And there is an even more fundamental issue ever more plainly involved in this controversy: whether the British Electorate and Parliament are to retain the power to determine their own economic policy and so their people's living standards. The reality of this issue is provided by the preposterous suggestion now being actually made that final power over economic policy in the Western European democracies should be handed over to a group of central bankers. So we are asked to return at the end of the 20th century to the days when Mr Montagu Norman claimed the right to decide Britain's economic, and often foreign policy without 'interference from the politicians'.

"So it is not merely standards of living that are at stake in this issue, but also not far beneath the surface, the right of the people in modern Western democracies to govern themselves." *(Own emphasis.)*

If considered at all, the L.C.M.S.C.'s arguments against entry to the E.R.M. have been overridden by the decision to take Britain in. But the "more fundamental issue" of the threat to our self-government is thereby brought into sharper relief. Attention must now focus on the attitude of the British government to the inter-governmental conference in Rome in December. Its avowed purpose is to consider what further steps, if any, can be taken to "economic and monetary union", or E.M.U. Stages 2 and 3 of the Delors Plan, previously publicised in these columns, postulate a single currency and a European central bank.

Some leading Eurocrats have already made their positions very clear. Thus Dr Karl-Otto Poehl, President of the Bundesbank, said in London on 2nd July that the Bank of England and other existing central banks including his own must be relegated to implementing the policies of an "independent" European central bank. Chancellor Helmut Kohl, in Hamburg on the eve of German reunification, "told cheering delegates to the Christian Democratic Union (C.D.U.) conference here yesterday to concentrate now on building a united states of Europe. Introduced as 'the Chancellor of unity', he said that the 'vision of a European federal state must be the cornerstone of a European peace order'." (*The Times*, 2nd October.)

M. Jacques Delors, socialist President of the European Commission, already on record as saying that "national parliaments would have to give way to the embryo of a European government within seven years", is now concerned lest Britain's entry to the E.R.M. might be used to slow down the process of "unification".

Thus the latent threat to democratic government identified by Vincent Vickers in 1941 as overhanging national governments has been translated to the international level and become more patent to all with eyes to see. But the British people's right to know about the underlying constitutional issues is in danger of being submerged, as John Cole has hinted, in the economic and monetary technicalities beloved of media pundits.

Mrs Thatcher, having clearly lost the E.R.M. battle to the bankers, will now be under pressure to modify her well-publicised opposition to "European Unity", so-called. We can but repeat our call of September 1989. "In resisting these pressures, the Prime Minister must know that in the

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last resort she can rely on the overwhelming support of the electorate. If Mrs Thatcher will take the British people into her confidence and tell them the facts and the truth about this coming battle, it can be won."

We repeat also some words of C. H. Douglas written in 1941,[3] "Uninfluenced by alien intrigue and inoculated, as he will be by the harsh realism of war, against windy abstractions, the native of these islands can be trusted to hammer out his best destiny. . . . And the root of the matter is — mind your own business, and allow no man to make a business of minding you. . . . Pay no attention to windy idealism. And then, mind your own business. It is in sore need of your attention."

1. "Britain and Overseas," Autumn 1990, Vol. 20, No. 3, published by The Economic Research Council, Benchmark House, 86 Newman Street, London, W1P 3LD.
2. "The E.R.M. Illusion," published by the Labour Common Market Safeguards Committee, 72 Albert Street, London, NW1 7NR. Price £1.20 (inc. p. & p.)
3. "The Big Idea," by C. H. Douglas, from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, England, CO10 6TD. Price £3.75 post free.

RECOMMENDED READING

Benson, Ivor	This Age of Conflict.
Burkitt, B. & Baimbridge, M.	What 1992 Really Means: Single Market or Double Cross?
Douglas, C. H.	The Brief for the Prosecution.
	The Development of World Dominion.
	Economic Democracy.
	The Monopoly of Credit.
	The Policy of a Philosophy.
	Social Credit.
Maré, Eric de	A Matter of Life or Debt.
Monahan, Bryan W.	The Moving Storm.
	The Survival of Britain.
	Why I am a Social Crediter.
Robertson, Thomas	Human Ecology.
Social Credit Secretariat	Elements of Social Credit.
Tether, C. Gordon	The Great Common Market Fraud.

