

THE SOCIAL CREDITER

For Political and Economic Realism

Volume 80 No. 3 May - June 2001

SOCIAL CREDIT: CLEARLY EXPLAINED 101 QUESTIONS ANSWERED

By John Hargrave

*Fellow of the Royal Society of Arts; Economic Advisor To H.M. Government of Alberta (1936-1937);
Founder and Leader, The Social Credit party of Great Britain.*

(Continuing with permission, our reprint of the booklet originally published by SCP in 1945)

21. WHEN A BANK BUYS GOLD, WITH WHAT DOES IT PAY?

A VERY AWKWARD question for any banker!

The correct answer is: It pays with paper – or rather *on* paper: for the payment is made by pen-and-ink book-entry only. It pays, in fact, with Promises to Pay!

22. IS NOT WORK THE ONLY WAY IN WHICH MONEY CAN BE CREATED?

WORK DOES NOT create Money. It creates goods and services – Real Wealth.

You may work for weeks and

months digging the ground, planting potatoes, and hoeing them. But when you go to dig them up – *will you dig up money?* No, your work has produced potatoes, not money.

The only activity that “creates money” is that carried on by the Bankers. No other activity creates money, nor does it create money-values. Work creates Real Wealth – goods and services – and nothing else (except perhaps backache and tired feet...).

You must learn to think clearly about Work and Money if you wish to understand Social Credit.

23. IS IT TRUE THAT ANYTHING CAN BE USED AS MONEY?

YES IT IS – *on condition that everyone within the community accepts the particular kind of money.*

Thus, ears of corn, cowrie shells, beads, stones, hides of animals, salt, bars of iron, discs of gold, silver, copper and other metals, and scraps of paper have all been used as money.

Paper money is the most convenient for a modern community, although it is by no means a modern invention. Paper notes, made (as Marco Polo tells us) from the fine inner skin of the bark of the mulberry tree, and printed by wood-block press, were in use in

China, 1260 to 1294, during the reign of Kublai Khan, and perhaps long before that.

Certainly anything can be used as money. When, in 1664, there was not enough coined money in Canada to pay the King's troops, numbering 400 men, M. de Meules, the Administrator of New France, hit upon the idea of “making” the needed money by signing “bonds” written on playing-cards and putting them into compulsory circulation; an act later approved by Louis XIV. Each playing card was cut into four pieces, each piece having the “value” assigned to it, written by hand, and the personal signature of the Governor and the Provincial Administrator. In this way M. de Meules created the banknote type of money. It was not a bill of exchange nor a letter of credit – as used by the bankers of the 13th century – but a veritable banknote. Some of this “card money”, as it was called, was to be seen in the Colonial Museum in the Paris Exhibition of 1931.

These fiduciary pieces of playing-card currency were meant to be no more than a temporary makeshift. Every year, usually in October those who had this card-money were invited to hand it in and convert it into bills of exchange on Paris resembling Treasury bonds. But the Canadians preferred to

inside this issue

PAGES 25-28

Social Credit clearly explained

PAGE 28-29

Book review

PAGE 29

“Schumacher Lectures” in Scotland

PAGES 30-31

**Globalisation, Burglarisation
and Social Credit**

PAGE 31

Welcome to the new “Chairman”

keep and use these quartered playing-cards, and some of them even wanted to barter bills of exchange for them! Certain Boston merchants, living in Quebec, seeing how well this card-money functioned, proposed in 1690 that the province of Massachusetts could pay off its public debt by means of similar money. The suggestion was agreed to, but the Puritans had no playing-cards, since they looked upon them as instruments of the Devil. So they used plain pieces of cardboard written by hand, which they found did just as well.

24. WHAT IS "THE CULTURAL INHERITANCE" THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

IT IS THE total advantage to each one of us of the work of such men as Archimedes, Pythagoras, Galileo, Leonardo da Vinci, Roger Bacon, Paracelsus, Francis Bacon, Shakespeare, Johannes Gutenberg, William Caxton, Isaac Newton, James Watt, Richard Arkwright, George Stephenson, Edmund Cartwright, James Hargreaves, Samuel Crompton, Humphrey Davy, Gabriel Fahrenheit, Michael Faraday, William Harvey, Johann Kepler, Nicholas Kopernick (Copernicus) and a thousand and one others, who, by the power of their imaginative insight, produced many inventions and discoveries, thereby giving us the "cultural inheritance" that enables us to organise a Power-Age of Abundance and Leisure for All.

This inheritance from the past – all these inventions, devices, techniques, arts, sciences, modes of thought – belong to each and every one of us. They belong to the whole community, and cannot belong to any particular person or group. That being so, every man, woman and child is entitled to a fair share of the "cultural inheritance", and Social Credit makes this possible by means of a National Dividend.

