THE JOURNAL OF THE SOCIAL CREDIT SECRETARIAT ISSN:0037-7694 £1.50

The SOCIAL CREDITER

For Economic Democracy

Quarterly Volume 84 No. 3 Autumn 2008

In this issue:

www.douglassocialcredit.com secretary@socialcredit.co.uk

Editorial

Mink and other wild animals will attack poultry by instinct, often killing a whole hut full of hens in the frenzy of their attack, though only one is taken for food. One such attack left us bitterly seeking vengeance against the perpetrators of the crime. The eerie silence which follows violent death, the mangled corpses, the sight and stench of blood lie imprinted on the memory. Through scenes like these, one who has never seen a war zone can grope towards a consciousness of the horror of modern warfare. Despite claims to the contrary, human beings are not naturally belligerent. The wild animal knows no better. Men have to be driven, cajoled and tricked into violence by other human beings.

The old adage that if you want peace you must prepare for war may once, in the distant past, have held true. But such is the nature of warfare as developed in the 20th century, that preparation for war leads to war. In every third world country where fighting 'breaks out', modern weapons have been designed, produced and marketed, and youngsters trained to use them. Often the anger generated by previous violence is revived to justify war. Throughout the 20th century memories of violent deaths and heroic deeds, in wars and in the Holocaust, have been deliberately fostered to justify the business-as-usual production of armaments and weapons of mass destruction. Although in reality, 90 per cent of the victims of modern warfare are civilians, if you were to give a young man a gun and tell him to shoot the family next door, he would hesitate.

Wars don't just happen spontaneously, like mink attacks on a poultry hut. Animals may react instinctively to a trigger situation, but wars must not only be planned and prepared for, they must also be financed. The entire world economy is currently geared up to the production of armaments, military equipment and war. We live in a society where all of us, as cogs in a massive machine, are working together to create wars and environmental devastation on an unprecedented scale. And we do it simply because we do not stop to think about our own role in the bigger picture. As parents, teachers, members of the medical and caring professions, as workers supplying food, clothing, transport and administration, as scientists, engineers and technologists, we work to create a society where generation after generation accept that destruction 'just seems to happen'.

Throughout the 20th century the work of Clifford Hugh Douglas, Thorstein Veblen and many others has explained exactly how finance operates to determine policy formation in matters of war and peace. Although their work remains as fresh and relevant today as it did when writers first put pen to paper about a century ago, leading establishment figures have recognised that Social Credit and related thinking did not fit comfortably with the agenda of orthodoxy which deemed war a necessary evil. It has been left, therefore, to a handful of people who have had the financial, and therefore intellectual, freedom to preserve knowledge of a movement which did indeed threaten to end war, poverty and wasteful production.

The secret does not lie in a magic formula of monetary reform to be dictated by a master plan. Change will only happen when ordinary people take upon themselves the responsibility to think beyond the necessity to go to work or to war as their paymasters tell them to. Throughout the 20th century, finance has remained the overwhelmingly most significant determining factor in decision-making at all levels of society, from the individual family home to international relations and third world debt. Today, the willingness to take an intelligent interest in the relationship between the institutions of finance and the processes of policy formation in the social, political and economic institutions of our day might be considered the duty of all socially responsible citizens.

When a body of thought like Social Credit is available through introductory texts and more detailed, yet highly readable explanations, it is astonishing to come across the perennial excuses for clinging onto old preconceptions about what makes society tick. In this issue of *The Social Crediter* we present a collection of introductory material on Social Credit which has appeared over the past nine decades, with the warning that this is truly dangerous material. Had it been mere nonsense, it would never have been attacked, decade after decade, so consistently and so viciously, by orthodoxy. If this material makes sense, the duty is laid upon you to find out more and to spread the message to others. There are no half-measures. Indifference, complacency and inaction give active support to the 'powers that be' and their economics of war.

When you have ten million people voting you can be perfectly sure that nine million people are twenty-five years behind the times, and therefore common agreement is impossible. ..The public will never do anything; you, individually have got to do it. (C H Douglas, Aberdeen, April 28th 1932, published in The New Age of October 11th 1934)

In This Age of Plenty

by Louis Even

Social Credit is actually a whole orientation of civilization, and deals with its social and political, as well as its economic, aspects. We even believe, with Douglas — to whom the world owes this enlightening doctrine — that putting right the economic order along Social Credit lines, is impossible without first putting right the political order.

Preface

This book talks about Social Credit, but it is far from being a general survey of Social Credit. Social Credit is actually a whole orientation of civilization, and deals with its social and political, as well as its economic aspects. We even believe, with Douglas — to whom the world owes this enlightening doctrine — that putting right the economic order along Social Credit lines, is impossible without first putting right the political order.

In this volume, however—except for a few thoughts incidental to the repercussions of a flawed and dominating financial system on politics—we have confined our study to economic objectives and Social Credit financial proposals.

The title—*In This Age of Plenty*—clearly shows that we are now dealing with an economy of plenty, in which access to the huge possibilities of modern production is made easier for all.

"Old economics" was ruled by the presence of gold or any other rare commodity, when production itself was scarce. But it is to go against progress and logic, to want to keep an instrument linked to scarcity, to confer claims on automated production.

In the first part of this volume, we recall essential and very simple notions that everybody readily admits, but which are almost totally ignored in the present economic organism. The ends no longer direct the means. A short study of the present monetary system shows that money governs where it ought to serve. We present the Social Credit proposals as a remedy, explaining the outlines, without going into the methods of application. The problem, we believe, is not so much to develop a technique of operation, as to reach an agreement on ideas, which seem both too simple and too bold to the minds who are accustomed to losing sight of the ends, and to getting bogged down in the complexity of the means. So, several chapters are especially intended to justify the Social Credit doctrine.

The second part reproduces, without necessarily being linked with each other, certain speeches and articles which throw light on the various aspects of Social Credit.

In offering this book to the public, we have especially in mind the ordinary reader, who has no special knowledge of economics. Even in dealing with specific topics, we avoid technical terms as much as possible, since they are more likely to tire readers than to enlighten them. We strived to write in such a way as to be easily understood by the great majority of people—which, besides, is in the spirit of an economy of plenty to serve everyone.

Louis Even Montreal, May 1st, 1946.

This 410-page book presents a new conception of finance, of the money system, that would definitely free society from purely financial problems. Its author, Louis Even, sets out the outlines of the Social Credit financial proposals, conceived by the Scottish engineer Clifford Hugh Douglas.

Social Credit in 1962 An Introduction for New Readers

Reprinted from *The Social Crediter* of July 7, 1962.

The origin of the movement, now world wide, which is known as the Social Credit movement was an article entitled *The Delusion of Super-Production* by Major C H Douglas in *The English Review* for December 1918. (The article was republished in the twenty-first anniversary number of *The Social Crediter* on December 23, 1939)

A brief history

Before the 1914-18 war, the operation of the financial system was shrouded in mystery. The greatest mystery of all surrounded the famous Bank of England, which was not even referred to by name in the Press on many occasions. Finance was believed to operate according to a set of laws, which could, like the laws of physics, be discovered, and made use of, but not altered.