Full booklist and prices upon request.

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ISLAM AND USURY

The practice of usury, the lending out of money at exorbitant interest, is expressly forbidden by the Koran, a prohibition observed by the Islamic banking system. The "Western" monetary system, on the other hand, is wholly based on the creation of money as a debt owed to private moneylenders (the banks); on the payment of interest, often at high rates, for the use of it during the lifetime of the loan; and on the claim for its eventual repayment to the lenders who create it out of nothing in the first place. Hence the evil of world-wide indebtedness, much of it irredeemable, the forced "writing-off" or "forgiveness" of bad debts, and the oppression and depression of many Third World countries.

The following "Appendix 1: Islam and Economic Man"* appears at the conclusion of a scholarly study by Ivor Benson entitled "Iran: Some Angles on the Islamic Revolution" in the *Journal of Historical Review*, Summer 1989, Vol. 9, No. 2.

Appendix 1: Islam and Economic Man

If a single all-embracing reason is to be sought for the dread of a resurgent Islam now prevailing in the highest centres of worldly power, it may be found in the Islamic moral delineation of *Economic Man*, a system of ideas which challenges the entire foundation of great power in the West.

Monetary reform campaigners in the West, especially in the United States, might be astonished by the quantity and quality of thinking which Muslim scholars have put into the subject of banking and of economics generally, all of it constellated by the Prophet Muhammad's simple utterances. Here are some of the key elements of the Islamic economic philosophy:†

Individual rights: These are a consequence of the fulfillment of duties and obligations, not antecedent to them. In other words, first comes the duty, then the right.

Property: Ownership is never absolute, conferring on us the right to do with our property wholly as we please. As the Sharia puts it, all property belongs to God: we are only its temporary incumbents and trustees; there are duties and responsibilities inseparably attached to the ownership of property.

Work and wealth: Islam exalts work as an inseparable dimension of faith itself and reprehends idleness. We do not need work only in order to earn a livelihood; we need work to preserve our psychic health; we need to exercise creative skills and to spend energy in work.

Usury: The Koran forcefully prohibits the payment and receipt of interest, or *riba* as it is called. Interest on a loan is regarded as a creation of instantaneous property rights outside the legitimate framework of existing property rights.

The evil inherent in usury, however, is more recondite and elusive than that. The lending of money at interest can in many instances be advantageous to borrower as well as lender; fortunes have been made with borrowed money. It is only in the context of a total way of life of a community that the evil nature of usury becomes more clearly visible to the moral imagination.

The principle of usury, once accepted, gives rise to the regular practice of it, requiring or making possible the emergence of a class of *moneylender*; human nature being as it is, and taking into account the circumstances in which money most often needs to be borrowed, the practice of usury is seen as conferring a compounding advantage on the moneylender class.

* Reprinted by permission of *The Journal for Historical Review*, P.O. Box 1306, Torrance, California 90505, U.S.A. Domestic subscription rate $40 per year; foreign rate $50 per year.

† See "The Islamic Banking System in Iran and Pakistan", Mohsin S. Khan and Abbas Mirahker, *Journal of Social, Political and Economic Studies*, 1986.

INFLATION—THE AGE-OLD SWINDLE

As we all become more impoverished as the rate of U.K. inflation rises above the unacceptable level of 10 per cent, an insight into its existence in Biblical times is provided by Arthur Kay, Minister of Trinity Presbyterian Church, Bolton. The following are extracts from his address:*

What people refer to today as inflation, the rise in prices, is not really inflation. Rising prices are only the symptom of which inflation is the cause. This is actually the Biblical view of the matter and the Bible gives us a good example of inflation at work. You can find it in Isaiah 1: 21-23.

As far as we can tell from the archaeological evidence, coins were not used until about two hundred years after Isaiah's prophecy. What they did use was a specific weight of metal — the shekel was a weight — and a shekel of silver or gold was a specific measure of currency. But in Jerusalem, in Isaiah's day, silver would be melted, and an inexpensive base metal (in this case verse 25 indicates that it was probably tin) would also be melted and a quantity of the tin would then be poured into the vat of silver and the mixture, the alloy, would then be poured out into a mould to become a small brick when cool.