25. WHAT IS "THE INCREMENT OF ASSOCIATION" THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

TEN MEN TOGETHER – in association – can do what ten men separately cannot do. The outcome of such work-in-

association is the "increment of association" – that is: Real Wealth (goods and services) produced by working together, instead of each man alone. In a modern Power-Age community every individual is entitled to his fair share of the "increment of association", even if his or her quota of work is not needed in the Productive System. That is because the Productive System is able to produce enough and for all, and if it is not taken up and used it will have to be scrapped – or Production cut down – which is absurd. Social Credit makes it possible to distribute a fair share of the "increment of association" to everyone by means of a National Dividend.

26. WHAT ARE "THE WAGES OF THE MACHINE" THAT SOCIAL CREDIT PEOPLE TALK ABOUT?

THEY ARE THE wages that would have been paid to human beings if machinery and improved processes had not made their labour partially or wholly unnecessary. Under the present Work-Wage System, human beings released from the Productive System are left practically without buying-power except for a miserable "dole". In the past these people have been called "The Unemployed".

The Social Credit National Dividend is, in reality, the "Wages of the Machine" that will enable the unemployed, and everyone else, to take up and use the goods and services produced with less and less human labour.

27. ISN'T SOCIAL CREDIT A "SOMETHING FOR NOTHING" SCHEME?

WHAT MAKES YOU think a "something for nothing" scheme is wrong? When the Sun shines upon the Earth there is no charge for the stream of Solar Energy we receive. It comes to us free of charge. *It is something for nothing.* Yet without this stream of Solar Energy there would be no life of any kind on this planet – not so much as a blade of grass!

Solar Energy is God's gift to man. Social Credit is a method for allowing God's gift to man to be used – in the form of goods and services – by everyone.

28. BUT SURELY IT IS IMPOSSIBLE TO GET "SOMETHING FOR NOTHING"?

THAT IS NONSENSE. And it is Bankers' nonsense. I have just stated, in answer to the foregoing question, that the whole of Creation is, in fact, a something-for-nothing scheme. It is perfectly possible to get "something for nothing". You do it every moment of the day, when you breathe the air, and when you see with your eyes by the light of the sun.

It is quite true that you cannot get "something from nothing" nor can matter be changed from one form to another without expending energy but that is totally different. We are not proposing to attempt to get something from nothing. We are proposing to take and use Real Wealth, which is a product of Solar Energy.

29. DOES PLENTY REALLY EXIST?

IN PEACE-TIME IT certainly does. Have a look at the items listed in answer to Question 30, *Were Consumable Goods that could have been used Really Destroyed on a Large Scale?*

"If an engineer dictator over industry could be appointed and given complete control over raw materials, machinery and trained labour, he could flood, smother and bury the people under an avalanche of goods and service such as no Utopian dreamer ever imagined." – Ralph E. Flanders, President of the American Society of Mechanical Engineers, in 1937.

Here are further facts that reveal the Enormous Abundance ready for man's use: –

In 1925 Iowa was blessed with one of the biggest maize crops in her history. But Iowa looked upon it as a curse.

As *The Times* said: "The bountifulness of Nature threatened her with financial catastrophe", and she was forced to go to the banks for help. Result: financial loans were granted to the farmers to enable them to withhold their maize from the market indefinitely.

In 1926 there were prospects of a bumper American cotton crop, estimated at 15,600,000 bales. This news of God's Providence filled

Lancashire with dread and dismay. Yet a few years before they had been organising all sorts of movements and plans to prevent a world shortage of cotton.

In 1933 salt water appeared in some of the East Texan oil wells, indicating that this oilfield's best days were over. The report in the *Financial Times* (June, 1933) said: "Oilmen feel that, with the unmistakable signs of salt water this field has shot its bolt and that better days are ahead for the oil industry, from crude to petrol. The feeling is that the big record making production of the East Texas field is no longer the menace it has been to the oil industry."

The U.S. Secretary for Agriculture, Mr. Wallace, announced that the maximum tax under the Agricultural Relief Act would be levied to pay benefits to farmers and to finance operations for a gigantic crop reduction for three years: (*Financial Times*, June, 1933.)

30. WERE CONSUMABLE GOODS THAT COULD HAVE BEEN USED REALLY DESTROYED ON A LARGE SCALE?

HERE IS A mere fraction of the record of deliberate destruction as published in the Press: -

Enormous sabotage of food supplies by allowing 2,500,000 acres of English arable land to go out of cultivation between 1919 and 1930.

"Bumper Wheat Crops in Canada - Crushing Blow to Markets." (*Daily Herald*, 1932.)

"Sugar position 'improved' by destruction in Cuba." (*Daily Express*, 1932.)

"Holland destroyed 100,000 pigs." (*Evening News*, 1932.)

"Hurricane 'helps' sugar position in Cuba." (*Daily Express*, 1932.)