Partly as a result of his work during the war Major C H Douglas discovered certain facts about the operation of the financial system, and these discoveries explained in turn a number of hitherto puzzling economic phenomena. At that time it was hoped that those administering the financial system would appreciate the importance of these discoveries. As time passed, it became increasingly clear that such was not the case. This state of affairs required explanation.

We do not propose to examine the technical aspects of finance here; there is now an ample literature available on the subject. From the historical point of view, the important fact is that Douglas's investigations had established the paramount importance of the creation of financial credit, or bank credit, by the banking system, and he showed that the industrial system was dependent for its continued operation on the continuous creation of this fresh money—for bank credit operates as effectively as money of any other form (legal tender).

Now this crucial importance of bank credit obviously implies the importance of the banking system which provides it, and the importance of the banking system means the importance of the individuals controlling that system. Investigation soon showed that some banks are more important than others. As well as ordinary banks, there are central banks, which bear much the same sort of relation to ordinary banks as ordinary banks bear to industry. And just as the ordinary banks form the banking system of a nation, so the central banks form an international banking system of the world.

In 1930 the key-stone of the system was set in place; a super-central bank, the Bank of International Settlements, was founded, and now a World Bank is in operation: control of Finance (of money) is centralised. A full examination of this world system of finance may be studied in *The Monopoly of Credit* by C H Douglas.

In 1920 Douglas published his first book, *Economic Democracy*. It is a condensed and technical analysis of the economic system; but also it demonstrates clearly the key position of finance in this system and shows how the rules of finance operate to produce ever-increasing centralisation of control—concentration of control in fewer and fewer hands. The last few chapters suggested methods by which this centralisation could be overcome.

The concentration of control brought about by the operation of the financial system is a concentration of power, and it means, of course, that a small number of men have come into possession of enormous power on a world scale. There are two possible ways of looking at this matter. We may say that the financial system has more or less accidentally evolved, and that those in control of it have more or less accidentally become powerful. This way of looking at it places the emphasis on the system as such. The other way places the emphasis on the action of the individuals, and regards the system as the outcome of the efforts of individuals to gain, extend, and concentrate power over others.

Douglas began by exposing the financial system, and the Social Credit movement grew up as a body of people who blamed that system for the evils—poverty amidst plenty—which afflicted the world. But an attack on tbe system was an attack on the power of the men at the head of that system, whether or not they occupied that position by design. As was to be expected, they counter-attacked. There was first a short period of public discussion of Social Credit in the Press; then it was stigmatised as a fallacy; and finally a ban was imposed, and neither Social Credit, nor Douglas, was mentioned in the general Press. The unanswerable quality of Social Credit ideas was met not by frank examination of them but by suppression. This is still operative.

Nevertheless, the money myth was exploded. It has been exploded so successfully that in these days, when "bank-credit" is an expression in everyday use, when it is generally recognised that bank-credit is simply one form of money, and that it is manufactured by the banks, and when it is taken for granted that if money can be found on the scale necessary for war, it can be found on the same scale for peace, it is difficult to take the mind back to the days when the official economists denied that banks create credit, and the 'laws' of economics were held to be part of the unchangeable laws of the Universe. Officially, economists now advocate a 'managed money' economy.

To go forward, however, to as late as 1961, we may note the British Prime Minister, Mr Harold Macmillan, who had not previously shown publicly any sign of insight into politico-financial realities, stating baldly that "The present system is certainly not perfect. As technicians, you would not tolerate it in your sphere. . . If you will forgive such a frivolous comparison our system is rather like a children's game. When the family sit round to play rummy or cooncan, or poker, and one child gets all the chips and another has not enough to go on, something must be done. Either more chips must come out of the bank (which father generally keeps) or the winning children must hand over some of theirs to the others. Otherwise the game just stops."

The circumstances in which the address was given and also its reception by the publicity agencies ("control of finance and control of the news are concentric") are alike remarkable.

To take the second point first, *The Western Producer*, a famous journal of Western Canada published at Saskatoon, records in its issue for May 11, 1961:

"... we searched in vain for a full report of what Mr. Macmillan said. More surprising is the fact that a prominent journalist in London complains that even the British papers failed to give adequate coverage to their Prime Minister's remarks even though the fact that he was to speak had been announced weeks in advance." After weeks of waiting, the Canadian newspaper obtained a full text of the address from Whitehall. The newspaper further remarks that fifty years ago an utterance by "such a man on such an occasion would have been carried verbatim in every newspaper of repute". We reserve judgement on that opinion: fifty years ago is in 1911: much earlier, say in V E Gladstone's time, possibly, but not probably. No effective criticism of finance was possible even a century earlier: we repeat: "Control of finance and control of the news are concentric."

The occasion for the British Prime Minister's address was his visit to President Kennedy in Washington when he went on to fulfil an engagement at the Massachusetts Institute of Technology, then celebrating its centennial. Technologists have every reason to measure up the theories of economists against their own more realistic accomplishments, and may have appreciated Mr. Macmillan's statement that "of course economists are apt to make heavy weather about money. Naturally—it's their mystery . . ."

Money is no longer a mystery, but by clever manipulation of facts it can be made to appear to be one, and this manipulation is a prime element in the contemporary control of opinion. The virtual suppression of Mr Macmillan's remarks points to the truth of this opinion. There was at least one further observation, among many which were more 'orthodox' and these, *The Western Producer* notwithstanding, were given some publicity in London, which excites interest. Mr Macmillan said that "Even Marx knew that capitalism must expand or perish." There is little doubt that Karl Marx knew that very well—if you allow him his interpretation of what it is which constitutes 'capitalism'. Social Crediters don't. The really significant point is the complete agreement of the whole 'capitalist' world with Karl Marx on the matter. Control of the world's populations by a financial technique for the deflection of effort and energy away from the satisfaction of legitimate consumer needs does entail the ceaseless expansion of 'production' so-called—hence, we suggest, the present 'space programmes', in which West and East alike are competitors.