Now tin is a nice shiny metal, just like silver. Who would know? The ingot would still look like silver. Who would possess scales sufficiently accurate to detect the change in weight produced by the tin? Only another silversmith; and one corrupt silversmith wouldn't last long in business, unless the other silversmiths decided not to expose him, but rather to join in the corruption. But even a silversmiths' cartel would soon be broken by someone from outside unless the market was stitched up with cooperation from the rulers.

The corrupt silversmiths would bribe the rulers, and the rulers would impose government controls against honest newcomers.

So, under government control, or at least with the connivance and cooperation of the government, the silver would be debased. And whereas before there was one shekel of silver, the next day, without the hard labour of mining scarce silver, there would apparently be two. Overnight, the rulers and the silversmiths doubled their spending power. And this is where the robbery came in. Those first in the debased silver chain could now buy twice as many goods and services as they had been able to the day before, when silver was pure. And what has happened? Suddenly more money is circulating than there was before. The money supply has been increased — inflation!

Now along comes the ordinary citizen . . . into the market to buy goods and services, but the goods and services are gone; because the rulers who had the money first bought at yesterday's prices. Then as the storekeeper sees that demand for his goods is going up, he puts up his prices — *more demand, higher prices.* And as people see more silver ingots in circulation, the market value of the ingot falls — *more supply, lower prices.*

Things have not changed. Our paper money and our laminate coins are clearly dross. And, if inflation is an increase in the money supply, who increases the money supply? There are only two kinds of people who increase the money supply: those who do it honestly, and those who do it dishonestly.

The ones who increase the money supply honestly are the people who mine money metals like silver and gold, but the rise in world population, together with the scarcity of gold and silver and the difficulties of obtaining them, mean that, when these precious metals are used as money, changes in their supply are relatively insignificant as inflationary devices.

Counterfeiters inject money into the system dishonestly — but the individual counterfeiter with his offset-litho printing machine knocking out a few thousand £10 notes isn't even worthy to be compared with governments and banks who, at a whim, frequently write a treasury note or a deposit certificate for millions of pounds.

Who causes inflation? Not primarily workers demanding wage increases, or consumers demanding goods — but governments who print money and connive at the banks who create credit out of thin air.

Yet government ministers sit there wringing their hands and telling us all how difficult it is to control inflation. And I'm not only talking about our current government here, or the Conservative party in particular. Every western government is doing the same thing and the socialist ones are usually the worst offenders.

Aside from governments who can print money, there is another wonderful device for inflating the money supply known as *fractional reserve banking.*

This is what happens today. The government, through the Bank of England, requires the clearing banks to maintain only a small proportion of their deposits in cash or other liquid assets like Treasury Bills. Remember that: the back up reserves need represent only about 10% of the total money supply.

What does this mean? Say you take £100 in cash and deposit it in your bank. The Bank of England requires your bank to keep about 10% of that cash in reserve at the Bank of England in a non-interest paying account. It can do what it likes with the rest.

So your bank sends 10% of your £100 off to the Bank of England as a reserve. What does it do with the other £90? Why, it loans it out, of course. So the chap who borrows the £90 writes a cheque for £90. The person who receives that cheque deposits it into his bank, and that bank duly sends £9 of that £90 off to the Bank of England. And what does it do with the remaining £81? It lends it out! The borrower then writes his cheque for £81, the recipient banks it, the bank sends £8.10 to the Bank of England, and loans out £72.90.

And so it goes, from bank to bank, multiplying merrily. so that your original £100 deposit eventually creates an additional £800 in loaned money. Now that's inflation! Was there ever a more efficient engine for creating misery than this?

The best remedy that civil government could effect to remove inflation is to work towards the abolition of the fractional reserve banking system.

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* The full text of Mr Kay's address is available free from P.O. Box 21, Bolton, England, BL2 3RD.

*Please send me **The Social Crediter** for a year.

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