"Portugal destroyed 10,000,000 gallons of wine." (*Daily Express*, 1932.)

"France 'welcomed mildew' to reduce wine output." (*Evening Standard*, 1932.)

"Holland burnt 15,000,000 flower bulbs." (*Sunday Pictorial*, 1932.)

"Irish beer poured into the gutter." (*Times*, 1932.)

"Russian failure of wheat crops 'brings better prospects'." (*Daily Express*, 1933.)

"France fines farmers for increasing acreage." (*Times*, 1933.)

"2,000,000 tons of sugar 'withheld from market'." (1933.)

"USA ploughs in 25 per cent of cotton crop." (*Evening News*, 1933.)

"Up to the middle of September, 1933, approximately 22,250,000,000 sacks of coffee had been thrown into the sea, burnt, and made into briquettes and used as fuel." (*Daily Herald*, 1933.)

"U.S.A. destroyed 2,000,000 sows, and 4,000,000 little pigs." (*New Democracy*, 1933.)

"International plan for destruction of cocoa." (*Evening News*, 1933.)

"British farmers forced to kill cattle too soon." (*Daily Express*, 1933.)

"225,000 sheep slaughtered." (*Observer*, 1933.)

"Herring glut threatens starvation." (*Daily Express*, 1933.)

"60,000 sheep slaughtered and burnt in San Julian area Argentine." (1933.)

"Westminster Abbey painted with milk." (Photograph.) (*Evening News*, 1933.)

"Denmark incinerated 25,000 cattle." (*Sphere*, 1933.)

"French farmers rewarded for feeding animals on wheat." (*Daily Express*, 1933.)

"Canada, Argentine, and U.S.A. worried about 'too much bread' in 1936." (*Daily Express*, 1933)

"Innumerable schemes for restriction of wheat acreage." (*Daily Express*, 1933.)

"Stoking railway engines with wheat in Canada." (*Star*, 1934.)

"Southend sells fish for manure." (*Daily Mirror*, 1934.)

"Brazil destroys over 26,000,000 bags of coffee." (*Evening Standard*, 1934.)

"Too much corn - government hint at reduction plan." (*Daily Express*, 1934.)

"Scottish farmer dumping his potato crop into the sea." (*Star*, 1934.)

"5,000 lambs driven into the sea and drowned in New Zealand." (*Sydney Sun*, 1933.)

"U.S.A. ploughs in every third row of cotton." (*New Democracy*, 1933.)

"250,000 cwt. of hops destroyed, worth £2,000,000." (*Daily Herald*, 1934.)

"£15,000 in fines collected from potato growers for exceeding the acreage allowed by the Potato Marketing Board." (*Daily Express*, 1935.)

"Stornoway: fishing fleet struck heavy shoals of fish on three successive days. Market glutted. About 1700 crans sold at prices ranging from 19s. to 33s.

Samples representing another 1,500 crans lying on market floor without an offer." (*Daily Express*, 1935.)

That was in the "locust years" before the Hitler war. But even in wartime, with the whole nation fighting for its very existence, its food drastically rationed, and compelled to rely mainly upon home-grown supplies, many instances of deliberate food destruction - especially fish - were reported in the Press.

31. WHY ARE SOCIAL CREDIT PEOPLE SO COCKSURE OF THEMSELVES?

SIMPLY BECAUSE THEIR case is unanswered - and unanswerable. That is because it is based upon facts that anyone can observe, and, as the old proverb says: *a single fact is worth a shipload of argument.*

32. WOULDN'T IT BE BETTER IF THEY WERE LESS FANATICAL?

NO. ONLY FANATICS accomplish anything.

33. IS IT POSSIBLE THAT ALL THE ORTHODOX ECONOMISTS ARE WRONG, AND THAT DOUGLAS ALONE IS RIGHT?

PERFECTLY POSSIBLE. Up to the time of Copernicus (1473-1543) all philosophers and learned men, and everyone else, believed that the earth was the fixed centre of the planetary system, and that the sun moved round the earth. *They were all wrong and Copernicus alone was right.*

This occurrence, in which one man alone has been right and everyone else wrong, has happened time and time again in the history of mankind. It is therefore surprising that so many people to-day with the examples before them of Copernicus, Kepler, Galileo, Newton, and many others should doubt its possibility in the realm of economics.

34. ISN'T IT "TOO GOOD TO BE TRUE"?

EACH NEW DEVELOPMENT of human understanding has always seemed "too good to be true" to those who feared the coming change.

PART II.

How will Social Credit work?

35. CAN SOCIAL CREDIT BE INTRODUCED INTO ONE COUNTRY ALONE?

YES IT CAN – on condition that the one country has sovereign powers (not like Alberta which is only a Province), and the military power to resist any attempt by other countries to stop it by force. That is why the Social Credit movement concentrated its main efforts in Britain and the United States before the war.