To return now to earlier phases of Social Credit, there was, by 1935, a wide general demand for a rectification of the financial system. The public now blamed that system for its troubles. But at the same time it became evident to close observers that behind that system was "an organisation consciously determined at any cost of war or revolution, to uphold the economic war" which was the direct and desired result of the defective financial system, "and to use it as a weapon in the cultural war." It is of the utmost importance to grasp this situation. A small group of men—selected International Financiers—were using the financial system to impose their policy on the world. Douglas expressed it that the financial system was the headquarters of this policy. But with the exposure of the nature of the (continued on page 304)

Thoughts on Social Credit

by Hastings, Duke of Bedford (1949)

Social Credit is distinguished from all other monetary reform schemes by two particular methods of issuing the new non-debt money recommended by all progressive economists. These methods are: (1) The Price Discount, a kind of subsidy paid with new, non-debt money to retailers who have sold goods to their customers at a price reduced by an agreed fraction; (2) The National Dividend, a kind of Pensions-for-All, paid with new, non-debt money and related in amount to the country's output and import of goods and services – increasing as these increase, but diminishing if these should diminish. The philosophy behind the National Dividend idea is this. The citizens of a civilized country are, as the years go by, increasingly indebted, for the amenities they enjoy, to inventors who are now dead. Up to a point, even those who perform work in operating the inventions of the departed do not "deserve" the whole of the output and Social Crediters contend that, as we are all to some extent "undeserving" of our heritage from the inventors, the best thing we can do is distribute, through the medium of money, claims on that heritage and rely on the forces of education and religion to make us worthy of our blessings.

I am afraid that it must be admitted that Social Crediters have, to some extent, themselves been responsible for the progress of their idea being less rapid than it might have been. Brilliant as he is as an economist – and for his great discovery I personally owe him a debt which I can never repay, Douglas is not always quite at his best as a tactician. He has been known to disappoint audiences who wanted to hear his proposed remedies, by confining himself to an analysis of the cause of our economic troubles. When confronted by, and giving evidence before, a committee of persons largely representative of the interests of Orthodox Finance, he is a little apt to overdo the part of the canny Scot and, by his reticence due to a determination not to be "drawn" by his enemies, he may give the false impression of not being complete master of his subject. It is possible, too, that he has not always been altogether wise in his handling of the famous A+B theorem.

Briefly, this theorem, which explains the money shortage inherent in the normal peace-time working of our economic system, is as follows. The only money ("A" payments) distributed by Industry in a form immediately available for buying consumer goods during a given period, consists of wages, salaries, interest and profits, but the price of such goods contains other items ("B" payments) as well – for example charges for raw materials, overheads, depreciation, etc. It is clear, Douglas argues, that "A" money will not be enough to meet A+B prices – hence bad trade and failure to sell goods which people may want but cannot afford. Whether the strictly orthodox A+B theorem is quite watertight, even though I am now a Social Crediter of many years' standing, to be honest, I cannot state positively. The issue involves highly complicated questions of comparative rates of flow of purchasing power and prices and is nothing like so simple as most of Douglas's critics arrogantly suppose. The inclusion of raw material charges in "B" costs cannot be dismissed with the reply that in time these all turn into wages, etc., i.e., "A" payments. Douglas never suggests the contrary. What he does say is they do not, during any given period, turn into "A" payments fast enough to clear from the market all the goods that need to be sold during that same period.

Other reasons why Social Credit has spread less rapidly than it might have done have, I am afraid, been the jealous and intolerant spirit displayed by some Social Credit groups and organizations. Some of these have not only refused point-blank to co-operate with other monetary reform organizations on the right side of the fence, but they have definitely been out to "down" all other organizations, even within the Social Credit movement if they have not considered them 100 per cent orthodox. At times, too, Social Crediters have alienated thoughtful people by an over-enthusiasm which has led them to represent monetary reform as absolutely the only thing needed to establish, immediately, Paradise on earth.

The question is often asked why well-known economists do not support Social Credit, or even monetary reform. The reasons are these. The financial interests which desire to retain the existing system take good care to see that no one is appointed to a post which will give him a national reputation as an economist unless he is more or less in sympathy with the existing system or, from a Socialist angle, can be trusted to keep people barking up the wrong tree at private ownership or production for profit.

Almost any economist, also, has his own theory as to what is wrong with the existing system, if he is willing to admit that anything is wrong. He has also his own pet remedy, and until he has seen that remedy tried without success he will not look at a reform suggested by someone else, even though that reform may in reality be far more fundamental.

Economists like the late Lord Keynes, for example, advocated, in the event of a money shortage, more bank loans at a low rate of interest. Seeing that a bank loan is a creation of new money it is obvious that more loans would be a palliative of sorts, but they certainly would not be a satisfactory substitute for a proper and business-like adjustment of the money supply to the goods-output and import, nor would they remove the evil of an ever-increasing burden of interest-bearing debt.

Although Social Crediters have their faults it would be very unfair to attribute slow progress wholly, or even mainly, to the Social Crediters themselves. For years past an extremely subtle and well-organised "smear" – to use an Americanism – and suppression campaign, covering all the main agencies of propaganda, has been carried on to discredit monetary reform and prevent people from obtaining information about it, and only a few independent local newspapers have escaped its malign influence. Many years ago a man who had been connected with the Press told me that at one time the Press Association received orders not to even mention Douglas's name. It has always been extremely difficult to get letters explaining or defending Social Credit accepted by any of the big national newspapers, which, however, have not been backward in publishing articles of an extremely hostile character. Occasionally tactics are varied and a Social Credit letter is allowed to appear. This is replied to by an orthodox economist who points out the Social Crediters' "fallacies". When the unfortunate Social Crediter attempts to reply he finds the correspondence columns have been permanently closed against him, and the readers of the paper conclude (as they are intended to do) that the orthodox economist has wiped the floor with his opponent!

Much capital has been made by unscrupulous organs of the finance-controlled Press out of the alleged "failure" of Social Credit in Alberta. The truth is that the Central Government of Canada, under the influence of the bankers and helped by our Privy Council, forbade every measure which the Albertan Government introduced in order to put real Social Credit into operation. Notwithstanding the terrific opposition a Social Credit government has been returned with a large majority at three successive elections, and the very minor reform measures it has succeeded in putting into operation have made Alberta probably the most prosperous section of the Empire. A common line of attack on the Albertan Government was, incidentally, that for many years it paid no interest to overseas investors. This was due to the fact that it inherited a bankrupt Treasury from its predecessor and very properly decided that the interests of its overtaxed citizens should have precedence over those of moneylenders living outside the Province. When substantial prosperity had at length been restored all the claims of the investors were honourably met.

The question is sometimes asked, "Is it really true that there is a plot of wicked bankers to enslave the world? The bankers I know seem very well-meaning individuals." The ordinary bank manager is certainly honest and well-meaning and often strangely ignorant of the true significance of the system he helps to operate. I have met many bank managers who were unaware that a bank loan is a creation of new money and who really believe that they lent their customers' deposits. When I have used arguments to prove the error of this idea, some of them have replied, "I never looked at it like that before. I must get someone in the City to debate with you." ... "Someone in the City" – there, among the heads of the Central Banks and Trading Banks, one is apt to find the hidden source of the problem. A percentage, even of these, have no doubt persuaded themselves that they are rendering a true service to the community; but not all. Ruthless, selfish and unscrupulous in their lust for wealth and, still more, for power, the Big Men of Finance who control governments and dominate the world, now and again show their hand, and it may be in a threat of a non-renewal of an overdraft made to some business man who becomes too active in his advocacy of Social Credit.