36. WHO WILL DO THE “DIRTY WORK”?

IT WILL BE done, as much as possible, by automatic machines and improved processes designed to require as little attention by human beings as possible. What “dirty work” is required to be done by human beings will be well paid for over and above the National Dividend. There will always be people ready to do uncongenial work provided that the inducement is congenial (i.e. adequate pay and short hours). And, apart from any such inducement, there are more “Mark Tapleys” in the community than are dreamt of in our bank-ridden philosophy.

37. SUPPOSE A GANG OF FORGERS AND SWINDLERS COUNTERFEITED LARGE AMOUNTS OF NATIONAL DIVIDEND MONEY, AND PUT THIS “BAD MONEY” INTO CIRCULATION WOULDNT

THAT UPSET THE WHOLE SCHEME?

NOT IN THE LEAST. It would simply mean more buying-power in the pockets of consumers. This would tend to stimulate production if production could be stimulated by more consumer demand for goods and services. If production was already going at full capacity, some people would find that they had surplus money. That might annoy them, but it would not upset a Social Credit regime. The surplus money would not affect prices, because the Price Level would be maintained in accordance with productive capacity. Thus the appearance of the new (“bad”) money would be a signal that industry was required to expand, and if it could, it would. So the “bad” money would tend more to consolidate the “scheme” than upset it. Of course, a Social Credit Government would catch and convict the forgers, because public opinion would not tolerate the idea of a gang manufacturing money *ad lib* for its own benefit. No one has any right to fix his own rations. But the point is that the so-called “bad” or “illicit” money could not upset the smooth-running of a Social Credit regime.

In this connection note the word “illicit”. It was repeatedly used and emphasised during the famous action brought by the Bank of Portugal against Messrs. Waterlow & Son, when the situation supposed in the above Question actually took place. A person called Marang got Waterlows, who were currency-note printers to the Portuguese Bank, to supply him with

currency notes to the value of £1,000,000 on the pretence that he was the agent for the bank. These notes he took to Portugal, where he passed them into circulation, buying goods, property, paying taxes, and so on. There is a proverb: “Handsome is as handsome does”, and this so-called “illicit” money did everything that the legal money was doing. The joke in this case was that both sorts came from Messrs. Waterlows! Well, the fraud was detected after a considerable time (some bank official noticed two notes bearing the same number). Whereupon, the Bank of Portugal solemnly went through the farce of withdrawing Marang’s illicit “Waterlow-notes” and exchanging them for legal “Waterlow-notes”, which it got Waterlows to print for that purpose. And, to crown the whole Alice-in-Wonderland procedure, five Lords Justices who tried the final Appeal in the House of Lords could not agree (3 against 2) what damage had been sustained by the Bank of Portugal. And since no other parties had been affected (for every holder of an illicit note had got a legal note in exchange) – well, there you are! (See judgements pronounced on April 28, 1932.)

The fact is, of course, that *any* money that will buy goods and/or services is *good* money, whether it happens to be issued by a bank or by a “gang of forgers and swindlers”. A “blackleg” worker is not a bad worker: neither is a “blackleg” pound note.

(To be continued)

book review

No Logo, by Naomi Klein
Flamingo £8.99

There I was at Edinburgh airport queuing up for the escalator and worrying quietly about whether I had the right ticket when this blonde girl stepped forward with a faintly suggestive swagger and asked if I would like to help save Scottish woodlands. Naturally I did, and to my slight surprise I found myself divulging age, name, address job and annual salary to someone who turned out to be a sort

of Mata Hari in the pay of a Scottish bank: for every transaction executed with my prospective Woodlands credit card a few coppers would jingle into the coffers of an eco-charity.

Fast forward a few hours to the *Boa kulturzentrum* on the unfashionable side of Lucerne in central Switzerland. Hundreds of young people are milling around the darkened floors of a converted pipe factory where the Valium Pirates are playing a benefit night for local businesses; in the middle of the main hall a lady with a bowler hat and an instant camera encourages me to pay £2 to have my photograph added to the many others pinned to a

special supporters’ gallery.

Two countries, but an identical angst: the forces that are squeezing out Lucerne’s independent bookshops, cafes, and groceries to replace them with chain store clones are precisely those which have shamelessly kidnapped Scottish trees to recruit harassed air travellers on their behalf. We are talking about branding space – literally, in the case of Lucerne’s urban environment, figuratively in the case of our instinctive emotional concern for Scottish hillsides. Bank X wants to batten on to our eco-consciousness just as firmly as Monoprix wants a 75-yard, high-profile frontage on the Frankenstrasse.

It is this creeping corporatisation of every aspect of our lives that forms the subject of Naomi Klein's wonderful book. It is wonderful because it looks squarely into areas we are too bored, or fatalistic, or mesmerised by corporate glitter to investigate properly. It is also terrifying in its cataloguing of corporate imperialism. Of the world's top 100 economies, only 49 belong to states. The other 51 are rapacious cash machines, geared to extracting the maximum amount of money possible for the smallest number of people possible. The leviathans hand over the tedious business of manufacturing to sub-contractors who pay their workers, for example, less than 40p an hour to produce Disney pyjamas while the Disney chief executive, Michael Eisner, picks up £6,500 for his 60 minutes at the office. The zillions of pounds left over after the core employees and shareholders take their cut go into promoting the brand as an essential lifestyle icon. All 50,000 workers at the Yue Yen Nike factory in China would have to work for 19 years to earn what the running shoe company spends on advertising in one year. That's a lot of rice, or a little, depending on your perspective.

And they are not all bleeding Yanks. When one of its Phillipine factories unionised, good old Marks & Spencer promptly struck camp and headed for corporate nirvana, aka the Cavite Export Production Zone where neither police, local government nor labour activists dare set foot. There are apparently about 850 of these scattered about 70 countries, employing 27 million workers.

Branding started innocently enough as a means of distinguishing product A from product B after industrialisation revolutionised manufacturing output. Now it's war, as the corporations use all the media at their disposal to create an aura of indispensability about their decorative accessories. Often, much, ironically, depends on seducing America's black and Latino youths whose parents were the first to be given the heave-ho when big business swapped home-town factories for overseas sweatshops. In a paradigm worthy of Goebbels, the Tommy Hilfiger brand made £560m in 1998 by pushing a range of country club-style clothing

adopted by inner city fetishists of white wealth, whose trendsetting tastes were in turn embraced by wealthier middle class teenagers of all races.

Of course you can close your eyes to billboards and glossy magazine advertising. But they have thought of that too. Daewoo hired 2,000 American college students to talk up their cars to unsuspecting classmates; Anheuser-Busch did the same for Budweiser beer. The Sputnik marketing company offers to act as *agent provocateur*, hyping brands "one-on-one" in the street, in clubs, over the internet. Even if you know where the enemy is, resistance can be useless: eight million American children are daily subjected *in their schools* to two-minute commercials provided by something called Channel One, and their teachers cannot turn the volume down. Over a third of the university departments that accept scientific research funding from drugs companies cede, in the event of embarrassing findings, a significant degree of publishing control to their sponsors. This is all part of the invasion of public and private space which Ms Klein deplores. One of her contacts refers to a "slow-motion coup d'etat": perhaps a bit extreme but we take the point.

The author sportingly accepts some responsibility for the worldwide predations of the £130b American culture industry. Her generation was so fixated on the subtleties of political correctness that they overlooked the genuine disasters that rootless capital imposed on American communities (677,000 permanent jobs lost in 1998 alone) and Third World labour camps where overtime for producing IBM computer screens is paid in pencils and doughnuts. Disappointingly, for the readers of this publication, Ms Klein's radical indignation does not extend to demanding monetary reform. The words, in fact, do not appear anywhere in her book's 490 pages. Instead, she counts on pressure from enlightened institutions, concerned politicians and economically disenfranchised Western workers, radicals, and pranksters to force the corporations to accept the UN Declaration on Human Rights, with its (pro-union) right to the freedom of association.

It's an odd omission. It is arguable,

at least, that it will take more than a few custard pies, street parties, municipal boycotts and Phone In Sick To Work Days to rein in the global goliaths. If endless (unsustainable?) growth at the expense of people's lives and environment is partly the consequence of the relentless credit merry-go-round fuelled by creating new money as debt, any system that proposes to ban the chief debt-mongers merits scrutiny.

It's a trifle ironic, finally, that the scourge of corporate hegemonies should apparently endorse a brand of economics that has clearly made the world's rich richer and the world's poor very much poorer. Three decades ago the parents of the protesters at Lucerne's Boa were 50 times more affluent than their Mozambiquean peers; their children are now 500 times better off. No-one, I daresay, is pushing Woodlands credit cards at Maputo airport.

By Erlend Clouston

"SCHUMACHER LECTURES" IN SCOTLAND

This event takes place on Saturday 19th May 2001, 3-6pm, £7 (£5), at The Centre for Human Ecology, 12 Roseneath Place, Edinburgh EH9 1JB. Featured speakers are George Monbiot, Investigative Journalist: Confronting the corporate take-over of Britain and Susan Roaf, Ecoarchitect: Climate change, why buildings have to change. For further information contact Caroline Hoffmann, Communications Manager, Centre for Human Ecology – Scotland's green think tank – 12 Roseneath Place, Edinburgh EH10 1JB, Scotland. info@che.ac.uk www.che.ac.uk Tel/fax: ++44- 0131- 624 1972/3

The permanent government of England, on which her transient politicians spin and posture like so many table dancers, had once more done its duty.