The control of financiers over governments and politicians is exercised in many ways: by propaganda appealing to their prejudices and emotions; by advice, taking advantage of their ignorance; by bribes (often technically legal), taking advantage of their cupidity or ambition; by intimidation, threatening them with unpopularity as a result of a hostile Press campaign.

In this country financial control over the political world starts with the Bank of England, which, by a judicious system of wire-pulling (not necessarily in any way altered by nationalization), ensures that the most important officials of the Treasury are always in sympathy with the methods and policy of Orthodox Finance. The Party Whips are closely connected with the Treasury and they in turn control the Party members of Parliament, few of whom, for obvious reasons, care to offend those who have at their disposal the plums of office and preferment.

Clifford Hugh Douglas: The Social Crediter

Excerpt from an article by Robert Klinck

Some indication of Douglas's stature as an economist can be obtained from the tribute paid him by the brilliant English editor and economist, A.R. Orage. "His knowledge of economics was extraordinary," wrote Orage, "and from our very first conversation everything he said concerning finance in its relation to industry—and, indeed, to industrial civilization as a whole—gave me the impression of a master-mind perfectly informed upon its special subject; after years of the closest association with him, my first impression has only been intensified. In the score of interviews we had together with Bankers, Professors of Economics, Politicians and Businessmen, I never saw him so much as at a moment's loss of complete mastery of his subject. Among no matter what experts he made them look and talk like children."

Besides the fact of his unusual intellect, do we know anything of Douglas's character? Better to appreciate that, it is desirable to quote at some length from another writer, L.D. Byrne, who was not only a keen student of Douglas's thought, but also his personal friend:

"Notwithstanding a mental stature unusual in any society, Douglas's outstanding characteristic was a profound humility—a humility which was reflected in his writings and in his life. This is the one quality which set him apart from his contemporaries and ensured him a lasting place with the truly great men in the annals of human endeavour. Where others viewed the world in terms of mankind's struggles and achievements, and society as the creature of man's brain and behaviour, with the realism of the engineer and the penetrating spirituality of a mediaeval theologian, Douglas saw the Universe as an integrated unity centred in its Creator and subject to His Law".

What seems amazing is the extent to which Douglas's thought has been simply ignored. In spite of his having been one of the most talented writers and brilliant critics of the twentieth century, one can scarcely find a mention of him in decades of indices to the London *Times*. And today, while their shelves are filled with tomes on the obsolete and hate-filled doctrines of Karl Marx, booksellers refuse to display the works of Douglas, whose philosophy, respectful of the individual, held promise of achieving social harmony and whose policy was to make the vast productive potential of modern industrial nations serve rather than dominate man, to give him economic security accompanied by greater freedom to exercise his initiative and develop his personality. Douglas maintained that his proposals would produce these results—and no one ever succeeded in seriously refuting his claim.

To read this article in full, please see our website: *www.douglassocialcredit.com*

Social Credit, French Canadian Style

Bill Daly

Across the country, in the ten Canadian provinces, the municipal administrations are complaining, not of having too many local functions, but the lack of financial means to fulfil them appropriately...We have not yet heard that municipalities have found themselves incapable of constructing water systems, sewers or sidewalks because too many arms were employed in tilling the soil, in making cloths, or in building houses, or because the provincial government employs too many on its road construction, or the Federal on its airports or arms factories. No, nobody is complaining about these things. But, by a strange deformation of a system, though invented to serve, we are not able to pay for all that we are able to produce, because we have gotten into debt collectively. And, the deformation still existing, we cannot dream of doing new developments without constructing new debts....Louis Even, founder of Pilgrims of St Michael, 1958

The Pilgrims of St Michael are a lay Catholic Apostolate founded by the late Mr Louis Even, and the largest Social Credit organisation. A highly skilled administrator and teacher, Louis Even, at age fifty, was introduced to the works of C H Douglas' critical analysis of the debt money system and the Social Credit proposals for correcting its faults.

Since its foundations in the 1960s the Pilgrims of St Michael have completely dedicated themselves to spreading the Social Credit message. For Louis Even and his associates, Social Credit is regarded as the means of attaining what they believe to be the social teachings of the Catholic Church—decentralisation, widespread ownership of private property, economic independence for the family, the time and means for each individual to pursue the deeper spiritual meanings of life and the rightful access of every single individual to the abundant providence of a personal Creator-God.

The Pilgrims see Church worship and reception of the sacraments not as ends in themselves, but as the starting point and source of strength and endurance for the work begun by Christ and well described in the words of the Lord's Prayer; "let it be done on earth as it is in heaven". In true Social Credit fashion this is accepted as including practical implications for the here-and-now. There is no time for the dissected view of God and of man which insists that the physical and spiritual domains should almost be treated as separate disconnected entities.

There are too, many non-Catholic supporters of the movement, and the Pilgrims are dedicated to advancing an understanding of Social Credit everywhere in the world and are offering to assist wherever there is the necessary element of goodwill.

Two main themes emerged from the Conference I attended at the Pilgrims' headquarters at Rougemont, (Canada): the need for basic tuition on Social Credit philosophy and policy in our respective countries; and the future possibilities for limited, local experiments in the proper use of society's credit. There are three potential benefits in such schemes; immediate relief to impoverished people, they would be educational, and would be tiny examples of what an entire nation could achieve. Efforts for such development in no way detract from the larger campaign to have proper credit reform at national levels.

What was evident at Rougemont was the new possibility of such developments emerging within, but not exclusively, the third world. More than one bishop was present from Mexico and the Philippines and there were a number of priests and lay professional people, some associated with universities. The western intelligentia, including predominantly the hierarchy of all the churches, seem still too engrossed in the imagery and idolatries of orthodox financial wizardry to be able to consider more clear-headed solutions to the crippling debt-financial system.

But this may not be the case among many of the intellectuals and natural leaders of the third world who already know that the corrupted western idealogues of socialism and "free-market, debt-built, monopoly capitalism "are completely destructive of people and societies. Certainly those attending from Poland, Mexico, Ecuador, Benin and the Philippines only demonstrated great enthusiasm and hope for genuine credit reform in their diocese, parishes, towns and countries. These were men and women of high standing in their own countries, some in positions of considerable authority. Their humility was inspiring. Third world bishops don't control large property and financial portfolios like many of their western counterparts. They stare at abject poverty and hopelessness every day, and many of them live in societies where they do command great moral authority. Some dioceses in Mexico for example, can number several million people.

Mr Francis de Siebenthal, an experienced Swiss banker, reported that, having just heard about Social Credit, he had learnt as much as possible at Rougemont, and had then gone to Madagascar with a colleague. They started a small local credit scheme in one of the remotest and poorest districts. While initially very simple it is intended to introduce other aspects such as a national dividend and the compensated price. The Cardinal of Madagascar wants to see such schemes established in every one of his more than 100 parishes.

Bill Daly from South Canterbury, South Island, New Zealand came across Social Credit, aged 18, when working at a factory alongside a man who earlier had been the Social Credit Political League local candidate. The latter had left the party believing that party politics was not the best way to advance the cause. This view is shared by Bill Daly (and was also the view of C H Douglas himself). Bill has worked both full-time and part-time to advance the cause of social credit, notably publishing *On Target* for more than twenty years.
For more information on the Pilgrims of St Michael, visit www.michaeljournal.org

---

(continued from page 298) financial system, it became necessary for these men to shift their headquarters. In other words, other means had to be found to maintain over the world the control which hitherto had been maintained by manipulation of the financial system. And to break this control, the situation had to be attacked from another angle. It had been worth while to try to break the power of the international financier by rendering the system through which he was operating ineffective for his purpose, but when he began to institute other means of control it became necessary to expose him and his conspiracy. And this course took the matter down to its roots.

Money and the Price System

Excerpt from a speech delivered at Oslo on 14 February 1935, to H M The King of Norway, HE The British Minister, The President, and Members of the Oslo Handlesstands Forening (Merchants Club).

by C H Douglas

In the modern world it is possible to do without almost any single material thing. It is possible to do without pepper, possible to do without a considerable number of things, but it is practically impossible for any of us to go through twenty-four hours without either money or the "credit" which attaches to the belief that we shall have money available sooner or later. The monopoly of the control of the money system is the great over-riding monopoly of the world as it is worked at the present time. And, if you just realise—as you will realise in dealing with this problem—that it has not merely an economic or mathematical side, but also a side which penetrates into the very highest politics, I will at once leave that political side, to which, however, I wanted merely to refer. May I take you to the obvious mathematical or mechanical side? To put it very shortly, the core of the defect in this price and money system under which we operate at the present time is that it cannot, without the help of the banks, liquidate "costs" as they are produced; or, to put it another way, it is under an inevitable necessity of piling up debt at an increasing rate. The perfectly simple cure of that situation is to create money at the rate at which debt is created. And taking, let us say, the very simple statement of Mr. McKenna [chairman of the Midland Bank], that every loan creates a deposit, and the repayment of every loan destroys a deposit, it is quite obvious that, if you create money even at the astronomical rate at which debts are being created, you can apply the money so created to the liquidation of the debt, and both money and the debt will go out of existence at the same time. In that way the process will, as it has not for many hundreds of years past, become a self-liquidating process which can be carried on indefinitely.

Definition of Inflation

Now there are two ways by which purchasing power can be increased. In Norway, not very far from both Russia and Germany, I feel that the idea of what is called inflation is one which could very easily have great terrors for you. This word inflation is one which is always raised by bankers and those whose interests are with bankers, when any question of modification to the money system is raised. It is a kind of bogey-bogey, which unfortunately at once frightens everybody, and there has been good reason why they should be frightened. The first thing to realise is the true meaning of inflation. Inflation is not an increase of purchasing power, it is an increase in the number or amount of money tokens, whether paper or otherwise, accompanied by an increase in price, so that both the money-to-spend side is, in figures, raised and the price side is also, in figures, raised. That is true inflation. It is simply a multiplication of figures without altering the relation between money-to-spend and price, and, of course, is a tax on savings.

An increase of money-to-spend is not inflation unless it raises prices. On the other hand, with a given amount of money-to-spend, a given total of money tokens and a fall in prices there is an increase in purchasing power. You can get an increase of purchasing power by one of two methods. You can either keep prices constant and raise the quantity of money tokens, assuming that it is possible to do so, or you can keep the money tokens constant and lower prices; or, of course, you can do both of them at the same time.

Now, broadly speaking, what we are aiming at in the Social Credit Movement is, in the first place, simply to increase purchasing power so that the money system shall become self-liquidating, and, secondly, we are aiming to meet that condition, at which I just hinted at the beginning of my talk, that fewer, and fewer operators are required to tap the machines of industrial production.

Here in Norway, as elsewhere, you are familiar with the picture of the present crisis as a crisis of unemployment. Now that is a phrase [which] gives a delusive picture of what is going on. You have to recognise that some of the best brains (scientists and others) have for 150 years or more been endeavouring to put the world out of work—and they have succeeded. Production, industrial production, is in itself a misuse of terms: there is, to be exact, no such thing as production. The law of the conservation of energy and matter prohibits the use of the word production in any exact sense in that connection. What you do is change matter from a form in which it is not useful to human beings into a form in which it is useful and that transformation always requires power. Until 150 years ago we provided that power by eating as many meals as we could get and by employing the power of the muscles of our arms. When the first steam engine was made that process became obsolete. The power which is required for this transformation of matter from one form into another is now supplied from the sun more directly and in the form of water power, driving water-turbines, dynamos, motors of workshops, and so on.

Let me give you one instance in my own experience. In 1921 the American Buick car, with which you are quite familiar in Oslo, I think, took 1,100 man-hours to produce in the Buick works. In 1931, ten years later, a much better car with many greater refinements took 90 man-hours to produce. The fall in the man-hours of production in ten years was over 80 per cent, and while that may be an extreme instance, similar things are going on everywhere. A friend of mine, an airship builder, approaching this matter from a totally different angle, said that, if we continue in the same way in Great Britain as we are doing, by 1940 we should have 8,000,000 unemployed. There are said to be 12,000,000 employable people in Great Britain, yet all the goods required could be produced by about 3,000,000 people. That state of affairs, the result of effort which has everywhere been made by our best brains for fifty years, is always referred to as an unemployment problem, as if it were a catastrophe!

Whether it is a catastrophe or a magnificent achievement depends purely on how we regard it, because so long as people demand of us that we must solve the unemployment problem—while our best brains are, in effect, endeavouring to increase the unemployment problem—it is obvious we shall get nowhere. From our point of view, the point of view of those who share my views, we say this is a magnificent achievement. The so-called unemployment problem is really a problem of leisure, and the only thing, which differentiates, let us say, myself from one of the unemployed, is that I happen to be fortunate enough to have a certain amount of purchasing power, whereas the unfortunate unemployed has not.

The problem really is a problem, first of the distribution of purchasing power to those who are not required, and will decreasingly be required, in the industrial system, and secondly, of ensuring that the total purchasing power distributed shall always be enough to pay for the goods and services for sale. To meet these conditions we have put forward a number of tentative proposals, none of which, at any rate so far as I have myself any responsibility, is claimed to be final, rigid or unchangeable. They are merely suggestions based upon an analysis of the point of view which I have put to you tonight.

The Issue of a National Dividend

We believe that the most pressing needs of the moment could be met by means of what we call a National Dividend. This would be provided by the creation of new money—by exactly the same methods as are now used by the banking system to create new money—and its distribution as purchasing power to the whole population. Let me emphasise the fact that this is not collection-by-taxation, because in my opinion the reduction of taxation, the very rapid and drastic reduction of taxation, is vitally important. The distribution by way of dividends of a certain amount of purchasing power, sufficient at any rate to attain a certain standard of self-respect, of health and of decency, is the first desideratum of the situation.