John le Carré in
'The Constant Gardener'.

GLOBALISATION, BURGLARISATION AND SOCIAL CREDIT

By Kevin Donnelly

I first heard about Social Credit from older friends of mine about to emigrate to Canada in the 1950s. Impatient at the slow rate of political progress in the United Kingdom, Mary and Bert decided to set off for the New World, along with their two sons. They settled in Saskatchewan but their original destination was Alberta, a province long associated with Social Credit.

They never explained their interest, but when some years later I found my way into Basic Income ideas, it was not long before Major Douglas attracted my interest too. Other monetary reformers then came to my attention. Keynes, Silvio Gesell, and a little-known French thinker Jacques Duboin, but as yet I had no map on which to place these new thinkers and their ideas. Basic Income attracted me because it offered a solution to the problems of poverty and unemployment. Gradually more spaces on the map were filled in, and so I discovered that my experience of low pay and unemployment was similar to those of Mary and Bert and millions of others of the 1930s.

It was an article about the social dividend in *New Society* which first made me explore these issues systematically. It was written by Bill Jordan in 1984, and followed his earlier work in the same publication in 1980 about Major Douglas. Bill eventually became a mentor and a friend. For some years I was a member of the Basic Income Research Group (BIRG), now called Citizens Income Trust (CIT), and also of BIEN, the delightfully named Basic Income European Network. Their research however tended to focus on BI as a solution to problems of the tax and benefit systems of Europe, and so almost inevitably they think of BI as a welfare handout to be funded from taxation. This has become almost a futile dogma, so much so that I am no longer willing to travel at my own expense to listen to wet postgrads recycling old ideas, telling me about the advantages of BI and expressing regret that nobody will vote taxes for a worthwhile one. UK

politicians never even supported the "small but guaranteed" income that CIT once advocated.

Now the mantra has changed and the word "small" has been dropped as a sure-fire vote loser, but still the main source of funding is taxation, another vote loser. Social Crediters can be forgiven for being amused by this endless quadrille.

This however is not the time to smirk about superiority and antiquity of the Douglas thesis. BI, or CI as I shall call it for the rest of this paper, has been crossed off the political agenda after the LibDems brief flirtation with it in the early 1990s. Gordon Brown has even talked of his policies as guaranteed minimum income: in so doing he has joined former social security minister Norman Fowler in abusing the BI/CI vocabulary. CIT's office is a stone's throw from Westminster, but it has resisted proposals for the systematic lobbying of MPs, preferring the academic approach, with the forlorn results noted above. A new initiative has to be launched, yet before we can look forward, we should look back briefly, not to C.H. Douglas, but to long before his time.

It is generally known that the radical political thinker Tom Paine advocated forms of guaranteed income in the late 18th century. It is not so well-known that the younger Pitt, then Chancellor and Prime Minister, did so in an unsuccessful parliamentary bill. His argument included the vital perception that earnings for work done (what we call the wage system) could not be adjusted to the needs or size of family. Over a century later the gentle Quaker socialist Sam Hobson echoed Pitt's perception but went further in calling for the end of the wage system altogether. He spoke for many others when he wrote that living standards could never be improved through the wage system: the only way out was to smash wages. Easier said than done, of course, and even guild socialism, in which trade unions were to run industries, faced the same problem of wages. Hobson wrote regularly for the

New Age magazine, whose editor, A.R. Orage eventually met C.H. Douglas, out of which Social Credit was eventually born.

However, it is important to note that new thinking about money had been going on before Social Credit, with people like Benjamin Franklin, Proudhon and Marx, while other contemporaries of Douglas, like Silvio Gesell and Jacques Duboin seemed to have worked independently of him. Douglas's central idea for me is summed up in the title of one of his books, *Economic Democracy*. As usual, the devil is in the detail, which gives me problems in envisaging, let alone creating, and maintaining, an enormous new bureaucracy. However, the challenge to conventional economics of his time of the very idea of economic democracy brought both severe criticism as well as a growing level of public interest.

That interest is not surprising. A very popular writer of the 1930s was J.B. Priestley, who described in his 1934 book *An English Journey* the appalling state of some of Britain's industrial cities. He wrote that future generations would say of that time, that never was there so much work waiting to be done; never were there so many people with nothing to do. When Douglas's chief collaborator A.R. Orage died in 1934, tributes were paid by many of the arts celebrities of the time. The Labour party investigated Social Credit during the same period: despite the status of its authors, its report managed to miss the point completely, obsessed as it was with jobs and nationalisation.