It is, of course, not suggested that at first, and possibly for some time to come, such a dividend should be so great that, if work was available, the worker could refuse to work; but the issue of a National Dividend would be a recognition of the fact that, if work is not available, he has the right to an income sufficient for self respect and subsistence—by right and not as a "dole." That is the first aspect of the matter. It is of course, suggested, and it may be true, that if you did that to any considerable extent without taking further steps, there would be a rise in prices, at any rate in those things which come within the buying range of the people who would receive this dividend as their sole means of subsistence; but we propose that a further issue of credit be made for the purpose of lowering prices. Now it is very often said that that cannot be done; that although you can do anything with machines, electricity and all the marvellous inventions of the modern world, a ticket system defeats you!

Subsidies to Reduce Prices

But, leaving that aspect of the matter at the moment, I should myself retort, not only that man can do it, but that it has been done and is being done at the present time. So far as Great Britain is concerned, between 1920 and the present time, or to within a year or two ago, practically every business in Great Britain was losing money heavily. Very large credit balances held by business concerns at the end of the war were changed, by let us say 1930, to very heavy debit balances, represented by large overdrafts with the banks, together with the mortgaging of assets in various ways. Now that meant that their produce had been sold to the public below cost. And the differences between cost and the true production price had been met by a creation of credit, first of all from the credit reserves of the companies until they were exhausted, and then by the creation of overdrafts upon the banks. I am not suggesting for a moment that that process can go on forever. What I am stating is that it did go on during that period, not only without raising prices but continuously lowering prices; the price level dropped continuously, and at the end precipitately, between 1920 and 1930. At the same time subsidies—which were not distributed through the agency of wages and salaries—in aid of price were being pushed into the production system. This has been done and is being done at the present time.

In a much more open and unashamed manner we are claiming in Great Britain that practically every shipping company in the world is subsidised, so that prices for passenger and freight services can be made so low that we cannot compete, and that the only way in which we can compete is to apply a subsidy in aid of the reduction of prices.

Now that is what we of the Social Credit Movement propose to do if there is any question of its being difficult to keep prices down. We propose to apply a certain proportion of the total created money to a reduction of prices. The public will thus pay a part of the price out of their own pockets in the ordinary way, and a part of the price will be paid by various means through the creation of national credit. The effect will be a drop in the price level, while at the same time the producer and the business man will not be losing money. They will enjoy the dividends and the increase in trade which comes from the ability to charge lower prices. They will not lose money as they would if they had to lower prices without the aid of the creation of national credit. In that way we believe that it will be possible at one and the same time to increase purchasing power and to lower prices while preventing anything in the nature of what is called inflation. That covers in principle nearly all that we have to propose. Any arithmetical, mechanical or mathematical form is only a question of getting a number of competent men around a table to hammer out the details.

The great difficulty, of course, is that it is extraordinarily hard to bring sufficient pressure to bear upon this world-wide monopoly of credit. That is the practical difficulty. If that can be done I believe that nobody will lose. I am not myself, for instance, an advocate of the nationalisation of the banks. I believe this again to be one of those misapprehensions so common in regard to these matters, for nationalisation of the banks is merely an administrative change: it does not mean a change in policy, and mere administrative change cannot be expected to produce any result whatever in regard to this matter. A change in monetary policy can be made without interfering with the administration or ownership of a single bank in the world; and if it could be got into the heads of the comparatively few people who control these enormous monetary institutions that they would lose nothing but power—and that they will lose that power anyway—the thing would be achieved.

I am not going to inflict upon you what is perhaps an even greater aspect of the matter, because through the kindness of one of your organisations in Norway I am going to speak about that tomorrow; but in an examination of that one phrase "the monopoly of credit," you will find at any rate the beginnings of the solution, not only of the social problem, but of the greatest of all problems — which, if not solved, will destroy society — and that, of course, is war.

Professor Banger demonstrates the economic impossibility of liberating the birds

Extracts from ***Asses in Clover***

King Goshawk sat on a golden throne at the head of the table, as became the Lord and Master of all; and in a humble position behind the throne, close to the mouthpiece of the Great King's ear-trumpet, sat his secretary, Mr Slawmy Cander, whose black coat and grey trousers rendered him almost invisible among the flamboyant costumes of the kings and princes. Nevertheless he was the greatest personage in the room. Goshawk ruled the world; but Mr Slawmy Cander ruled Goshawk. Goshawk was King; but Mr Slawmy Cander was almost a god. He was director of all the banks in the world; he made credit out of nothing; and he issued that which all men worship. Nobody, however, knew that he was anything but Goshawk's secretary: for Goshawk cared nothing for the reality of power so long as he had the trappings, and Mr Slawmy Cander despised the trappings while he had the reality: therefore they kept the secret between them.

(from Book 1, Chapter 1)

From Book III Chapter V

… there were many people who thought it would be a pleasant thing to have a moderate number of birds about the world.

These opinions coming to the ears of Mr Slawmy Cander, he took alarm lest the scheme he was maturing should be imperilled, and announced that a series of lectures explaining the situation would be delivered by the leading economists forthwith……It is true that they did not entirely agree with one another, in so much that if what one said was correct, the others must of necessity be fools or liars: but in this subject of Economics, orthodoxy does not consist in a slavish uniformity either of first principles or of consequents, but in the recognition of the supremacy of Finance over humanity: only those who deny this are counted heretics.

The first lecture was delivered by Professor Banger, who spoke as follows:

'Ladies and gentlemen, the suggestion that the birds accumulated by the late King Goshawk should be redistributed would appear at first sight to be a most attractive one. Such Utopian ideals have, indeed, been advocated from time to time by some of the finest minds of our race, and have even exercised a certain fascination over large sections of mankind. We must not, however, confuse the desirable with the possible; and it will be my duty tonight — not altogether a pleasant duty, ladies and gentlemen — to demonstrate that this project does not come within the latter category. To put the unpleasant truth as plainly as possible, this project is simply another example of the human tendency — natural but unreasonable — to demand something for nothing. It is yet another case of trying to get a quart out of a pint bottle.

'The plain fact of the matter is that the number of birds is not infinite, but strictly limited. I have demonstrated on another occasion that if all the money in the world was equally divided, there would only be about four and sixpence a week for each person. It is obvious, therefore, that we cannot afford the expenditure necessary to liberate the birds, or to maintain them afterwards. It is true that many of them feed on things that are unfit for human consumption—such as worms, grubs, snails and caterpillars—though even these are not to be discounted as potential sources of nourishment in times like the present. But in addition they would, if set at liberty, consume thousands of pounds' worth of wheat and other such grains which, under modern conditions, form such a useful source of fuel supply for locomotives and destructors.

'Another important point to which I wish to direct your attention is this. So long as our working classes believe that we can tax business profits indefinitely in order to provide subsidies and doles and other alleviations of that kind, so long must our present downward course continue. And the reason is obvious. Why are people unemployed, and how do they become employed? Simply because someone with money saved from personal consumption employs them to produce something which he can sell at a profit. If there were no incentives to such people to save and invest their money, there would be no employment for anybody. We should simply stand about with our hands in our pockets and starve. That was what actually happened in primitive times. There were no capitalists to employ the people, so they just sat down and died.

'Suppose a party of people were wrecked on a desert island, what do you thing would be the first thing they'd do? Obviously they would look around for a man with money to employ them in gathering fruit. If there were no capitalist among them, or if he didn't see his way to make a profit out of business, they would all remain unemployed and starve to death, no matter how fertile the island might be. If therefore we want to have plenty of employment, we must give every possible incentive to entrepreneurs—encouraging them to get as much of our money from us as they can, so that they can spend it on employing us to make more for them. The accumulation of the birds in the Goshawk aviaries illustrates this principle perfectly. Upwards of ten thousand people are employed in that magnificent industry, who would otherwise be condemned to perpetual destitution.

'You must realise, therefore, ladies and gentlemen, that, quite apart from ethical considerations, any attempt to increase the amenities of life for the majority by raiding the profits of the minority, must be quite ineffective. The remedy of our present troubles lies not in redistributing the cake that we have, but in increasing the size of the cake. We must work harder, consume less, and produce more. In that task the constant singing of innumerable birds would be a distraction and a hindrance. Let us therefore go on pinching and squeezing and cheeseparing for as long as is necessary to tide us over the present unfortunate depression and get back to normal trading conditions. Then, and not till then, we can have all the birds we want.'

Excerpt from

The Commentary on *Asses in Clover*

Book III, Chapters V-XVII

by Frances Hutchinson

Alarmed at the demi-god Cuanduine's quest to liberate the song birds and wild flowers (the natural world) from the grip of finance, orthodox economists are called in to explain that, according to sound economics, it is unreasonable to demand something for nothing. People must work for money in order to buy the things they want. If they liberate the birds, there will be no employment in the aviaries. Without wages, people will have no money to buy the necessities of life, and the economy will collapse.

Professor Banger is an economist, as are the others described so aptly in the paragraph over pages 244-5. This raises the question, what is an economist? O'Duffy defines an economist as one who recognises "the supremacy of Finance over humanity". At the time O'Duffy was writing ordinary people were questioning the hegemony of economic orthodoxy, and trying to evaluate the teachings of C H Douglas in the context of orthodoxy.

In the same year as the publication of *Asses in Clover*, the socialist economist G D H Cole launched an attack on Douglas in the form of an edited book entitled *What Everybody Wants to Know About Money* (Victor Gollancz 1933).(i) Designed for a popular audience, Cole's book sought to re-establish confidence in the business-as-usual political economy under threat from Douglas social credit, very much in the same way as Slawmy Cander enlists the economists in the chapters under discussion when the corporate business-as-usual status quo comes under threat from Cuanduine. In a chapter entitled "Four Monetary Heretics", Hugh Gaitskell lumps together Douglas with three other lesser writers whose focus can more justly be described as being limited to monetary reform alone. However, the text makes clear that it is Douglas that is the focus of attention, as Gaitskell spells out the extent of Douglas' achievement. After fifteen years, Douglas has in his support two weekly papers, *The New Age* and *The New English Weekly*, a substantial body of clerical opinion, and organised branches throughout the country. Gaitskell starts his chapter with the statement: "This is not a heresy hunt." He continues by explaining that economics is "an inexact, non-experimental science" which allows "many disagreements and requires greater discussion."

"Indeed it may well be claimed that the word heretic is not legitimate here at all. For without orthodoxy there can be no heresy; but where in economics are the orthodox to be found? There is force in this argument. Yet it is not so strong that we must abandon the title of the chapter. Economists disagree about some things. But they agree about many others. A heretic, as we interpret the word, is one who holds different views even about these latter. Two further qualities have been required [to identify an economic heretic] – public recognition and an amateur status. All those whose names follow are

comparatively well-known. ***None of them has ever held an academic appointment in economics.*** *"* (GDH Cole (ed.) *What Everybody Wants to Know About Money*, p346, emphasis added)

What is happening here is exactly the same as the fictional scenario in the chapters under discussion. Feeling threatened by the demands for the exercise of logical thought, the mainstream launches an attack by claiming the high ground of established authority. The fiercer the attacks, the greater is the perceived threat to the *status quo*.

Economists perpetuate their nonsensical theories because they are paid to do so by the academic establishment. Economists who attempt to follow the lines of thought presented by 'heretics' will not be taken onto the payroll of a university. Hence, in order to become an accredited orthodox economist it is necessary to put aside doubts and *assume* that the teachers are correct. By the time economists are in a position to ask questions, they are teachers themselves, and already committed to orthodox theorising. Throw in an algebraic formula and a few statistics, and the 'person-in-the-street' (which includes academics in different disciplines in the social sciences) is unutterably lost. It is very difficult to believe that the economic theorising upon which politicians rely for their policy decisions actually has no more relationship to practice than had medieval theological exploration of the numbers of angels able to stand on the point of a pin.

Orthodox economic theory assumes that wealth is necessary before 'work' can be created, i.e. that wealth is the cause of work. This circuitous line of reasoning does not bear close examination. If work is the cause of wealth, and money is wealth, the only way to make money is by working for it. Wealth will not spring into existence while labour and machines stand idle. Neither will one type of wealth, in the form of a house, become available because we 'save' another type of wealth, i.e. by not consuming food and clothes.

If, moreover, money is not wealth but merely a token of exchange, orthodox theory becomes totally incredible. It is possible to have the machines, the materials, the skills, the labour and the need for the products, but these forms of real resources cannot be converted into wealth because of the want of exchange tokens. Hence, as Professor Banger explains, a party of people stranded on a fertile island would refuse to collect food, till the soil or build shelters because they had no money.

It follows, argue the economists, that capitalists are supplying a public service by providing employment so that food, clothing, shelter and other necessities can be provided for all. In order to keep the economy sound, it may be necessary for people to work longer hours for lower pay so that in the long run all will be better off. Redistributing the wealth to the people, by liberating the birds (natural resources), would be disastrous. It is all very sad, the economists explain, wiping away their tears, but the economic facts of life have to be faced.

Capitalists are a necessary fact of life, say the economists. While most people consume all that they earn, capitalists set aside their personal inclination to exist from hand to mouth. They save their personal surplus so that they can invest it in creating places of employment. Capitalists pay out wages to workers, who can then buy the goods they need. Taxing businesses merely means that they can pay out less in wages. If employers are forced out of business, fewer people are employed, which means less money is around to buy the goods offered on the market, resulting in economic depression.