Sadly, what happened next is history. As Jacques Duboin observed, the millions of unemployed were turned into millions of soldiers and then millions of corpses. For thirty years after 1945, reconstruction of Europe's ruined cities was the priority, and then the old problems returned: so did the old debt-driven economic policies and their consequences; industrial unrest, poverty and unemployment, but this time on a

continental and global scale. Make no mistake about it; globalisation is burglarisation. In my own city of Manchester, problems with water services could be tackled with a phone call to the chair of the Rivers Committee. Now, the Town Hall meets in closed cabinet, while some anonymous, unaccountable but very profitable multinational company owns the water services.

It is that global trend which makes the revival of the Social Credit debate so vital. Not that I endorse all its ideas. I do not, and some are incomprehensible to me, making it easy for opponents to dismiss us as Luddites. What is important is a public dialogue, in the media, in pubs and workplaces, as well as political party meetings, churches and above all, in Parliament. Simple, easy to read leaflets will have to be written and provided. Ask awkward questions in radio phone-ins or TV open sessions, like the brilliant young man who exposed Jack Straw's ignorance of MAI. Above all, go for the tax havens, capital flight, and unpayable

debts whether national, local or private. Kick the create-a-larger-cake fib into touch by asking about the larger cakes created by our grandparents.

Keep it simple, put the idea of economic democracy foremost. Use Social Credit ideas where you can make them understood, but remember that there are later ideas which Douglas could not foresee, the EU and Euro, for example. The Medical Practitioners Union produced a great leaflet – Citizens Income – A Key Public Health Measure, which called for a CI based on needs, not affordability. Computers and automation have made huge advances in productivity, yet the old problem remains of distributing this production.

Finally, lo and behold, American academic Michael Hudson has brought to light ancient Babylonian records which show that the Jubilee laws about debt forgiveness had similarly ancient antecedents. He is researching the Near Eastern origins of interest-bearing debt and its role in causing eventual economic collapse. His earlier work

suggested to me that he had discovered a law of society, which is that the unrestricted private acquisition of land, property and wealth leads to debt, slavery and social disintegration, a law that helps explain the fall of the great empires. It will probably explain the fall of future empires too.

Editor's note.

There will be quite a few readers of TSC who, like Kevin Donnelly, are not yet Social Crediters, but who nevertheless concur with at least some of the Douglas analysis and major elements of his prescription for change. By including Mr. Donnelly's essay we are happy to encourage, and contribute to, a wider debate on reform of the monetary system, the introduction of a National Dividend, and other key issues dealt with by Douglas, relating to the establishment of true *economic democracy*, in the hope that the relevance of the Social Credit analysis and specific proposals for change will be much more widely acknowledged and acted upon.

Welcome to the New "Chairman" of the Social Credit Secretariat

Over the last four years or so, following the sad loss of Donald Neale, I have enjoyed the privilege of Chairing the Secretariat. With some financial support, which Donald received on behalf of the Secretariat just before his death, we have been able to be more active than had been possible for quite a number of years.

It was agreed that we should try to improve the range of material and its presentation in the Secretariat's journal – *The Social Crediter* – and to extend delivery of the Social Credit Philosophy and its Prescription for change to the ever-growing range of voluntary organisations and other reform groups which are also deeply concerned about the destructive effects of the world's socio-economic and financial system. Simultaneously we have encouraged discussion and research into the Social Credit analysis and proposals for change. In this latter context Frances Hutchinson has been greatly active.

She has been a student of Social Credit for many years and is currently an Honorary Visiting Research Fellow

at Bradford University. She has had published a number of peer-reviewed research papers and a very impressive number of other papers which have been presented at academic conferences from London to San Francisco; from Amsterdam to Athens. Her books include *The Political Economy of Social Credit and Guild Socialism* jointly authored with Brian Burkitt and published in hardback by Routledge in its prestigious Routledge Studies in the History of Economics, (1997) *Environmental Business Management* authored with Andrew Hutchinson (McGraw-Hill, 1997) and *What Everybody Really Wants to Know About Money* (Jon Carpenter, 1998). A further book is in progress and is expected to be published later this year.

It is therefore with great confidence that the Secretariat has agreed, that when I demit office in May, Frances should succeed as next Chairman of the Secretariat. It is expected that whereas Frances may well pursue a different tactical approach to the promotion of Social Credit, the current arrangements

involving location of the office and staff will be maintained.

While I will stay as a member of the Secretariat I am delighted that Frances has agreed to lead the Secretariat over the next few years during which, I feel sure, the relevance of Social Credit will become increasingly clear and will be much more widely supported.

Alan Armstrong.

Copyright © 1998. Permission granted for reproduction with appropriate credit.

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 directly:

Alan Armstrong,

Gilnockie, 32 Kilbride Avenue,

Dunoon, Argyll,

Scotland PA23 7LH.

Tel/Fax: 01369 701102

E-mail: alan@gilnockie.freemove.co.uk

If you do not wish to cut the coupon on the back page, please forward your subscription with your address details.

The Social Crediter is the official journal of the Social Credit Secretariat. It promulgates the analysis and prescription for radical change to the current financial/economic system developed by C. H. Douglas in the 1920s. At the centre of our concern is the need for radical reform of the international fractional reserve, debt-money system. Only then might other major socio-economic changes, including the introduction of a National Dividend, follow and help to ensure that all of the world's people have the potential to enjoy economic sufficiency, while simultaneously living a full and satisfying life in harmony with each other and the natural environment. It is our conviction that whatever is **physically possible and socially desirable** CAN be made financial possible. This should be everyone's concern and radical reform is urgent, so that this potential might be realised.

SUBSCRIPTIONS

Annual rates:
UK inland £6.00
Airmail £9.00

In Australia, subscriptions and business enquiries should be addressed to
3 Beresford Drive, Draper,
Queensland 4520.

Published by KRP Ltd,
16 Forth Street, Edinburgh EH1 3LH.
Tel 0131 550 3769

THE SOCIAL CREDITER

Please send me *The Social Crediter* for one year. (Make cheques/Money Orders payable to KRP Ltd and send to The Social Credit Secretariat, 16 Forth Street, Edinburgh, EH1 3LH, Scotland.)

Name _____

Address _____

Post Code _____

Enclosed £ _____

Recommended Reading

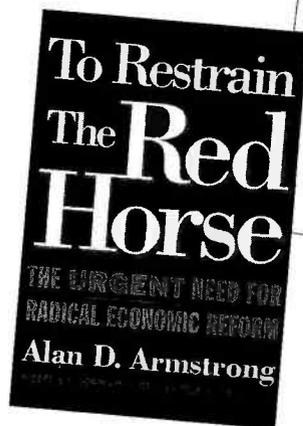
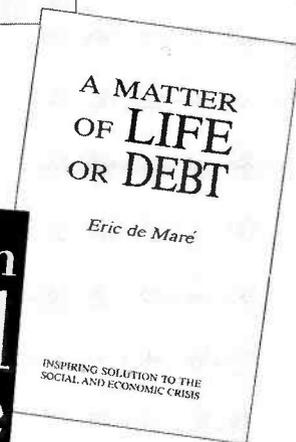
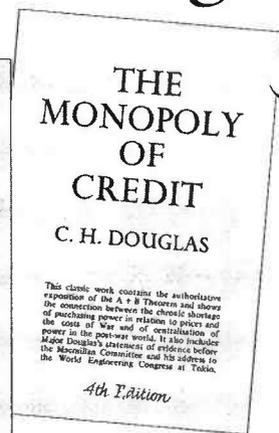
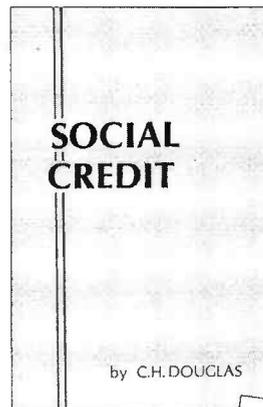
Books by Major C.H. Douglas

- Social Credit*
- The Monopoly of Credit*
- Economic Democracy*
- Warning Democracy*
- Credit Power and Democracy*
- The Control and Distribution of Production*

Frances Hutchinson and Brian Burkitt
The Political Economy of Social Credit and Guild Socialism

Eric de Maré
A Matter of Life or Debt

Alan D. Armstrong
*To Restrain the Red Horse**
The Urgent Need for Radical Economic Reform (1996)
£11.95 including P&P



Books and booklets on the subject of Social Credit are available from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, England CO10 6TD.

* Also available from Towerhouse Publishing, 32 Kilbride Avenue, Dunoon, Argyll, Scotland PA23 7LH.

WEBSITE <http://www.ecn.net.au/~socred/>

E-MAIL ADDRESS: socialcredit@FSBDial.co.uk

SECRETARIAT

- | | |
|---|---|
| Chairman and Editor | Alan D. Armstrong BA (Hons) Econ |
| Assistant Editor | Frances Hutchinson |
| Deputy Chairman and Treasurer | J. A. Murray McGrath FCOptom, DCLP |
| Secretary | Graham Paton |
| Research Officer | Alister Lawrence |
| Correspondent to Vatican | Anthony Cooney BA |
| Director, Social Credit School of Studies | Vic Bridger, Samford, Australia |
| Correspondent in Canada | Wallace M. Klinck, Sherwood Park, Alberta |

THE SOCIAL CREDITER BUSINESS ADDRESS

Subscribers are requested to note the address for all business related to KRP Limited and The Social Credit Secretariat is: 16 Forth Street, Edinburgh EH1 3LH. Telephone 0131 550 3769 e-mail: socialcredit@FSBDial.co.uk