The statements made by O'Duffy's economists are taken from actual statements by leading public figures of the day, including Keynes (who is quoted at length in O'Duffy's *Life and Money*) and W H Beveridge, author of report leading to introduction of the tax-based social security system. The same convoluted reasoning holds sway today because people want to have faith in the well-paid academics and experts who are, they consider, the right people to do their thinking for them, to save them the trouble.

Faith in the experts has all the trappings of a religion. A few years after *Asses in Clover* was first published, the economic depression of the 1930s came to a close, not for the reasons declaimed by economists, but because finance became available for rearmament leading up to World War II. As W L Bardsley explains:

So far from rearmament being a burden on this and future generations, it is the very activity which has released purchasing power where it is needed – in the pockets of the people. It is a silly, unnecessary way of releasing purchasing power, but that is what rearmament has done. The employees of the booming armaments industry are enabled to call upon the vast resources of modern production for their requirements of food, warmth and shelter, aye, and amusements, and beer and cigarettes – on one condition. That condition is that they work at making guns, battleships, bombing planes and poison gas. A National Dividend would enable them and others to call upon the same vast resources for all they need without having to make guns first. But if we need armaments it is clear that we can make them and enjoy a higher standard of living, not a lower one. There is plenty for all, and time and resources to make armaments into the bargain if need be. (*Social Credit*, February 5, 1937)

It was not necessary to give up producing butter in order to produce guns, as the economics textbooks say. On the contrary, the production of guns, along with the general rearmament preparatory to the wholesale destruction of lives and property during World War II, enabled workers to buy all the necessities and luxuries they required. The puzzle as to why this should be so exercised the minds of thinking people right up to the point where the madness of war, followed by the general prosperity of the post war reconstruction years, brought a halt to idealistic visions of the good society. As a result of the rampant materialism of Rational Economic Man in the second half of the 20th century, economic thought has remained at the level of confusion described by O'Duffy.

For a re-ordering of the economy to come about, it will first be necessary for ordinary people in all walks of life to focus their minds on the key economic assumption of the link between employment and income. What exactly does it mean to be 'economically active'? Is it really logical that in the post-industrial era it is essential to "work harder, consume less and produce more", as Professor Banger says on page 247? In *The Overworked American: The Unexpected Decline of Leisure*, 1991 Juliet Schor observed that the notion put about by orthodox economists that people were free to work more or less hours according to fluctuations in the price of labour was blatantly false. The effective choice for workers of all types is between taking increasingly longer hours or leaving the 'labour market' completely to face unemployment and total income loss. The solution may be to disengage by wasting as much time as possible during the long working hours, as described in David Bolchover in *The Living Dead: Switched Off, Zoned Out, The Shocking Truth About Office Life* (2005). Or it may be to seek European Union legislation, as advocated by Jean Lambert in *I Must Work Harder, Britain and the Working Time Directive* (2006). Either way, the solution adopted serves to endorse the notion that employment is the sole route to an income.

Unfortunately, people continue to take seriously any economist who declaims that the best way out of a mess is to follow exactly the same methods as led to the problem in the first place. However foolish the advice and explanations given by economists, one or more of the army of 'orthodox' academics can always be found to speak in defence of the status quo.

(i) I took this as the title of my third book, adding the word 'Really'.

Obituaries

Diane Boucher 1953 - 2008

Diane Boucher died on 4 May 2008 at the age of fifty-five.

She learned Social Credit through her husband, François Couture, and decided to take courses in economic science at the University of Laval (Quebec) in order to prove the truthfulness of Social Credit. She studied the theory in depth…and she compared orthodox economics and the new economy proposed by the Scottish engineer Clifford Hugh Douglas; she read all his books. Intellectually gifted as she was, the deeper she went into the subject, the more she was enthralled. A professor recognised the value of her research and became her supervisor, and she obtained a Masters degree in economics.

She was illuminated by Social Credit: *I do not say that I believe that Social Credit is good, but I say that I* ***know*** *that Social Credit is good.* She went to the bottom of the question.

She realised that her convictions did not bring her honours, applause, or a higher level of living; because she understood the power against which she was fighting. She stood up to the consequences rather than renounce the truth.

I know that the economists would never admit that they had studied an error; it had to be an engineer that discovered the grave errors in the present financial system.

C H Douglas affirmed that this fault in the system of prices causes an accelerated reduction of the purchasing power and that it is impossible to correct this problem in the financial system where the money is a good that is fabricated and commerce is in view of the profits. According to him the correction demands a financial system where the purchasing power and the currency is adjustable for the direct manipulation at the level of prices and the general distribution based on the capacity of national production.

So my wish would be to form the economists of the future following the thoughts of Douglas.

Since 2003 Mrs Boucher applied herself to conceive a model of the application of Social Credit, a task still unfinished but which will be continued....

We extend our most sincere sympathy to her family and to all her friends, especially those at the Louis Even Institute for Social Justice.

David Edward Parry 1934 – 2008

We did not know David Parry personally, but we exchanged publications with him. Each month we received *Alternative*, a modest sheet of folded white A4 paper. This contained much fascinating material that was both scholarly and, more importantly, the product of a man of integrity, of prayer, and of truly informed conscience.

Holding a degree in chemistry, he was a qualified librarian and linguist, working as a scientific translator from French, German, Italian, Russian and Spanish. He enjoyed Latin and Greek and studied Old Testament Hebrew. Observation of the natural world gave him great joy.

At one time he was involved in local politics; but, like many Social Crediters, realised that the pursuit of a political career with any modern party would compromise his conscience. As a passionate defender of the unborn, he campaigned tirelessly for them from 1967 until his death.

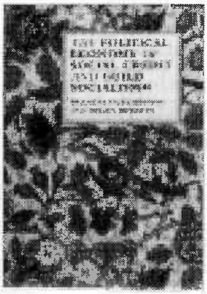
His monthly sheet of A4, which contained so much wisdom and compassion, was a joy to read. He will be sadly missed. We extend our sincere sympathy to his family and friends.

Readers! Please note that the email contact details have changed. Our new address is:

secretary@socialcredit.co.uk

Recommended Reading

Frances Hutchinson & Brian Burkitt

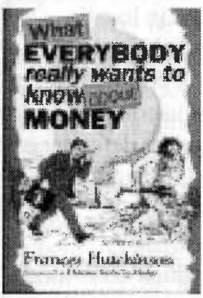


The Political Economy of Social Credit and Guild Socialism
(Jon Carpenter £12.99)

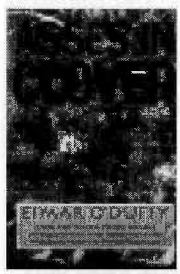
Frances Hutchinson, Mary Mellor & Wendy Olsen

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 £11.00)

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

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:
PO Box 322, Silsden, Keighley, West Yorkshire
BD20 0YE (UK)
Telephone: (01535) 654230
Annual subscriptions to *The Social Crediter*:
£8.00 (UK) £12.00 (airmail)

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).